

**BISON SCHOOL DISTRICT NO. 52-1
BISON, SOUTH DAKOTA
AUDIT REPORT
FOR THE YEAR THEN ENDED
JUNE 30, 2021**

BISON SCHOOL DISTRICT NO. 52-1
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CAHILL BAUER & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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

School Board
Bison School District No. 52-1
Perkins 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, business-type activities, each major fund, and the aggregate remaining fund information of the Bison School District No. 52-1, South Dakota (School District) as of June 30, 2021 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 January 4, 2022.

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) to determine 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 combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Current Audit Findings, items 2021-001, 2021-002, 2021-003, 2021-004, and 2021-005 that we consider to be material weaknesses.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bison School District No. 52-1's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

School District's Response to Findings

The School District's responses to the findings identified in our audit are 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 them.

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.

Cahill Bauer

Mobridge, South Dakota
January 4, 2022

**BISON SCHOOL DISTRICT NO. 52-1
SCHEDULE OF PRIOR AND CURRENT AUDIT FINDINGS
JUNE 30, 2021**

STATUS OF PRIOR AUDIT FINDINGS

Finding Number 2020-001:

Internal control over financial reporting and compliance is not adequate.

Current Status

Condition still exists, see current audit finding number 2021-001.

Finding Number 2020-002:

The District's internal control structure does not provide for the preparation of financial statements in accordance with generally accepted accounting principles.

Current Status

Condition still exists, see current audit finding number 2021-002.

Finding Number 2020-003:

Internal control does not provide for identifying material misstatements.

Current Status

Condition still exists, see current audit finding number 2021-003.

Finding Number 2020-004:

The School District's internal control system did not ensure that the audit report was made available on their website pursuant to SDCL 4-11-12.

Current Status

Condition still exists, see current audit finding number 2021-004.

**BISON SCHOOL DISTRICT NO. 52-1
SCHEDULE OF PRIOR AND CURRENT AUDIT FINDINGS
JUNE 30, 2021**

CURRENT AUDIT FINDINGS AND RECOMMENDATIONS

Finding Number 2021-001:

Criteria

The internal control system of a School can help assist in achieving its performance targets and prevent the loss of resources. It helps to ensure reliable financial reporting and the compliance with laws and regulations.

Condition Found

The School District has a limited number of office personnel and, accordingly, does not have adequate internal controls in revenue, expenditures, and payroll functions because of a lack of segregation duties.

Identification of Repeat Finding

This is the fourteenth consecutive audit report in which this finding has appeared.

Cause and Effect

The School District has one employee who prepares all the accounting records. This condition increases the risk that fraud or errors might occur in the financial reporting process.

Recommendation

We recommend a high level of awareness be maintained by management to assist in preventing, detecting, or correcting matters that may arise due to this internal control weakness. Compensating controls should be implemented as necessary.

Views of Responsible Officials and Planned Corrective Action

The School District is aware of this internal control weakness and intends to provide continuous monitoring in an effort to prevent, detect, or correct any matters that may result.

Finding Number 2021-002:

Criteria

An organization's internal control structure should provide for the preparation of financial statements in accordance with generally accepted accounting principles.

**BISON SCHOOL DISTRICT NO. 52-1
SCHEDULE OF PRIOR AND CURRENT AUDIT FINDINGS
JUNE 30, 2021**

Condition Found

The School does not have an internal control system designed to provide for the preparation of the annual financial statements being audited, including required footnotes and disclosures, in accordance with generally accepted accounting principles. As auditors, we were requested to draft the financial statements.

Identification of Repeat Finding

This is the fourteenth consecutive audit report in which this finding has appeared.

Cause and Effect

The control deficiency could result in a misstatement of the financial statements. This condition may affect the School's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Recommendation

It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

Views of Responsible Officials and Planned Corrective Action

The School District has accepted the risk associated with this finding and will continue to have the audit firm prepare the financial statements.

Finding Number 2021-003:

Criteria

An organization's internal control structure should provide for the recording of all necessary material adjustments in order to ensure that accounting records are in accordance with generally accepted accounting principles.

Condition Found

While conducting our audit, we proposed material audit adjustments that would not have been identified as a result of the School District's existing internal controls, and therefore could have resulted in a material misstatement of the School District's financial statements.

**BISON SCHOOL DISTRICT NO. 52-1
SCHEDULE OF PRIOR AND CURRENT AUDIT FINDINGS
JUNE 30, 2021**

Identification of Repeat Finding

This is the fourth consecutive audit report in which this finding has appeared.

Cause and Effect

This condition may affect the School District's ability to record, process, summarize, and report financial statement data consistent with the assertions of management in the financial statements.

Recommendation

It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost and other considerations.

Views of Responsible Officials and Planned Corrective Action

The School District is continuing its work in correcting this deficiency.

Finding Number 2021-004:

Criteria

An organization's internal control structure should ensure that the audit report is made available on their website.

Condition Found

The School District's internal control system did not ensure that the audit report was made available on their website pursuant to SDCL 4-11-12.

Identification of Repeat Finding

This is the second consecutive audit report in which this finding has appeared.

Cause and Effect

The public is not given the opportunity to review the audit report as required.

**BISON SCHOOL DISTRICT NO. 52-1
SCHEDULE OF PRIOR AND CURRENT AUDIT FINDINGS
JUNE 30, 2021**

Recommendation

It is the responsibility of management and those charged with governance to make sure the audit report is made available each year.

Views of Responsible Officials and Planned Corrective Action

The business manager is the contact person responsible for this comment. The School is continuing its work on correcting this deficiency.

Finding Number 2021-005:

Criteria

A School District is required by SDCL 3-12-47.6 to properly calculate retirement contributions based on the appropriate compensation as defined by law.

Condition Found

The School District did not properly calculate retirement contributions as stated by SDCL 3-12-47.6 for all employees participating in the School District's HSA insurance plan.

Identification of Repeat Finding

This is not a repeat finding.

Cause and Effect

The School District does not have an internal control system in place to identify deficiencies in its payroll process that could lead to errors and/or miscalculations.

Recommendation

The School District should implement a review process for payroll that can identify errors and/or miscalculations in payroll.

Views of Responsible Officials and Planned Corrective Action

The School District is continuing its work in correcting this deficiency.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 4, 2022 on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Caecil Bowen

Mobridge, South Dakota

January 4, 2022

BISON SCHOOL DISTRICT NO. 52-1
STATEMENT OF NET POSITION
JUNE 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,778,266	\$ 2,178	\$ 1,780,444
Due from other funds	2,920	-	2,920
Investments	200,000	-	200,000
Taxes receivable	717,171	-	717,171
Inventories	-	7,453	7,453
Other assets	153,217	3,109	156,326
Net pension asset	2,636	85	2,721
Capital assets			
Land, improvements, and construction in progress	6,600	-	6,600
Other capital assets, net depreciation	6,337,124	4,025	6,341,149
TOTAL ASSETS	9,197,934	16,850	9,214,784
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows	435,719	14,367	450,086
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 435,719	\$ 14,367	\$ 450,086

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

	Governmental Activities	Primary Government Business-Type Activities	Total
LIABILITIES			
Accounts payable	\$ 36,268	\$ -	\$ 36,268
Other current liabilities	58,423	-	58,423
Noncurrent liabilities			
Due within one year	501,157	-	501,157
Due in more than one year	2,716,427	772	2,717,199
TOTAL LIABILITIES	3,312,275	772	3,313,047
DEFERRED INFLOWS OF RESOURCES			
Taxes levied for future period	699,236	-	699,236
Pension related deferred inflows	345,344	11,494	356,838
TOTAL DEFERRED INFLOWS OF RESOURCES	1,044,580	11,494	1,056,074
NET POSITION			
Net Investment in			
Capital Assets	3,178,158	4,025	3,182,183
Restricted for			
Capital Outlay	1,114,162	-	1,114,162
Special Education	223,303	-	223,303
SDRS Pension Purposes	93,011	2,958	95,969
Unrestricted	668,164	11,968	680,132
TOTAL NET POSITION	\$ 5,276,798	\$ 18,951	\$ 5,295,749

**BISON SCHOOL DISTRICT NO. 52-1
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Functions/Programs	Program Revenues				Net (Expenses) Revenue and Changes in Net Position			Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Primary governmental activities								
Instruction	\$ 1,439,361	\$ 2,500	\$ 123,568	\$ 2,533	\$ (1,310,760)	\$ -	\$ (1,310,760)	
Support services	895,834	-	21,806	-	(874,028)	-	(874,028)	
Co-curricular activities	134,480	9,184	-	-	(125,296)	-	(125,296)	
* Interest on long term debt	109,092	-	-	-	(109,092)	-	(109,092)	
Total governmental activities	2,578,767	11,684	145,374	2,533	(2,419,176)	-	(2,419,176)	
Business-type activities								
Food services	98,313	17,078	59,415	-	-	(21,820)	(21,820)	
Total business-type activities	98,313	17,078	59,415	-	-	(21,820)	(21,820)	
Total primary government	\$ 2,677,080	\$ 28,762	\$ 204,789	\$ 2,533	\$ (2,419,176)	\$ (21,820)	\$ (2,440,996)	
General Revenues								
Taxes								
Property taxes					1,870,066	-	1,870,066	
Utility taxes					92,970	-	92,970	
Revenue from state sources:								
State Aid					537,888	-	537,888	
Revenue from federal sources					155,871	-	155,871	
Unrestricted investments earnings					4,988	-	4,988	
Other general revenues					37,999	-	37,999	
Transfers					(10,000)	10,000	-	
Total general revenues and transfers					2,689,782	10,000	2,699,782	
Change in net position					270,606	(11,820)	258,786	
Net position - beginning					5,006,192	30,771	5,036,963	
Net position - ending					\$ 5,276,798	\$ 18,951	\$ 5,295,749	

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

BISON SCHOOL DISTRICT NO. 52-1
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	General Fund
ASSETS	
Cash and cash equivalents	\$ 669,430
Investments	-
Due from other funds	2,920
Taxes-receivables	356,774
Taxes-delinquent	1,461
Due from state government	61,875
Due from federal government	54,320
TOTAL ASSETS	\$ 1,146,780
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 18,666
Contracts payable	15,422
Payroll deductions and withholdings payable and employer matching payable	2,105
Total Liabilities	36,193
Deferred Inflows of Resources:	
Unavailable revenue - property taxes	1,461
Taxes levied for future period	349,509
Total Deferred Inflows of Resources	350,970
Fund Balances:	
Restricted	
Capital outlay	-
Special education	-
Unassigned	759,617
Total Fund Balance	759,617
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 1,146,780

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

Capital Outlay Fund		Special Education Fund		Total Governmental Funds
\$	872,559	\$	236,277	\$ 1,778,266
	200,000		-	200,000
	-		-	2,920
	217,992		139,865	714,631
	848		231	2,540
	-		-	61,875
	37,022		-	91,342
<u>\$</u>	<u>1,328,421</u>	<u>\$</u>	<u>376,373</u>	<u>\$ 2,851,574</u>
\$	1,220	\$	16,382	\$ 36,268
	-		-	15,422
	-		-	2,105
	1,220		16,382	53,795
	848		231	2,540
	213,039		136,688	699,236
	213,887		136,919	701,776
	1,113,314		-	1,113,314
	-		223,072	223,072
	-		-	759,617
	1,113,314		223,072	2,096,003
<u>\$</u>	<u>1,328,421</u>	<u>\$</u>	<u>376,373</u>	<u>\$ 2,851,574</u>

**BISON SCHOOL DISTRICT NO. 52-1
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2021**

Total Fund Balances - Governmental Funds	\$ 2,096,003
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.	2,636
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds. The capitalized cost of the capital assets is \$7,693,530 and the accumulated depreciation is (\$1,349,806) for a net amount of \$6,343,724.	6,343,724
Pension related deferred outflows are components of pension liability (asset) and therefore are not reported in the funds.	435,719
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities consist of compensated absences of \$52,018, accrued interest of \$40,896, and capital outlay certificates of \$3,165,566.	(3,258,480)
Assets such as taxes receivable (delinquent) are not available to pay for current period expenditures and therefore are deferred in the funds.	2,540
Pension related deferred inflows are components of pension liability (asset) and therefore are not reported in the funds.	<u>(345,344)</u>
Total Net Position - Governmental Funds	<u>\$ 5,276,798</u>

BISON SCHOOL DISTRICT NO. 52-1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund
REVENUES:	
Revenue from local sources:	
Taxes:	
Ad valorem taxes	\$ 841,171
Prior years' ad valorem taxes	1,726
Tax deed revenue	50,544
Utility taxes	92,970
Penalties and interest on taxes	2,414
Earnings on investments and deposits	918
Cocurricular activities:	
Admissions	9,184
Other revenue from local sources:	
Contributions and donations	2,533
Charges for services	2,111
Other	8,193
Total revenue from local sources	<u>1,011,764</u>
Revenue from intermediate sources	
County sources:	
County appointment	12,036
Total revenue from intermediate sources	<u>12,036</u>
Revenue from state sources:	
Grants-in-aid:	
Unrestricted grants-in-aid	537,888
Total revenue from state sources	<u>537,888</u>
Revenue from federal sources:	
Grants-in-aid:	
Unrestricted grants-in-aid	
Received directly from federal government	17,595
Unrestricted grants-in-aid	
Received from federal government through the state	55,319
Restricted grants-in-aid	
Received from federal government through the state	87,338
Revenue in lieu of taxes	59,957
Other federal revenue	7,415
Total revenue from federal sources	<u>227,624</u>
Total revenues	<u>\$ 1,789,312</u>

(Continued on next page)

Capital Outlay Fund	Special Education Fund	Total Governmental Funds
\$ 651,471	\$ 318,280	\$ 1,810,922
1,269	368	3,363
-	-	50,544
-	-	92,970
2,417	901	5,732
3,540	530	4,988
-	-	9,184
-	-	2,533
-	389	2,500
8,333	-	16,526
667,030	320,468	1,999,262
-	-	12,036
-	-	12,036
-	-	537,888
-	-	537,888
-	-	17,595
23,000	-	78,319
58,036	-	145,374
-	-	59,957
2,022	-	9,437
83,058	-	310,682
\$ 750,088	\$ 320,468	\$ 2,859,868

BISON SCHOOL DISTRICT NO. 52-1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund
Expenditures:	
Instruction:	
Regular programs:	
Elementary	\$ 511,719
Middle/junior high	93,222
High school	315,669
Special programs:	
Programs for special education	-
Educationally deprived	64,325
Total instruction	<u>984,935</u>
Support services:	
Pupils:	
Guidance	59,684
Health	189
Psychological	-
Speech pathology	-
Student therapy services	-
Instructional staff:	
Improvement of instruction	20,357
Educational media	88,765
General administration:	
Board of education	69,264
Executive administration	108,814
School administration:	
Office of the principal	75,903
Other support services	153
Business:	
Fiscal services	45,034
Operation and maintenance of plant	206,516
Pupil transportation	46,096
Food services	5,439
Special education:	
Administrative costs	-
Total support services	<u>\$ 726,214</u>

(Continued on next page)

	Capital Outlay Fund		Special Education Fund		Total Governmental Funds
\$	55,314	\$	-	\$	567,033
	-		-		93,222
	5,299		-		320,968
	-		222,329		222,329
	-		-		64,325
	60,613		222,329		1,267,877
	-		-		59,684
	-		-		189
	-		7,000		7,000
	-		3,646		3,646
	-		16,770		16,770
	-		-		20,357
	39		-		88,804
	-		-		69,264
	-		-		108,814
	-		-		75,903
	-		-		153
	-		-		45,034
	2,500		-		209,016
	25,631		-		71,727
	-		-		5,439
	-		15,350		15,350
\$	28,170	\$	42,766	\$	797,150

BISON SCHOOL DISTRICT NO. 52-1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund
Debt Services	\$ -
Cocurricular activities:	
Male activities	29,333
Female activities	25,441
Transportation	12,736
Combined activities	46,927
Total cocurricular activities	114,437
Capital outlay	-
Total expenditures/expenses	1,825,586
Other financing sources (uses)	
Transfers in	175,000
Transfers out	(10,000)
Total other financing sources (uses)	165,000
Net change in fund balances	128,726
Fund balance - beginning	630,891
Fund balance - ending	\$ 759,617

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

Capital Outlay Fund	Special Education Fund	Total Governmental Funds
\$ 601,890	\$ -	\$ 601,890
-	-	29,333
4,475	-	29,916
-	-	12,736
-	-	46,927
4,475	-	118,912
44,890	-	44,890
740,038	265,095	2,830,719
-	-	175,000
(175,000)	-	(185,000)
(175,000)	-	(10,000)
(164,950)	55,373	19,149
1,278,264	167,699	2,076,854
\$ 1,113,314	\$ 223,072	\$ 2,096,003

**BISON SCHOOL DISTRICT NO. 52-1
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT
OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Net Change in Fund Balances - Total Governmental Funds	\$	19,149
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay.		(105,529)
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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".		(495)
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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.		(23,450)
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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. These expenses consist of the change in pension expense of (\$111,867) and change in accrued interest of \$7,540.		(104,327)
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Payment of principal on long-term debt is an expenditure in the governmental funds but the payment reduces long-term liabilities in the statement of net position.		485,258
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Change in Net Position of Governmental Activities	\$	<u>270,606</u>
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**BISON SCHOOL DISTRICT NO. 52-1
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021**

	<u>Enterprise Funds</u> <u>Food Service Fund</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 2,178
Inventory of supplies	1,644
Inventory of store purchased for resale	2,382
Inventory of donated foods	3,427
Due from federal government	3,109
Total Current Assets	<u>12,740</u>
Noncurrent assets	
Net pension asset	85
Capital assets	
Machinery and equipment	62,226
Accumulated depreciation	(58,201)
Total Noncurrent Assets	<u>4,110</u>
TOTAL ASSETS	<u>16,850</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related deferred outflows	14,367
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>14,367</u>
LIABILITIES:	
Noncurrent liabilities:	
Accrued leave	772
Total Noncurrent Liabilities	<u>772</u>
TOTAL LIABILITIES	<u>772</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related deferred inflows	11,494
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>11,494</u>
NET POSITION	
Net Investment in Capital Assets	4,025
SDRS Pension Purposes	2,958
Unrestricted	11,968
TOTAL NET POSITION	<u>\$ 18,951</u>

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

BISON SCHOOL DISTRICT NO. 52-1
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	<u>Enterprise Funds</u>
	<u>Food Service Fund</u>
OPERATING REVENUES	
Sales	
To pupils	\$ 6,790
To adults	2,414
A la carte	2,084
Other charges for goods and services	5,790
Total operating revenues	<u>17,078</u>
OPERATING EXPENSES	
Salaries	48,409
Employee benefits	12,716
Supplies	1,780
Cost of sales - purchased food	23,600
Cost of sales - donated food	8,989
Miscellaneous	317
Depreciation - local fund	2,502
Total operating expenses	<u>98,313</u>
Operating loss	<u>(81,235)</u>
NONOPERATING REVENUES (EXPENSES)	
State sources	
Cash reimbursements	264
Federal sources	
Cash reimbursements	52,996
Donated food	6,155
Total nonoperating revenues	<u>59,415</u>
Loss before contributions, special items, extraordinary items and transfers	(21,820)
Transfers in	<u>10,000</u>
Change in net position	<u>(11,820)</u>
Total net position - July 1, 2020	30,771
Total net position - June 30, 2021	<u>\$ 18,951</u>

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

**BISON SCHOOL DISTRICT NO. 52-1
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Enterprise Funds</u> <u>Food Service Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 17,078
Payments to employees for services	(56,522)
Payments to suppliers of goods and services	(21,601)
Net cash used by operating activities	<u>(61,045)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from the general fund	10,000
Operating grants	50,151
Net cash provided by noncapital financing activities	<u>60,151</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(894)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>3,072</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 2,178</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES	
Operating loss	\$ (81,235)
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES	
Depreciation expense	2,502
Value of donated commodities used	8,989
Change in assets and liabilities	
Inventories	4,096
Other payroll liabilities	772
Change in pension asset/(liability)	<u>3,831</u>
Net cash used by operating activities	<u>\$ (61,045)</u>
Noncash investing, capital and financing activities:	
Value of commodities received	<u>\$ 6,155</u>

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

BISON SCHOOL DISTRICT NO. 52-1
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2021

	Private-Purpose Trust Funds	Custodial Funds
ASSETS		
Cash and cash equivalents	\$ 10,380	\$ 61,690
Certificates of deposit	296,052	-
TOTAL ASSETS	306,432	61,690
LIABILITIES		
Due to general fund	-	2,920
TOTAL LIABILITIES	-	2,920
NET POSITION		
Restricted for scholarships and memorials	306,432	-
Restricted for student activities	-	58,770
TOTAL NET POSITION	\$ 306,432	\$ 58,770

BISON SCHOOL DISTRICT NO. 52-1
STATEMENT OF CHANGES IN FIDUCIARY FUND NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2021

	Private-Purpose Trust Funds	Custodial Funds
ADDITIONS		
Other additions	\$ 3,931	\$ -
Collections for student activities	-	56,504
Total additions	3,931	56,504
DEDUCTIONS		
Other deductions	3,000	-
Payments for student activities	-	60,217
Total deductions	3,000	60,217
Change in net position	931	(3,713)
Total net position - July 1, 2020	305,501	-
Restatement - Implementation of GASB 84 (Note 17)	-	62,483
Total net position - June 30, 2021	\$ 306,432	\$ 58,770

**BISON SCHOOL DISTRICT NO. 52-1
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021
(See Independent Auditors' Report)**

NOTE 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 the Bison School District No. 52-1, 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; those 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 minus liabilities, equal net position). Net Position is displayed in three components, as applicable, net investment in capital assets, restricted (distinguishing between major categories of restrictions), and unrestricted.

NOTES TO FINANCIAL STATEMENTS - Page 2
(See Independent Auditors' Report)

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 and those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by recipients of goods and services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

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

1. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least ten 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 five 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.

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.

NOTES TO FINANCIAL STATEMENTS - Page 3
(See Independent Auditors' Report)

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.

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 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 services), 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.

Fiduciary Funds

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

Private-Purpose Trust Funds - Private-purpose trust funds are used to account for all other trust arrangements under which principal and income benefit individuals, private organizations, or other governments. The School District maintains only the following private-purpose trust funds: Scholarships.

NOTES TO FINANCIAL STATEMENTS - Page 4
(See Independent Auditors' Report)

Custodial Funds - Custodial funds are used to report fiduciary activities that are not required to be reported in pension trust funds, investment trust funds, or private-purpose trust funds. The School District maintains custodial funds to hold assets as an agent in a trustee capacity for various classes, clubs, and so on.

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.

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 type funds, while the "economic resources" measurement focus and the accrual basis of accounting are applied to the proprietary and similar 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 funds 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 Bison School District No. 52-1, the length of that cycle is 60 days. The revenues which are accrued at June 30, 2021 are expected federal reimbursements, state reimbursements, utility taxes, and miscellaneous reimbursements.

NOTES TO FINANCIAL STATEMENTS - Page 5
(See Independent Auditors' Report)

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

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

All Proprietary Funds 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.

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.

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.

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

NOTES TO FINANCIAL STATEMENTS - Page 6
(See Independent Auditors' Report)

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 Statements

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

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

The total June 30, 2021 balance of capital assets for governmental activities and for business-type activities are all considered to be valued at actual 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. Capitalization thresholds (the dollar values above which assets acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements and proprietary funds are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land	\$ -	N/A	N/A
Improvements	10,000	Straight-line	10-100 years
Buildings	10,000	Straight-line	10 years
Machinery and equipment - governmental activities			
Machinery and automotive equipment	5,000	Straight-line	5-10 years
Furniture and equipment	2,500	Straight-line	5-20 years
Machinery and equipment - business-type activities	500	Straight-line	12 years

Land is an inexhaustible capital asset and is not depreciated.

NOTES TO FINANCIAL STATEMENTS - Page 7
(See Independent Auditors' Report)

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 governmental-wide or fund financial statements.

All long-term liabilities to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term liabilities consists of compensated absences and capital outlay certificates.

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

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, applicants, or others who purchase, use, or directly benefit from the goods, services or privileges provided, or are otherwise directly affected by the services.
- 2: Program-specific operating grants and contributions - These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program.
- 3: Program-specific capital grants and contributions - These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for the acquisition of capital assets for use in a particular program.

NOTES TO FINANCIAL STATEMENTS - Page 8
(See Independent Auditors' Report)

i. Proprietary Funds Revenue and Expense Classifications

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

j. Cash and Cash Equivalents

The School District pools its cash resources for depositing and investing purposes. Accordingly, the enterprise 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.

k. Equity Classifications

Government-wide Financial Statements

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

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

Fund Financial Statements

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

l. Application of Net Position

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

m. Fund Balance Classification Policies and Procedures

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

Nonspendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

Restricted - includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

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

Assigned - includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the School Board.

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

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

n. Pensions

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

NOTE 2 - IMPLEMENTATION OF NEW ACCOUNTING STANDARD

In 2021, the School District implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities accounting standard. This statement improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The implementation of this standard required that the School District present a Statement of Changes in Fiduciary Net Position for Custodial Funds for 2021. The impact to the School District resulted in certain activities previously reported as fiduciary not being considered fiduciary under GASB 84. The effect of the implementation of this standard on beginning net position is disclosed in Note 17.

NOTES TO FINANCIAL STATEMENTS - Page 10
(See Independent Auditors' Report)

NOTE 3 - DEPOSITS AND INVESTMENTS CREDIT RISK, CONCENTRATIONS OF CREDIT RISK AND INTEREST RATE RISK

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

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

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.

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

As of June 30, 2021, all of the School District's investments were in certificates of deposit.

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

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

NOTES TO FINANCIAL STATEMENTS - Page 11
(See Independent Auditors' Report)

NOTE 4 - RECEIVABLES AND PAYABLES

Receivables are not aggregated in these financial statements. The School District expects all receivables to be collected within one year.

NOTE 5 - INVENTORY

Inventory is valued 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 governmental fund financial statements, inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed. Reported inventories are equally offset by Nonspendable Fund Balance which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

NOTE 6 - 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 April 30 and October 31 of the following year. The county bills and collects the School District's taxes and remits them to the School District. School District property tax revenues are recognized to the extent that they are used to finance each year's appropriations. Revenue related to current year property taxes receivable which is intended to be used to finance the current year's appropriations, but which will not be collected during the current fiscal year or within the "availability period" has been deferred in the fund financial statements. Property tax revenues intended to finance the current year's appropriations, and therefore susceptible to accrual, has been reported as revenue in the government-wide financial statements, even though collection will occur in future fiscal years.

NOTES TO FINANCIAL STATEMENTS - Page 12
(See Independent Auditors' Report)

NOTE 7 - CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for year ended June 30, 2021 is as follows:

	Balance 07/01/2020	Increases	Decreases	Balance 06/30/2021
Primary Government				
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 6,600	\$ -	\$ -	\$ 6,600
Total capital assets, not being depreciated	6,600	-	-	6,600
Capital assets, being depreciated				
Buildings	6,960,491	-	-	6,960,491
Improvements other than buildings	9,579	17,106	-	26,685
Machinery and equipment	671,970	27,784	-	699,754
Total capital assets, being depreciated	7,642,040	44,890	-	7,686,930
Less accumulated depreciation for				
Buildings	601,322	138,276	-	739,598
Improvements other than buildings	8,028	1,029	-	9,057
Machinery and equipment	590,037	11,114	-	601,151
Total accumulated depreciation	1,199,387	150,419	-	1,349,806
Total capital assets, being depreciated, net	6,442,653	(105,529)	-	6,337,124
Governmental activity capital assets, net	<u>\$ 6,449,253</u>	<u>\$ (105,529)</u>	<u>\$ -</u>	<u>\$ 6,343,724</u>

Depreciation expense was charged to functions as follows:

	06/30/2021
Governmental activities	
Instructional	\$ 69,675
Support Services	67,906
Cocurricular	12,838
Total depreciation expense - governmental activities	<u>\$ 150,419</u>

NOTES TO FINANCIAL STATEMENTS - Page 13
(See Independent Auditors' Report)

	Balance 07/01/2020	Increases	Decreases	Balance 06/30/2021
Business-type activities				
Capital assets, being depreciated				
Machinery and equipment	\$ 62,226	\$ -	\$ -	\$ 62,226
Total capital assets, being depreciated	62,226	-	-	62,226
Less accumulated depreciation for				
Machinery and equipment	55,699	2,502	-	58,201
Total accumulated depreciation	55,699	2,502	-	58,201
 Total business-type activities, capital assets, being depreciated, net	 6,527	 (2,502)	 -	 4,025
 Business-type activities capital assets, net	 \$ 6,527	 \$ (2,502)	 \$ -	 \$ 4,025

Depreciation expense was charged to functions as follows:

	06/30/2021
Business-type activities	
Food Service	\$ 2,502

NOTE 8 - LONG-TERM DEBT

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

	Beginning Balance 07/01/2020	Additions	Deletions	Ending Balance 06/30/2021	Due Within One Year
Primary government					
Governmental activities					
Capital outlay certificates 2018	3,650,824	-	485,258	3,165,566	501,157
Compensated absences	28,568	48,061	24,611	52,018	-
Total governmental activities	3,679,392	48,061	509,869	3,217,584	501,157

Long-term debt at June 30, 2021, is comprised of the following:

Capital Outlay Certificates, Series 2018, maturing February 2037, 3.94% interest, annual interest and principal payments, made from the Capital Outlay Fund.	\$3,165,566
Compensated absences for governmental activities typically have been liquidated from the General Fund and Special Education Fund.	52,018
Total long-term debt	\$3,217,584

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(See Independent Auditors' Report)

Annual requirements to Maturity for Long-Term Debt as of June 30, 2021:

Capital Outlay Certificates		
<u>Year Ending June 30, 2021</u>	<u>Principal</u>	<u>Interest</u>
2022	501,157	100,181
2023	517,577	83,532
2024	137,407	69,602
2025	116,048	90,606
2026	121,660	84,994
2027-2031	697,663	335,607
2032-2036	871,919	177,376
2037	202,135	7,724
	<u>3,165,566</u>	<u>949,622</u>

NOTE 9 - INDIVIDUAL FUND INTERFUND BALANCES AND INTERFUND TRANSFERS

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

	Transfers In	Transfers Out	Total
	General Fund	\$ 175,000	\$ (10,000)
Capital Outlay Fund	-	(175,000)	\$ (175,000)
Food Service Fund	10,000	-	10,000
Total	<u>\$ 185,000</u>	<u>\$ (185,000)</u>	<u>\$ -</u>

Transfers from the General Fund to the Food Service Fund and the Capital Outlay Fund to the General Fund were made due to revenues being insufficient to support the expenditures of the funds. These interfund transfers are not violations of the statutory restrictions on interfund transfers.

NOTE 10 - RESTRICTED NET POSITION

<u>Fund</u>	<u>Restricted By</u>	<u>06/30/2021</u>
Special Education	Law	\$ 223,303
Capital Outlay	Law	1,114,162
SDRS Pension Purposes	Law	95,969
Total Restricted Net Position		<u>\$1,433,434</u>

These balances are restricted due to statutory requirements.

NOTE 11 - PENSION PLAN

Plan Information:

All permanent employees working twenty or more hours per week participate in the South Dakota Retirement System (SDRS), a cost-sharing, multiple employer public employee retirement system established to provide retirement benefits for employees of the State of South Dakota and its political subdivisions. The SDRS provides retirement, disability and 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 South Dakota Codified Law 3-12. The SDRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at <http://sdrs.sd.gov/publications.aspx> or by writing to the SDRS, PO Box 1098, Pierre, South Dakota 57501-1098 or by calling (605) 773-3731.

Benefits Provided:

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

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

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

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(See Independent Auditors' Report)

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

Baseline actuarial accrued liabilities will be calculated assuming the COLA is equal to long-term inflation assumption of 2.25%.

If the fair value of assets is greater or equal to the baseline actuarial accrued liabilities, the COLA will be:
 The increase in the 3rd quarter CPI-W, no less than 0.5% and no greater than 3.5%.

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

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

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% of salary; Class B Judiciary Members, 9.0% of salary; and Class B Public Safety Members, 8.0% of salary. State statute also requires the employer to contribute an amount equal to the employee's contribution. State statute also requires the employer to make an additional contribution in the amount of 6.2% for any compensation exceeding the maximum taxable amount for social security for general employees only. The School District's share of contributions to the SDRS for the years ended June 30, 2021, 2020, and 2019 was \$93,310, \$82,968, and \$81,993, respectively, equal to the required contributions each year.

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

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

Proportionate share of pension liability	\$7,702,828
Less proportionate share of net position restricted for pension benefits	<u>7,705,549</u>
Proportionate share of net pension asset	<u>\$ (2,721)</u>

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(See Independent Auditors' Report)

At June 30, 2021, the School District reported an asset of \$2,721 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2020 and the total pension asset used to calculate the net pension asset was based on a projection of the School's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2020, the School District's proportion was .06266030% which is a decrease of .0016116% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the School District recognized a pension expense of \$115,242. At June 30, 2021 the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 10,411	\$ 2,132
Changes in assumption	87,656	353,521
Net difference between projected and actual earnings on pension plan investments	252,934	-
Changes in proportion and difference between District contributions and proportionate share of contributions	5,775	1,185
District contributions subsequent to the measurement date	<u>93,310</u>	<u>-</u>
Total	<u>\$ 450,086</u>	<u>\$ 356,838</u>

\$93,310 reported as deferred outflow of resources related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

Year Ended June 30:	
2022	(29,476)
2023	(22,635)
2024	4,640
2025	<u>47,409</u>
TOTAL	<u>\$ (62)</u>

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(See Independent Auditors' Report)

Actuarial Assumptions:

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

Inflation	2.25 percent
Salary Increases	6.50% at entry to 3.00% after 25 years of service
Discount Rate	6.50% net of plan investment expense
Future COLAs	1.41%

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

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

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

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	58.0%	5.1%
Fixed Income	30.0%	1.5%
Real Estate	10.0%	6.2%
Cash	2.0%	1.0%
Total	100.0%	

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Discount Rate:

The discount rate used to measure the total pension liability (asset) was 6.5%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that matching employer contributions from will be made at rates equal to the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (asset).

Sensitivity of asset to changes in the discount rate:

The following presents the District's proportionate share of net pension liability (asset) calculated using the discount rate of 6.5%, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (5.50%) or 1-percentage point higher (7.50%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
School District's Proportionate share of the net pension liability (asset)	\$ 1,055,694	\$ (2,721)	\$ (868,484)

Pension Plan Fiduciary Net Position:

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

NOTE 12 - POST EMPLOYMENT HEALTHCARE PLAN

The School District is a member of the Associated School Boards Protective Trust. The ASB Protective Trust has set up, for its members, a retiree pool, to house the health plans of the District's retiree participants. This method excludes retirees experience from being included in the rating process for the current employees. Rating in this manner, creates no impact on the insurance rates of the current employees. There is no future liability as the District is not paying higher rates with regards to it's participating retirees.

NOTE 13 - JOINT VENTURES

The School District participates in the joint venture known as Northwest Area Schools Education Cooperative formed for the purpose of providing education services in the area of special education to the member school districts.

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(See Independent Auditors' Report)

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

Bison School District No. 52-1	16.67%
Harding County School District No. 31-1	16.67%
Faith School District No. 46-2	16.67%
Dupree School District No. 64-2	16.67%
Timber Lake School District No. 20-3	16.67%
McIntosh School District No. 15-1	16.67%

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

The School District retains equity in the net assets and has a responsibility to fund deficits of the joint venture in proportion to the relative participation described above.

Separate financial statements for this joint venture are available from Northwest Area Schools Educational Cooperative.

At June 30, 2021, this joint venture had total assets of \$508,901, total liabilities of \$79,310, and net position of \$429,591.

NOTE 14 - RISK MANAGEMENT

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

Employee Health Insurance

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

Liability Insurance

The School District joined the Associated School Boards of South Dakota Property Liability Fund, a public entity risk pool currently operating as a common risk management and insurance program for South Dakota school districts. The School District pays an annual premium to the pool to provide coverage for property, vehicles, liability, boiler and machinery, school leaders professional and umbrella coverage.

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The agreement with the Associated School Boards of South Dakota Property Liability Fund provides that the above coverage's will be provided to a \$1,000,000 limit. Member premiums are used by the pool for payment of claims and to pay for reinsurance for claims in excess of \$50,000 to the upper limit. The School District carries a \$5,000 legal services deductible and a \$10,000 liability deductible for liability situations in which the School District would be deemed to be at fault for the School Board legal coverage and \$1,000 deductible for the boiler and machinery coverage and \$2,000,000 per occurrence/\$250,000,000 aggregate for school leaders' Professional Liability with a \$10,000 deductible.

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

The School District does not carry additional insurance coverage to pay claims in excess of this upper limit. Settled claims resulting from these risks have not exceeded the liability coverage over the last 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, 2021, no claims for unemployment benefits were paid. At June 30, 2021, no claims had been filed for unemployment benefits and none are anticipated in the next fiscal year.

NOTE 15 - SIGNIFICANT CONTINGENCIES - LITIGATION

At June 30, 2021, the School District was not involved in any litigation.

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(See Independent Auditors' Report)

NOTE 16 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of the independent auditor's report, which is the date the financial statements were available to be issued.

NOTE 17 - IMPLEMENTATION OF NEW STANDARD AND RESTATEMENT

As of June 30, 2021, the School District implemented GASB Statement No. 84, *Fiduciary Activities*. Certain agency funds previously accounted for activities that are not considered fiduciary in nature and are now reported in the General Fund. The School District restated the net position of the Custodial Fund to appropriately reflect the July 1, 2020 balance as follows:

Custodial Fund Net Position at June 30, 2020 as previously stated	\$ -
Restatement - Implementation of GASB 84	<u>62,483</u>
Custodial Fund Net Position at July 1, 2020 as restated	<u><u>\$ 62,483</u></u>

NOTE 18 - OPERATING LEASES

The School District leases two 34 passenger busses and one 14 passenger bus from Horizon Financial Bank with payments being made from Capital Outlay Fund. The following are the minimum payments required for existing leases:

<u>Year</u>	<u>Busses</u>
2022	\$ 25,181
2023	\$ 25,181
2024	\$ 25,181
2025	\$ 25,181

REQUIRED SUPPLEMENTARY INFORMATION

BISON SCHOOL DISTRICT NO. 52-1
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

Data	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget	
	Original	Final			
REVENUES:					
1000	Revenue from Local Sources:				
1100	Taxes:				
1110	Ad Valorem Taxes	\$ 806,000	\$ 806,000	\$ 841,171	\$ 35,171
1120	Prior Years' Ad Valorem Taxes	-	-	1,726	1,726
1130	Tax Deed Revenue	-	-	50,544	50,544
1140	Utility Taxes	65,000	65,000	92,970	27,970
1190	Penalties and Interest on Taxes	2,000	2,000	2,414	414
1510	Interest	2,000	2,000	728	(1,272)
1700	Cocurricular Activities:				
1710	Admissions	10,500	10,500	9,184	(1,316)
1900	Other Revenue from Local Sources:				
1920	Contributions and Donations	2,000	2,000	2,533	533
1970	Charges for Services	500	500	2,111	1,611
1990	Other	5,000	5,000	8,193	3,193
2000	Revenue from Intermediate Sources:				
2100	County Sources:				
2110	County Apportionment	7,000	7,000	12,036	5,036
3000	Revenue from State Sources:				
3110	Unrestricted Grants-in-Aid	545,000	545,000	537,888	(7,112)
4000	Revenue from Federal Sources:				
4100	Grants-in-Aid				
4120	Unrestricted grants-in-aid received from federal government through state	8,000	15,786	55,319	39,533
4150	Restricted grants-in-aid received from federal government through state	71,852	88,995	87,338	(1,657)
4200	Revenue in lieu of taxes	60,000	60,000	59,957	(43)
4900	Other Federal Revenue	-	7,415	7,415	-
	Total Revenue	\$ 1,584,852	\$ 1,617,196	\$ 1,771,527	\$ 154,331

(Continued on next page)

BISON SCHOOL DISTRICT NO. 52-1
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

Data	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget	
	Original	Final			
EXPENDITURES:					
1000	Instruction:				
1100	Regular Programs:				
1111	Elementary	\$ 510,900	\$ 520,024	\$ 511,719	\$ 8,305
1120	Middle/Junior High	100,000	100,000	93,222	6,778
1130	High School	331,500	337,695	315,669	22,026
1200	Special Programs:				
1270	Educationally Deprived	64,469	64,469	64,325	144
2000	Support Services:				
2100	Pupils:				
2120	Guidance	61,000	61,000	59,684	1,316
2130	Health Services	600	600	189	411
2200	Support Services-Instructional Staff:				
2210	Improvement of Instruction	18,584	28,399	20,357	8,042
2220	Educational Media	86,750	91,788	88,765	3,023
2300	Support Services-General Administration:				
2310	Board of Education	40,000	72,500	69,264	3,236
2321	Executive Administration	110,500	110,500	108,814	1,686
2400	Support Services - School Administration:				
2410	Office of the Principal	70,800	78,800	75,903	2,897
2490	Other	300	300	153	147
2500	Support Services-Business				
2520	Fiscal Services	46,700	46,700	45,034	1,666
2540	Operation & Maintenance of Plant	187,650	207,860	206,516	1,344
2550	Pupil Transportation	48,100	48,100	46,096	2,004
2560	Food Service	6,000	6,000	5,439	561
6000	Cocurricular Activities				
6100	Male Activities	29,800	34,678	29,333	5,345
6200	Female Activities	29,800	29,800	25,441	4,359
6500	Transportation	15,300	15,300	12,736	2,564
6900	Combined Activities	51,999	51,999	46,927	5,072
7000	Contingencies	20,000	7,584	-	7,584
	Total Expenditures	1,830,752	1,914,096	1,825,586	88,510
	Excess Revenue Over/Under Expenditures	\$ (245,900)	\$ (296,900)	\$ (54,059)	\$ 242,841

(Continued on next page)

BISON SCHOOL DISTRICT NO. 52-1
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

Data	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Other Financing Sources				
5110 Transfer In	175,000	175,000	175,000	-
8110 Transfer Out	(7,500)	(10,000)	(10,000)	-
Total Other Financing Sources	167,500	165,000	165,000	-
Net Change in Fund Balances	(78,400)	(131,900)	110,941	242,841
Fund Balance - Beginning	396,572	396,572	396,572	-
Fund Balance - Ending	\$ 318,172	\$ 264,672	\$ 507,513	\$ 242,841

BISON SCHOOL DISTRICT NO. 52-1
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
CAPITAL OUTLAY FUND
FOR THE YEAR ENDED JUNE 30, 2021

Data	Budgeted Amounts		Actual Amounts (Budgetary)	Variance with Final Budget
	Original	Final		
REVENUES:				
1000	Revenue from Local Sources:			
1100	Taxes:			
1110	\$ 480,000	\$ 480,000	\$ 651,471	\$ 171,471
1120	-	-	1,269	1,269
1190	-	-	2,417	2,417
1510	3,000	3,000	3,540	540
1900	Other Revenue from Local Sources:			
1990	-	-	8,333	8,333
4000	Revenue from Federal Sources:			
4100	Grants-in-Aid			
4120	Unrestricted grants-in-aid received from federal government through state			
	-	24,251	23,000	(1,251)
4150	Restricted grants-in-aid received from federal government through state			
	-	58,036	58,036	-
4900	Other			
	-	2,022	2,022	-
Total Revenue	\$ 483,000	\$ 567,309	\$ 750,088	\$ 182,779

BISON SCHOOL DISTRICT NO. 52-1
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
CAPITAL OUTLAY FUND
FOR THE YEAR ENDED JUNE 30, 2021

Data	Budgeted Amounts		Actual Amounts (Budgetary)	Variance with Final Budget	
	Original	Final			
EXPENDITURES:					
1000	Instruction:				
1100	Regular Programs:				
1111	Elementary	\$ 5,400	\$ 59,150	\$ 55,314	\$ 3,836
1120	Middle/Junior High	1,000	1,000	-	1,000
1130	High School	5,400	9,134	5,299	3,835
2200	Support Services-Instructional Staff:				
2220	Educational Media	1,000	1,000	998	2
2500	Support Services-Business				
2520	Fiscal Services	2,500	2,500	-	2,500
2530	Facilities Acquisition and Construction	5,000	5,000	-	5,000
2540	Operation & Maintenance of Plant	77,500	104,325	46,431	57,894
2550	Pupil Transportation	26,000	26,000	25,631	369
5000	Debt Services	602,000	602,000	601,890	110
6000	Cocurricular Activities				
6200	Female Activities	4,500	4,500	4,475	25
	Total Expenditures	<u>730,300</u>	<u>814,609</u>	<u>740,038</u>	<u>74,571</u>
	Excess Revenue Over/Under Expenditures	<u>(247,300)</u>	<u>(247,300)</u>	<u>10,050</u>	<u>257,350</u>
	Other Financing Sources				
8110	Transfer Out	<u>(175,000)</u>	<u>(175,000)</u>	<u>(175,000)</u>	<u>-</u>
	Total Other Financing Sources	<u>(175,000)</u>	<u>(175,000)</u>	<u>(175,000)</u>	<u>-</u>
	Net Change in Fund Balances	<u>(422,300)</u>	<u>(422,300)</u>	<u>(164,950)</u>	<u>257,350</u>
	Fund Balance - Beginning	<u>1,278,264</u>	<u>1,278,264</u>	<u>1,278,264</u>	<u>-</u>
	Fund Balance - Ending	<u>\$ 855,964</u>	<u>\$ 855,964</u>	<u>\$ 1,113,314</u>	<u>\$ 257,350</u>

BISON SCHOOL DISTRICT NO. 52-1
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL EDUCATION FUND
FOR THE YEAR ENDED JUNE 30, 2021

Data	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget	
	Original	Final			
REVENUES:					
1000	Revenue from Local Sources:				
1100	Taxes:				
1110	Ad Valorem Taxes	\$ 307,450	\$ 307,450	\$ 318,280	\$ 10,830
1120	Prior Years' Ad Valorem Taxes	-	-	368	368
1190	Penalties and Interest on Taxes	-	-	901	901
1510	Interest	-	-	530	530
1900	Other Revenue from Local Sources:				
1970	Charges for Services	-	-	389	389
	Total Revenue	\$ 307,450	\$ 307,450	\$ 320,468	\$ 13,018
EXPENDITURES:					
1000	Instruction:				
1200	Special Programs:				
1220	Programs for Special Education	\$ 240,850	\$ 240,850	\$ 222,329	\$ 18,521
2000	Support Services:				
2100	Pupils:				
2140	Psychological Services	7,000	7,000	7,000	-
2150	Speech	18,000	18,000	3,646	14,354
2170	Student Therapy Services	20,000	20,000	16,770	3,230
2700	Special Education:				
2710	Administrative Costs	21,100	21,100	15,350	5,750
2730	Transportation Costs	500	500	-	500
	Total Expenditures	307,450	307,450	265,095	42,355
	Excess Revenue Over/Under Expenditures	-	-	55,373	55,373
	Net Change in Fund Balances	-	-	55,373	55,373
	Fund Balance - Beginning	167,699	167,699	167,699	-
	Fund Balance - Ending	\$ 167,699	\$ 167,699	\$ 223,072	\$ 55,373

**BISON SCHOOL DISTRICT NO. 52-1
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021**

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 trust and agency funds.
6. After adoption by the School Board, the operating budget is legally binding and actual expenditures of each fund cannot exceed the amounts budgeted, except as indicated in number 8.
7. A line item for contingencies may be included in the annual budget. Such a line item may not exceed five 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 Special Revenue Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

BISON SCHOOL DISTRICT NO. 52-1
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - Page 2
FOR THE YEAR ENDED JUNE 30, 2021

12. Budgets for the General Fund and Special Revenue Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

U.S GAAP Basis Fund Balance	\$	759,617
Less: portion comprise of unspent Impact Aid revenue		<u>(252,104)</u>
Budgetary basis fund balance	\$	<u>507,513</u>

NOTE 2 - USGAAP/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.

**BISON SCHOOL DISTRICT NO. 52-1
SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY (ASSET)
SOUTH DAKOTA RETIREMENT SYSTEM**

	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.0626603%	0.0642719%	0.0643985%	0.0657990%	0.0625894%	0.0549483%	0.0538316%
District's proportionate share of net pension liability (asset)	\$ (2,721)	\$ (6,811)	\$ (1,502)	\$ (5,971)	\$ 211,421	\$ (233,052)	\$ (387,835)
District's covered-employee payroll	\$ 1,382,805	\$ 1,366,552	\$ 1,338,787	\$ 1,336,903	\$ 1,190,138	\$ 1,003,204	\$ 941,367
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-0.20%	-0.50%	-0.11%	-0.45%	17.76%	-23.23%	-41.20%
Plan fiduciary net position as a percentage of the total pension liability	100.04%	100.09%	100.02%	100.10%	96.90%	104.10%	107.30%

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

**BISON SCHOOL DISTRICT NO. 52-1
SCHEDULE OF THE SCHOOL DISTRICT'S CONTRIBUTIONS
SOUTH DAKOTA RETIREMENT SYSTEM**

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 93,310	\$ 82,968	\$ 81,993	\$ 80,327	\$ 80,214	\$ 71,408	\$ 60,192
Contributions in relation to the contractually required contribution	\$ 93,310	\$ 82,968	\$ 81,993	\$ 80,327	\$ 80,214	\$ 71,408	\$ 60,192
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 1,555,174	\$ 1,382,805	\$ 1,366,552	\$ 1,338,787	\$ 1,336,903	\$ 1,190,138	\$ 1,003,203
Contributions as a percentage of covered-employee payroll	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%

**BISON SCHOOL DISTRICT NO. 52-1
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION
LIABILITY (ASSET) AND SCHEDULE OF CONTRIBUTIONS**

Changes from prior valuation

The June 30, 2020 Actuarial Valuation reflects no changes in actuarial methods from the June 30, 2019 Actuarial Valuation. One change in actuarial assumptions and two plan provision changes are reflected and described below.

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

Benefit Provision Changes

Section 415(m) of the Internal Revenue Code (IRC). The QBPA is effective July 1, 2020 and pays a portion of SDRS benefits that are restricted by IRC Section 415(b). The total benefits paid from SDRS and the QBPA will be limited to the applicable 415(b) annual limit, unreduced for early commencement if Members retire prior to age 62 and actuarially increased for late retirement up to age 70 if Members retire after age 65. The Actuarial Valuation considers benefits payable from both SDRS and the QBPA.

Legislation enacted in 2020 also brought the assets and the liabilities of the South Dakota Department of Labor and Regulation Plan into SDRS effective July 1, 2020. With the exception of the accounting results presented in Section 6 of this report, all exhibits include the assets, liabilities, and member counts of the former Department of Labor and Regulation Plan Members.

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 0.5% and no greater than 3.5%. However, if the FVFR assuming the long-term COLA is equal to the baseline COLA assumption (currently 2.25%) is less than 100%, the maximum COLA payable will be limited to the increase that if assumed on a long-term basis, results in a FVFR equal to or exceeding 100%. That condition existed as of June 30, 2019 and exists again this year as of June 30, 2020. Future COLAs are assumed to equal the current restricted maximum COLA which was 1.88% as of June 30, 2019 and is 1.41% as of June 30, 2020.

The changes in actuarial assumptions due to the 1.41% restricted maximum COLA decreased the Actuarial Accrued Liability by \$595 million, or 4.6% of the Actuarial Accrued Liability based on the 1.88% restricted maximum COLA.

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

Actuarial Method Changes

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