PARKER SCHOOL DISTRICT NO. 60-4
OF TURNER COUNTY

AUDIT REPORT

FISCAL YEAR JULY 1, 2024 TO JUNE 30, 2025

Schoenfish & Co., Inc.
CERTIFIED PUBLIC ACCOUNTANTS
P.O. Box 247
105 EAST MAIN, PARKSTON, SOUTH DAKOTA 57366

PARKER SCHOOL DISTRICT NO. 60-4
SCHOOL DISTRICT OFFICIALS
JUNE 30, 2025

BOARD MEMBERS:

Ransom Jones – President
Matt Rand – Vice-President
James Even
Shawna Fosheim
Ryan Wieman

SUPERINTENDENT:

Janelle Johnson

BUSINESS MANAGER:

Braden Bruening

PARKER SCHOOL DISTRICT NO. 60-4

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Schoenfish & Co., Inc.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

School Board
Parker School District No. 60-4
Turner County, South Dakota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Parker School District No. 60-4, South Dakota (School District), as of June 30, 2025 and for the year then ended, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated August 13, 2026, which was qualified because the school did not record the unfunded liability for the other post-employment benefits in the governmental activities.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Current Audit Findings item 2025-001 and 2025-002 to be material weaknesses.

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

School District's Response to Findings

Governmental Auditing Standards requires the auditor to perform limited procedures on the School District's response to the findings identified in our audit. The School District's response to the findings identified in our audit is described in the accompanying Schedule of Current Audit Findings. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. As required by South Dakota Codified Law 4-11-11, this report is a matter of public record and its distribution is not limited.

Schoenfish & Co., Inc.
Certified Public Accountants
August 13, 2026

SCHEDULE OF PRIOR AUDIT FINDINGS

PRIOR AUDIT FINDINGS:

Internal Control – Related Findings – Material Weaknesses:

Finding Number 2024-001:
A material weakness in internal controls was reported due to a lack of proper segregation of duties. This comment has not been corrected and is restated as current audit finding number 2025-001.

SCHEDULE OF CURRENT AUDIT FINDINGS

CURRENT AUDIT FINDINGS:

Internal Control – Related Findings – Material Weaknesses:

Finding Number 2025-001:

Condition:
A material weakness in internal controls was noted due to a lack of proper segregation of duties for revenues. This is a continuing audit comment since fiscal year 2001.

Criteria:
Proper segregation of duties results in increased reliability of reported financial data and decreased potential for the loss of public assets through the separation of key accounting and physical control functions.

The AICPA states that, "Segregation of Duties (SOD) is a basic building block of sustainable risk management and internal controls for a business. The principle of SOD is based on shared responsibilities of a key process that disperses the critical functions of that process to more than one person or department. Without this separation in key processes, fraud and error risks are far less manageable."

Cause of Condition:
A limited number of employees process all revenue transactions from beginning to end. They also receive money, issue receipts, record receipts, post receipts in the accounting records, prepare bank deposits, reconcile bank statements, and prepare financial statements. A lack of proper segregation of duties existed for the revenues resulting in decreased reliability of reported financial data and increased potential for the loss of public assets.

Potential Effect of Condition:
As a result, there is an increased likelihood that errors could occur and not be detected in a timely manner by employees in the ordinary course of performing their duties.

Recommendation:
1. We recommend that the Parker School District officials be cognizant of this lack of segregation of duties for revenues and attempt to provide compensating internal controls whenever, and wherever, possible and practical. In addition, we recommend that all necessary accounting records be established and properly maintained to provide some compensation for lack of proper segregation of duties.

Client's Response:
The Parker School District Board President, Matt Rand, is the contact person responsible for the corrective action plan for this comment. This comment is due to the size of the Parker School District which precludes staffing at a level sufficient to provide an ideal environment for internal controls. We are aware of this problem and are developing policies and attempting to provide compensating controls.

Finding Number 2025-002:

Condition:
Errors and omissions were noted in the annual financial statements prepared by school officials due to inadequate accounting records controls. This is the first audit in which a similar finding has been reported.

SCHEDULE OF CURRENT AUDIT FINDINGS
(Continued)

Criteria:
Accurate and complete financial information must be presented in accordance with the generally accepted accounting principles established by the *Governmental Accounting Standards Board* to be useful to the users of these financial statements.

Cause of Condition:
Some of the more significant errors and omissions noted in the annual financial statements and corrected in the audit report are as follows:

a. Bank accounts were not reconciled to the software and differences were not resolved in a timely manner.
b. One property tax receipt was entered twice resulting in an overstatement of cash of $54,964.42.
c. Cash was incorrectly posted to fund balance three times resulting in an overstatement of cash of $26,561.59.
d. Financial records were not adjusted at year end to reflect the purchases, deletions and depreciation on the depreciation schedules.
e. Accounts payable were not adjusted to include year-end construction invoices.
f. Benefits payable were not adjusted to actual at year-end.
g. Indebtedness was not adjusted on the financial records to reflect year-end balances.

Potential Effect of Condition:
As a result, there is an increased likelihood that errors could occur and not be detected in a timely manner by employees in the ordinary course of performing their duties, and improper records were maintained for the Parker School District No. 60-4.

Recommendation:
1. We recommend adequate accounting records controls be implemented and followed to ensure future annual financial statements be completely, accurately, and consistently prepared in accordance with generally accepted accounting principles.

Client's Response:
The Parker School District Board President, Matt Rand, is the contact person responsible for the corrective action plan for this comment. The School will be more careful to properly follow generally accepted accounting principles and resolve any discrepancies in accounting controls in accordance with the School's adopted internal control policy.

CLOSING CONFERENCE

The audit was discussed with the officials during the course of the audit and at the conclusion of the audit.

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INDEPENDENT AUDITOR'S REPORT

School Board
Parker School District No. 60-4
Turner County, South Dakota

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Parker School District No. 60-4, South Dakota (School District), as of June 30, 2025, and for the year then ended, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Qualified Opinion on Governmental Activities

In our opinion, except for the effects of the matter discussed in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of Parker School District No. 60-4 as of June 30, 2025, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Business-Type Activities, Each Major Fund, and the Aggregate Remaining Fund Information

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of Parker School District No. 60-4 as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Qualified Opinion

The School District did not record the unfunded liability for other post-employment benefits in the governmental activities. The annual required contribution of the employer was actuarially determined in accordance with GASB Statement 75 and the liability at June 30, 2025 is potentially a material amount.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules, the Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset), and the Schedule of the School District Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who

considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

The School District has omitted the Management's Discussion and Analysis (MD&A) that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 13, 2026 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, and contracts, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering School District's internal control over financial reporting and compliance.

Schoenfish & Co., Inc.

Schoenfish & Co., Inc.
Certified Public Accountants
August 13, 2026

PARKER SCHOOL DISTRICT NO. 60-4
STATEMENT OF NET POSITION
As of June 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	3,604,852.61	146,677.71	3,751,530.32
Taxes Receivable	1,541,910.38		1,541,910.38
Other Assets	174,946.77	11,692.90	186,639.67
Inventories		9,364.33	9,364.33
Net Pension Asset	4,158.81		4,158.81
Capital Assets:			
Land and Construction Work In Progress	6,250,810.17		6,250,810.17
Other Capital Assets, Net of Depreciation	10,793,498.39	25,667.31	10,819,165.70
TOTAL ASSETS	22,370,177.13	193,402.25	22,563,579.38
DEFERRED OUTFLOWS OF RESOURCES:			
Pension Related Deferred Outflows	810,211.48		810,211.48
TOTAL DEFERRED OUTFLOWS OF RESOURCES	810,211.48	0.00	810,211.48
LIABILITIES :			
Accounts Payable	271,274.48	395.00	271,669.48
Other Current Liabilities	461,940.60	40,582.22	502,522.82
Unearned Revenue		21,042.72	21,042.72
Noncurrent Liabilities:			
Due Within One Year	376,202.21		376,202.21
Due in More than One Year	8,590,418.83		8,590,418.83
TOTAL LIABILITIES	9,699,836.12	62,019.94	9,761,856.06
DEFERRED INFLOWS OF RESOURCES:			
Property Taxes Levied for a Future Period	1,516,930.90		1,516,930.90
Pension Related Deferred Inflows	522,652.76		522,652.76
TOTAL DEFERRED INFLOWS OF RESOURCES	2,039,583.66	0.00	2,039,583.66
NET POSITION:			
Net Investment in Capital Assets	7,897,526.29	25,667.31	7,923,193.60
Restricted for:			
Capital Outlay Purposes	1,147,645.00		1,147,645.00
Special Education Purposes	416,556.46		416,556.46
Capital Projects Purposes	692,061.89		692,061.89
Debt Service Purposes	202,447.98		202,447.98
SDRS Pension Purposes	291,717.53		291,717.53
Unrestricted (Deficit)	793,013.68	105,715.00	898,728.68
TOTAL NET POSITION	11,440,968.83	131,382.31	11,572,351.14

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

PARKER SCHOOL DISTRICT NO. 60-4
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Total
Primary Government:							
Governmental Activities:							
Instruction	2,865,327.95		84,477.50		(2,780,850.45)		(2,780,850.45)
Support Services	1,838,238.12	11,748.33	500.00	225,000.00	(1,600,989.79)		(1,600,989.79)
Nonprogrammed Charges	18,534.48				(18,534.48)		(18,534.48)
*Interest on Long-Term Liabilities	140,789.93				(140,789.93)		(140,789.93)
Cocurricular Activities	332,430.89	37,213.95	1,809.00	5,000.00	(288,407.94)		(288,407.94)
Total Governmental Activities	5,195,321.37	48,962.28	86,786.50	230,000.00	(4,829,572.59)		(4,829,572.59)
Business-type Activities:							
Food Service	307,373.68	195,971.64	145,084.07			33,682.03	33,682.03
Parker Learning Center	76,913.43	55,554.33				(21,359.10)	(21,359.10)
Driver's Education	9,989.73	10,630.50				640.77	640.77
Little Pheasants Daycare	107,363.64	82,049.71				(25,313.93)	(25,313.93)
Total Business-type Activities	501,640.48	344,206.18	145,084.07	0.00		(12,350.23)	(12,350.23)
Total Primary Government	5,696,961.85	393,168.46	231,870.57	230,000.00	(4,829,572.59)	(12,350.23)	(4,841,922.82)
General Revenues:							
Taxes:							
Property Taxes					3,278,904.85		3,278,904.85
Utility Taxes					93,484.31		93,484.31
Revenue from State Sources:							
State Aid					2,430,615.12		2,430,615.12
Other					200.00		200.00
Revenue from Federal Sources					38,925.00		38,925.00
Grants and Contributions not Restricted to Specific Programs					2,752.31		2,752.31
Unrestricted Investment Earnings					239,091.09		239,091.09
Other General Revenues					126,713.02		126,713.02
Transfers					(14,466.84)	14,466.84	0.00
Total General Revenues					6,196,218.86	14,466.84	6,210,685.70
Change in Net Position					1,366,646.27	2,116.61	1,368,762.88
Net Position - Beginning					10,074,322.56	129,265.70	10,203,588.26
NET POSITION - ENDING					11,440,968.83	131,382.31	11,572,351.14

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

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

PARKER SCHOOL DISTRICT NO. 60-4
BALANCE SHEET
GOVERNMENTAL FUNDS
As of June 30, 2025

	General Fund	Capital Outlay Fund	Special Education Fund	Debt Service Fund	Building Project Fund	Total Governmental Funds
ASSETS:						
Cash and Cash Equivalents	1,095,437.83	1,138,800.06	477,561.04	200,991.79	692,061.89	3,604,852.61
Taxes Receivable--Current	524,362.89	530,634.72	324,967.29	136,966.00		1,516,930.90
Taxes Receivable--Delinquent	9,171.75	8,844.94	5,506.60	1,456.19		24,979.48
Accounts Receivable, Net	6,959.92					6,959.92
Due from Other Government	167,986.85					167,986.85
TOTAL ASSETS	1,803,919.24	1,678,279.72	808,034.93	339,413.98	692,061.89	5,321,709.76
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:						
Liabilities:						
Accounts Payable	12,313.40				258,961.08	271,274.48
Contracts Payable	330,453.10		51,868.05			382,321.15
Payroll Deductions and Withholdings and Employer Matching Payable	64,976.32		14,643.13			79,619.45
Total Liabilities	407,742.82	0.00	66,511.18	0.00	258,961.08	733,215.08
Deferred Inflows of Resources:						
Unavailable Revenue - Property Taxes	9,171.75	8,844.94	5,506.60	1,456.19		24,979.48
Taxes Levied for a Future Period	524,362.89	530,634.72	324,967.29	136,966.00		1,516,930.90
Total Deferred Inflows of Resources	533,534.64	539,479.66	330,473.89	138,422.19	0.00	1,541,910.38
Fund Balances:						
Restricted:						
Capital Outlay		1,138,800.06				1,138,800.06
Special Education			411,049.86			411,049.86
Debt Service				200,991.79		200,991.79
Capital Projects					433,100.81	433,100.81
Assigned for Unemployment	8,678.86					8,678.86
Assigned for Next Year's Budget	417,115.00					417,115.00
Unassigned	436,847.92					436,847.92
Total Fund Balances	862,641.78	1,138,800.06	411,049.86	200,991.79	433,100.81	3,046,584.30
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	1,803,919.24	1,678,279.72	808,034.93	339,413.98	692,061.89	5,321,709.76

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

PARKER SCHOOL DISTRICT NO. 60-4
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2025

Total Fund Balances - Governmental Funds	3,046,584.30
Amounts reported for governmental activities in the statement of net position are different because:	
Net Pension asset reported in governmental activities is not an available financial resource and therefore is not reported in the funds.	4,158.81
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	17,044,308.56
Pension related deferred outflows are components of pension liability (asset) and therefore are not reported in the funds.	810,211.48
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(8,966,621.04)
Assets, such as taxes receivable that are not available to pay for current period expenditures, are deferred in the funds.	24,979.48
Pension related deferred inflows are components of pension liability (asset) and therefore are not reported in the funds.	(522,652.76)
Net Position - Governmental Activities	11,440,968.83

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

PARKER SCHOOL DISTRICT NO. 60-4
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

	General Fund	Capital Outlay Fund	Special Education Fund	Debt Service Fund	Building Project Fund	Total Governmental Funds
Revenues:						
Revenue from Local Sources:						
Taxes:						
Ad Valorem Taxes	1,140,214.85	1,128,182.84	699,985.51	286,929.37		3,255,312.57
Prior Years' Ad Valorem Taxes	6,784.46	2,895.88	1,802.71	340.35		11,823.40
Utility Taxes	93,484.31					93,484.31
Penalties and Interest on Taxes	2,450.34	1,465.19	944.87	247.07		5,107.47
Earnings on Investments and Deposits	184,777.96				54,313.13	239,091.09
Cocurricular Activities:						
Admissions	37,213.95					37,213.95
Other Revenue from Local Sources:						
Contributions and Donations	3,752.31	5,809.00				9,561.31
Charges for Services	5,137.75		6,610.58			11,748.33
Other	14,591.14					14,591.14
Revenue from Intermediate Sources:						
County Sources:						
County Apportionment	14,554.93					14,554.93
Revenue in Lieu of Taxes	988.04					988.04
Revenue from State Sources:						
Grants-in-Aid:						
Unrestricted Grants-in-Aid	2,430,615.12					2,430,615.12
Restricted Grants-in-Aid	500.00					500.00
Other State Revenue			200.00			200.00
Revenue from Federal Sources:						
Grants-in-Aid:						
Restricted Grants-in-Aid Received Directly from Federal Government	38,925.00					38,925.00
Restricted Grants-in-Aid Received from Federal Government Through the State	84,477.50				225,000.00	309,477.50
Total Revenue	4,058,467.66	1,138,352.91	709,543.67	287,516.79	279,313.13	6,473,194.16

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

PARKER SCHOOL DISTRICT NO. 60-4
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

	General Fund	Capital Outlay Fund	Special Education Fund	Debt Service Fund	Building Project Fund	Total Governmental Funds
Expenditures:						
Instruction:						
Regular Programs:						
Elementary	1,106,927.36	6,756.02				1,113,683.38
Middle/Junior High	342,632.67	1,341.79				343,974.46
High School	605,010.38	11,657.98				616,668.36
Special Programs:						
Programs for Special Education			494,485.67			494,485.67
Educationally Deprived	92,027.71					92,027.71
Support Services:						
Students:						
Attendance and Social Work	64,616.12					64,616.12
Guidance	70,581.98					70,581.98
Psychological			178.92			178.92
Speech Pathology			61,597.32			61,597.32
Student Therapy Services			49,692.88			49,692.88
Instructional Staff:						
Improvement of Instruction	9,874.84		1,171.90			11,046.74
Educational Media	106,186.63	3,767.28	194.44			110,148.35
General Administration:						
Board of Education	47,181.47		3,483.12			50,664.59
Executive Administration	119,015.52					119,015.52
School Administration:						
Office of the Principal	229,050.03					229,050.03
Other	219.51					219.51
Business:						
Fiscal Services	177,937.16	27,275.44	5,457.52			210,670.12
Facilities Acquisition and Construction		31,249.27				31,249.27
Operation and Maintenance of Plant	512,176.20	11,751.09				523,927.29
Student Transportation	176,240.36					176,240.36
Special Education:						
Administrative Costs			2,410.28			2,410.28
Transportation Costs			6,887.88			6,887.88

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

PARKER SCHOOL DISTRICT NO. 60-4
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

	General Fund	Capital Outlay Fund	Special Education Fund	Debt Service Fund	Building Project Fund	Total Governmental Funds
Expenditures (continued):						
Nonprogrammed Charges:						
Early Retirement Payments	18,534.48					18,534.48
Debt Services		69,725.00		86,525.00		156,250.00
Cocurricular Activities:						
Male Activities	74,424.73					74,424.73
Female Activities	53,103.13					53,103.13
Transportation	23,720.68					23,720.68
Combined Activities	113,669.37	24,905.51				138,574.88
Capital Outlay		81,805.00			5,083,063.49	5,164,868.49
Total Expenditures	3,943,130.33	270,234.38	625,559.93	86,525.00	5,083,063.49	10,008,513.13
Excess of Revenue Over (Under) Expenditures	115,337.33	868,118.53	83,983.74	200,991.79	(4,803,750.36)	(3,535,318.97)
Other Financing Sources:						
Transfers In					1,514,716.27	1,514,716.27
Transfers Out	(36,761.67)	(1,514,716.27)				(1,551,477.94)
Insurance Recoveries	35,831.08					35,831.08
Sale of Surplus Property		83,042.66				83,042.66
Total Other Financing Sources	(930.59)	(1,431,673.61)	0.00	0.00	1,514,716.27	82,112.07
Net Change in Fund Balances	114,406.74	(563,555.08)	83,983.74	200,991.79	(3,289,034.09)	(3,453,206.90)
Fund Balance - Beginning	748,235.04	1,702,355.14	327,066.12	0.00	3,722,134.90	6,499,791.20
FUND BALANCE - ENDING	862,641.78	1,138,800.06	411,049.86	200,991.79	433,100.81	3,046,584.30

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

PARKER SCHOOL DISTRICT NO. 60-4
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

Net Change in Fund Balances - Total Governmental Funds	(3,453,206.90)
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.	5,164,868.49
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.	(236,190.36)
In the statement of activities, gains and losses on disposal of capital assets are reported, whereas, in the governmental funds, the proceeds from the disposal of capital assets is reflected, regardless of whether a gain or loss is realized. (+gains, -losses, -proceeds=amount)	(31,235.19)
The receipt of donated capital assets from a proprietary is not reported on the fund statements, but is reported as a transfer on the government wide statements.	22,294.83
Unamortized premiums and discounts are recorded as expenditures or other financing sources in the governmental funds. However, these items are amortized over the life of the debt in the governmental activities.	15,460.07
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 statements 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".	6,661.41
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.	(5,289.60)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (Pension Expense)	(121,203.04)
Changes in the pension related deferred outflows/inflows are direct components of pension liability (asset) and are not reflected in the governmental funds.	4,486.56
Change in Net Position of Governmental Activities	1,366,646.27

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

PARKER SCHOOL DISTRICT NO. 60-4
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
As of June 30, 2025

	Enterprise Funds		
	Food Service Fund	Parker Learning Center/ Driver's Ed Fund	Total Business-Type Funds
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	120,120.14	26,557.57	146,677.71
Accounts Receivable, Net	8,458.66	3,234.24	11,692.90
Inventory of Stores Purchased for Resale	5,076.46		5,076.46
Inventory of Donated Food	4,287.87		4,287.87
Total Current Assets	137,943.13	29,791.81	167,734.94
Noncurrent Assets:			
Capital Assets:			
Machinery and Equipment--Local Funds	79,366.44		79,366.44
Machinery and Equipment--Federal Assistance	25,277.88		25,277.88
Less: Accumulated Depreciation	(78,977.01)		(78,977.01)
Total Noncurrent Assets	25,667.31	0.00	25,667.31
TOTAL ASSETS	163,610.44	29,791.81	193,402.25
LIABILITIES:			
Accounts Payable	195.00	200.00	395.00
Contracts Payable	15,559.27	17,938.77	33,498.04
Payroll Deductions and Withholdings and Employer Matching Payable	5,584.70	1,499.48	7,084.18
Unearned Revenue - Students	7,773.04	5,742.00	13,515.04
Unearned Revenue - Grants	7,527.68		7,527.68
TOTAL LIABILITIES	36,639.69	25,380.25	62,019.94
NET POSITION:			
Net Investment in Capital Assets	25,667.31		25,667.31
Unrestricted Net Position	101,303.44	4,411.56	105,715.00
TOTAL NET POSITION	126,970.75	4,411.56	131,382.31

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

PARKER SCHOOL DISTRICT NO. 60-4
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2025

	Enterprise Funds			
	Food Service Fund	Parker Learning Center/ Driver's Ed Fund	Little Pheasant Daycare Fund	Total Business-Type Funds
Operating Revenue:				
Food Sales:				
Student	193,613.39			193,613.39
Other Charges for Goods and Services:				
Food Service	2,358.25			2,358.25
Parker Learning Center		55,554.33		55,554.33
Driver's Education		10,630.50		10,630.50
Little Pheasant Daycare			82,049.71	82,049.71
Total Operating Revenue	195,971.64	66,184.83	82,049.71	344,206.18
Operating Expenses:				
Salaries	98,154.53		72,086.77	170,241.30
Employee Benefits	36,498.59		21,244.38	57,742.97
Purchased Services	352.00		3,187.40	3,539.40
Supplies	39,259.66		10,845.09	50,104.75
Cost of Sales - Purchased Food	96,951.34			96,951.34
Cost of Sales - Donated Food	23,790.99			23,790.99
Other	5,184.25			5,184.25
Depreciation	7,182.32			7,182.32
Parker Learning Center		76,913.43		76,913.43
Driver's Education		9,989.73		9,989.73
Total Operating Expenses	307,373.68	86,903.16	107,363.64	501,640.48
Operating Income (Loss)	(111,402.04)	(20,718.33)	(25,313.93)	(157,434.30)
Nonoperating Revenue (Expense):				
State Grants	594.27			594.27
Federal Grants	121,917.89			121,917.89
Donated Food	22,571.91			22,571.91
Total Nonoperating Revenue (Expense)	145,084.07	0.00	0.00	145,084.07
Income (Loss) Before Contributions	33,682.03	(20,718.33)	(25,313.93)	(12,350.23)
Capital Contributions			(22,294.83)	(22,294.83)
Transfers In			36,761.67	36,761.67
Change in Net Position	33,682.03	(20,718.33)	(10,847.09)	2,116.61
Net Position - Beginning	93,288.72	25,129.89	10,847.09	129,265.70
NET POSITION - ENDING	126,970.75	4,411.56	0.00	131,382.31

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

PARKER SCHOOL DISTRICT NO. 60-4
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2025

	Enterprise Funds			
	Food Service Fund	Parker Learning Center/ Driver's Ed Fund	Little Pheasant Daycare Fund	Total Business-Type Funds
Cash Flows from Operating Activities:				
Cash Receipts from Customers	195,349.51	82,276.73	85,039.37	362,665.61
Cash Payments to Employees for Services	(132,991.96)	(73,408.29)	(93,698.72)	(300,098.97)
Cash Payments to Suppliers of Goods or Services	(143,390.52)	(6,756.70)	(14,576.35)	(164,723.57)
Net Cash Provided (Used) by Operating Activities	(81,032.97)	2,111.74	(23,235.70)	(102,156.93)
Cash Flows from Noncapital Financing Activities:				
Operating Grants	107,769.20			107,769.20
Transfers			36,761.67	36,761.67
Interfund Loan		13,525.97	(13,525.97)	0.00
Net Cash Provided (Used) from Noncapital Financing Activities	107,769.20	13,525.97	23,235.70	144,530.87
Net Increase (Decrease) in Cash and Cash Equivalents	26,736.23	15,637.71	0.00	42,373.94
Cash and Cash Equivalents at Beginning of Year	93,383.91	10,919.86	0.00	104,303.77
CASH AND CASH EQUIVALENTS AT END OF YEAR	120,120.14	26,557.57	0.00	146,677.71
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating Income (Loss)	(111,402.04)	(20,718.33)	(25,313.93)	(157,434.30)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	7,182.32			7,182.32
Value of Donated Commodities Used	23,790.99			23,790.99
Change in Assets and Liabilities:				
(Increase) decrease in Receivables	1,808.84	11,572.76	3,274.66	16,656.26
(Increase) decrease in Inventories	(814.17)			(814.17)
(Decrease) increase in Accounts and Other Payables	(829.10)	118.44	(543.86)	(1,254.52)
(Decrease) increase in Accrued Wages Payable	1,661.16	6,619.73	(367.57)	7,913.32
(Decrease) increase in Unearned Revenue	(2,430.97)	4,519.14	(285.00)	1,803.17
Net Cash Provided (Used) by Operating Activities	(81,032.97)	2,111.74	(23,235.70)	(102,156.93)
Noncash Investing, Capital and Financing Activities:				
Value of Commodities Received	22,571.91			22,571.91
Move Daycare Building to Governmental Funds			(22,294.83)	(22,294.83)

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

PARKER SCHOOL DISTRICT NO. 60-4
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
As of June 30, 2025

	Custodial Funds
ASSETS:	
Cash and Cash Equivalents	49,765.49
TOTAL ASSETS	49,765.49
NET POSITION	
Restricted for:	
Individuals	5,240.34
Organizations	44,525.15
TOTAL NET POSITION	49,765.49

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

PARKER SCHOOL DISTRICT NO. 60-4
STATEMENT OF CHANGES IN NET POSITON
FIDUCIARY FUNDS
For the Year Ended June 30, 2025

	Custodial Funds
ADDITIONS:	
Collections for Student Activities	151,493.77
Total Additions	151,493.77
DEDUCTIONS:	
Payments for Student Activities	128,906.45
Total Deductions	128,906.45
Change in Net Position	22,587.32
Net Position - Beginning	27,178.17
NET POSITON - ENDING	49,765.49

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

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 Parker School District No. 60-4 (School District) consists of the primary government (which includes all of the funds, organizations, institutions, agencies, departments, and offices that make up the legal entity, plus those funds for which the primary government has a fiduciary responsibility, even though those fiduciary funds may represent organizations that do not meet the criteria for inclusion in the financial reporting entity); those organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete.

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

b. Basis of Presentation:

Government-wide Financial Statements:

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

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

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements:

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

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

The funds of the School District financial reporting entity are described below within their respective fund types:

Governmental Funds:

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

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

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

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

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

The Debt Service Fund – A fund established by SDCL 13-16-13 to account for the proceeds of a special property tax restricted to use for the payment of principal and interest on general obligation bonded debt. The Debt Service Fund is the only debt service fund maintained by the School District. This is a major fund.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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

The Building Project Fund is the only capital projects fund maintained by the School District. This is a major fund.

Proprietary Funds:

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

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

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

Parker Learning Center/Driver's Education Fund – A fund used to record the financial transactions of an after-school program and driver's education of the school. This fund is financed by user charges of enrolled students. This is a major fund.

Little Pheasants Daycare Fund – A fund used to record financial transactions of a school-run day care. This is financed by user charges. This is a major fund. This fund was closed in FY25.

Fiduciary Funds:

Fiduciary funds are never considered to be major funds.

Custodial Funds – Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. The School District maintains custodial funds for the following purposes:

Custodial funds for student classes and activities.

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.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Measurement Focus:

Government-wide Financial Statements:

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

Fund Financial Statements:

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

Basis of Accounting:

Government-wide Financial Statements:

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

Fund Financial Statements:

All governmental 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 does not exceed one bill-paying cycle, and for the Parker School District No. 60-4, the length of that cycle is 60 days. The revenues which are accrued at June 30, 2025 are grants from the State of South Dakota and utility taxes.

Under the modified accrual basis of accounting, receivables may be measurable but not available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Unavailable revenues, where asset recognition criteria have been met, but for which revenue recognition criteria have not been met, are reported as a deferred inflow of resources.

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

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

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

d. Interfund Eliminations and Reclassifications:

Government-wide Financial Statements:

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

1. In order to minimize the grossing-up effect on assets and liabilities within the governmental and business-type activities columns of the primary government, amounts reported as interfund receivables and payables have been eliminated in the governmental and business-type activities columns, except for the net, residual amounts due between governmental and business-type activities, which are presented as Internal Balances, if any.

e. Deposits and Investments:

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

f. Capital Assets:

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

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

Government-wide Financial Statements:

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

The total June 30, 2025 balance of capital assets for governmental activities and business-type activities are all valued at original cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the government-wide Statement of Activities, with net capital assets reflected in the Statement of Net Position. Accumulated depreciation is reported on the government-wide Statement of Net Position and on the proprietary fund's Statement of Net Position.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements and proprietary funds are as follows:

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land	$ 0.00	-----N/A------	------N/A------
Improvements	$ 25,000.00	Straight-line	15-20 yrs.
Buildings	$ 25,000.00	Straight-line	100 yrs.
Machinery & Equipment	$ 5,000.00	Straight-line	5-20 yrs.
Machinery & Equipment – Food Service	$ 1,000.00	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.

g. Long-Term Liabilities:

The accounting treatment of long-term liabilities depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide statements 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 limited tax capital outlay certificates payable, general obligation bonds, early retirement payable, and accrued compensated absences.

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 liabilities is on the accrual basis, the same in the fund statements as in the government-wide statements.

h. Program Revenues:

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

1. Charges for services – These arise from charges to customers, applications, 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.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

i. Deferred Inflows and Deferred Outflows of Resources:

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent consumption of net position that applies to a future period or periods. These items will not be recognized as an outflow of resources until the applicable future period.

In addition to liabilities the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent acquisitions of net position that applies to a future period or periods. These items will not be recognized as inflow of resources until the applicable future period.

j. 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.

k. Cash and Cash Equivalents:

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

l. Equity Classifications:

Government-wide Financial Statements:

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

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

2. Restricted Net Position – Consists of net position with constraints placed on their use either by (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (b) law through constitutional provisions or enabling legislation.

3. Unrestricted Net Position – All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

Fund Financial Statements:

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

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

m. Application of Net Position:

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

n. 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 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 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 School District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

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

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

Major Special Revenue Fund:	Revenue Source:
Capital Outlay Fund	Real Estate Taxes
Special Education Fund	Real Estate Taxes and Grants

o. Pensions:

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

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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 as follows:

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

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

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

As of June 30, 2025, the School District had the following investments, which are reported as cash and cash equivalents in the financial statements. All investments are in an external investment pool.

Investment	Credit Rating	Fair Value June 30, 2025
External Investment Pools:		
SDFIT	Unrated	$ 2,001,721.32
TOTAL INVESTMENTS		$ 2,001,721.32

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Assignment of Investment Income – State law allows income from deposits and investments to be credited to either the General Fund or the fund making the investment. The School District's policy is to credit all income from deposits and investments to the General Fund. USGAAP, on the other hand, requires income from deposits and investments to be reported in the fund whose assets generated that income. The governing board is not following USGAAP. The amount to be recorded in funds other than the General Fund is not material.

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.

4. INVENTORY

Inventory held for consumption is stated at cost. Inventory for Resale is stated at the lower of cost or market. The cost valuation method is first-in, first-out. Donated commodities are valued at estimated market value based on the USDA price list at date of receipt. In the government-wide financial statements and in the enterprise fund financial statements, inventory items are initially recorded as assets and charged to expense in the various functions of government as they are consumed.

In the fund financial statements, inventories in the General Fund, special revenue funds, and proprietary funds consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed in the general fund, special revenue funds, and the proprietary funds. No material supplies inventories were on hand at June 30, 2025 in the General and special revenue funds.

5. PROPERTY TAXES

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

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

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

6. CHANGES IN CAPITAL ASSETS

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

Primary Government:	Balance 07/01/2024	Increases	Decreases	Balance 06/30/2025
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	128,250.00			128,250.00
Construction Work in Progress	1,039,496.68	5,083,063.49		6,122,560.17
Total, not being depreciated	1,167,746.68	5,083,063.49	0.00	6,250,810.17
Capital Assets, being depreciated:				
Improvements	1,165,082.50			1,165,082.50
Buildings	10,204,595.13	22,294.83	(22,294.83)	10,204,595.13
Machinery & Equipment	1,740,159.28	81,805.00	(89,854.00)	1,732,110.28
Total, being depreciated	13,109,836.91	104,099.83	(112,148.83)	13,101,787.91
Less Accumulated Depreciation for:				
Improvements	(185,162.32)	(29,822.61)		(214,984.93)
Buildings	(1,267,389.00)	(118,550.51)		(1,385,939.51)
Machinery & Equipment	(700,461.48)	(87,817.24)	80,913.64	(707,365.08)
Total Accumulated Depreciation	(2,153,012.80)	(236,190.36)	80,913.64	(2,308,289.52)
Total Capital Assets, being depreciated, net	10,956,824.11	(132,090.53)	(31,235.19)	10,793,498.39
Governmental Activity Capital Assets, Net	12,124,570.79	4,950,972.96	(31,235.19)	17,044,308.56

Depreciation expense was charged to functions as follows:

Governmental Activities:	
Instruction	113,832.71
Support Services	84,738.15
Co-curricular Activities	37,619.50
Total Depreciation Expense - Governmental Activities	236,190.36

	Balance 07/01/2024	Increases	Decreases	Balance 06/30/2025
Business-type Activities:				
Capital Assets, being depreciated:				
Buildings	32,156.00		(32,156.00)	0.00
Machinery & Equipment	104,644.32			104,644.32
Total, being depreciated	136,800.32	0.00	(32,156.00)	104,644.32
Less Accumulated Depreciation for:				
Buildings	(9,861.17)		9,861.17	0.00
Machinery & Equipment	(71,794.69)	(7,182.32)		(78,977.01)
Total Accumulated Depreciation	(81,655.86)	(7,182.32)	9,861.17	(78,977.01)
Total Capital Assets, being depreciated, net	55,144.46	(7,182.32)	(22,294.83)	25,667.31
Business-type Activity Capital Assets, Net	55,144.46	(7,182.32)	(22,294.83)	25,667.31

Depreciation expense was charged to functions as follows:

Business-Type Activities:	
Food Services	7,182.32
Total Depreciation Expense - Business-Type Activities	7,182.32

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Construction Work in Progress at June 30, 2025 is composed of the following:

Project Name	Project Authorization	Expended through 6/30/2025	Committed	Required Future Financing
Building Project	$ 6,579,673.43	$ 6,122,560.17	$ 457,113.26	$0.00
TOTAL	$ 6,579,673.43	$ 6,122,560.17	$ 457,113.26	$0.00

7. LONG-TERM LIABILITIES

A summary of the changes in long-term liabilities for the year ended June 30, 2025 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Primary Government:					
Governmental Activities:					
Limited Tax Capital Outlay Certificates, Series 2021	4,625,000.00			4,625,000.00	230,000.00
General Obligation Bonds, Series 2023	4,000,000.00			4,000,000.00	105,000.00
Unamortized Bond Premium	278,281.26		15,460.07	262,821.19	15,460.07
Total Liabilities	8,903,281.26	0.00	15,460.07	8,887,821.19	350,460.07
Early Retirement Payable	49,172.58		22,443.45	26,729.13	15,742.14
Accrued Compensated Absences	24,337.67	27,733.05		52,070.72	10,000.00
Total Governmental Activities	8,976,791.51	27,733.05	37,903.52	8,966,621.04	376,202.21
TOTAL PRIMARY GOVERNMENT	8,976,791.51	27,733.05	37,903.52	8,966,621.04	376,202.21

Compensated absences for governmental activities typically have been liquidated from the General Fund.

Long-term liabilities payable at June 30, 2025, is comprised of the following:

PRIMARY GOVERNMENT

Governmental Activities:

Capital Outlay Certificates:
Limited Tax Capital Outlay Certificates, Series 2021, Fixed Interest of 2.00%, Final Maturity on August 1, 2040, Payable from the Capital Outlay Fund — $4,625,000.00

General Obligation Bonds:
General Obligation Bonds, Series 2023, Fixed Interest of 5.00% until August 1, 2032, then 4.00%, Final Maturity on August 1, 2042, Payable from the Bond Redemption Fund — $4,000,000.00

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Early Retirement Payable:	
Early Retirement Benefits Paid by General Fund	$ 26,729.13
Compensated Absences:	
Payable from General Fund	$ 52,070.72

The annual debt service requirements to maturity, except for compensated absences, for all liabilities outstanding as of June 30, 2025 are as follows:

Annual Requirements to Maturity for Long-Term Liabilities
June 30, 2025

Year Ending June 30,	Limited Tax Capital Outlay Refunding Certificates - Series 2021		General Obligation Bonds - Series 2023	
	Principal	Interest	Principal	Interest
2026	230,000.00	135,300.00	105,000.00	169,725.00
2027	235,000.00	128,325.00	120,000.00	164,100.00
2028	245,000.00	121,125.00	135,000.00	157,725.00
2029	250,000.00	113,700.00	145,000.00	150,725.00
2030	255,000.00	106,125.00	160,000.00	143,100.00
201-2035	1,410,000.00	408,300.00	1,015,000.00	579,750.00
2036-2040	1,640,000.00	179,850.00	1,335,000.00	335,900.00
2041-2045	360,000.00	5,400.00	985,000.00	60,500.00
Totals	4,625,000.00	1,198,125.00	4,000,000.00	1,761,525.00

Year Ending June 30,	Early Retirement Payable		Totals	
	Principal	Interest	Principal	Interest
2026	15,742.11		350,742.11	305,025.00
2027	5,493.51		360,493.51	292,425.00
2028	5,493.51		385,493.51	278,850.00
2029			395,000.00	264,425.00
2030			415,000.00	249,225.00
201-2035			2,425,000.00	988,050.00
2036-2040			2,975,000.00	515,750.00
2041-2045			1,345,000.00	65,900.00
Totals	26,729.13	0.00	8,651,729.13	2,959,650.00

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

8. RESTRICTED NET POSITION

Restricted net position for the year ended June 30, 2025 was as follows:

Purpose:	Restricted By:	Amount
Major Funds:		
Capital Projects	Law	$ 692,061.89
Capital Outlay	Law	1,147,645.00
Special Education	Law	416,556.46
SDRS Pension	Governmental Accounting Standards	291,717.53
Total Restricted Net Position		$ 2,547,980.88

9. INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2025 were as follows:

	Transfers to:		
Transfers from:	Building Project Fund	Little Pheasants Daycare	Total
Major Funds:			
General Fund		36,761.67	36,761.67
Capital Outlay Fund	1,514,716.27		1,514,716.27
Total Transfers	1,514,716.27	36,761.67	1,551,477.94

A transfer was made from the Capital Outlay Fund to the Building Project Fund to cover allowable expenditures of the building project and from the General Fund to the Little Pheasants Daycare Fund to close the fund.

10. PENSION PLAN

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

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

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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

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

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

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

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

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

Contributions:
Per SDCL 3-12, contribution requirements of the active employees and the participating employers are established and may be amended by the SDRS Board. Covered employees are required by state statute to contribute the following percentages of their salary to the plan; Class A Members, 6.0% of salary; Class B Judicial Members, 9.0% of salary; and Class B Public Safety Members, 8.0% of salary. State statute also requires the employer to contribute an amount equal to the employee's contribution. The School District's share of contributions to the SDRS for the fiscal years ended June 30, 2025, 2024, and

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

2023 were $177,425.32, $172,938.76, and $173,127.92, respectively, equal to the required contributions each year.

Pension Liabilities (Assets), Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions:
At June 30, 2024, SDRS is 100% funded and accordingly has a net pension asset. The proportionate share of the components of the net pension asset of South Dakota Retirement System, for the School District as of the measurement period ending June 30, 2024 and reported by the School District as of June 30, 2025 are as follows:

Proportionate share of pension liability	$ 15,326,723.51
Less proportionate share of net pension restricted for pension benefits	$ 15,330,882.32
Proportionate share of net pension liability (asset)	$ (4,158.81)

At June 30, 2025, the School District reported a liability (asset) of $(4,158.81) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2024 and the total pension liability (asset) used to calculate the net pension liability (asset) was based on a projection of the School District's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2024, the School District's proportion was 0.10273800%, which is an increase (decrease) of (0.0092860%) from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the School District recognized pension expense (reduction of pension expense) of $116,716.48. At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Difference between expected and actual experience.	$ 385,108.41	
Changes in assumption.	$ 68,566.54	$ 522,652.76
Net Difference between projected and actual earnings on pension plan investments.	$ 156,651.53	
Changes in proportion and difference between School district contributions and proportionate share of contributions.	$ 22,459.68	
School District contributions subsequent to the measurement date.	$ 177,425.32	
TOTAL	$ 810,211.48	$ 522,652.76

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

$177,425.32 reported as deferred outflow of resources related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

Year Ended June 30:	
2026	$ (136,774.65)
2027	207,782.35
2028	25,414.27
2029	13,711.43
TOTAL	$ 110,133.40

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

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

Mortality Rates

All mortality rates based on Pub-2010 amount-weighted mortality tables, projected Generationally with improvement scale MP-2020
Active and Terminated Vested Members:
Teachers, Certified Regents, and Judicial PubT-2010
Other Class A Members: PubG-2010
Public Safety Members: PubS-2010
Retired Members:
Teachers, Certified Regents, and Judicial Retirees: PubT-2010, 108% of rates above age 65
Other Class A Retirees: PubG-2010, 93% of rates through age 74, increasing by 2% per year until 111% of rates at age 83 and above.
Public Safety Retirees: PubS-2010, 102% of rates at all ages.
Beneficiaries:
PubG-2010 contingent survivor mortality table
Disabled Members:
Public Safety: PubS-2010 disabled member mortality table
Others: PubG-2010 disabled member mortality table

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period of July 1, 2016 to June 30, 2021.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Investment portfolio management is the statutory responsibility of the South Dakota Investment Council (SDIC), which may utilize the services of external money managers for management of a portion of the portfolio. SDIC is governed by the Prudent Man Rule (i.e., the council should use the same degree of care as a prudent man). Current SDIC investment policies dictate limits on the percentage of assets invested in various types of vehicles (equities, fixed income securities, real estate, cash, private equity, etc.). The long-term expected rate of return on pension plan investments was determined using a method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2024 (see the discussion of the pension plan's investment policy) are summarized in the following table using geometric means:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public Equity	56.3%	3.6%
Investment Grade Debt	22.8%	2.3%
High Yield Debt	7.0%	2.8%
Real Estate	12.0%	4.0%
Cash	1.9%	0.8%
Total	100%	

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

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

	1% Decrease	Current Discount Rate	1% Increase
School District's proportionate share of the net pension liability (asset)	$2,113,281.46	$(4,158.81)	$(1,736,884.52)

Pension Plan Fiduciary Net Position:
Detailed information about the plan's fiduciary net position is available in the separately issued SDRS financial report.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

11. JOINT VENTURES

The School District participates in the Cornbelt Educational Cooperative, a cooperative service unit (co-op) 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:

Bridgewater-Emery School District No. 30-3	10.58%
Canistota School District No. 43-1	9.65%
Ethan School District No. 17-1	9.00%
Freeman School District No. 33-1	14.85%
Hanson School District No. 30-1	12.04%
Marion School District No. 60-3	6.57%
McCook School District No. 43-7	14.60%
Montrose School District No. 43-2	8.20%
Parker School District No. 60-4	14.51%

The co-op's governing board is composed of two representatives from each member school district, who are one school board member who serves on the Board of Directors and the superintendent who serves on the advisory board. The board is responsible for adopting the co-op's budget and setting service fees at a level adequate to fund the adopted budget. The School District retains no equity in the net position of the co-op but does have a responsibility to fund deficits of the co-op in proportion to the relative participation described above.

Separate financial statements for this joint venture are available from the Cornbelt Educational Cooperative.

At June 30, 2025, this joint venture had total assets and deferred outflows of $1,209,920.57 total liabilities and deferred inflows of $407,878.28, and net position of $802,042.29.

12. 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, 2025, the School District managed its risks as follows:

Employee Health Insurance:
The School District purchases health insurance for its employees from a commercial insurance carrier. Settled claims resulting from these risks have no exceeded the liability coverage during the past three years.

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

Worker's Compensation:
The School District participates, with several other educational units and related organizations in South Dakota, in the Associated School Boards of South Dakota Worker's Compensations Fund Pool which provided worker's compensation insurance coverage for participating members of the pool. The objective

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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

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

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

During the year ended June 30, 2025, no claims had been filed or were outstanding. It is not anticipated that any additional claims for unemployment benefits will be filed in the next fiscal year.

13. SIGNIFICANT CONTINGENCIES – LITIGATION

At June 30, 2025, the School District was not involved in any significant litigation.

14. EARLY RETIREMENT BENEFITS

Certified employees at least 55 years of age with 12 years of service to the school district may elect early retirement benefits. The payment will be 100 percent of current salary and may be paid out in payments not to exceed 10 years. The board has the right to limit the number of retirees in any time period. Four employees have elected to receive early retirement benefits at June 30, 2025.

15. SUBSEQUENT EVENTS

Management has evaluated whether any subsequent events have occurred through August 13, 2026, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION
PARKER SCHOOL DISTRICT 60-4
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Revenue from Local Sources:				
Taxes:				
Ad Valorem Taxes	1,147,694.00	1,147,694.00	1,140,214.85	(7,479.15)
Prior Years' Ad Valorem Taxes	12,000.00	12,000.00	6,784.46	(5,215.54)
Utility Taxes	73,000.00	73,000.00	93,484.31	20,484.31
Penalties and Interest on Taxes	5,000.00	5,000.00	2,450.34	(2,549.66)
Earnings on Investments and Deposits	110,000.00	110,000.00	184,777.96	74,777.96
Cocurricular Activities:				
Admissions	24,000.00	24,000.00	37,213.95	13,213.95
Other Revenue from Local Sources:				
Contributions and Donations	0.00	0.00	3,752.31	3,752.31
Charges for Services	5,500.00	5,500.00	5,137.75	(362.25)
Other	20,000.00	20,000.00	14,591.14	(5,408.86)
Revenue from Intermediate Sources:				
County Sources:				
County Apportionment	23,000.00	23,000.00	14,554.93	(8,445.07)
Revenue in Lieu of Taxes	1,000.00	1,000.00	988.04	(11.96)
Revenue from State Sources:				
Grants-in-Aid:				
Unrestricted Grants-in-Aid	2,468,660.00	2,468,660.00	2,430,615.12	(38,044.88)
Restricted Grants-in-Aid	0.00	0.00	500.00	500.00
Revenue from Federal Sources:				
Grants-in-Aid:				
Restricted Grants-in-Aid Received Directly from Federal Government	0.00	0.00	38,925.00	38,925.00
Restricted Grants-in-Aid Received from Federal Government Through the State	49,800.00	49,800.00	84,477.50	34,677.50
Other Federal Revenue	38,925.00	38,925.00	0.00	(38,925.00)
Total Revenue	3,978,579.00	3,978,579.00	4,058,467.66	79,888.66
Expenditures:				
Instruction:				
Regular Programs:				
Elementary	1,207,402.00	1,207,402.00	1,106,927.36	100,474.64
Middle/Junior High	289,659.00	289,659.00	342,632.67	(52,973.67)
High School	725,519.00	725,519.00	605,010.38	120,508.62
Special Programs:				
Educationally Deprived	90,679.00	90,679.00	92,027.71	(1,348.71)

REQUIRED SUPPLEMENTARY INFORMATION
PARKER SCHOOL DISTRICT 60-4
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final	(Budgetary Basis)	Positive (Negative)
Expenditures (continued):				
Support Services:				
Attendance and Social Work	68,336.00	68,336.00	64,616.12	3,719.88
Guidance	67,817.00	67,817.00	70,581.98	(2,764.98)
Instructional Staff:				
Improvement of Instruction	11,182.00	11,182.00	9,874.84	1,307.16
Educational Media	106,677.00	106,677.00	106,186.63	490.37
General Administration:				
Board of Education	69,147.00	69,147.00	47,181.47	21,965.53
Executive Administration	111,502.00	111,502.00	119,015.52	(7,513.52)
School Administration:				
Office of the Principal	243,165.50	243,165.50	229,050.03	14,115.47
Other	600.00	600.00	219.51	380.49
Business:				
Fiscal Services	175,731.00	175,731.00	177,937.16	(2,206.16)
Operation and Maintenance of Plant	528,227.00	528,227.00	512,176.20	16,050.80
Student Transportation Services	183,611.00	183,611.00	176,240.36	7,370.64
Other Support Services	100.00	100.00	0.00	100.00
Nonprogrammed Charges:				
Payments to State - Unemployment	1,000.00	1,000.00	0.00	1,000.00
Early Retirement Payments	23,235.00	23,235.00	18,534.48	4,700.52
Cocurricular Activities:				
Male Activities	66,911.00	66,911.00	74,424.73	(7,513.73)
Female Activities	46,790.00	46,790.00	53,103.13	(6,313.13)
Transportation	28,555.00	28,555.00	23,720.68	4,834.32
Combined Activities	126,807.00	126,807.00	113,669.37	13,137.63
Contingencies	25,000.00	25,000.00		
Amount Transferred		0.00		25,000.00
Total Expenditures	4,197,652.50	4,197,652.50	3,943,130.33	254,522.17
Excess of Revenue Over (Under) Expenditures	(219,073.50)	(219,073.50)	115,337.33	334,410.83
Other Financing Sources (Uses):				
Transfers Out	0.00	0.00	(36,761.67)	(36,761.67)
Insurance Recoveries	0.00	0.00	35,831.08	35,831.08
Total Other Financing Sources (Uses)	0.00	0.00	(930.59)	(930.59)
Net Change in Fund Balances	(219,073.50)	(219,073.50)	114,406.74	333,480.24
Fund Balance - Beginning	748,235.04	748,235.04	748,235.04	0.00
FUND BALANCE - ENDING	529,161.54	529,161.54	862,641.78	333,480.24

REQUIRED SUPPLEMENTARY INFORMATION
PARKER SCHOOL DISTRICT NO. 60-4
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
CAPITAL OUTLAY FUND
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Revenue from Local Sources:				
Taxes:				
Ad Valorem Taxes	1,076,974.00	1,076,974.00	1,128,182.84	51,208.84
Prior Years' Ad Valorem Taxes	8,000.00	8,000.00	2,895.88	(5,104.12)
Penalties and Interest on Taxes	2,500.00	2,500.00	1,465.19	(1,034.81)
Other Revenue from Local Sources:				
Contributions and Donations	0.00	0.00	5,809.00	5,809.00
Total Revenue	1,087,474.00	1,087,474.00	1,138,352.91	50,878.91
Expenditures:				
Instruction:				
Regular Programs:				
Elementary	89,000.00	89,000.00	6,756.02	82,243.98
Middle/Junior High	0.00	0.00	1,341.79	(1,341.79)
High School	70,000.00	70,000.00	11,657.98	58,342.02
Special Programs:				
Programs for Special Education	1,000.00	1,000.00	0.00	1,000.00
Support Services:				
Instructional Staff:				
Educational Media	3,500.00	3,500.00	3,767.28	(267.28)
General Administration:				
Board of Education	500.00	500.00	0.00	500.00
Executive Administration	2,000.00	2,000.00	0.00	2,000.00
School Administration:				
Office of the Principal	5,000.00	5,000.00	0.00	5,000.00
Business:				
Fiscal Services	2,000.00	2,000.00	27,275.44	(25,275.44)
Facilities Acquisition and Construction	110,000.00	110,000.00	31,249.27	78,750.73
Operation and Maintenance of Plant	17,500.00	17,500.00	11,751.09	5,748.91
Student Transportation Services	30,000.00	30,000.00	66,847.00	(36,847.00)
Debt Service	555,950.00	555,950.00	69,725.00	486,225.00
Cocurricular Activities:				
Combined Activities	25,000.00	25,000.00	39,863.51	(14,863.51)
Total Expenditures	911,450.00	911,450.00	270,234.38	641,215.62
Excess of Revenue Over (Under) Expenditures	176,024.00	176,024.00	868,118.53	692,094.53

REQUIRED SUPPLEMENTARY INFORMATION
PARKER SCHOOL DISTRICT NO. 60-4
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
CAPITAL OUTLAY FUND
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final	(Budgetary Basis)	Positive (Negative)
Other Financing Sources (Uses):				
Transfers Out	(500,000.00)	(500,000.00)	(1,514,716.27)	(1,014,716.27)
Sale of Surplus Property	0.00	0.00	83,042.66	83,042.66
Total Other Financing Sources (Uses)	(500,000.00)	(500,000.00)	(1,431,673.61)	(931,673.61)
Net Change in Fund Balances	(323,976.00)	(323,976.00)	(563,555.08)	(239,579.08)
Fund Balance - Beginning	1,702,355.14	1,702,355.14	1,702,355.14	0.00
FUND BALANCE - ENDING	1,378,379.14	1,378,379.14	1,138,800.06	(239,579.08)

REQUIRED SUPPLEMENTARY INFORMATION
PARKER SCHOOL DISTRICT NO. 60-4
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL EDUCATION FUND
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Revenue from Local Sources:				
Taxes:				
Ad Valorem Taxes	672,058.00	672,058.00	699,985.51	27,927.51
Prior Years' Ad Valorem Taxes	5,000.00	5,000.00	1,802.71	(3,197.29)
Penalties and Interest on Taxes	1,500.00	1,500.00	944.87	(555.13)
Other Revenue from Local Sources:				
Charges for Services	6,000.00	6,000.00	6,610.58	610.58
Revenue From State Sources:				
Other State Revenue	0.00	0.00	200.00	200.00
Revenue from Federal Sources:				
Restricted Grants-in-Aid Received from Federal Government Through the State	30,840.00	30,840.00	0.00	(30,840.00)
Total Revenue	715,398.00	715,398.00	709,543.67	(5,854.33)
Expenditures:				
Instruction:				
Special Programs:				
Programs for Special Education	546,773.00	546,773.00	494,485.67	52,287.33
Support Services:				
Students:				
Psychological	0.00	0.00	178.92	(178.92)
Speech Pathology	0.00	0.00	61,597.32	(61,597.32)
Student Therapy Services	55,500.00	55,500.00	49,692.88	5,807.12
Instructional Staff:				
Improvement of Instuction	0.00	0.00	1,171.90	(1,171.90)
Educational Media	0.00	0.00	194.44	(194.44)
General Administration:				
Board of Education	0.00	0.00	3,483.12	(3,483.12)
Business:				
Fiscal Services	0.00	0.00	5,457.52	(5,457.52)
Other	76,945.00	76,945.00	0.00	76,945.00
Special Education:				
Administrative Costs	0.00	0.00	2,410.28	(2,410.28)
Transportation Costs	19,000.00	19,000.00	6,887.88	12,112.12
Nonprogrammed Charges:				
Other Nonprogrammed Costs	4,000.00	4,000.00	0.00	4,000.00
Total Expenditures	702,218.00	702,218.00	625,559.93	76,658.07
Net Change in Fund Balances	13,180.00	13,180.00	83,983.74	70,803.74
Fund Balance - Beginning	327,066.12	327,066.12	327,066.12	0.00
FUND BALANCE - ENDING	340,246.12	340,246.12	411,049.86	70,803.74

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025

Schedules of Budgetary Comparisons for the General Fund
and for each major Special Revenue Fund with a legally required budget.

Note 1. Budgets and Budgetary Accounting

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 fiduciary 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 by 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. No amount of expenditures may be charged directly to the contingency line item in the budget.

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).

Note 2. GAAP/Budgetary Accounting Basis Differences

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

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

South Dakota Retirement System

Last 10 Fiscal Years *

Calendar Year	District's proportion of the net pension liability/asset	District's proportionate share of net pension liability (asset)	District's covered-employee payroll	District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2025	0.1027380%	$ (4,158.81)	$ 2,882,316.75	0.14%	100.00%
2024	0.1120240%	$ (10,934.05)	$ 2,889,501.67	0.38%	100.10%
2023	0.1157640%	$ (10,940.42)	$ 2,764,316.50	0.40%	100.10%
2022	0.1215410%	$ (930,796.05)	$ 2,758,140.81	33.75%	105.52%
2021	0.1086357%	$ (4,718.03)	$ 2,384,201.04	0.20%	100.04%
2020	0.1168999%	$ (12,388.19)	$ 2,485,508.56	0.50%	100.09%
2019	0.1121392%	$ (2,615.35)	$ 2,331,263.13	0.11%	100.02%
2018	0.1051698%	$ (9,544.27)	$ 2,136,824.48	0.45%	100.10%
2017	0.0989658%	$ 334,296.75	$ 1,881,842.52	17.76%	96.89%
2016	0.0708033%	$ (300,297.03)	$ 1,292,663.63	23.23%	104.10%

* The amounts presented for each fiscal year were determined as of the measurement date of the collective net pension liability (asset) which is 06/30 of the previous fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL DISTRICT CONTRIBUTIONS

South Dakota Retirement System

Last 10 Fiscal Years

Calendar Year	Contractually required contribution	relation to the contractually required contribution	Contribution deficiency (excess)	District's covered payroll	Contributions as a percentage of covered payroll
2025	$ 177,425.32	$ 177,425.32	$ -	$ 2,957,807.89	6.00%
2024	$ 172,938.76	$ 172,938.76	$ -	$ 2,882,316.75	6.00%
2023	$ 173,127.92	$ 173,127.92	$ -	$ 2,889,501.67	5.99%
2022	$ 165,859.47	$ 165,859.47	$ -	$ 2,764,316.50	6.00%
2021	$ 165,489.71	$ 165,489.71	$ -	$ 2,758,140.81	6.00%
2020	$ 143,053.54	$ 143,053.54	$ -	$ 2,384,201.04	6.00%
2019	$ 149,131.98	$ 149,131.98	$ -	$ 2,485,508.56	6.00%
2018	$ 139,876.10	$ 139,876.10	$ -	$ 2,331,263.13	6.00%
2017	$ 128,209.98	$ 128,209.98	$ -	$ 2,136,824.48	6.00%
2016	$ 112,879.71	$ 112,879.71	$ -	$ 1,881,842.52	6.00%

Notes to Required Supplementary Information
for the Year Ended June 30, 2025
Schedule of the Proportionate Share of the Net Pension Liability (Asset) and
Schedule of Pension Contributions.

Changes from Prior Valuation

The June 30, 2024 Actuarial Valuation reflects no changes to the plan provisions or actuarial methods and one change in actuarial assumptions from the June 30, 2023 Actuarial Valuation.

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

Benefit Provision Changes

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

Actuarial Method Changes

No changes in actuarial methods were made since the prior valuation

Actuarial Assumption Changes

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

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

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

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