

DOUGLAS SCHOOL DISTRICT
BOARD OF EDUCATION

AGENDA

Monday, January 26, 2026

**VANDENBERG ELEMENTARY SCHOOL - Library Conference Room
561 Briggs Street
Box Elder, SD 57719**

5:00 PM

DOUGLAS SCHOOL DISTRICT INVITES YOU TO ATTEND A SCHEDULED ZOOM ROOM MEETING:

Join Zoom Meeting <https://sdk12.zoom.us/j/97083734623?pwd=23MKv57x1z5wGBGqv8c3T9F1qxEaoU.1>
Meeting ID: 970 8373 4623
Passcode: 836034

Individuals attending virtually and desiring to speak during public forum should email their request to the Superintendent's Office (Kevin.Case@k12.sd.us or Jackie.McPherson@k12.sd.us), including all identifying information by noon of the day of the board meeting.

{{Name: Agenda Item Name}}

1. Call Meeting To Order:
2. Pledge of Allegiance and Moment of Silence In Honor Of Fallen Soldiers And Active Duty Persons:
3. Recognition:
4. Review of Board Working Agreements:
 - We ask
 - We learn
 - We lead
- 5.
6. Public Forum:
7. Approval of Agenda:
8. Consent Agenda Items:
 - A. Approval of Regular Meeting Minutes for January 12, 2026.
 - B. Approve Personnel Action.
 - C. Approve Financial Reports

- D. Approve the Purchases and Issuing of Accounts Payable.
 - E. Approve Capital Outlay request in the amount of \$19,394.00 to repair high school roof and shed damaged by hail.
 - F. Approve Conflict Disclosures and Waiver Authorizations Pursuant to SDCL 3-23-3
9. Items Removed From Consent Agenda
10. Elementary and Secondary Curriculum and Instruction Items:
11. Superintendent Items:
- A. Portrait of A Graduate (POG) Update: Over the past couple of months we have gathered stakeholder input centered around these three questions: 1. What are the academic and life skills, characteristics, and habits that graduates of Douglas School District need to possess?
2. How will we know we are successful?
3. What other thoughts and ideas might you want to share with us?
We held five in person sessions on December 9, 2025 with 28 participants and 6 virtual sessions on January 13 with 12 participants to gather feedback.
The first draft of what we heard will be discussed at our Portrait Of a Graduate Steering Committee tomorrow night. The attached document outlines some themes that emerged from those meetings. We are still on track to have a final product to present to the board by April or May 2026.
 - B. Douglas Elementary School #1 Funding Update: The Final THUD appropriations package for FY26 has currently been passed by the house and is awaiting approval from the senate, which will hopefully happen the week of January 26. This is the bill that includes the \$42 Million request to support construction of a new elementary school at DSD 51-1.
 - C. Approve Letter of Support for Amendment to SDCL 13-35-2.
12. Fiscal Resources Items:
- A. Hear report and acknowledge receipt of FY2025 Audit Report conducted by Ketel Thorstensen, LLP.
 - B. 2026 Budget Presentation.
13. Operational Support Services Items:
14. Reports:
- A. Superintendent:
 - B. Committee Reports From Board Members and Comments from Associate Board Members

15. Upcoming Calendar Events:

Jan 27 - Portrait of Graduate Steering Committee, 4:00-7:00 pm

Feb 9, 10, & 12 - Parent Teacher Conferences, 3:30-7:00 pm

Feb 13 - Conference Comp Day, No School

Feb 16 - Holiday, No School

Feb 23 - BOE Meeting, 5:00 pm

16. Executive Session for BOE Review of Superintendent Evaluation Summary according to SDCL 1-25-2.1.

17. Action As A Result of Executive Session

18. Adjournment

SECTION	B	TITLE	Board Governance and Operations	FILE	BDDH
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Public Participation at Board Meetings

The School Board recognizes and respects the input which may be provided by the public on school district matters. The Board also recognizes and respects the distinction between a school board meeting that is open to the public and a public hearing held by the school board.

- At a school board meeting which is open to the public, members of the public may be present, observe and listen to the school board conduct its business and may speak during the school board meeting consistent with this policy.
- At a public hearing held by the school board, there is usually one topic to be presented by the District and discussed. The public is given the opportunity to speak and be heard on the topic which is the reason for the public hearing. This type of meeting allows for public participation under the rules designed specifically for that meeting and is not subject to this policy.

This Policy applies only to regularly scheduled school board meetings held in open session. Matters addressed in executive session pursuant to SDCL 1-25-2 are not open to the public.

Personnel matters or complaints that directly or indirectly identify an employee shall not be discussed. Complaints against school employees or students, and complaints related to sexual harassment or bullying, must be addressed according to specific school district policies before being addressed by the School Board.

When a complaint against a school employee or a student is brought to the Board during the public forum, the Board President will direct the person bringing the complaint to the applicable complaint procedure. The complaint procedures are designed to ensure the proper balance in protecting the rights of the person(s) bringing the complaint and the rights of the person against whom the complaint is made. The Board will address the complaint only if the matter has been appealed to the Board pursuant to the applicable complaint policy

Persons making references about a specific school employee or employees, or a specific student or students during the public forum should be mindful that based upon what the person says during the public forum the employee(s) or student(s) about whom the comments are made may have legal recourse against the person voicing the complaint.

Persons speaking during the Public Forum at a school board meeting shall not cause public inconvenience, annoyance, or alarm to the school board or any person, and shall not engage in threatening behavior, make unreasonable noise, be disruptive, boisterous, argumentative, or threatening, shall not make comments which

are disrespectful to one or more persons, and shall not use profanity.

The time designated for Public Forum on the agenda shall be immediately before the adoption of the meeting agenda by the school board.

In order to assure that the Board may conduct its meetings in a respectful and efficient manner, the procedure for public participation at regularly scheduled monthly school board meetings is as follows:

1. Agenda and Non Agenda Items:

- a. Before the meeting is called to order, an individual who desires to speak at a school board meeting must in writing inform the Superintendent, the Business Manager or the Board President of the person's desire to speak and the topic upon which the person intends to speak. The requesting party must sign a form (prepared by the school district) with their name, address, email and topic to be addressed. Individuals attending virtually and desiring to speak during public forum, should email their request to the superintendent's office, including all identifying information, by noon the day of the meeting.
- b. During the time designated for Public Forum, the Board President will recognize the person who signed up to speak and the person may speak on the topic according to the rules set forth in this policy
- c. A speaker shall be granted 5 minutes to present comments to the school board. Upon receiving a request for an extension of time from the speaker, the school board, upon a motion being made and passed by a majority of school board members present and voting, may grant an additional amount of time not to exceed 5 minutes. Additional extensions may be granted only upon a two-thirds vote of school board members present and voting.
- d. Should a number of persons wish to address the school board on the same agenda item, or should the comments become repetitious, the School Board President, in the President's sole discretion, may shorten the time for comments to two minutes per person in order that persons wishing to address the school board may be heard and still allow the school board sufficient time to conduct its agenda business.

2. Adding an Item to the School Board Meeting Agenda in Order to Request Specific School Board Action:

- a. Any person or delegation (with one person being the spokesperson for the delegation) making a specific request to the school board which would require formal action by the school board must present a written request to the Superintendent for the item to be placed on the school board meeting proposed agenda. The written request must be submitted to the Superintendent at least five calendar days before the school board meeting.
- b. The specific request to add an item to the agenda shall clearly identify what is being requested and why, signed by the person making the request, and include the person's name, address, email and telephone number.
- c. The Superintendent will forward the request to the School Board President and the Board President will decide whether the item will be placed on the proposed agenda. Whether any item is to be addressed at the school board meeting is determined by a majority of school

board members at the beginning of the school board meeting when the school board adopts the proposed agenda as printed or adopted after being modified.

- d. If the item on the meeting agenda is adopted by the school board, the person or spokesperson for the delegation who has submitted the request for specific school board action will be granted 10 minutes to explain the request to the school board. Upon receiving a request for an extension of time from the speaker, the school board, upon a motion being made and passed by the majority of school board members present, may grant an additional amount of time not to exceed 5 minutes. Additional extensions may be granted only upon a two-thirds vote of school board members present and voting.
- e. In the sole discretion of the school board, requests to the school board for specific action submitted after the proposed agenda has been posted may be:
 - deferred until the next regular meeting or a special school board meeting, or
 - added to the meeting agenda for discussion purposes only, or
 - added to the agenda for discussion and possible action.

3. Authority of Presiding Officer:

The Board vests in its presiding officer the authority to terminate the right of any person to speak at the end of the time granted pursuant to provision 1.d, provision 1.e, or provision 2.d. as set forth in this policy. The presiding officer may also terminate the right of a person to speak at a school board meeting should the person cause public inconvenience, annoyance, or alarm to the school board or any person, engage in threatening behavior, make unreasonable noise, disturb or be disruptive of an official school board meeting, or when comments are disrespectful to one or more persons, boisterous, argumentative, threatening, or contain profanity.

If deemed necessary by the presiding officer, the presiding officer may contact local law enforcement to have a person removed from the school board meeting as it is a violation of law for a person to intentionally cause or create a risk of serious public inconvenience, annoyance, alarm or disturbance at a school board meeting.

REFERENCES

State Reference:

SDCL 1-25-1	Official meetings open to the public
SDCL 1-25-2	Executive or closed meetings
SDCL 13-32-6	Disturbance of school as a misdemeanor
SDCL 13-8-39	Management of schools by board
SDCL 22-18-35(3)	Disturbing any lawful assembly or meeting

Policy Cross Reference:

BD	School Board Meetings
Bddb	Board Meeting Agendas and Format
BDDC	Agenda Preparation and Dissemination

Adoption History

Approved	9/8/1977		
First Reading of Revision	10/10/1985		
Approved - Revision	11/14/1985		
First Reading	11/17/2014		
Approved	12/8/2014		
First Reading-Rewrite	2/13/2017		
Approved	2/27/2017		
First Reading-Revision	2/28/2022		
Approved	3/14/2022		

**DOUGLAS SCHOOL BOARD
REQUEST TO COMMENT
SPEAKER SIGN IN**

DATE _____

Persons speaking during the Public Forum at a school board meeting shall not cause public inconvenience, annoyance, or alarm to the school board or any person, and shall not engage in threatening behavior, make unreasonable noise, be disruptive, boisterous, argumentative or threatening, shall not make comments which are disrespectful to one or more persons, and shall not use profanity.

Please print legibly.

	Name & Address	Email & Phone #	Topic / Item #
1			
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SECTION	B	TITLE	Board Governance and Operations	FILE	BDDH-E(2)
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Introduction to Public Forum

If the Board/Board President wishes to have the Board President make an introductory statement at the beginning of the Public Forum, the following may serve as a starting point which could be modified at the discretion of the Board/Board President and which is consistent with local Board policy.

This is the time for the Public Forum.

Each individual wishing to address the Board is asked to sign the form on the table in the back of the room with their name, address, email and topic to be addressed being legible. Persons having signed in will be recognized and have an opportunity to speak.

Speakers will have five (5) minutes to present comments to the school board. An extension of time may be granted pursuant to Board policy. Should more than one person wish to address the school board on the same agenda item, or should the comments become repetitious, speaker time may be shortened.

The District has policies related to complaints involving bullying, sexual harassment, school employees or students. Those policies include procedures designed to balance the rights of the person(s) bringing the complaint and the rights of the person against whom the complaint is made. If a complaint about bullying, sexual harassment, school employees or students is brought to the Board during the public forum, the person will be informed as to the applicable complaint procedure.

* Individuals attending virtually and desiring to speak during public forum, instructions are given on the meeting agenda when it is posted to email their request to the superintendent's office, including all identifying information, by noon the day of the board meeting.

Notes: All Board members should be aware that SDCL 22-18-35(3) says any person who intentionally causes serious public inconvenience, annoyance, or alarm to any other person, or creates a risk thereof by disturbing any lawful assembly or meeting of persons without lawful authority is a criminal offense (Class 2 Misdemeanor). This statute could be referenced in extreme situations if a speaker/group fails to respect the decorum expected during a formal governmental meeting

Adopted: 3/14/2022

MINUTES
DOUGLAS SCHOOL DISTRICT
BOARD OF EDUCATION MEETING

Monday, January 12, 2026

The Douglas School District No. 51-1 Board of Education held a Regular meeting on Monday, January 12, 2026 at 5:00 PM in the library conference room at Vandenberg Elementary School, Box Elder, South Dakota. President Tanya Gray presided. Those present were:

Ben Frerichs: Present, Tanya Gray: Present, Amy McGovern: Present, Chris Misselt: Present, Tonya Welch: Present, Paul Koecher: Associate Board Member, present; Tia Mullins: Associate Board Member, present via zoom; and Jo Anne Mulholland: Associate Board Member Alternate, present.

All actions in these Minutes were by unanimous vote unless otherwise stated.

President Tanya Gray called the meeting to order at 5:00 p.m.

There was nothing for public forum.

Motion to approve the agenda. This motion, made by Amy McGovern and seconded by Ben Frerichs, Carried.

Motion to approve the consent agenda Items 7A-F. This motion, made by Ben Frerichs and seconded by Tonya Welch, Carried.

Approved Regular Board Meeting Minutes of December 8, 2025.

Approved Personnel Action for January 12, 2026. (Attachment)

Approved November Financial Reports. (Attachment)

Approved Accounts Payable Report and December Payroll Report. (Attachments)

Approved twelve (12) high school students for early graduation (graduating in fewer than eight semesters), ending successful completion of all required classes and credits.

There were no conflicts disclosed as defined in SDCL 3-23.

Elementary and Secondary Curriculum and Instruction Items:

Ann Pettit, Executive Director of Elementary Academics, shared the link to the State of South Dakota District Report Card for the 2024-25 SY. She showed some brief highlights of various metrics on student performance and student progress, in addition to specific components for students in grades 3-8 and grade 11. She encouraged board members to access the data and where to find the state calculation guide.

Executive Director of Elementary Academics Ann Pettit presented an overview of the topics and training provided to staff during the professional development days on January 5 and 6. Some of the offerings included a cultural awareness presentation funded by Title VI Indian Ed, QPR

suicide prevention training, Title IX updates, CHAMPS building leadership team training, building level staff survey feedback, and teacher work time.

Superintendent Items:

Motion to approve open enrollment application as recommended. This motion, made by Amy McGovern and seconded by Tonya Welch, Carried.

Jared Carda from Co-Op Architecture presented an update on the Middle School Addition Project. He shared the site plans for the changes in the middle school parking lot and the addition of a bus loop on the north side of the building, as well as drawings of the approximately 10,800 SF addition and 12,400 SF renovation. This will increase the functional capacity of the middle school by 130 students. The preliminary statement of probable cost for the project is on budget at \$7.5 million. Jared reviewed the construction timeline and process for each phase and the anticipated start date pending bid approval.

Reports:

Committee Reports from Board Members and Comments from Associate Board Members

Jo Anne Mulholland stated that April 10 is Purple Up Day for Military Children.

Other board members did not have any committee reports.

Motion to move into executive session at 5:47 p.m. for BOE review of the Superintendent Evaluation Summary according to SDCL 1-25-2.1. This motion, made by Amy McGovern and seconded by Ben Frerichs, Carried.

President Tanya Gray called the Board out of executive session at 6:34 p.m.

No action taken.

Motion to adjourn the meeting at 6:35 p.m. This motion, made by Chris Misselt and seconded by Amy McGovern, Carried.

Tanya Gray, President

Trista Olney, Business Manager

_____ Initials

_____ Date

Published once at the total approximate cost of _____.

**DOUGLAS SCHOOL DISTRICT
PERSONNEL ACTION 1/12/2026**

Employee Leave of Absence Requests

Name	Building	Position	Effective Date
BOE See Attached			

Classified Resignations/Terminations

Name	Position	Location	Effective Date
John Bates	LRA	VES	12/08/2025
Micah Bredberg	Custodian	FC	1/2/2026
Jace Waltman	Bldg & Maint. Coordinator	Building and Grounds	1/16/2026
Nelson Rodriguez	7th Boys Basketball	MS	12/22/2025
Sarah Tucker	Volleyball Head Coach	HS	12/30/2025
Mason Johnson	Custodian	FC	01/06/2026

Certified Staff Hiring

Name	Location / Position	Wage	Effective Date
Tessa Ryan	MS/ELA Teacher	\$28,590.06	1/5/2026

Classified Staff Hiring

Name	Location / Position	Wage	Effective Date
Debra James	HS/Instructional Aide	17.75/hr	01/21/2026

Temporary Hires

Name	Position	Salary	Effective Date
Makiah Chadwick	Asst Boys Wrestling	\$4,588.00	2025-2026
Marlin Kingi	7th Head Boys BBall	\$3,533.00	2025-2026
Aaron Kowaleski	7th Asst. Boys BBall	\$2,853.00	2025-2026
Loghan Pitts	6th Intramural Cheer Coach	\$1,235.00	2025-2026

Substitute Hires

Name	Substitute Teacher	Substitute Classified	Effective Date
Caryna Pourier	Substitute Teacher	Per Substitute Pay Rate	11/4/2025
Constance Hubbard	Substitute Teacher	Per Substitute Pay Rate	12/11/2025
Peter Johnson	Substitute Teacher	Per Substitute Pay Rate	11/4/2025
Mallory Walker	Substitute Teacher	Per Substitute Pay Rate	11/5/2025
Beverly Fuller	Substitute Teacher	Per Substitute Pay Rate	11/5/2025
Emmersyn Crawford	Substitute Teacher	Per Substitute Pay Rate	11/24/2025
Lily Militello	Substitute Teacher	Per Substitute Pay Rate	11/20/2025
Dedra Handboy	Substitute Teacher	Per Substitute Pay Rate	11/25/2025
Emilee Rogers	Substitute Teacher	Per Substitute Pay Rate	12/19/2025
Heather Burden	Substitute Teacher	Per Substitute Pay Rate	12/22/2025
Madison Worden	Substitute Teacher	Per Substitute Pay Rate	12/29/2025
Frederick MacDonald	Substitute Teacher	Per Substitute Pay Rate	12/22/2025
Kevin Plooster	Substitute Teacher	Per Substitute Pay Rate	1/8/2026

** Personnel Action additions and updates made after initial publication and before scheduled school board

November 1, 2025 FINANCIAL	GENERAL FUND	CAPITAL OUTLAY	SPECIAL EDUCATION
BALANCE 10/31/25	(447,467.39)	(277,469.77)	1,509,964.17
RECEIPTS:			
TAXES	1,506,857.73	1,434,128.81	703,374.87
INTEREST	1,490.88	0.00	0.00
ADMISSIONS	6,167.00	0.00	0.00
LOCAL	0.00	39.66	0.00
COUNTY	18,308.36	0.00	0.00
STATE	1,446,727.00	0.00	329,452.00
FEDERAL	16,214.89	95,285.00	321,309.00
OTHER	4,243.35	0.00	0.00
INTERFUND TRAN.	13,425.98	0.00	0.00
TOTAL RECEIPTS:	3,013,435.19	1,529,453.47	1,354,135.87
DISBURSEMENTS:			
VERIFIED CLAIMS	251,395.86	487,861.50	54,231.54
SALARIES	2,049,915.57	0.00	502,593.07
TRANSFERS OUT	0.00		
BALANCE 11/30/25	264,656.37	764,122.20	2,307,275.43
BALANCE 11/30/24	745,894.86	(315,225.19)	1,667,339.08

November 1, 2025 FINANCIAL	FEDERAL PROJECTS	UNEMPLOY- MENT FUND
BALANCE 10/31/25	(151,548.49)	47,510.70
RECEIPTS:		
LOCAL		
STATE		
FEDERAL		0.00
REIMBURSEMENTS	175,582.01	
OTHER (LOCAL) -AFROTC	0.00	0.00
INTERFUND TRAN.		
TRANSFER IN		
TOTAL RECEIPTS:	175,582.01	0.00
DISBURSEMENTS:		
VERIFIED CLAIMS	678.66	0.00
SALARIES	84,771.60	0.00
TRANSFERS OUT		
BALANCE 11/30/25	(61,416.74)	47,510.70
BALANCE 11/30/24	(4,676,117.27)	49,497.51

November 1, 2025 FINANCIAL	DEP CARE	MEDICAL REIMB	IMPACT AID
BALANCE 10/31/25	1,709.66	(2,804.55)	29,995,952.54
RECEIPTS:			
INTEREST	0.00	0.00	13,425.98
FEDERAL	0.00	0.00	816,581.00
LOCAL	1,396.26	3,508.38	0.00
OTHER			
INTERFUND TRAN.			
LOANS			
TOTAL RECEIPTS:	1,396.26	3,508.38	830,006.98
DISBURSEMENTS:			
VERIFIED CLAIMS	606.68	4,777.17	0.00
EXPENDITURES/TRANSFERS OUT	0.00	0.00	13,425.98
BALANCE 11/30/25	2,499.24	(4,073.34)	30,812,533.54
BALANCE 11/30/24	(346.64)	(11,634.29)	27,685,539.54

November 1, 2025 FINANCIAL	FOOD SERVICE	FIDUCIARY FUNDS
BALANCE 10/31/25	129,203.80	248,379.01
RECEIPTS:		
INTEREST		
SALES	71,009.16	0.00
STATE	0.00	0.00
FEDERAL	93,442.89	0.00
LOCAL	291.55	43,889.06
OTHER	0.00	0.00
INTERFUND TRAN.	0.00	
LOANS		
TOTAL RECEIPTS:	164,743.60	43,889.06
DISBURSEMENTS:		
VERIFIED CLAIMS	119,149.80	63,870.63
SALARIES	42,011.61	0.00
BALANCE 11/30/25	132,785.99	228,397.44
BALANCE 11/30/24	209,359.17	256,794.44

Board Report - For School Board 01/15/2026

<u>Vendor Name</u>	<u>Check #</u>	<u>Expensed</u>	<u>Amount</u>
A & B WELDING SUPPLY COMPANY INC.	186812		58.35
ACT	186813		5,088.50
ACTION MECHANICAL INC	186814		567.56
AMAZON.COM	186815		7,982.10
ANCORA PUBLISHING	186816		7,068.99
APPLE INC	186817		1,218.00
BERS WINDY FLATS RUBBLE SITE	186819		84.00
BJ'S INSTRUMENT REPAIR	186820		200.00
BLACK HILLS CHEMICAL CO	186821		17,474.49
BLACK HILLS ENERGY- AUTO PAY	286		31,946.77
BLACK HILLS ROOFING. INC.	186822		1,021.00
BLACK HILLS SPECIAL SERVICES COOPERATIVE	186823		40,678.92
BLACK HILLS URGENT CARE	186824		200.00
BOX ELDER HARDWARE	186826		1,629.56
BZT WRAPS	186827		10,821.40
C.O.R.E FRESHMAN IMPACT	186828		1,129.13
Case. Kevin	186829		300.00
CENTURY BUSINESS	186830		106.68
CENTURYLINK	186831		518.75
CHURCHILL. MANOLIS. FREEMAN. KLUDT &	186833		5,483.08
CLARK PRINTING. INC.	186834		1,012.20
Clark. Karlina	186835		62.54
COLUMN SOFTWARE PBC	186836		548.64
COMFORT INN	186838		1,400.00
CREATIVELY FOCUSED LLC	186840		13,956.25
CRESCENT ELECTRIC	186841		21.16
DAKOTA BUS SERVICE. INC.	186843		4,227.50
DAYS INN - WATERTOWN	186844		325.59
DAYS INN GILLETTE	186845		922.88
DEWEY. SUSAN	283		195.73
DOUBLETREE RAPID CITY DOWNTOWN	186846		71.83
EMC INSURANCE COMPANIES	186847		2,000.00
EVERGREEN OFFICE PRODUCTS	186849		794.20
FIDUCIARY ACCOUNT	186850		11,469.00
FOOD SERVICE	186852		14.03

Board Report - For School Board 01/15/2026

<u>Vendor Name</u>	<u>Check #</u>	<u>Expensed</u>	<u>Amount</u>
GRAINGER. INC	186853		35.52
GREAT WESTERN TIRE COMPANY	186854		41.95
HAGGERTYS MUSICWORKS	186855		85.00
HIGH POINT NETWORKS. LLC	186856		12.30
HILLYARD INC	186857		1,825.60
HOT SPRINGS SCHOOL DISTRICT	186858		200.00
IMAGES OF THE WORLD	186859		1,050.00
INFINITE CAMPUS	186860		3,357.90
INFINITY MACHINE LLC	186861		259.15
INNOVATIVE OFFICE SOLUTIONS	186862		4,016.92
INSTITUTE FOR MULTISENORY EDUCATION	186863		1,500.00
JOSTENS INC	186864		2,439.50
JW PEPPER & SONS. INC.	186865		59.99
KIEFFER SANITATION. INC.-AUTO PAY	186917		3,849.15
KSB SCHOOL LAW	186867		500.00
LAKOTA NATION INVITATIONAL	186868		500.00
LEAD/DEADWOOD SCHOOL DISTRICT	186869		90.00
LEADERSHIP MATTERS LLC	186870		5,945.50
LEXIA VOYAGER SOPRIS LEARNING INC	186871		504.90
LIFEWAYS INC	186872		10,000.00
LYMAN SCHOOL DISTRICT 42-1	186873		200.00
LYNN'S DAKOTAMART	186874		137.29
MENARDS	186875		1,653.48
MG OIL COMPANY. INC.	186876		3,651.31
MIDCONTINENT COMMUNICATIONS- AUTO PAY	284		1,496.81
MIDWEST BUS PARTS. INC.	186878		387.03
MILLER SCHOOL DISTRICT	186879		125.00
Miller. Travis	186880		107.76
MONTANA DAKOTA UTILITIES COMPANY. INC.	287		14,256.79
NORTHERN TRUCK EQUIPMENT CORP.	186881		585.65
O'REILLY AUTO PARTS BOX ELDER	186882		664.75
PROPHET CORPORATION DBA GOPHER. THE	186883		1,039.97
QPR INSTITUTE	186884		100.00
RAMKOTA HOTEL	186885		442.20
RAPID CITY CENTRAL	186886		600.00

Board Report - For School Board 01/15/2026

<u>Vendor Name</u>	<u>Check #</u>	<u>Expensed</u>	<u>Amount</u>
RIDDELL / ALL AMERICAN SPORTS CORP	186888		63.60
RIO GRANDE	186889		350.78
RIVERSIDE TECHNOLOGIES INC	186890		8,114.00
SANFORD HEALTH OCCMED	186891		285.00
SANORBIX LLC	186892		7,000.00
SASD	186893		45.00
SCHOOL NURSE SUPPLY	186894		2,486.47
SDACCC	186896		325.00
SECURLY	186897		2,756.00
SHI INTERNATIONAL CORP.	186898		28.71
SHIRT SHACK ATHLETICS ROOM. LLC	186900		918.54
SIGN EXPRESS	186901		174.25
SOUTH DAKOTA ONE CALL	186902		36.75
SPEARFISH HIGH SCHOOL ACTIVITIES	186903		410.00
STAGECOACH WEST BUS INC	186904		11,376.00
STEVENS HIGH SCHOOL ACTIVITIES	186905		314.00
STURGIS BROWN HIGH SCHOOL	186906		50.00
SUPPLYHOUSE.COM	186908		1,217.58
TYLER TECHNOLOGIES	186909		11,645.00
ULINE SHIPPING SUPPLY SPEC.	186910		1,926.97
UNITY SCHOOL BUS PARTS. INC.	186911		181.19
VANWAY TROPHY & AWARD. INC.	186912		38.20
VICTOR TECHNOLOGY - SEAT SACK	186913		144.90
VOYAGER FLEET SYSTEMS. INC.	186914		113.51
WHITE. ALEXA	186915		146.94
WORLAND HIGH SCHOOL	186916		500.00
GENERAL FUND			282,968.64
ACTION MECHANICAL INC	186814		61,490.00
BARNES & NOBLE INC	186818		8.76
CENTURY BUSINESS	186830		8,330.99
COMBINED BUILDING SPECIALTIES. INC.	186837		14,038.00
CONVERGINT TECHNOLOGIES LLC	186839		5,817.37
FOLLETT CONTENT SOLUTIONS. LLC	186851		7,722.91
INNOVATIVE OFFICE SOLUTIONS	186862		14,130.48
ULINE SHIPPING SUPPLY SPEC.	186910		2,056.09

Board Report - For School Board 12/30/2025

<u>Vendor Name</u>	<u>Check #</u>	<u>Expensed</u>	<u>Amount</u>
CAPITAL OUTLAY			113,594.60
AMAZON.COM	186815		831.71
BLACK HILLS SPECIAL SERVICES COOPERATIVE	186823		281,366.73
BONILLA. BLANCA	186825		697.97
CHILDREN'S CARE HOSPITAL & SCHOOL	186832		19,278.00
Crooks. Teresa	186842		1,070.23
ESTMAN. GEORGEANN	186848		780.78
FIDUCIARY ACCOUNT	186850		4,821.96
Kielhold. Nancv	186866		503.55
LYNN'S DAKOTAMART	186874		24.74
MICROSONIC	186877		47.00
RAMKOTA HOTEL	186885		121.00
RATWIK. ROSZAK & MALONEY. P.A	186887		1,237.00
SD DEPARTMENT OF HUMAN SERVICES	186895		13,435.56
SHINING PATHWAY ABA. LLS	186899		45,435.00
SUNBELT STAFFING LLC	186907		740.00
SPECIAL ED			370,391.23
AMAZON.COM	186815		361.50
GRANTS			361.50
			767,315.97
AMAZON.COM	12952		104.36
CASH-WA DISTRIBUTING COMPANY. INC.	12953		10,669.81
COCA-COLA BOTTLING CO HIGH COUNTRY	12954		1,212.00
D&R SERVICE. INC.	12955		678.96
PAN-O-GOLD BAKING COMPANY. INC.	12956		365.21
PIZZA HUT- BOX ELDER	12957		1,375.00
PRAIRIE FARMS	12958		8,942.40
REINHART FOOD SERVICE LLC	12959		15,367.99
SERVALL TOWEL & LINEN SUPPLY. INC.	12960		301.34
SYSCO MONTANTA	12961		576.49
FOOD SERVICE			39,593.56
			39,593.56
A&J SCREENING	50580		297.16
ACE STEEL & RECYCLING. INC.	50579		404.07
ADMIRAL BEVERAGE OF THE BLACK HILLS	50615		671.19
AMAZON.COM	50616		435.76

Board Report - For School Board 12/30/2025

<u>Vendor Name</u>	<u>Check #</u>	<u>Expensed</u>	<u>Amount</u>
ANGELIQUES	50582		221.82
ARNOLD. LONDON	50583		220.10
BADWOUND. KJ	50618		103.96
BEER. KENNETH	50619		103.96
BLACKSMITH. JEREMY	50620		368.37
BURNETT. DAVID	50621		185.87
BUSCHUR. PAUL	50585		299.78
CAILLIER. JORDAN	50622		207.92
Clark. Michael	50623		4,970.00
Dauchertv. Dale	50587		255.53
DIVISION OF REHABILITATION SERVICES	50588		4,821.96
DOMINOS PIZZA- BOX ELDER	50579		67.44
DOUGLAS PETTY CASH	50627		47.86
EAFB EXCHANGE	50579		11.75
EASTMAN. TYLER	50589		60.00
EDDY. COY	50590		85.00
ELSHERE. TRINK	50591		85.00
EMC INSURANCE COMPANIES	50628		1,277.00
EMR ENTERPRISES	50592		672.50
FLEMMING. IAN	50593		85.00
FUGATE. JIM	50629		395.32
GARCIA. BEAU	50630		98.32
GOTTLOB. NICK	50631		159.67
GOTTLOB. SHAYNE	50595		60.00
GURR. DEAN	50596		88.96
HENRY. MYLES	50597		214.41
HOYLE. TRAVIS	50632		150.00
JD PRODUCTIONS	50633		900.00
JOHNSON. DAWSON	50598		85.00
KIRKEBY. MICHAEL	50634		148.96
KOLAR. CAIN	50635		105.52
LEE. GEORGE	50600		264.41
LEHMANN. ROBERT	50636		88.96
LUNA. MARWIN	50637		400.00
LYNN'S DAKOTAMART	50579		16.96

Board Report - For School Board 12/30/2025

<u>Vendor Name</u>	<u>Check #</u>	<u>Expensed</u>	<u>Amount</u>
MCPHERSON. DUANE	50638		159.67
MIEDEMA. ROBERT	50639		436.74
OSBORN. GENEIEVE	50640		99.41
PIZZA HUT- BOX ELDER	50579		339.65
QUADIENT	50603		565.44
RAHN. MARCY	50604		130.13
REAGLE. COREY	50605		650.64
REAUSAW. BRENT E	50642		346.94
RODRIGUEZ. DOMICO	50643		112.51
RUSH. DANIEL	50606		112.72
SAM'S CLUB	50579		2,558.68
SCHMIDT. DARREN	50644		177.92
SHAY. KANNON	50607		85.00
SINGHISEN. CONNOR	50608		88.96
SOUTHEASTERN PERFORMANCE APPAREL	50579		2,189.24
STRICHERZ. JESSE	50609		168.84
SUDT. TOMMY	50610		85.00
TACO BELL	50579		18.96
TACO JOHNS RAPID CITY	50579		46.78
TIBBTS. CASSEN	50611		85.00
VANDERBOOM. CHASE	50612		85.00
VOEGELI. RICH	50613		85.00
WAL-MART STORES INC	50579		482.63
WALLACE. ROLANDO	50645		207.92
WUERTZER. ROYCE	50646		177.92
STUDENT ACTIVITY			28,632.19
			28,632.19
Grand Total:			835,541.72

PAYROLL EXPENDITURES

DECEMBER 5 2025

DECEMBER 19 2025

TOTALS

\$1,305,671.91

\$1,243,947.55

DOUGLAS SCHOOL DISTRICT

PERSONNEL ACTION	01/26/2026		
Classified Resignations/Terminations			
Name	Position	Location	Effective Date
Theresa Frantz	ISS Instructional Aide	HS	01/30/2026
Certified Voluntary Transfer Request/ Assignments			
Name	From Bldg/Position	To Bldg/Position	Effective Date
Katie Bell	BC/Kindergarten	BC/Instructional Leader	2026-2027
Classified Staff Hiring			
Name	Location / Position	Wage	Effective Date
Jason Wright	FC/Day Custodian	\$17.75/hr	01/13/2026
Hunter Pettit	Maintenance/Bldg & Grounds Coordinator	\$42,024.09/Prorated	1/16/2026
**	Personnel Action additions and updates made after initial publication and before scheduled school board		

December 1, 2025 FINANCIAL	GENERAL FUND	CAPITAL OUTLAY	SPECIAL EDUCATION
BALANCE 11/30/25	264,656.37	764,122.20	2,307,275.43
RECEIPTS:			
TAXES	106,114.01	85,788.88	42,012.18
INTEREST	1,527.08	0.00	0.00
ADMISSIONS	1,644.00	0.00	0.00
LOCAL	523.56	0.00	0.00
COUNTY	22,551.68	0.00	0.00
STATE	1,446,727.00	0.00	329,451.00
FEDERAL	0.00	0.00	36,829.00
OTHER	1,413.51	0.00	0.00
INTERFUND TRAN.	13,371.94	0.00	0.00
TOTAL RECEIPTS:	1,593,872.78	85,788.88	408,292.18
DISBURSEMENTS:			
VERIFIED CLAIMS	135,312.00	515,087.77	86,238.41
SALARIES	1,818,790.82	0.00	480,933.65
TRANSFERS OUT	0.00		
BALANCE 12/31/25	(95,573.67)	334,823.31	2,148,395.55
BALANCE 12/31/24	299,717.06	(432,464.73)	2,341,399.38

December 1, 2025 FINANCIAL	FEDERAL PROJECTS	UNEMPLOY- MENT FUND
BALANCE 11/30/25	(61,416.74)	47,510.70
RECEIPTS:		
LOCAL		
STATE		
FEDERAL	85,287.00	0.00
REIMBURSEMENTS	0.00	
OTHER (LOCAL) -AFROTC	0.00	0.00
INTERFUND TRAN.		
TRANSFER IN		
TOTAL RECEIPTS:	85,287.00	0.00
DISBURSEMENTS:		
VERIFIED CLAIMS	8,229.99	0.00
SALARIES	82,618.85	0.00
TRANSFERS OUT		
BALANCE 12/31/25	(66,978.58)	47,510.70
BALANCE 12/31/24	907,374.52	49,148.70

December 1, 2025 FINANCIAL	DEP CARE	MEDICAL REIMB	IMPACT AID
BALANCE 11/30/25	2,499.24	(4,073.34)	30,812,533.54
RECEIPTS:			
INTEREST	0.00	0.00	13,371.94
FEDERAL	0.00	0.00	0.00
LOCAL	1,396.26	3,508.38	0.00
OTHER			
INTERFUND TRAN.			
LOANS			
TOTAL RECEIPTS:	1,396.26	3,508.38	13,371.94
DISBURSEMENTS:			
VERIFIED CLAIMS	1,772.68	2,561.32	0.00
EXPENDITURES/TRANSFERS OUT	0.00	0.00	13,371.94
BALANCE 12/31/25	2,122.82	(3,126.28)	30,812,533.54
BALANCE 12/31/24	1,717.56	(6,696.83)	28,438,152.54

December 1, 2025 FINANCIAL	FOOD SERVICE	FIDUCIARY FUNDS
BALANCE 11/30/25	132,785.99	228,397.44
RECEIPTS:		
INTEREST		
SALES	44,470.30	0.00
STATE	0.00	0.00
FEDERAL	74,887.44	0.00
LOCAL	1,751.39	13,739.21
OTHER	0.00	0.00
INTERFUND TRAN.	0.00	
LOANS		
TOTAL RECEIPTS:	121,109.13	13,739.21
DISBURSEMENTS:		
VERIFIED CLAIMS	111,498.11	(6,439.38)
SALARIES	20,145.45	0.00
BALANCE 12/31/25	122,251.56	248,576.03
BALANCE 12/31/24	274,556.61	251,204.97

<u>Vendor Name</u>	<u>Check #</u>	<u>Expensed</u>	<u>Amount</u>
AMERICAN TIME & SIGNAL COMPANY, INC.	186933		343.29
BLACK HILLS ENERGY- AUTO PAY	290		36,279.48
Boadway, Bianca	186934		39.21
BOX ELDER HARDWARE	186935		420.22
CHAMBERLAIN HIGH SCHOOL	186936		295.00
COMPASS	186938		3,000.00
CRESCENT ELECTRIC	186941		1,941.22
DAKOTA BUS SERVICE, INC.	186942		4,677.50
DAKOTA SUPPLY GROUP, INC.	186943		211.77
DOUBLETREE RAPID CITY DOWNTOWN	186944		79.89
DOUGLAS PETTY CASH	186945		524.00
EVERGREEN OFFICE PRODUCTS	186947		1,568.00
FIDUCIARY ACCOUNT	186950		16,783.47
FLOSPORTS	186951		106.73
FOOD SERVICE	186952		148.04
Frerichs, Benjamin	186953		117.18
Gray, Tanya	186954		266.64
HAUFF MID-AMERICA SPORTS INC.	186955		1,615.30
Hunter-Baker, Sarah	186956		170.00
INNOVATIVE OFFICE SOLUTIONS	186957		2,885.52
KIEFFER SANITATION, INC.-AUTO PAY	288		2,813.13
LEADERSHIP MATTERS LLC	186958		5,945.50
LYNN JACKSON SHULTZ & LEBRUN PC INC	186959		781.00
MATH LEARNING CENTER, THE	186962		1,782.00
MCGOVERN, AMY	186963		60.20
MENARDS	186964		1,118.95
MIDCONTINENT COMMUNICATIONS- AUTO PAY	291		1,475.46
MS MAIL	186965		23.00
NORTHERN TRUCK EQUIPMENT CORP.	186966		202.78
O'REILLY AUTO PARTS BOX ELDER	186969		584.14
Olney , Trista	186967		128.19

OMNICHEER	186968	923.58
PAULSON, DARREN	186970	373.45
PROPHET CORPORATION DBA GOPHER, THE	186971	782.09
REGION 8 MUSIC CONTEST	186973	319.50
RSP & ASSOCIATES LLC	186974	24,000.00
SDTEA	186976	125.00
SG CHOREOGRAPHY	186977	2,000.00
SHI INTERNATIONAL CORP.	186978	7.66
TEMPERATURE TECHNOLOGY INC	186981	16,640.64
UNITY SCHOOL BUS PARTS, INC.	186982	673.18
VEX ROBOTICS INC	186983	1,320.23
Welch, Tonya	186984	9.45
GENERAL FUND		133,561.59
CO-OP ARCHITECTURE	186940	198,495.00
CAPITAL OUTLAY		198,495.00
CHILDREN'S CARE HOSPITAL & SCHOOL	186937	6,069.00
DOUGLAS PETTY CASH	186945	40.00
EVENTBRITE	186946	881.88
EVERY DAY SPEECH	186948	5,399.91
FIDUCIARY ACCOUNT	186950	440.00
LYNN'S DAKOTAMART	186960	72.82
MACKIE, BRENDA	186961	451.36
RATWIK, ROSZAK & MALONEY, P.A	186972	2,825.00
SD DEPARTMENT OF HUMAN SERVICES	186975	12,987.70
STARFALL EDUCATION	186979	195.00
SUNBELT STAFFING LLC	186980	745.92
SPECIAL ED		30,108.59
		362,165.18
CASH-WA DISTRIBUTING COMPANY, INC.	12969	2,529.24
COCA-COLA BOTTLING CO HIGH COUNTRY	12970	1,127.00
GENERAL FUND	12971	50,466.88
PAN-O-GOLD BAKING COMPANY, INC.	12972	1,194.19
PIZZA HUT- BOX ELDER	12973	297.00

PRAIRIE FARMS	12974	5,464.98
PRESTJOHN, JESSICA	12975	73.70
PROGUARD SERVICE & SOLUTIONS	12976	3,877.40
REINHART FOOD SERVICE LLC	12977	17,645.33
SERVALL TOWEL & LINEN SUPPLY, INC.	12978	183.00
SUMMIT COMPANIES	12979	389.00
SYSCO MONTANTA	12980	4,190.65
FOOD SERVICE		87,438.37
CAILLIER, JORDAN	50674	114.41
Clark, Michael	50675	2,628.00
KOEHN, KOOPER	50676	103.96
OSBORN, GENEIEVE	50677	88.96
PENNINGTON COUNTY TREASURER	50678	30.70
SCHMIDT, DARREN	50679	88.96
SOUTH DAKOTA STATE TREASURER	1102	914.29
STRICHERZ, JESSE	50680	168.84
WALLACE, ROLANDO	50681	103.96
STUDENT ACTIVITY		4,242.08
Grand Total:		453,845.63



Black Hills Roofing

1840 Samco Rd.
PO Box 7740
Rapid City, SD 57709
Ph (605) 343-6488
Fax (605) 343-6285

January 6, 2026

Douglas School District
400 Patriot Drive
Box Elder, SD 57719

RE: Roof Replacement Due to Extreme Hail Damage (approximately 1,623 sf)

We propose to furnish labor and material subject to the conditions stated, for the sum of SEVENTEEN-THOUSAND, EIGHT-HUNDRED FIFTY-FOUR DOLLARS AND 00/CENTS. (\$17,854.00).

Scope of Work:

1. Cut and grid existing PVC membrane
2. Remove all PVC wall flashings, curb flashings, boots, and pitch pans.
3. Inspect insulation for water damage and saturation. Replace if necessary at \$3.54 per sf above base price.
4. Install new 900psi DensDeck coverboard using approved fasteners and plates.
5. Install new Sarnafil certified thickness 60mil PVC
6. Fasten using induction welded Rhinobond system. Enhanced perimeter reinforcement for long term wind resistance.
7. Install counterflashing as necessary.
8. Install new wall flashings, pre-fabricated boots on penetrations, and pitch pans with pourable sealer.
9. Install edge-tite 24 ga. Kynar Roof Edge system to meet ANSI/SPRI ES-1. Color to match existing.
10. Black Hills Roofing will supply owner with a 5-year labor warranty, and a 10-year Sarnafil prorated material warrant upon completion and final payment.

Option 1: Repair shingles blown off on both elevations of shed near high school. Remove and replace shingles on middle school crow's nest. **ADD to base price \$1,540.00** _____ initial for acceptance.

Sarnafil warranty upgrade – Choose one, in lieu of the warranty listed above:

- For a Elevate 10-year non-prorated warranty, add to base price \$1,146.00. Initial for acceptance _____
- For a Elevate 20-year non-prorated warranty, add to base price \$2,292.00. Initial for acceptance _____

Existing Conditions:

- The existing roof system is 2 layers of 2" ISO, Densdeck coverboard, and PVC membrane mechanically attached to a steel deck.
- The existing membrane has suffered hail damage. Fractures continue to appear during every freeze/thaw cycle. Leaks are occurring. The damage is extensive and is difficult to maintain.
- Fractures will continue to appear year after year, with stress caused to the membrane by freeze/thaw cycles. Douglas School district has other roofs, including the band room and auxiliary gym that have extensive hail damage. These have been maintained over the past several years, but replacement is recommended through Equalis, before the fractures become exacerbated through another freeze thaw cycle.

Project Notes:

- Any costs associated with modifications to this proposal, and its scope of work, will be done at the owner's expense.
- Box Elder Permit fees are included in this proposal.
- Excise tax, sales tax, worker compensation, and unemployment insurance are included in this proposal.
- BHR shop fabricated metal trims to match existing color _____ initial.
- Black Hills Roofing will not be held responsible for condensation, or moisture damage from the structure's interior or other existing sub-structures. BHR is not responsible for existing drainage and locations, along with the capability of drainage due to structural defects.
- The owner recognizes that odors and emissions from roofing products will be released as part of the roofing process. The owner will assume all responsibility for interior air quality.
- County and City building codes govern the system design. The ICC-ES report provides the required information for design. All application methods are contingent on approval by the City Building Department.

- Winter and Spring weather conditions slow production. Removal of snow in order to accomplish the work is excluded from this proposal.
- BHR is not responsible for accidental penetration of any conduit that may be installed directly to the underside of the roof deck. _____ initial.
- BHR does not intend to disconnect and lift mechanical units to accomplish this project. If it is later determined, and unforeseen that a unit must be lifted to ensure water tightness, this will be done at the owner's expense. _____ initial.

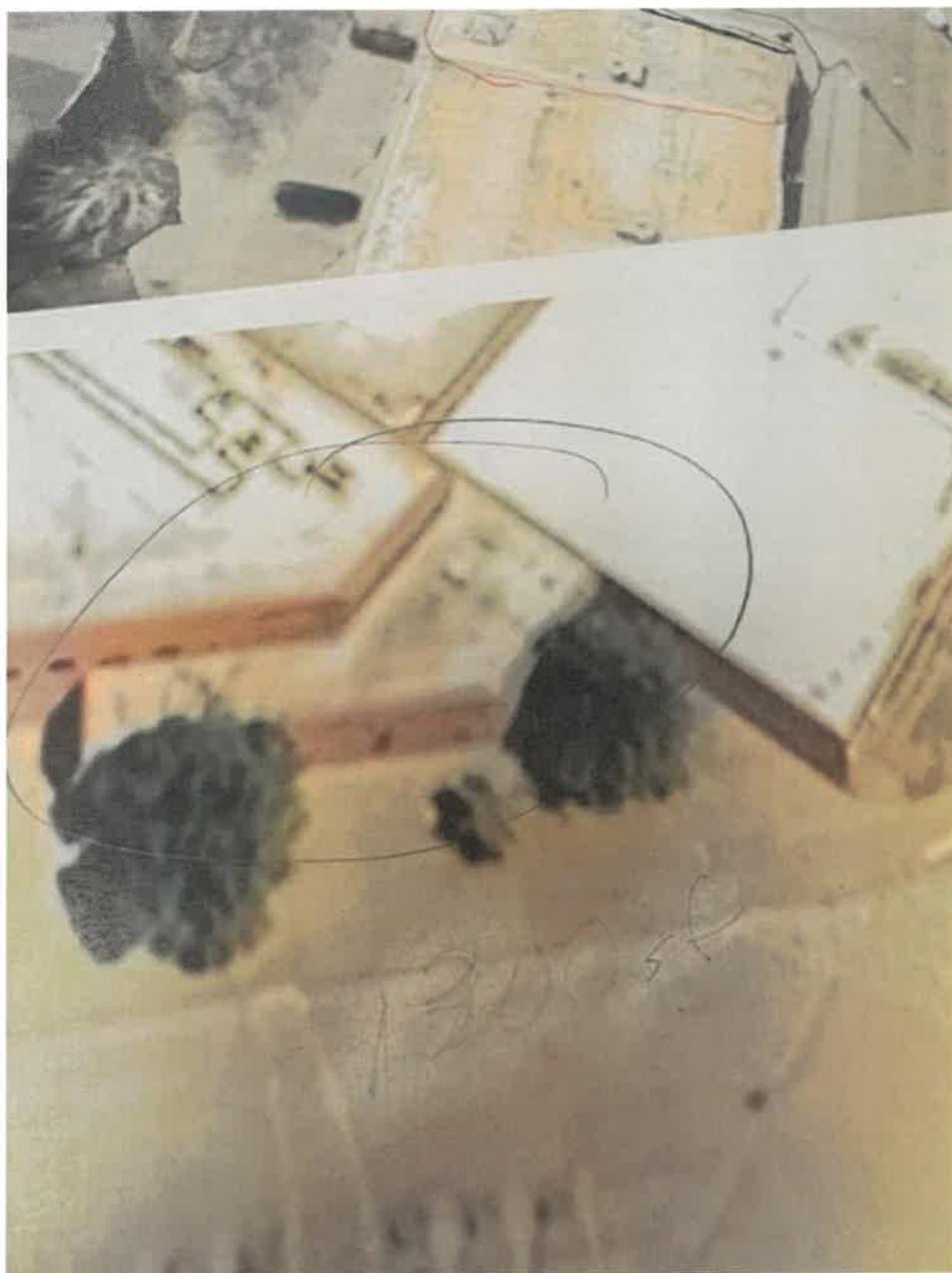
This proposal is subject to revision if not accepted within 30 days. Thank you for the opportunity, and we look forward to working with you in the future.

Respectfully,



Chad Meissner
President

Acceptance by _____
Printed Name _____
Date _____



D R A F T - 1/23/2026

The Steering Committee will review 1/27/26 - revise, add detail to bullets and add clarity.

1. Personal Character and Mindset

A Douglas School District Graduate is a resilient individual who demonstrates:

- **A Growth Mindset and Curiosity:**
- **Accountability and Integrity:**
- **Self-Awareness and Motivation:**

2. Critical Thought, Digital Fluency, and Practical Life Skills

A Douglas School District Graduate masters essential life skills and learning who demonstrates:

- **Foundational Academic Mastery:**
- **Practical Life Skills:**
 - **Financial Management**
 - **Organizational Mastery.**
 - **Personal Independence**
- **Critical and Creative Thinking:**
- **Digital Fluency:**

3. Communication, Interpersonal, and Social Skills

A Douglas School District Graduate can navigate social and professional settings with poise and clarity, who demonstrates:

- **Effective/Thoughtful Communication:**
- **Self-Advocacy:**
- **Social and Professional Etiquette:**
- **Conflict Resolution and Leadership:**

4. Career Readiness and Professional Planning

A Douglas School District Graduate is prepared for any chosen path after high school, whether college, career, or military, who demonstrates:

- **Path Exploration:**
- **Advanced Academic Access:**
- **Real-World Integration:**
- **Culminating Experience:**



DOUGLAS SCHOOL DISTRICT 51-1

ADMINISTRATIVE OFFICE

400 Patriot Drive • Box Elder, SD 57719-9749 • 605-923-0000

Mr. Kevin Case, Superintendent

TO: South Dakota Legislature
FROM: DSD 51-1 School Board
RE: Support for Amendments to SDCL 13-35-2

The DSD 51-1 School District supports the proposed amendments to SDCL 13-35-2, which would provide full state reimbursement to school districts across South Dakota for meals served to students who qualify for reduced-price meals under the National School Lunch Program and School Breakfast Program. Three years ago, The Douglas 51-1 School Board updated BOE Policy EFB to include “The District may cover the costs of reduced price meals for all students in the District with annual approval.”

For many families, even the reduced-price meal cost remains a financial barrier. As a result, school districts routinely absorb significant meal debt to ensure students have access to nutritious meals during the school day. This amended legislation would eliminate reduced-price meal charges for families and direct the Department of Education to fully reimburse school districts for those costs.

Most importantly, the proposal ensures that no child goes without a meal due to financial hardship and relieves families of accumulating meal debt tied to a basic necessity. At the same time, it recognizes and offsets the financial burden currently borne by school districts that prioritize feeding students first. We are proud to support legislation that strengthens food security for students, supports hardworking families, and allows children to focus on learning, rather than hunger or unpaid meal balances.

Thank you for your consideration of this amendment to SDCL 13-35-2.

**DOUGLAS SCHOOL DISTRICT 51-1
MEADE AND PENNINGTON COUNTIES, SOUTH DAKOTA**

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2025**

DRAFT

DOUGLAS SCHOOL DISTRICT 51-1

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DOUGLAS SCHOOL DISTRICT 51-1

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DRAFT



810 Quincy Street
P.O. Box 3140, Rapid City, South Dakota 57709
Telephone (605) 342-5630 • e-mail: info@ktllp.com

INDEPENDENT AUDITOR'S REPORT

To the School Board
Douglas School District 51-1
Meade and Pennington Counties, South Dakota

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Douglas School District 51-1 (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter – Effect of Adopting New Accounting Standard

As discussed in Note 1 to the financial statements, the Governmental Accounting Standards Board issued GASB 101, *Compensated Absences*, which was adopted by the District as of July 1, 2024. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison information, and pension schedules on pages 7 through 16 and 48 through 55 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Report on Other Legal and Regulatory Requirements

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

KETEL THORSTENSON, LLP
Certified Public Accountants

_____, 2026

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DOUGLAS SCHOOL DISTRICT 51-1

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2025

This section of Douglas School District 51-1's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended on June 30, 2025. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The District's net position from governmental and business-type activities increased approximately \$1,700,000. The total revenue of the District decreased by approximately \$2,340,000, due mainly to a capital grants and the cost of the District's programs increased by approximately \$2,740,000 due mainly to an increase in costs for instruction and support programs during the year.

The General Fund reported an increase in fund balance as a result of current year activity of approximately \$1,121,000. The change in fund balance is attributable to the fact that Impact Aid is reported in the General Fund ending balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

The first two statements are government-wide financial statements that provide both long-term and short-term information about the District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the District government, reporting the District's operations in more detail than the government-wide statements.

The governmental funds statements tell how general government services were financed in the short-term, as well as what remains for future spending.

Proprietary fund statements offer short-term and long-term financial information about the activities that the District operates like businesses. The District's proprietary funds are the Food Service Fund and Internal Service Fund.

Fiduciary fund statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong. Most of these are school clubs or clearing accounts.

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

DOUGLAS SCHOOL DISTRICT 51-1

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2025

OVERVIEW OF THE FINANCIAL STATEMENTS

Government-wide Financial Statements:

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

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

- Increases or decreases in the District's net position is an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, one needs to consider additional non-financial factors such as changes in the District's property tax base, changes in the state school aid funding formula from the State of South Dakota, and changes in accounting laws for funds such as Impact Aid.

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

- **Governmental Activities** – This category includes the District's basic instructional services, such as elementary and high school educational programs, support services (guidance counselor, executive administration, board of education, fiscal services, etc.), extracurricular activities (sports, music, etc.), and capital equipment purchases or the construction of buildings. Property taxes, state grants, federal grants, and interest earnings finance most of these activities.
- **Business-Type Activities** – The District charges a fee to students to help cover the costs of providing hot lunch services to all students. The Food Service Fund is the only business-type activity of the District.

Fund Financial Statements:

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

- State Law requires some of the funds.
- The District Board of Education establishes other funds to control and manage money for particular purposes.

DOUGLAS SCHOOL DISTRICT 51-1

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS

Fund Financial Statements:

The District has three types of funds:

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

DOUGLAS SCHOOL DISTRICT 51-1

**MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS

Fund Financial Statements:

Figure A-1 summarizes the major features of the District’s financial statements, including the portion of the District government they cover and the types of information they contain. The remainder of the overview section of the management’s discussion and analysis explains the structure and contents of each of the statements.

Figure A-1				
	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District government (except fiduciary funds).	The activities of the District that are not proprietary or fiduciary, such as elementary and high school education programs.	Activities the District operates similar to a private business- food service, other proprietary, and internal service.	Instances in which the District is the trustee or agent for someone else's resources.
Required Financial Statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances	Balance Sheet Statement of Revenues, Expenses and Changes in Net Position Statement of Cash Flows	Statement of Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/ Liability Information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the District's funds do not currently contain capital assets although they can
Type of Inflow/ Outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during the year or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

DOUGLAS SCHOOL DISTRICT 51-1

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

Table A-1 illustrates an increase in overall net position of 2.63 percent for governmental activities. Business-type activities decreased 63.06 percent from 2024 to 2025. The activities combined accounted for a total increase of 2.29 percent.

	Governmental Activities		Business-Type Activities		Total	
	2024	2025	2024	2025	2024	2025
Current and Other Assets	\$ 40,570,550	\$ 42,485,572	\$ 411,365	\$ 209,010	\$ 40,981,915	\$ 42,694,582
Capital Assets	39,892,460	41,383,884	28,413	24,503	39,920,873	41,408,387
Total Assets	80,463,010	83,869,456	439,778	233,513	80,902,788	84,102,969
Pension Related Deferred Outflows of Resources	\$ 6,345,799	\$ 5,666,292	\$ 153,128	\$ 148,862	\$ 6,498,927	\$ 5,815,154
Long-Term Debt Outstanding	\$ 988,779	\$ 2,227,805	\$ -	\$ 46,703	\$ 988,779	\$ 2,274,508
Accounts Payable and Other Current Liabilities	3,601,072	3,677,581	88,328	96,514	3,689,400	3,774,095
Total Liabilities	4,589,851	5,905,386	88,328	143,217	4,678,179	6,048,603
Taxes Levied for Future Period	4,143,369	4,163,337	-	-	4,143,369	4,163,337
Pension Related Deferred Inflow of Resources	3,687,389	3,740,471	88,979	98,268	3,776,368	3,838,739
Total Deferred Inflows	7,830,758	7,903,808	88,979	98,268	7,919,737	8,002,076
Net Position:						
Investment in Capital Assets	39,892,460	41,383,884	28,413	24,503	39,920,873	41,408,387
Restricted	5,988,180	5,946,061	65,929	51,376	6,054,109	5,997,437
Unrestricted	28,507,560	28,396,609	321,257	65,011	28,828,817	28,461,620
Total Net Position	\$ 74,388,200	\$ 75,726,554	\$ 415,599	\$ 140,890	\$ 74,803,799	\$ 75,867,444
Beginning Net Position (as restated)	\$ 67,588,247	\$ 73,784,755	\$ 424,868	\$ 381,371	\$ 68,013,115	\$ 74,166,126
Change in Net Position	6,799,953	1,941,799	(9,269)	(240,481)	6,790,684	1,701,318
Percentage of Change in Net Position	10.06%	2.63%	-2.18%	-63.06%	9.98%	2.29%

DOUGLAS SCHOOL DISTRICT 51-1

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025**

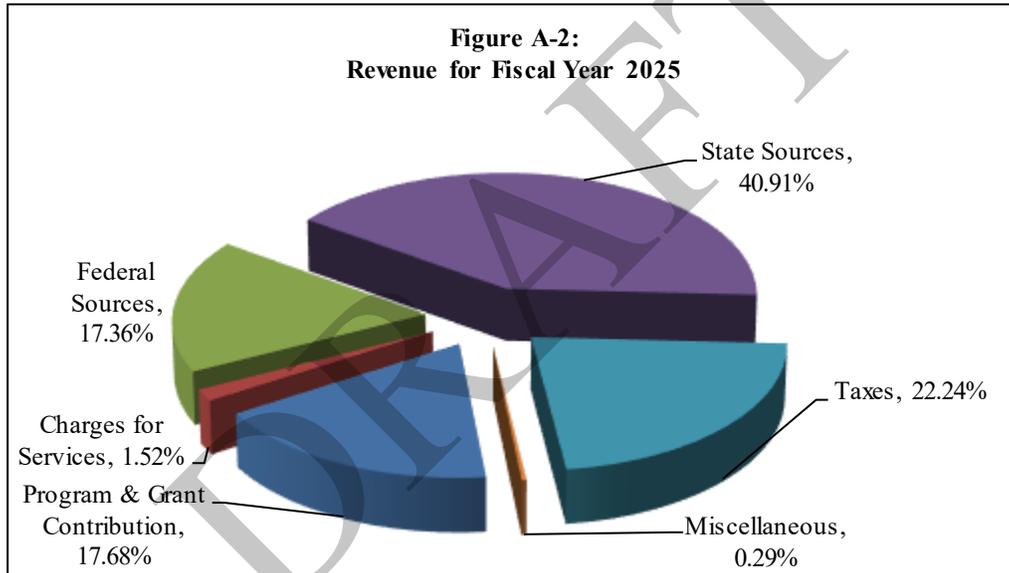
FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The Statement of Net Position reports all financial and capital resources. The statement presents the assets and liabilities in order of relative liquidity. The liabilities with average maturities greater than one year are reported in two components – the amount due within one year and the amount due in more than one year. The long-term liabilities of the District, consisting of compensated absences payable, have been reported in this manner on the Statement of Net Position. The difference between the District's assets and liabilities is its net position.

Changes in Net Position

The District's revenues totaled approximately \$41,000,000. Approximately 17.63 percent of the District's revenue comes from Federal Sources, 40.91 percent from State Sources, and 22.24 percent comes from taxes. (See Figure A-2.)



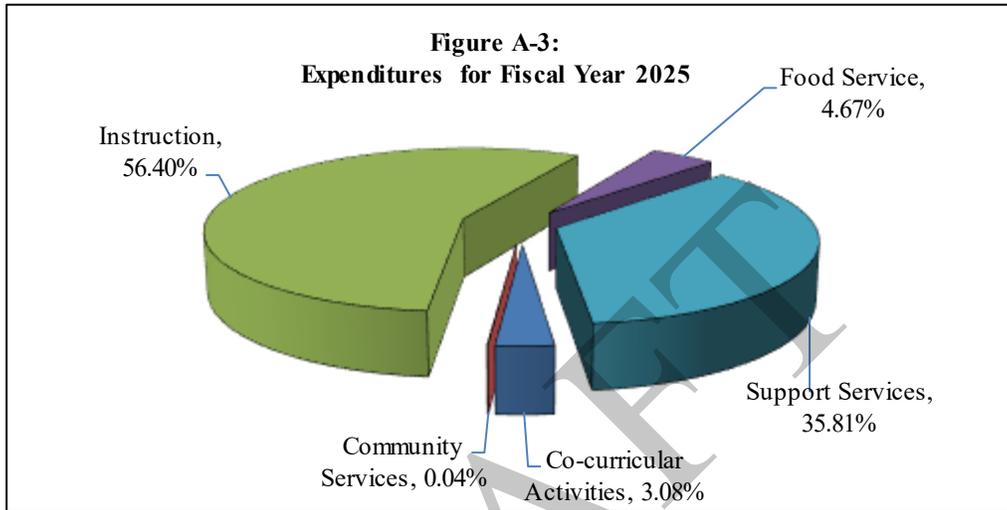
DOUGLAS SCHOOL DISTRICT 51-1

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Changes in Net Position

The District's expenses cover a wide range of services but mainly cover instruction and support services. These account for approximately 92.2 percent of the total expenditures in 2025. (See Figure A-3.)



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DOUGLAS SCHOOL DISTRICT 51-1

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2024**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Changes in Net Position

Table A-2 and the narrative that follows consider the operations of the governmental and business-type activities.

Table A-2 Changes in Net Position						
	Governmental Activities		Business-Type Activities		Grand Total	
	2024	2025	2024	2025	2024	2025
Revenues						
Program Revenues:						
Charges for Services	\$ 30,852	\$ 34,885	\$ 570,763	\$ 587,018	\$ 601,615	\$ 621,903
Operating Grants and Contributions	6,754,249	6,146,622	940,859	964,604	7,695,108	7,111,226
Capital Grants and Contributions	2,497,733	134,601	-	-	2,497,733	134,601
General Revenues:						
Taxes	8,431,020	9,114,060	-	-	8,431,020	9,114,060
State Sources	16,042,998	16,762,543	-	-	16,042,998	16,762,543
Federal Sources	7,622,340	7,114,831	-	-	7,622,340	7,114,831
Other General Revenues	194,981	(92,967)	169	625	195,150	(92,342)
Unrestricted Investment Earnings	231,224	209,979	-	-	231,224	209,979
Total Revenues	41,805,397	39,424,554	1,511,791	1,552,247	43,317,188	40,976,801
Expenses						
Instruction	21,276,297	22,149,757	-	-	21,276,297	22,149,757
Support Services	12,735,564	14,063,331	-	-	12,735,564	14,063,331
Community Services	5,983	15,078	-	-	5,983	15,078
Co-curricular Activities	987,600	1,214,589	-	-	987,600	1,214,589
Food Service	-	-	1,521,060	1,832,728	1,521,060	1,832,728
Total Expenses	35,005,444	37,442,755	1,521,060	1,832,728	36,526,504	39,275,483
Excess Revenues (Expenses)						
Before Transfers	6,799,953	1,981,799	(9,269)	(280,481)	6,790,684	1,701,318
Transfers	-	(40,000)	-	40,000	-	-
Increase/(Decrease) in Net Position	6,799,953	1,941,799	(9,269)	(240,481)	6,790,684	1,701,318
Beginning Net Position (As restated)	67,588,247	73,784,755	424,868	381,371	68,013,115	74,166,126
Ending Net Position	\$ 74,388,200	\$ 75,726,554	\$ 415,599	\$ 140,890	\$ 74,803,799	\$ 75,867,444

DOUGLAS SCHOOL DISTRICT 51-1

**MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Changes in Net Position:

Governmental Activities

The revenues for the governmental activities increased primarily due to an increase in local taxes collected, state aid and operating grants. Expenditures increased slightly – mainly due to an increase in instructional costs.

Business-Type Activities

The revenues for business-type activities increased both in sales and in Federal Reimbursement Rates. Expenditures also increased due to increased costs and participation. The overall ending net position decreased because expenditures increased at a higher rate than revenues.

FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS

The General Fund balance increased in the current year due to an increase in grant funding. The District has been making budget reductions over the last few years in an effort to reduce its dependence on Impact Aid. The Capital Outlay Fund balance decreased in the current year due to an increase in capital outlay expenditures for multiple large projects, including multiple new roofs and a new track and field. The Special Education Fund balance increased in the current year due to an increase in Special Education revenues that are higher than the increase in Special Education expenditures.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the Douglas School District Board of Education approved contingency transfers for unanticipated, yet necessary, expenses to provide items necessary for the education program of the District. The District’s budget changes or variances for the year were minimal and due to unanticipated expenditures throughout the year.

CAPITAL ASSET ADMINISTRATION

By the end of 2025, the District had invested approximately \$41 million (net of depreciation) in a broad range of capital assets, including land, buildings, CIP, improvements, and equipment. Governmental Activities increased approximately \$1.5 million from 2024 due to a combination of approximately \$4.4 million in purchases/construction/design and depreciation. (See Table A-3.)

Table A-3 Capital Assets				
	Governmental Activities		Business-Type Activities	
	2024	2025	2024	2025
Buildings	\$ 26,148,193	\$ 26,909,067	\$ -	\$ -
Improvements Other than Buildings	317,403	3,233,752	-	-
Equipment	2,489,640	2,486,308	28,413	24,503
Land	858,899	858,900	-	-
Construction Work in Progress	10,078,324	7,895,857	-	-
Total Capital Assets, Net of Depreciation	\$ 39,892,459	\$ 41,383,884	\$ 28,413	\$ 24,503

DOUGLAS SCHOOL DISTRICT 51-1

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2025

CAPITAL ASSET ADMINISTRATION

The District's fiscal year 2025 capital projects consisted mainly of costs associated with new roofs for buildings, equipment, and locker and IT room remodel.

LONG-TERM DEBT

At year-end, the District had approximately \$2.2 million in long-term debt consisting of compensated absence and voluntary separation payable.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's economic position has shown small change recently. The District relied more heavily upon Impact Aid during the last fiscal year because of increased expenditures, but has still been able to maintain a healthy balance in the Impact Aid fund reserves. The District has again experienced an increase in total property valuation over the last year. This allows the District the ability to increase the amount of revenue generated from property taxes, but the total amount that can be levied is limited in all funds by the State of South Dakota.

One of the primary General Fund resources of revenue to the District is based on a state aid funding formula from the State of South Dakota. The formula continues to be limited by what the District can collect from local property taxes and the difference is made up by the state aid from the State of South Dakota.

There is ongoing concern that the Impact Aid funding at the federal level could be decreasing in the near term depending on what happens at the federal level. Because of the uncertainty of funding at the state and federal level – mainly in the form of Impact Aid – and because the District enrollment has been showing minimal growth, the District is proceeding cautiously with all expenditures, including filling of vacant positions and new hires, salary negotiations, and long-term budgetary considerations.

The District is currently planning for the possibility of expansion of Ellsworth Air Force Base with the possible addition of B-21s to the Bomber Base. If projections are accurate, it will mean a significant increase of students to Douglas School District, which will mean an increase of needs to both infrastructure and staffing. The District is planning appropriately on both sides to ensure if the additional bombers arrive at Ellsworth, it will be prepared to handle the additional students.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and other concerned individuals with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information, contact the Douglas School District Business Office at 400 Patriot Drive, Box Elder, SD 57719.

DOUGLAS SCHOOL DISTRICT 51-1

STATEMENT OF NET POSITION

JUNE 30, 2025

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS:			
Cash and Cash Equivalents	\$ 36,624,938	\$ 12,033	\$ 36,636,971
Taxes Receivable	4,314,785	-	4,314,785
Internal Balances	3,979	(3,979)	-
Due from Other Governments	1,033,410	143,393	1,176,803
Inventories	99,357	46,720	146,077
Other Receivables and Prepaid Expenses	379,340	10,061	389,401
Net Pension Asset	29,763	782	30,545
Capital Assets:			
Land	858,900	-	858,900
Buildings, Net of Depreciation	26,909,067	-	26,909,067
Improvements Other than Buildings, Net of Depreciation	3,233,752	-	3,233,752
Equipment, Net of Depreciation	2,486,308	24,503	2,510,811
Construction in Progress	7,895,857	-	7,895,857
TOTAL ASSETS	83,869,456	233,513	84,102,969
DEFERRED OUTFLOW OF RESOURCES:			
Pension Related Deferred Outflows of Resources	5,666,292	148,862	5,815,154
TOTAL DEFERRED OUTFLOW OF RESOURCES	5,666,292	148,862	5,815,154
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$ 89,535,748	\$ 382,375	\$ 89,918,123
LIABILITIES:			
Accounts Payable	\$ 475,134	\$ 13,387	\$ 488,521
Other Current Liabilities	3,202,447	54,246	3,256,693
Unearned Revenue	-	28,881	28,881
Long-Term Liabilities:			
Due Within One Year	475,905	8,038	483,943
Due in More than One Year	1,751,900	38,665	1,790,565
TOTAL LIABILITIES	5,905,386	143,217	6,048,603
DEFERRED INFLOWS OF RESOURCES:			
Taxes Levied for Future Period	4,163,337	-	4,163,337
Pension Related Deferred Inflow of Resources	3,740,471	98,268	3,838,739
TOTAL DEFERRED INFLOWS OF RESOURCES	7,903,808	98,268	8,002,076
NET POSITION:			
Invested in Capital Assets	41,383,884	24,503	41,408,387
Restricted:			
Capital Outlay	2,088,487	-	2,088,487
Pension - SDRS	1,955,584	51,376	2,006,960
Special Education	1,901,990	-	1,901,990
Unrestricted	28,396,609	65,011	28,461,620
TOTAL NET POSITION	75,726,554	140,890	75,867,444
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 89,535,748	\$ 382,375	\$ 89,918,123

The accompanying notes are an integral part of this statement.

DOUGLAS SCHOOL DISTRICT 51-1

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
Governmental Activities:							
Instruction	\$ 22,149,757	\$ -	\$ 6,146,622	\$ 134,601	\$ (15,868,534)	\$ -	\$ (15,868,534)
Support Services	14,063,331	-	-	-	(14,063,331)	-	(14,063,331)
Community Services	15,078	10,803	-	-	(4,275)	-	(4,275)
Co-curricular Activities	1,214,589	24,082	-	-	(1,190,507)	-	(1,190,507)
Total Governmental Activities	37,442,755	34,885	6,146,622	134,601	(31,126,647)	-	(31,126,647)
Business-Type Activities:							
Food Service	1,832,728	587,018	964,604	-	-	(281,106)	(281,106)
Total Business-Type Activities	1,832,728	587,018	964,604	-	-	(281,106)	(281,106)
Total Primary Government	\$ 39,275,483	\$ 621,903	\$ 7,111,226	\$ 134,601	(31,126,647)	(281,106)	(31,407,753)
General Revenues							
Taxes:							
Property Taxes					8,961,273	-	8,961,273
Gross Receipts Taxes					152,787	-	152,787
Revenue from State Sources:							
State Aid					16,762,543	-	16,762,543
Revenue from Federal Sources					7,114,831	-	7,114,831
Unrestricted Investment Earnings					209,979	-	209,979
Other General Revenue (Expense)					(92,967)	625	(92,342)
Transfers					(40,000)	40,000	-
Total General Revenues					33,068,446	40,625	33,109,071
Change in Net Position					1,941,799	(240,481)	1,701,318
Net Position - Beginning (As previously reported)					74,388,200	415,599	74,803,799
Change in Accounting Principle					(603,445)	(34,228)	(637,673)
Net Position - Beginning (As restated)					73,784,755	381,371	74,166,126
Net Position - Ending					\$ 75,726,554	\$ 140,890	\$ 75,867,444

The accompanying notes are an integral part of this statement.

DOUGLAS SCHOOL DISTRICT 51-1

GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2025

	General Fund	Capital Outlay Fund	Special Education Fund	Total Governmental Funds
ASSETS:				
101 Cash and Cash Equivalents	\$ 32,322,148	\$ 1,969,604	\$ 2,284,499	\$ 36,576,251
110 Taxes Receivable--Current	1,816,608	1,613,081	801,025	4,230,714
112 Taxes Receivable--Delinquent	47,780	23,548	12,743	84,071
120 Accounts Receivable	19,353	-	-	19,353
130 Due from Other Funds	3,979	-	-	3,979
140 Due from Other Governments	501,369	357,388	174,653	1,033,410
170 Inventory of Supplies	99,357	-	-	99,357
192 Prepaid Assets	289,488	-	70,499	359,987
TOTAL ASSETS	\$ 35,100,082	\$ 3,963,621	\$ 3,343,419	\$ 42,407,122
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:				
Liabilities:				
402 Accounts Payable	\$ 144,256	\$ 285,517	\$ 45,361	\$ 475,134
404 Contracts Payable	2,021,473	-	446,428	2,467,901
450 Payroll Deductions and Withholdings and Employer Matching Payable	574,224	-	160,322	734,546
Total Liabilities	2,739,953	285,517	652,111	3,677,581
Deferred Inflows of Resources:				
551 Taxes Levied for Future Periods	1,784,402	1,589,617	789,318	4,163,337
551 Unavailable Revenue-Property Taxes	47,780	23,548	12,743	84,071
Total Deferred Inflows of Resources	1,832,182	1,613,165	802,061	4,247,408
Fund Balance:				
711 Nonspendable - Inventory	99,357	-	-	99,357
712 Nonspendable - Prepaid Assets	289,488	-	70,499	359,987
723 Restricted - Capital Outlay	-	2,064,939	-	2,064,939
724 Restricted - Special Education	-	-	1,818,748	1,818,748
750 Assigned - Health and Wellness	945,178	-	-	945,178
760 Unassigned	29,193,924	-	-	29,193,924
Total Fund Balance	30,527,947	2,064,939	1,889,247	34,482,133
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 35,100,082	\$ 3,963,621	\$ 3,343,419	\$ 42,407,122

The accompanying notes are an integral part of this statement.

DOUGLAS SCHOOL DISTRICT 51-1

**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO
GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2025**

Total Fund Balances - Governmental Funds \$ 34,482,133

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. 29,763

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 41,383,884

Pension related deferred outflows are components of pension asset and therefore are not reported in the funds. 5,666,292

Pension related deferred inflows are components of pension asset and therefore are not reported in the funds. (3,740,471)

Long-term liabilities, including vacation payable, severance payable, and voluntary separation payable, are not due in the current period and therefore are not reported in the funds. (2,227,805)

Delinquent taxes receivable are not available to pay for current period expenditures and therefore are deferred in the funds. 84,071

Internal service funds are used by management to charge the costs of activities, such as insurance, to individual funds. The assets and liabilities of internal service funds are included in the governmental activities in the Statement of Net Position. 48,687

Net Position - Governmental Funds \$ 75,726,554

The accompanying notes are an integral part of this statement.

DOUGLAS SCHOOL DISTRICT 51-1

GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Capital Outlay Fund	Special Education Fund	Total Governmental Funds
Revenues:				
<i>1000 Revenue from Local Sources:</i>				
1110 Ad Valorem Taxes	\$ 3,849,194	\$ 3,320,214	\$ 1,691,791	\$ 8,861,199
1120 Prior Years' Ad Valorem Taxes	37,286	22,576	12,005	71,867
1140 Gross Receipts Taxes	152,787	-	-	152,787
1190 Penalties and Interest on Taxes	7,679	4,578	2,409	14,666
1500 Earnings on Investments and Deposits	209,979	-	-	209,979
<i>1700 Co-curricular Activities:</i>				
1710 Admissions	19,327	-	-	19,327
1790 Other Pupil Activity Income	4,755	-	-	4,755
<i>1900 Other Revenue from Local Sources:</i>				
1910 Rentals	-	-	-	-
1950 Refund of Prior Year's Expenditures	10,803	-	-	10,803
1990 Other	35,042	896	-	35,938
2110 County Apportionment	206,493	-	-	206,493
<i>3000 Revenue from State Sources:</i>				
3110 Unrestricted Grants-in-Aid	16,762,543	-	-	16,762,543
3120 Restricted Grants-in-Aid	-	31,262	3,661,218	3,692,480
<i>4000 Revenue from Federal Sources:</i>				
4110 Unrestricted Grants-in-Aid Received				
Directly from Federal Government	5,910,413	134,601	101,404	6,146,418
4120 Unrestricted Grants-in-Aid Received from				
Federal Government Through State	889	-	-	889
4140 Restricted Grants-in-Aid Received				
Directly from Federal Government	76,268	-	-	76,268
4150-4199 Restricted Grants-in-Aid Received				
from Federal Government Through State	1,618,378	-	894,097	2,512,475
4900 Other Federal Revenue	433,076	534,448	-	967,524
Total Revenues	29,334,912	4,048,575	6,362,924	39,746,411
Expenditures:				
<i>1100 Instruction - Regular Programs:</i>				
1110 Elementary	7,252,084	42,845	-	7,294,929
1120 Middle/Junior High	3,258,149	42,906	-	3,301,055
1130 High School	3,701,537	13,825	-	3,715,362
1140 Preschool Services	218,114	-	-	218,114
<i>1200 Instruction - Special Programs:</i>				
1220 Programs for Special Education	-	62,139	4,176,038	4,238,177
1250 Culturally Different	96,774	-	-	96,774
1270 Educationally Deprived	703,405	-	-	703,405
1290 Other Special Programs	3,225	-	-	3,225
<i>2100 Support Services - Pupils:</i>				
2110 Attendance and Social Work	76,910	-	96,244	173,154
2120 Guidance	868,802	-	-	868,802
2130 Health	281,919	-	-	281,919
2140 Psychological	-	-	193,980	193,980
2150 Speech Pathology	7,610	-	637,489	645,099
2170 Student Therapy Services	-	-	154,312	154,312

DOUGLAS SCHOOL DISTRICT 51-1

**GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025**

	General Fund	Capital Outlay Fund	Special Education Fund	Total Governmental Funds
<i>2200 Support Services - Instructional Staff:</i>				
2210 Improvement of Instruction	237,966	-	49,694	287,660
2220 Educational Media	1,014,176	55,893	-	1,070,069
<i>2300 Support Services - General:</i>				
2310 Board of Education	140,756	113,400	-	254,156
2320 Executive Administration	991,500	-	-	991,500
<i>2400 Support Services - School:</i>				
2410 Office of the Principal	1,348,451	-	-	1,348,451
<i>2500 Support Services - Business:</i>				
2520 Fiscal Services	452,407	7,647	-	460,054
2530 Facilities Acquisition and Construction	-	40,500	-	40,500
2540 Operation and Maintenance of Plant	3,322,853	49,828	-	3,372,681
2550 Pupil Transportation	933,150	15,164	-	948,314
2560 Food Services	-	2,963	-	2,963
2570 Internal Services	69,687	-	-	69,687
<i>2600 Support Services - Central:</i>				
2640 Staff	356,165	-	-	356,165
<i>2700 Support Services - Special Education:</i>				
2710 Administrative Costs	-	-	522,366	522,366
2730 Transportation Costs	-	-	304,973	304,973
2750 Other Special Education Costs	-	-	153,107	153,107
3900 Other	15,078	-	-	15,078
<i>4000 Nonprogrammed Charges:</i>				
4500 Early Retirement	176,123	-	-	176,123
4600 Insurance Costs	14,310	-	-	14,310
<i>6000 Co-curricular Activities:</i>				
6100 Male Activities	80,471	-	-	80,471
6200 Female Activities	77,382	-	-	77,382
6900 Combined Activities	835,999	196,757	-	1,032,756
7500 Capital Outlay	500,881	3,895,666	-	4,396,547
Total Expenditures	27,035,884	4,539,533	6,288,203	37,863,620
Excess of Revenue Over (Under) Expenditures	2,299,028	(490,958)	74,721	1,882,791
Other Financing Sources:				
5130 Sale of Capital Assets and Surplus Property	-	7,044	-	7,044
8110 Net Transfers In (Out)	(1,177,233)	1,137,233	-	(40,000)
Total Other Financing Sources	(1,177,233)	1,144,277	-	(32,956)
Net Change in Fund Balances	1,121,795	653,319	74,721	1,849,835
Fund Balance -- June 30, 2024	29,406,152	1,411,620	1,814,526	32,632,298
Fund Balance -- June 30, 2025	\$30,527,947	\$2,064,939	\$1,889,247	\$ 34,482,133

The accompanying notes are an integral part of this statement.

DOUGLAS SCHOOL DISTRICT 51-1

**RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES TO GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR YEAR ENDED JUNE 30, 2025**

Net Change in Fund Balances - Total Governmental Funds \$ 1,849,835

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

This amount represents capital asset purchases which are reported as expenditures on the fund financial statements, but increase assets on the Statement of Net Position. 4,396,547

In the Statement of Activities, losses on disposal of capital assets are reported, whereas, in the governmental funds, the proceeds from the disposal of capital assets are reflected, regardless of whether a gain or loss is realized. (342,442)

This amount represents the current year depreciation expense reported in the Statement of Activities, which is not reported on the fund financial statements because it does not require the use of current financial resources. (2,562,681)

The fund financial statement property tax accruals differ from the government wide statement property tax accruals as the fund financial statements require the amounts to be "available." 13,541

Governmental funds recognize expenditures for amounts of compensated absences and voluntary separation actually paid to employees with current financial resources. 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 employees earn leave or elect to retire early. (635,581)

Changes in the pension related deferred outflows/inflows are direct components of the pension asset and are not reflected in the governmental funds. 1,295,837

Pension expenses in the Statement of Activities do not provide current financial resources and are not reported as expenses in the funds. (2,072,446)

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net expenses and transfers of the internal service funds is reported with governmental activities. (811)

Change in Net Position of Governmental Activities \$ 1,941,799

The accompanying notes are an integral part of this statement.

DOUGLAS SCHOOL DISTRICT 51-1

PROPRIETARY FUNDS BALANCE SHEET

JUNE 30, 2025

	Food Service Fund	Internal Service Funds
ASSETS:		
<i>Current Assets:</i>		
101 Cash and Cash Equivalents	\$ 12,033	\$ 48,687
140 Due from State Government	143,393	-
170 Inventory of Supplies	18,429	-
172 Inventory of Donated Food	28,291	-
192 Prepaid Expense	10,061	-
430 Due from (to) Other Funds	(3,979)	-
Total Current Assets	208,228	48,687
<i>Noncurrent Assets:</i>		
196 Net Pension Asset	782	-
204 Equipment	312,715	-
Less: Accumulated Depreciation	(288,212)	-
Total Noncurrent Assets	25,285	-
TOTAL ASSETS	233,513	48,687
DEFERRED OUTFLOW OF RESOURCES:		
252 Pension Related Deferred Outflows	148,862	-
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$ 382,375	\$ 48,687
LIABILITIES:		
<i>Current Liabilities:</i>		
402 Accounts Payable	\$ 13,387	\$ -
404 Contracts Payable	29,513	-
450 Payroll Deductions and Withholdings and Employer Matching Payable	24,733	-
451 Compensated Absences Payable - Current	8,038	-
475 Unearned Revenue	28,881	-
Total Current Liabilities	104,552	-
<i>Long-term Liabilities:</i>		
504 Compensated Absences Payable - Net of Current Portion	38,665	-
DEFERRED INFLOW OF RESOURCES:		
252 Pension Related Deferred Inflows	98,268	-
NET POSITION:		
706 Investment in Capital Assets	24,503	-
725 Restricted Pension	51,376	-
708 Unrestricted	65,011	48,687
Total Net Position	140,890	48,687
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION	\$ 382,375	\$ 48,687

The accompanying notes are an integral part of this statement.

DOUGLAS SCHOOL DISTRICT 51-1

PROPRIETARY FUNDS STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025

	Food Service Fund	Internal Service Funds
Operating Revenue:		
<i>Sales:</i>		
1610 To Pupils	\$ 429,250	\$ -
1620 To Adults	2,909	-
1630 A la Carte	150,732	-
1690 Miscellaneous	4,127	-
Total Operating Revenue	587,018	-
Operating Expenses:		
100 Salaries	698,022	-
200 Employee Benefits	205,702	-
300 Purchased Services	10,302	-
400 Supplies	57,895	-
461 Cost of Sales	592,172	-
462 Cost of Sales - Donated Food	264,725	-
910 Depreciation - Local Funds	3,910	-
4900 Other Premiums	-	811
Total Operating Expenses	1,832,728	811
Operating Loss	(1,245,710)	(811)
Nonoperating Revenue:		
<i>Local Sources:</i>		
1990 Other	625	-
3810 Cash Reimbursements	2,770	-
<i>Federal Sources:</i>		
4810 Cash Reimbursements	804,989	-
4820 Donated Food	146,858	-
4900 Other Federal Revenue	9,987	-
Total Nonoperating Revenue	965,229	-
Loss Before Transfers	(280,481)	(811)
Transfers In		
5110 Transfers In	40,000	-
Change in Net Position	(240,481)	(811)
Net Position - Beginning (As previously reported)	415,599	49,498
Change in Accounting Principle	(34,228)	-
Net Position - Beginning (As restated)	381,371	49,498
Net Position -- Ending	\$ 140,890	\$ 48,687

The accompanying notes are an integral part of this statement.

DOUGLAS SCHOOL DISTRICT 51-1

PROPRIETARY FUNDS STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	Food Service Fund	Internal Service Funds
Cash Flows from Operating Activities:		
Receipts from Customers	\$ 587,018	\$ -
Payments to Suppliers	(652,254)	-
Payments to Employees	(865,189)	-
Other Disbursements	-	(811)
Net Cash Used in Operating Activities	(930,425)	(811)
Cash Flows from Noncapital Financing Activities:		
Operating Subsidies	687,887	-
Internal Activity, Net	43,901	-
Other Receipts	625	-
Net Cash Provided by Noncapital Financing Activities	732,413	-
Net Change in Cash and Cash Equivalents	(198,012)	(811)
Cash and Cash Equivalents at Beginning of Year	210,045	49,498
Cash and Cash Equivalents at End of Year	\$ 12,033	\$ 48,687
Reconciliation of Operating Loss to Net Cash Used in Operating Activities:		
Operating Loss	\$ (1,245,710)	\$ (811)
<i>Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities:</i>		
Depreciation Expense	3,910	-
Value of Donated Commodities Used	264,725	-
<i>Change in Assets and Liabilities:</i>		
Inventories	3,827	-
Prepaid Expenses	(306)	-
Net Pension Asset	998	-
Pension Related Deferred Outflows/ Inflows	13,555	-
Accounts Payable	4,594	-
Contracts Payable	7,294	-
Accrued Payroll Deductions	4,213	-
Compensated Absences Payable	12,475	-
Net Cash Used in Operating Activities	\$ (930,425)	\$ (811)
Noncash Investing, Capital and Financing Activities:		
Value of Commodities Received	\$ 146,858	\$ -

The accompanying notes are an integral part of this statement.

DOUGLAS SCHOOL DISTRICT 51-1

**STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2025**

	Custodial Funds
<u>ASSETS:</u>	
Cash and Cash Equivalents	\$ 280,031
<hr/>	
<u>NET POSITION:</u>	
Restricted for Individuals and Organizations	\$ 280,031
<hr/>	

The accompanying notes are an integral part of this statement.

DRAFT

DOUGLAS SCHOOL DISTRICT 51-1

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
JUNE 30, 2025**

	<u>Custodial Funds</u>
<u>ADDITIONS:</u>	
Contributions and Custodial Funds	\$ 662,542
Total Additions	662,542
<u>DEDUCTIONS:</u>	
Payments to individuals, organization and other governments	685,115
Total Deductions	685,115
Net Decrease in Fiduciary Net Position	(22,573)
Net Position - Beginning	302,604
Net Position - Ending	\$ 280,031

The accompanying notes are an integral part of this statement.

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DOUGLAS SCHOOL DISTRICT 51-1

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2025

(1) Summary of Significant Accounting Policies

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governments.

Financial Reporting Entity

The reporting entity of Douglas School District No. 51-1 (the District), consists of the primary government (which includes all of the funds, organizations, institutions, agencies, departments, and offices that make up the legal entity, plus those funds for which the primary government has a fiduciary responsibility, even though those fiduciary funds may represent organizations that do not meet the criteria for inclusion in the financial reporting entity); those organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete.

The Funds included in this report are controlled by or dependent upon the Douglas School Board of Education.

The District participates in a cooperative service unit with several other school districts. See Note 8 entitled "Joint Ventures" for specific disclosures. Joint ventures do not meet the criteria for inclusion in the financial reporting entity as a component unit but are discussed in these notes because of the nature of their relationship with the District.

Basis of Presentation

Government-wide Financial Statements:

The Statement of Net Position and the Statement of Activities display information about the reporting entity as a whole. They include all funds of the reporting entity except for fiduciary funds. Eliminations have been made to prevent the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District. 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, invested in capital assets, restricted (distinguishing between major categories of restrictions), and unrestricted.

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

DOUGLAS SCHOOL DISTRICT 51-1

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

(1) Summary of Significant Accounting Policies

Basis of Presentation

Fund Financial Statements:

A fund is considered major if it is the primary operating fund of the District or if it meets the following criteria:

1. Total assets, liabilities, revenues or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
2. Total assets, liabilities, revenues or expenditures/expenses of the individual governmental or enterprise fund are at least 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 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 of the general operational costs of the District, excluding the Capital Outlay Fund and Special Education Fund expenditures. The General Fund is always a major fund.

Special Revenue Fund Types – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Special Revenue Funds of the District include the following:

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

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

Proprietary Funds:

Enterprise Fund Types – 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 are met:

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

DOUGLAS SCHOOL DISTRICT 51-1

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

(1) Summary of Significant Accounting Policies

Basis of Presentation

Proprietary Funds:

Enterprise Funds of the District include the following:

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

Internal Service Fund Types - Internal Service Funds are used to report activities that provide goods or services to other funds, departments, or agencies of the District, or to other governments, on a cost-reimbursement basis. The Unemployment Insurance Fund is an internal service fund maintained by the District. Internal service funds are never considered to be major funds.

Fiduciary Funds:

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

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

Measurement Focus and Basis of Accounting

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

Measurement Focus:

Government-wide Financial Statements:

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

Fund Financial Statements:

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

DOUGLAS SCHOOL DISTRICT 51-1

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2025

(1) Summary of Significant Accounting Policies

Measurement Focus and Basis of Accounting

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 District, the length of that cycle is 60 days. Reported deferred inflows of resources are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. For the District, these consist primarily of property taxes.

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

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

All proprietary funds and fiduciary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. Unearned revenues reported in the proprietary fund consist of advance food service sales.

Interfund Eliminations and Reclassifications

Government-wide Financial Statements:

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

1. In order to minimize the grossing-up effect on assets and liabilities within the governmental and business-type activities columns of the primary government, amounts reported as interfund receivables and payables have been eliminated in the governmental and business-type activities columns, except for the net, residual amounts due between governmental and business-type activities, which are presented as Internal Balances.
2. In order to minimize the doubling-up effect on internal service fund activity, certain "centralized expenses," including an administrative overhead component, are charged as direct expenses to funds or programs in order to show all expenses that are associated with a service, program, department, or fund. When expenses are charged in this manner, expense reductions occur in the General Fund, so that expenses are reported only in the function to which they relate.

Capital Assets

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

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

Government-wide Financial Statements:

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated acquisition value on the date donated.

DOUGLAS SCHOOL DISTRICT 51-1

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

(1) Summary of Significant Accounting Policies

Capital Assets

Government-wide Financial Statements:

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Government-wide Statement of Activities, with net capital assets reflected in the Statement of Net Position. Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts) for land, buildings, improvements, and equipment are all set at \$5,000. The District capitalizes all technology assets. The depreciation method used for buildings, improvements, and equipment is straight-line. Land is an inexhaustible capital asset and is not depreciated.

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

Buildings	10-60 years
Improvements Other than Buildings	10-20 years
Equipment	5-20 years

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.

Long-Term Liabilities

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

All long-term liabilities to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term liabilities consist of compensated absences and voluntary separation (early retirement benefits) payable.

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

Program Revenues

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

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.

DOUGLAS SCHOOL DISTRICT 51-1

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

(1) Summary of Significant Accounting Policies

Proprietary Funds Revenue and Expense Classifications

In the Proprietary Fund Statement of Revenues, Expenses and Changes in Net Position, 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.

Cash and Cash Equivalents

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

Use of Estimates

The preparation of the financial statements in accordance with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of certain financial statement balances. Actual results could vary from the estimates used.

Equity Classifications

Government-wide Financial Statements:

Equity is classified as net position and is displayed in three components:

1. Investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and related debt.
2. Restricted net position – Consists of net assets with constraints placed on their use either by (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
3. Unrestricted net position – All other net assets that do not meet the definition of “restricted” or “invested in capital assets.”

It is the 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.

Fund Financial Statements:

Proprietary fund equity is classified the same as in the government-wide financial statements. Fiduciary fund equity is reported as net position held in trust for other purposes.

Governmental fund equity is classified as fund balance and is classified 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.

DOUGLAS SCHOOL DISTRICT 51-1

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

(1) Summary of Significant Accounting Policies

Equity Classifications

Fund Financial Statements:

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, Superintendent and Business Manager.

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

The District uses restricted 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 District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made. As of year-end, the District has an assigned fund balance for health and wellness.

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

Deferred Inflows and Outflows of Resources

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

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent acquisitions of net position that applies to a future period or periods. These items will not be recognized as an inflow of resources until the applicable future period. Deferred inflows of resources consist primarily of property taxes and pension activity.

Pensions

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

Adopted Accounting Standards

As of July 1, 2024, the School adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. This statement updates the recognition and measurement guidance for compensated absences. Leave that has not been used, is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means should generally be recognized at the employee's pay rate as of the financial statement date. The standard also includes guidance for types of leave other than vacation, requires accrual of salary related payments, and changes the disclosure requirements. Beginning net position and fund balance were restated to retroactively adopt the provisions of GASB 101 as displayed on the Statement of Activities. The effect of these restatements resulted in a \$637,673 reduction in Net Position.

DOUGLAS SCHOOL DISTRICT 51-1

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2025

(1) Summary of Significant Accounting Policies

Adopted Accounting Standards

As of July 1, 2024, the School adopted GASB Statement No. 102, *Certain Risk Disclosures*, which expands the disclosure requirements for risks related to a government's vulnerabilities due to certain concentrations or constraints. The disclosure criteria should be assessed for the primary government reporting unit and all other reporting units that report a liability for revenue debt. A disclosure shall be made in the notes to the financial statements if all of the following criteria are met: a concentration or constraint is known, the concentration or constraint makes the reporting unit vulnerable to the risk of a substantial impact, and an event related to the concentration or constraint that could have a substantial impact has occurred or is expected to occur within twelve months of the date the financial statements are issued. The implementation of this standard did not have a material impact on the District's year ending June 30, 2025.

Emerging Accounting Standards

In April 2024, the Governmental Accounting Standards Board (GASB) issued Statement No. 103, *Financial Reporting Model Improvements*, which improves key components of the financial reporting model to enhance its effectiveness in providing information to the users of the financial statements. The statement redefines the information to be included in management's discussion and analysis, clarifies operating vs. nonoperating revenues and expenses in the proprietary fund statement of revenues, expenses and changes in fund net position, provides guidance on the presentation of unusual or infrequent items, updates the requirements of presentation of major component unit information, and changes the presentation of the budgetary comparison schedules. The statement is effective for the District's year ending June 30, 2026.

In September 2024, the Governmental Accounting Standards Board (GASB) issued Statement No. 104, *Disclosure of Certain Capital Assets*, which requires certain information regarding capital assets to be presented by major class. This includes lease assets, intangible right-to-use assets under public-private and public-public partnerships, subscription assets, and certain other intangible assets. In addition, new disclosures surrounding capital assets held for sale are required. The statement is effective for the District's year ending June 30, 2026.

The District is currently evaluating the impact these statements will have on the financial statements.

Subsequent Events

Subsequent events were evaluated through [REDACTED], 2026 which is the date which the financial statements were available to be issued.

(2) Deposits and Investments

The 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.

DOUGLAS SCHOOL DISTRICT 51-1

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

(2) Deposits and Investments

Investments – In general, SDCL 4-5-6 permits school district funds to be invested only in (a) securities of the United States and securities guaranteed by the United States Government either directly or indirectly; or (b) repurchase agreements fully collateralized by securities described in (a) above; or in shares of an open-end, no-load fund administered by an investment company whose investments are in securities described in (a) above and repurchase agreements described in (b) above. Also, SDCL 4-5-9 requires investments to be in the physical custody of the political subdivision or deposited in a safekeeping account with any bank or trust company designated by the political subdivision as its fiscal agent. State law limits eligible investments for the District. The District has no investment policy that would further limit its investment choices or limit maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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

As of June 30, 2025, the District’s cash and investments consisted only of checking, savings, and SDFIT Money Market.

The bank balances at June 30, 2025 are as follows, excluding SDFIT:

	<u>Bank Balance</u>
Insured - FDIC	\$ 500,000
Uninsured, collateralized in accordance with SDCL 4-6A-3	32,134,966
Total Deposits	\$ 32,634,966

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

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

The South Dakota Public Fund Investment Trust (SDFIT) is an external investment pool created for South Dakota local government investing purposes. It is regulated by a nine-member board with representation from municipalities, school districts and counties. The net asset value of the SDFIT money market account (GCR) is kept at one dollar per share by adjusting the rate of return on a daily basis. Earnings are credited to each account on a monthly basis. The balance of SDFIT at June 30, 2025 was \$4,728,629. SDFIT is measured as a Level 2 recurring fair value measurement according to the fair value hierarchy.

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 District’s policy is to credit all income from deposits and investments to the General Fund. US GAAP, on the other hand, requires income from deposits and investments to be reported in the fund whose assets generated the income. Where the governing board has discretion to credit investment income to a fund other than the fund that provided the resources for investment, a transfer to the designated fund is reported. Accordingly, in the fund financial statements, interfund transfers of investment earnings are reported, while in the government-wide financial statements, they have been eliminated, except for the net amounts transferred between governmental activities and business-type activities. These interfund transfers are not violations of the statutory restrictions on interfund transfers.

DOUGLAS SCHOOL DISTRICT 51-1

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

(3) Inventory

Inventory of the business-type activities is valued at the lower of cost or market value. The cost valuation method is first-in, first-out. Donated commodities are valued at estimated market value based on the USDA price list at the date of receipt.

In the government-wide financial statements and 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 reported as an expenditure at the time individual inventory items are consumed. Reported inventories are equally offset by a Nonspendable Fund Balance, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

(4) Property Taxes

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

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

(5) Changes in Capital Assets

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

	<u>Balance</u> <u>June 30, 2024</u>	<u>Additions</u>	<u>Retirements/ Transfers</u>	<u>Balance</u> <u>June 30, 2025</u>
Governmental Activities:				
Capital Assets, not Depreciated:				
Land	\$ 858,900	\$ -	\$ -	\$ 858,900
Construction in Progress	10,078,324	188,840	(2,371,307)	7,895,857
	<u>10,937,224</u>	<u>188,840</u>	<u>(2,371,307)</u>	<u>8,754,757</u>
Capital Assets, Depreciated:				
Buildings	54,319,051	2,576,531	(1,227,773)	55,667,809
Improvements Other Than Buildings	3,414,233	3,115,622	(132,119)	6,397,736
Equipment	9,337,442	886,861	(132,182)	10,092,121
	<u>67,070,726</u>	<u>6,579,014</u>	<u>(1,492,074)</u>	<u>72,157,666</u>
Less Accumulated Depreciation for:				
Buildings	28,170,858	1,476,440	(888,556)	28,758,742
Improvements Other Than Buildings	3,096,830	196,048	(128,894)	3,163,984
Equipment	6,847,802	890,193	(132,182)	7,605,813
	<u>38,115,490</u>	<u>2,562,681</u>	<u>(1,149,632)</u>	<u>39,528,539</u>
Governmental Capital Assets, Net	<u>\$ 39,892,460</u>	<u>\$ 4,205,173</u>	<u>\$ (2,713,749)</u>	<u>\$ 41,383,884</u>

DOUGLAS SCHOOL DISTRICT 51-1

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

(5) Changes in Capital Assets

Depreciation expense was charged to functions within governmental activities as follows:

Instruction	\$ 1,251,297
Support Services	1,304,186
Co-curricular Activities	7,198
Total Depreciation Expense	\$ 2,562,681

At June 30, 2025, the District had construction commitments for the ceiling replacement and locker room upgrade totaling approximately \$327,000 and \$612,000, respectively, financed through the Capital Outlay Fund.

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

	Balance June 30, 2024	Additions	Retirements	Balance June 30, 2025
Business-Type Activities:				
Capital Assets, Depreciated:				
Equipment	\$ 312,715	\$ -	\$ -	\$ 312,715
Less Accumulated Depreciation for:				
Equipment	284,302	3,910	-	288,212
Business-Type Capital Assets, Net	\$ 28,413	\$ (3,910)	\$ -	\$ 24,503

(6) Long-Term Liabilities

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

	Balance June 30, 2024 (As Restated)	Net Change	Balance June 30, 2025	Due Within One Year
Compensated Absences - Governmental	\$ 1,498,781	\$ 684,900	\$ 2,183,681	\$ 431,781
Compensated Absences - Food Service	34,228	12,475	46,703	8,038
Voluntary Separation Liability - Governmental	93,443	(49,319)	44,124	44,124
General Long-Term Debt	\$ 1,626,452	\$ 648,056	\$ 2,274,508	\$ 483,943

The remaining voluntary separation liability is payable from the General and Special Education Funds.

DOUGLAS SCHOOL DISTRICT 51-1

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

(7) Interfund Transfers

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

	Transfer In	Transfer Out
General Fund	\$ 3,756,178	\$ 1,137,233
Capital Outlay Fund	1,137,233	-
Food Service	40,000	-
General Fund - Impact Aid	-	3,796,178
Total	\$ 4,933,411	\$ 4,933,411

Transfers are used to move unrestricted Impact Aid revenue (included in the General Fund) to other funds to finance various programs in accordance with budgetary authorizations. Additional transfers were made to move grant funding received in the General Fund to the Capital Outlay fund, where the expenditures occurred.

At June 30, 2025, the District had the following interfund Due To/From balances:

	Due From	Due To
General Fund	\$ 3,979	\$ -
Food Service	-	3,979
Total	\$ 3,979	\$ 3,979

(8) Joint Ventures

The District participates in the joint venture known as the Black Hills Special Services Cooperative (the Co-op), a cooperative service unit formed for the purpose of providing special educational services to the member school districts. During the year ended June 30, 2025, the District paid \$890,003 for services provided by the Co-op. The Co-op's governing board (the Board) is composed of one representative from each member school district, who is a school board member. The Board is responsible for adopting the Co-op's budget and setting service fees at a level adequate to fund the adopted budget.

The District retains no equity in the net assets of the Co-op but does have a responsibility to fund deficits of the Co-op in proportion to the relative participation described below.

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

Spearfish School District No. 40-2	8.33%
Lead-Deadwood School District No. 40-1	8.33%
Oelrichs School District No. 23-3	8.33%
Meade School District No. 46-1	8.33%
Rapid City Area School District No. 51-4	8.33%
Belle Fourche School District No. 9-1	8.33%
Custer School District No. 16-1	8.33%
Douglas School District No. 51-1	8.33%
Edgemont School District No. 23-1	8.33%
Haakon School District No. 27-1	8.33%
Hill City School District No. 51-2	8.33%
Hot Springs School District No. 23-2	8.33%

Separate financial statements for this joint venture are available from Black Hills Special Services Cooperative, Sturgis, South Dakota. At June 30, 2025, this joint venture had total fund equity of \$9,637,995 (unaudited) and long-term debt of \$444,125 (unaudited).

DOUGLAS SCHOOL DISTRICT 51-1

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2025

(9) Risk Management

The District is exposed to various risks of loss related to torts; theft of damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the period ended June 30, 2025, the District managed its risks as follows:

Property/Liability Insurance:

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

The agreement with the ASBSD-PLF provides that the above coverage will be provided to a \$1 million limit. Member premiums are used by the pool for payment of claims and to pay for reinsurance for claims in excess of \$100,000 to the upper limit. The District carries various deductibles for various types of coverage.

Property/Liability Insurance:

The District carries additional insurance to cover claims in excess of the upper limit up to \$5 million. Settled claims resulting from these risks have not exceeded liability coverage during the past three years.

Unemployment Benefits:

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

The District has designated a part of its unrestricted net position as equity in the Unemployment Insurance - Internal Service Fund in the amount of \$48,687 for the payment of future unemployment benefits.

During the year ended June 30, 2025, no claims for unemployment benefits were paid. At June 30, 2025, no claims had been filed for unemployment benefits and none are anticipated in the next fiscal year.

Worker's Compensation:

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

Health Insurance:

The District joined the South Dakota School District Health Benefits Fund. This is a public entity risk pool currently operating as a common risk management and insurance program for South Dakota local government entities. The District pays a monthly premium to the pool to provide health insurance coverage for its employees. The pool purchases reinsurance coverage with the premiums it receives from the members. The coverage also includes a \$1,000,000 lifetime maximum payment per person.

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

(10) Impact Aid

The District receives a significant portion of their revenue from federal Impact Aid grants. Impact Aid activity is included in the General Fund for the year ended June 30, 2025, which includes unrestricted grants-in-aid received directly from the federal government of \$5,910,413, earnings on investments and deposits of \$196,178, and expenditures (transfers out) of \$3,796,178. As of June 30, 2025, the General Fund balance resulting from Impact Aid activity totaled \$29,995,953.

DOUGLAS SCHOOL DISTRICT 51-1

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2025

(11) Pension Plan

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

Benefits Provided:

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

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

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

Legislation enacted in 2017 established the current Cost-of-Living Adjustment (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 percent.
- 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 percent and no greater than 3.5 percent.
- 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 percent and no greater than a restricted maximum such that, if the restricted maximum is assumed for future COLAs, the fair value of assets will be greater or equal to the accrued liabilities.

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

All benefits except those depending on the Member's Accumulated Contributions are annually increased by COLA.

DOUGLAS SCHOOL DISTRICT 51-1

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

(11) Pension Plan

Contributions:

Per SDCL 3-12, contribution requirements of the active employees and the participating employers are established and may be amended by the SDRS Board. Covered employees are required by state statute to contribute the following percentages of their salary to the plan; Class A Members, 6.0 percent of salary; Class B Judicial Members, 9.0 percent of salary; and Class B Public Safety Members, 8.0 percent of salary. State statute also requires the employer to contribute an amount equal to the employee’s contribution. The District’s share of contributions to the SDRS for the fiscal years ended June 30, 2025, 2024, and 2023 were \$1,332,476, \$1,270,561, and \$1,198,006, respectively, equal to the required contributions each year.

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

At June 30, 2024, SDRS is 100.0 percent funded and accordingly has a net pension asset. The proportionate shares of the components of the net pension asset of SDRS, for the District as of this measurement period ending June 30, 2024 and reported by the District as of June 30, 2025 are as follows:

	Governmental Activities	Business-Type Activities	Total
Proportionate Share of Net Position Restricted for Pension Benefits	\$ 110,103,465	\$ 2,497,591	\$ 112,601,056
Less: Proportionate Share of Total Pension Liability	(110,073,702)	(2,496,809)	(112,570,511)
Proportionate Share of Net Pension Asset	\$ 29,763	\$ 782	\$ 30,545

At June 30, 2025, the District reported an asset of \$30,545 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2024 and the total pension liability used to calculate the net pension asset was based on a projection of the District’s share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2024, the District’s proportion was .7545820 percent, which is a decrease of .0195980 percent from its proportion as of June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense of \$1,518,750. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 2,828,514	\$ -
Changes in Assumption	503,602	3,838,739
Net Difference between Projected and Actual Earnings on Pension Plan Investments	1,150,562	-
District Contributions Subsequent to the Measurement Date	1,332,476	-
Total	\$ 5,815,154	\$ 3,838,739

DOUGLAS SCHOOL DISTRICT 51-1

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

(11) Pension Plan

Deferred outflow of resources includes \$1,332,476 resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense/(revenue) as follows:

2026	\$	(1,070,232)
2027		1,472,082
2028		150,186
2029		91,903
	\$	<u>643,939</u>

Actuarial Assumptions:

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

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

Mortality Rates:

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

Active and Terminated Vested Members:

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

Retired Members:

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

Beneficiaries:

- PubG-2010 contingent survivor mortality table

Disabled Members:

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

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period of July 1, 2016, to June 30, 2022.

DOUGLAS SCHOOL DISTRICT 51-1

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

(11) Pension Plan

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Public Equity	56.3%	3.6%
Investment Grade Debt	22.8%	2.3%
High Yield Debt	7.0%	2.8%
Real Estate	12.0%	4.0%
Cash	1.9%	0.8%
	<u>100.0%</u>	

Discount Rate:

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

Sensitivity of Asset to Changes in the Discount Rate:

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

	<u>Current Discount</u>		
	<u>1% Decrease</u>	<u>Rate</u>	<u>1% Increase</u>
District’s Proportionate Share of the Net Pension (Asset)/Liability	\$ 15,521,464	\$ (30,545)	\$ (12,756,933)

Pension Plan Fiduciary Net Position:

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

REQUIRED SUPPLEMENTARY INFORMATION

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DOUGLAS SCHOOL DISTRICT 51-1

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual - Budgetary Basis	Variance
	Original	Final		
Revenues:				
<i>1000 Revenue from Local Sources:</i>				
1110 Ad Valorem Taxes	\$ 3,706,900	\$ 3,706,900	\$ 3,849,194	\$ 142,294
1120 Prior Years' Ad Valorem Taxes	35,000	35,000	37,286	2,286
1140 Gross Receipts Taxes	157,000	157,000	152,787	(4,213)
1190 Penalties and Interest on Taxes	6,500	6,500	7,679	1,179
1500 Earnings on Investments and Deposits	5,500	5,500	13,801	8,301
<i>1700 Co-curricular Activities:</i>				
1710 Admissions	20,000	20,000	19,327	(673)
1740 Rentals	250	250	-	(250)
1790 Other Pupil Activity Income	3,500	3,500	4,755	1,255
<i>1900 Other Revenue from Local Sources:</i>				
1950 Refund of Prior Year's Expenditures	-	-	10,803	10,803
1990 Other	35,000	35,000	35,042	42
2110 County Apportionment	175,000	175,000	206,493	31,493
<i>3000 Revenue from State Sources:</i>				
3110 Unrestricted Grants-in-Aid	17,387,500	17,387,500	16,762,543	(624,957)
<i>4000 Revenue from Federal Sources:</i>				
4120 Unrestricted Grants-in-Aid Received from Federal Government Through State	1,100	1,100	889	(211)
4140 Restricted Grants-in-Aid Received Directly from Federal Government	-	60,237	76,268	16,031
4150-4199 Restricted Grants-in-Aid Received from Federal Government Through State	-	4,577,971	1,618,378	(2,959,593)
4900 Other Federal Revenue	-	-	433,076	433,076
Total Revenues	21,533,250	26,171,458	23,228,321	(2,943,137)
Expenditures:				
<i>1100 Instruction - Regular Programs:</i>				
1110 Elementary	7,423,716	7,769,172	7,360,882	408,290
1120 Middle/Junior High	3,271,364	3,582,675	3,379,011	203,664
1130 High School	3,799,795	4,154,349	3,970,151	184,198
1140 Preschool Services	238,117	290,610	218,114	72,496
1190 Other Regular Programs	-	1,056	-	1,056
<i>1200 Instruction - Special Programs:</i>				
1250 Culturally Different	95,296	97,932	96,774	1,158
1270 Educationally Deprived	-	764,156	703,405	60,751
1290 Other Special Programs	-	-	3,225	(3,225)

DOUGLAS SCHOOL DISTRICT 51-1

**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual - Budgetary Basis</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<i>2100 Support Services - Pupils:</i>				
2110 Attendance and Social Work	179,827	187,159	76,910	110,249
2120 Guidance	759,310	773,843	868,802	(94,959)
2130 Health	293,266	307,841	281,919	25,922
2150 Speech Pathology	-	-	7,610	(7,610)
<i>2200 Support Services - Instructional Staff:</i>				
2210 Improvement of Instruction	163,048	246,284	237,966	8,318
2220 Educational Media	1,169,367	1,177,013	1,016,783	160,230
<i>2300 Support Services - General:</i>				
2310 Board of Education	169,521	169,521	140,756	28,765
2320 Executive Administration	1,002,568	1,093,340	991,500	101,840
<i>2400 Support Services - School:</i>				
2410 Office of the Principal	1,414,452	1,414,451	1,348,451	66,000
2490 Other	-	464	-	464
<i>2500 Support Services - Business:</i>				
2520 Fiscal Services	437,264	437,264	452,407	(15,143)
2540 Operation and Maintenance of Plant	2,908,059	3,347,318	3,322,853	24,465
2550 Pupil Transportation	976,310	1,014,970	933,150	81,820
2570 Internal Services	106,974	106,974	69,687	37,287
<i>2600 Support Services - Central:</i>				
2640 Staff	167,293	254,597	356,165	(101,568)
2660 Data Processing	73,037	73,037	-	73,037
2690 Other	43,207	45,757	-	45,757
<i>3000 Community Services:</i>				
3600 Welfare Activities	-	11,350	-	11,350
3900 Other	7,500	7,500	15,078	(7,578)
<i>4000 Nonprogrammed Charges:</i>				
4500 Early Retirement	455,164	455,165	176,123	279,042
4600 Insurance Costs	-	-	14,310	(14,310)
<i>6000 Co-curricular Activities:</i>				
6100 Male Activities	102,284	102,284	80,471	21,813
6200 Female Activities	87,575	87,575	77,382	10,193
6900 Combined Activities	922,037	922,040	835,999	86,041
7000 Contingencies	378,649	(70,807)	-	(70,807)
Total Expenditures	26,645,000	28,824,890	27,035,884	1,789,006
Excess of Revenue Over (Under) Expenditures	(5,111,750)	(2,653,432)	(3,807,563)	(1,154,131)
Other Financing Sources:				
5110 Transfers In (Out)	5,111,750	3,756,178	2,618,945	(1,137,233)
Total Other Financing Sources	5,111,750	3,756,178	2,618,945	(1,137,233)
Net Change in Fund Balances	-	1,102,746	(1,188,618)	(2,291,364)
Fund Balance -- Beginning	1,720,612	1,720,612	1,720,612	-
Fund Balance -- Ending	\$ 1,720,612	\$ 2,823,358	\$ 531,994	\$ (2,291,364)

The accompanying supplementary notes are an integral part of this statement.

DOUGLAS SCHOOL DISTRICT 51-1

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 CAPITAL OUTLAY FUND
 FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual - Budgetary Basis	Variance
	Original	Final		
Revenues:				
<i>1000 Revenue from Local Sources:</i>				
1110 Ad Valorem Taxes	\$ 2,949,700	\$ 2,949,700	\$ 3,320,214	\$ 370,514
1120 Prior Years' Ad Valorem Taxes	20,000	20,000	22,576	2,576
1190 Penalties and Interest on Taxes	3,500	3,500	4,578	1,078
<i>1900 Other Revenue from Local Sources:</i>				
1990 Other	600	600	896	296
<i>3000 Revenue from State Sources:</i>				
3120 Restricted Grants in Aid	-	-	31,262	31,262
<i>4000 Revenue from Federal Sources:</i>				
4110 Unrestricted Grants-in-Aid Received				
Directly from Federal Government	85,000	85,000	134,601	49,601
4120 Unrestricted Grants-in-Aid Received from				
Federal Government Through State	-	-	-	-
4140 Restricted Grants-in-Aid Received				
Directly from Federal Government	-	-	-	-
4150-4199 Restricted Grants-in-Aid Received from				
Federal Government	-	-	-	-
4900 Other Federal Revenue	50,000	50,000	534,448	484,448
Total Revenues	3,108,800	3,108,800	4,048,575	939,775
Expenditures:				
<i>1100 Instruction - Regular Programs:</i>				
1110 Elementary	897,500	42,750	45,745	(2,995)
1120 Middle/Junior High	49,250	49,250	42,906	6,344
1130 High School	1,235,125	31,250	63,963	(32,713)
1140 Preschool Services	5,000	5,000	-	5,000
<i>1200 Special Programs</i>				
1220 Programs for Special Education	140,800	125,275	62,139	63,136
<i>2200 Support Services - Instructional Staff:</i>				
2220 Educational Media	249,475	124,475	78,908	45,567
<i>2300 Support Services - General Administration:</i>				
2310 Board of Education	-	-	113,400	(113,400)
<i>2500 Support Services - Business:</i>				
2520 Fiscal Services	66,850	7,390	7,647	(257)
2530 Facilities Acquisition and Construction	-	3,704,790	3,457,452	247,338
2540 Operation and Maintenance of Plant	117,500	122,336	110,186	12,150
2550 Pupil Transportation	127,800	128,061	140,211	(12,150)
2560 Food Services	110,225	110,225	107,035	3,190
2570 Internal Services	28,975	-	-	-
<i>3000 Community Services:</i>				
3900 Other	-	31,865	-	31,865
<i>6000 Co-curricular Activities:</i>				
6900 Combined Activities	1,076,100	320,253	309,941	10,312
Total Expenditures	4,104,600	4,802,920	4,539,533	263,387
Excess of Revenue Over (Under) Expenditures	(995,800)	(1,694,120)	(490,958)	1,203,162
Other Financing Sources:				
5110 Transfers In	-	698,320	1,137,233	438,913
5130 Sale of Surplus Property	-	-	7,044	7,044
Total Other Financing Sources	995,800	1,694,120	1,144,277	(549,843)
Net Change in Fund Balances	-	-	653,319	653,319
Fund Balance -- Beginning	1,411,620	1,411,620	1,411,620	-
Fund Balance -- Ending	\$ 1,411,620	\$ 1,411,620	\$ 2,064,939	\$ 653,319

The accompanying supplementary notes are an integral part of this statement.

DOUGLAS SCHOOL DISTRICT 51-1

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

SPECIAL EDUCATION FUND

FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual - Budgetary Basis	Variance
	Original	Final		
Revenues:				
<i>1000 Revenue from Local Sources:</i>				
1110 Ad Valorem Taxes	\$ 1,607,500	\$ 1,607,500	\$ 1,691,791	\$ 84,291
1120 Prior Years' Ad Valorem Taxes	11,000	11,000	12,005	1,005
1190 Penalties and Interest on Taxes	2,000	2,000	2,409	409
<i>1900 Other Revenue from Local Sources:</i>				
1950 Refund of Prior Year's Expenditures	-	-	-	-
1990 Other	-	-	-	-
<i>3000 Revenue from State Sources:</i>				
3120 Restricted Grants-in-Aid	3,514,875	3,514,875	3,661,218	146,343
<i>4000 Revenue from Federal Sources:</i>				
4110 Unrestricted Grants-in-Aid				
Directly from Federal Government	90,000	90,000	101,404	(11,404)
4150-4199 Restricted Grants-in-Aid Received from Federal Government Through State	771,376	771,376	894,097	122,721
Total Revenues	5,996,751	5,996,751	6,362,924	343,365
Expenditures:				
<i>1200 Instruction - Special Programs:</i>				
1220 Programs for Special Education	4,216,087	4,285,558	4,176,038	109,520
<i>2100 Support Services - Pupils:</i>				
2110 Attendance and Social Work	83,725	96,244	96,244	-
2140 Psychological	194,000	194,000	193,980	20
2150 Speech Pathology	645,512	645,514	637,489	8,025
2160 Audiology	80,692	80,692	-	80,692
2170 Student Therapy Services	159,350	159,350	154,312	5,038
<i>2200 Support Services - Instructional Staff:</i>				
2210 Improvement of Instruction	-	49,694	49,694	-
<i>2700 Support Services - Special Education:</i>				
2710 Administrative Costs	457,556	543,627	522,366	21,261
2730 Transportation Costs	241,141	306,038	304,973	1,065
2750 Other Special Education Costs	29,000	271,294	153,107	118,187
4500 Early Retirement	57,307	57,307	-	57,307
7000 Contingencies	90,630	-	-	-
Total Expenditures	6,255,000	6,689,318	6,288,203	401,115
Excess of Revenue Over (Under) Expenditures	(258,249)	(692,567)	74,721	744,480
Other Financing Sources:				
5110 Transfers In	-	434,318	-	(434,318)
5180 Other (Use of Fund Balance)	258,249	258,249	-	(258,249)
Net Change in Fund Balances	-	-	74,721	51,913
Fund Balance -- Beginning	1,814,526	1,814,526	1,814,526	-
Fund Balance -- Ending	\$ 1,814,526	\$ 1,814,526	\$ 1,889,247	\$ 51,913

The accompanying supplementary notes are an integral part of this statement.

DOUGLAS SCHOOL DISTRICT 51-1

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET
JUNE 30, 2025**

	2025	2024	2023	2022	2021
District's Proportion of the Net Pension Asset/(Liability)	0.7545820%	0.7741800%	0.7724880%	0.7892330%	0.8053629%
District's Proportionate Share of Net Pension Asset/(Liability)	\$ 30,545	\$ 75,563	\$ 73,004	\$ 6,044,175	\$ 34,977
District's Covered-Employee Payroll	\$ 22,207,848	\$ 21,176,011	\$ 19,987,188	\$ 17,906,860	\$ 17,675,864
District's Proportionate Share of the Net Pension Asset/(Liability) as a Percentage of its Covered-Employee Payroll	0.14%	0.36%	0.37%	33.75%	0.20%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset/(Liability)	100.00%	100.10%	100.10%	105.52%	100.04%
	2020	2019	2018	2017	2016
District's Proportion of the Net Pension Asset/(Liability)	0.7982395%	0.8209733%	0.8408643%	-0.8361241%	0.8554103%
District's Proportionate Share of Net Pension Asset/(Liability)	\$ 84,592	\$ 19,147	\$ 76,309	\$ (2,824,649)	\$ 3,628,040
District's Covered-Employee Payroll	\$ 16,971,928	\$ 17,057,572	\$ 17,077,115	\$ 15,905,933	\$ 15,609,731
District's Proportionate Share of the Net Pension Asset/(Liability) as a Percentage of its Covered-Employee Payroll	0.50%	0.11%	0.45%	-17.76%	23.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset/(Liability)	100.09%	100.02%	100.10%	97.00%	104.00%

DOUGLAS SCHOOL DISTRICT 51-1

**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
JUNE 30, 2025**

	2025	2024	2023	2022	2021
Contractually Required Contribution	\$ 1,332,476	\$ 1,270,561	\$ 1,198,006	\$ 1,106,411	\$ 1,074,473
Contributions in Relation to the Contractually Required Contribution	1,332,476	1,270,561	1,198,006	1,106,411	1,074,473
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered-Employee Payroll	\$ 22,207,848	\$ 21,176,011	\$ 19,987,188	\$ 18,452,386	\$ 17,906,860
Contributions as a Percentage of Covered- Employee Payroll	6.0%	6.0%	6.0%	6.0%	6.0%

	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 1,060,706	\$ 1,018,333	\$ 1,024,035	\$ 1,025,069	\$ 949,610
Contributions in Relation to the Contractually Required Contribution	1,060,706	1,018,333	1,024,035	1,025,069	949,610
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered-Employee Payroll	\$ 17,675,864	\$ 16,971,928	\$ 17,057,572	\$ 17,077,115	\$ 15,905,933
Contributions as a Percentage of Covered- Employee Payroll	6.0%	6.0%	6.0%	6.0%	6.0%

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DOUGLAS SCHOOL DISTRICT 51-1

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

1. Budgets and Budgetary Accounting

The 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 each year.
- 3) The proposed budget is published for public review no later than July 15th each year.
- 4) Public hearings are held to solicit taxpayer input prior to the approval of the budget.
- 5) Before October 1st of each year, the School Board must approve the budget for the ensuing fiscal year for each fund, with the exception of Fiduciary Funds.
- 6) After adoption by the School Board, the operating budget is legally binding and actual expenditures of each fund cannot exceed the amounts budgeted, except as indicated 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 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) The 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), except for the following:

The financial statements prepared in conformity with US GAAP 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 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 Required Supplementary Information Schedule, the purchase of a bus would be reported as an expenditure of the Support Services/Pupil Transportation function of government, along with all other current Pupil Transportation related expenditures.

The financial statements prepared in conformity with US GAAP present federal Impact Aid grants as revenue and related transfers out to the capital outlay fund and special education fund to meet operational needs of the other funds as blended activity in the General Fund following the implementation of GASB 54. However, under the budgetary basis of accounting, the Impact Aid revenue and related transfers out are not included in the Budgetary Required Supplementary Schedule for the General Fund. The following information is provided for purposes of reconciling the two schedules:

Impact Aid Revenue	
Unrestricted Grants-in-Aid Received Directly	
from Federal Government	\$ 5,910,413
Earnings on Investments and Deposits	196,178
Total Impact Aid Revenue	<u>6,106,591</u>
Transfers out of Impact Aid Revenue to Other Funds	<u>(3,796,178)</u>
Net Change in Fund Balance – Impact Aid	<u>\$ 2,310,413</u>
Impact Aid Fund Balance	\$ 29,995,953

DOUGLAS SCHOOL DISTRICT 51-1

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

2. Schedule of the Proportionate Share of the Net Pension Liability (Asset) and Schedule of Pension Contributions

Changes from Prior Valuation

The June 30, 2024, Actuarial Valuation reflects numerous changes to the actuarial assumptions as a result of an experience analysis completed since the June 30, 2023, Actuarial Valuation.

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

Benefit Provision Changes

During the 2024 Legislative Session no significant SDRS benefit changes were made and emergency medical services personnel prospectively became Class B Public Safety members.

Actuarial Method Changes

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

Actuarial Assumption Changes

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

As of June 30, 2023 the FVFR assuming future COLAs equal to the baseline COLA assumption of 2.25% is again less than 100% and the July 2024 SDRS COLA is limited to a restricted maximum of 1.91%. The July 2024 SDRS COLA will equal inflation, between 0% and 1.91%. For this June 30, 2023 Actuarial Valuation, future COLAs were assumed to equal the restricted maximum COLA of 1.91%.

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

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

SINGLE AUDIT SECTION

DRAFT

DOUGLAS SCHOOL DISTRICT 51-1

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

	Pass-Through Identifying Number	ALN	Amount
<i>U.S. Department of Agriculture:</i>			
Pass-Through the S.D. Department of Education:			
Child Nutrition Cluster			
Non-Cash Assistance			
National School Lunch Program (Note 4)	None	10.555	\$ 146,858
Cash Assistance			
School Breakfast Program (Note 3)	243SD310N1199	10.553	114,369
Supply Chain Assistance (Note 3)	243SD310N1199	10.555	21,230
National School Lunch Program (Note 3)	243SD310N1199	10.555	512,713
Summer Food Service Program for Children (Note 3)	None	10.559	156,677
Total Child Nutrition Cluster			951,847
Child Nutrition Discretionary Grants Limited Availability (Note 3)	233SD3115003	10.579	5,997
Total U.S. Department of Agriculture			957,844
<i>U.S. Department of Defense:</i>			
Direct Federal Funding:			
Community Economic Adjustment Assistance for Establishment or Expansion of Military Installation	N/A	12.618	463,485
National Defense Authorization Act - Section 386	N/A	12.XXX	257,078
Total U.S. Department of Defense			720,563
<i>U.S. Department of the Interior:</i>			
Pass-Through the S.D. Department of Education:			
Taylor Grazing	None	15.227	776
National Mineral Leasing	None	15.227	112
Total U.S. Department of the Interior			888
<i>Environment Protection Agency:</i>			
Pass-Through the S.D. Department of Agriculture and Natural Resources:			
Clean Diesel Program	95819202/0013890	66.040	31,262
Total Environment Protection Agency			31,262
<i>U.S. Department of Education:</i>			
Direct Federal Funding:			
Impact Aid -- Maintenance and Operations	N/A	84.041	3,796,178
Impact Aid -- Special Education	N/A	84.041	89,173
Total Impact Aid			3,885,351
Title VII Indian Education Grant	N/A	84.060A	76,268
Pass-Through the S.D. Department of Education:			
Title I Programs -- Local Educational Agencies	S010A230041	84.010	823,518
Rehabilitation Services Vocational Rehabilitation Grants to States	H126A210062	84.126A	83,820
Improving Teacher Quality	S367A230039	84.367A	208,499
Title IV SSAE	S424A230043	84.424A	93,722
CARES ESSER 2 Funds	S425D210050	84.425D	494,444
CARES ESSER 3 Funds	S425D210050	84.425U	3,990
American Rescue Plan - ARP EANS - Emergency Assistance to Nonpublic Schools	S425V210036	84.425V	233,566
Total ESF Program			732,000
<i>Special Education Cluster:</i>			
Special Education -- State Grants (P.L. 94-142)	H027A230091	84.027A	786,435
Special Education -- Preschool Grants (P.L. 99-457)	H173A230091	84.173A	36,035
Total Special Education Cluster			822,470
Total U.S. Department of Education			6,725,648
Total			\$ 8,436,205

DOUGLAS SCHOOL DISTRICT 51-1

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

Note 1 – Basis of Presentation and Summary of Significant Accounting Policies

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 2 – Indirect Cost Rate

The District has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3 – Cash Reimbursement

These amounts reflect cash received. Federal reimbursements are based on approved rates for services provided rather than reimbursement for specific expenditures.

Note 4 – Non-Monetary Assistance

These amounts include non-monetary assistance which is reported at fair market value of the commodities received and disbursed.

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

School Board
Douglas School District 51-1
Meade and Pennington Counties, South Dakota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Douglas School District No. 51-1 (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated [REDACTED], 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings as #2025-001, #2025-002, and #2025-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

School Board
Douglas School District 51-1

District's Response to Findings

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

Purpose of this Report

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

KETEL THORSTENSON, LLP
Certified Public Accountants

_____, 2026

DRAFT



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

School Board
Douglas School District 51-1
Meade and Pennington Counties, South Dakota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Douglas School District No. 51-1's (the District's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of audit results section of the accompanying Schedule of Findings.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually, or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Schedule of Findings as #2025-004 and #2025-005. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our compliance audit described in the accompanying Schedule of Findings. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings as #2025-004 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings as #2025-005 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our compliance audit described in the accompanying Schedule of Findings. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. As required by South Dakota Codified Law 4-11-11, this report is a matter of public record and its distribution is not limited.

KETEL THORSTENSON, LLP
Certified Public Accountants

_____, 2026

DOUGLAS SCHOOL DISTRICT 51-1

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2025**

A. Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on the financial statements of Douglas School District 51-1 (the District).
2. Material weaknesses were disclosed during the audit of the financial statements as reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the District were disclosed during the audit.
4. A material weakness and significant deficiency disclosed during the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs for the District expresses unmodified opinions on all major programs, as listed in #7.
6. Audit findings relative to the major federal award programs for the District are reported in Part C of this schedule.
7. The programs tested as major programs were:
 - a. Impact Aid, ALN 84.041
 - b. Office of Local Defense Community Cooperation, ALN 12.618
 - c. Special Education Cluster, ALN 84.027A and 84.173A
 - d. Title I Programs, ALN 84.010A
8. The threshold for distinguishing Type A and B programs was \$750,000.
9. The District was not determined to be a low-risk auditee.

DOUGLAS SCHOOL DISTRICT 51-1

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2025**

B. FINDINGS – Financial Statement Audit

Material Weaknesses

Finding #2025-001: Preparation of Financial Statements

Federal Program Affected: None.

Compliance Requirement: Not Applicable.

Questioned Costs: None.

Condition and Cause: As a matter of practicality and efficiency, we have assisted in drafting the financial statements in both form and content, based on information provided by management during the audit.

Criteria and Effect: Management and those charged with governance are ultimately responsible for preparing and presenting the financial statements in accordance with the applicable financial reporting framework. The auditor's responsibility for the financial statements is to express an opinion on them based on the audit evidence obtained.

Repeat Finding from Prior Year: Yes, prior year finding #2024-001.

Recommendation: Management and if applicable, governance, should review the financial statements for accuracy of account balances and context of note disclosures. Management and governance should inquire of the auditors about any balances or disclosures which management does not understand or cannot reconcile to internal records prior to signing the management representation letter.

Response/Corrective Action Plan: The District agrees with the above finding. See Corrective Action Plan.

Finding #2025-002: Audit Adjustments

Federal Program Affected: None.

Compliance Requirement: Not Applicable.

Questioned Costs: None.

Condition and Cause: During the course of our engagement, we proposed material audit adjustments including entries to reestablish SDRS Pension related balances, to adjust compensated absences as part of GASB 101 implementation, adjust accounts payable, cash, and prepaid balances, record capital assets and adjust depreciation. Additionally, other entries were proposed as part of the audit but were not recorded due to the overall insignificance on the financial statements.

Criteria and Effect: These adjustments were not recorded through the District's existing internal controls, and therefore, resulted in misstatements of the District's financial statements.

Repeat Finding from Prior Year: Yes, prior year finding #2024-002.

DOUGLAS SCHOOL DISTRICT 51-1

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2025**

B. FINDINGS – Financial Statement Audit

Material Weaknesses

Finding #2025-002: Audit Adjustments

Recommendation: We recommend management do the following:

- The annual adjustments to record the prior year SDRS pension balances and the current year SDRS pension adjustments should continue to be reviewed and approved by the District’s Business Manager.
- The adjustments to record compensated absences for GASB 101 should be reviewed and approved by the District’s Business Manager.
- Invoices that are prepaid should be tracked and the related accounts adjusted as necessary.
- The District should track all capital assets purchased during the year and reviewed this listing for accuracy at year-end. Depreciation schedules should be reviewed for accuracy and agreed to the general ledger. The general ledger should be adjusted, if necessary.
- Management should review all invoices near year end to ensure proper cut-off of accounts payable.

Response/Corrective Action Plan: Management is in agreement with the finding. See Corrective Action Plan.

Finding #2025-003: Internal Controls over Financial Reporting

Federal Program Affected: None.

Compliance Requirement: Not Applicable.

Questioned Costs: None.

Condition and Cause: The following internal control deficiencies were identified in various processes over financial reporting:

- Checks written in fiscal year 2026 were posted back to fiscal year 2025, resulting in an understatement of cash and accounts payable. The miss-posted checks were improperly included on the June 2025 bank reconciliation, but was not detected by the District during preparation or review of the June bank reconciliation.
- Funds raised by the DHS Cheer Club were incorrectly deposited into the Class of 2026 custodial account.
- We noted the discrepancies between the budget schedules and the actual School Board resolutions.

Criteria and Effect: It is our responsibility to inform the School Board that these deficiencies could result in a material misstatement to the financial statements that could have been prevented or detected by the School’s management.

Repeat Finding from Prior Year: No.

Recommendation: We make the following control recommendations:

- All checks should be posted in the period they were written. During review of the monthly bank reconciliations, management should review the propriety of all reconciling items.
- Management should review all changes in custodial accounts to ensure accurate recording.
- Management should ensure all revenue and expenditure budget supplements are provided and approved by the School Board and accurately reflected in the budgetary schedules.

Response/Corrective Action Plan: The District agrees with the above finding. See Corrective Action Plan.

DOUGLAS SCHOOL DISTRICT 51-1

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2025**

C. FINDINGS AND QUESTIONED COSTS – Major Federal Program Audit

Material Weakness

Finding #2025-004: Grant Tracking and Schedule of Expenditures of Federal Awards (SEFA) Adjustments

Federal Program Affected: Office of Local Defense Community Cooperation, ALN 12.618 and Impact Aid, ALN 84.041

Compliance Requirement: Reporting

Questioned Costs: None.

Condition and Cause: Adjustments were made during the audit process to the District's SEFA as approximately \$10,700 of OLDCC expenditures incurred in fiscal year 2026 were included on the fiscal year 2025 SEFA. Additionally, Impact Aid revenue was initially recorded on the SEFA as opposed to expenditures. This resulted in a \$2.2 million decrease to the SEFA.

Criteria and Effect: The District is responsible for the fair preparation of an accurate SEFA. It is our responsibility to inform the School Board that this deficiency would result in a material misstatement to the SEFA.

Repeat Finding from Prior Year: Yes, prior year finding #2024-003.

Recommendation: Only expenditures incurred during the period should be included on the SEFA.

Response/Corrective Action Plan: Management is in agreement with the finding. See Corrective Action Plan.

Significant Deficiency

Finding #2025-005: Internal Controls over Payroll

Federal Program Affected: Title I Programs, ALN 84.010A

Compliance Requirement: Allowable Costs/Activities Allowed

Questioned Costs: None over \$25,000.

Condition and Cause: During audit testing, we identified an instructional aide who was paid an extra 30 minutes resulting in an overpayment of \$11.13. It appears a lunch break was not properly noted on the timecard calculation. The total payroll sample tested was \$57,493.

Criteria and Effect: The District has review processes in place over timecards, however the manual process did not identify the calculation error. This error resulted in the grant being overcharged by \$11.13.

Repeat Finding from Prior Year: No.

Recommendation: Time cards should continue to be reviewed for calculation errors to prevent potential overpayment and possible questioned costs.

Response/Corrective Action Plan: Management is in agreement with the finding. See Corrective Action Plan.

MANAGEMENT RESPONSE

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DOUGLAS SCHOOL DISTRICT 51-1

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2025**

Douglas School District 51-1 (the District) respectfully submits the following schedule of prior audit findings from the June 30, 2024 Schedule of Findings. The findings are numbered consistently with the numbers assigned in the 2024 Schedule of Findings.

Finding #2024-001: Financial Statement Preparation

Status: It is more cost effective for the District to hire Ketel Thorstenson, LLP, a public accounting firm, to prepare the full disclosure financial statements as a part of the annual audit process. The District has designated a member of management to review the draft financial statements and accompanying notes to the financial statements.

Initial Year Report: Originally issued years ago.

Reasons for Recurrence and Corrective Action Plan: Management is satisfied that appropriate actions have been taken to allow them to take responsibility for the financial statements prepared by the auditors. The finding will be repeated in 2025, see Corrective Action Plan.

Finding #2024-002: Audit Adjustments

Status: The District made efforts to record all year-end entries, but several audit adjustments were made.

Initial Year Report: Originally issued years ago.

Reasons for Recurrence and Corrective Action Plan: The finding is altered based on specific audit adjustments each year and is repeated in the Schedule of Findings. See Corrective Action Plan.

Finding #2024-003: Grant Tracking

Status: The District made efforts to track grant spending, but adjustments to the SEFA were made in the current year for expenditures incurred outside the audit period.

Initial Year Report: 2023

Reasons for Recurrence and Corrective Action Plan: This finding is altered for adjustment made to the SEFA and is repeated in the Schedule of Findings. See Corrective Action Plan.



DOUGLAS SCHOOL DISTRICT 51-1

CORRECTIVE ACTION PLAN JUNE 30, 2025

Douglas School District 51-1 (the District) respectfully submits the following corrective action plan regarding findings from the June 30, 2025 Schedule of Findings. The findings are numbered consistently with the numbers assigned in the Schedule of Findings.

Finding #2025-001: Preparation of Financial Statements

Responsible Individuals: Trista Olney, Business Manager

Corrective Action Plan: Management of the District has reviewed the financial statements prepared by Ketel Thorstenson, LLP. The financial statements have been compared and reconciled to the internal records maintained by the District. Management and the School Board have been given adequate opportunity to ask questions regarding the financial statements and note disclosures and have received sufficient responses from the auditors prior to final publication of the audited financial statements. Management is satisfied that appropriate actions have been taken to allow them to take responsibility for the financial statements.

Anticipated Completion Date: Ongoing

Finding #2025-002: Audit Adjustments

Responsible Individuals: Trista Olney, Business Manager

Corrective Action Plan: The District will continue efforts to make all year-end entries.

Anticipated Completion Date: Ongoing

Finding #2025-003: Internal Controls over Financial Reporting

Responsible Individuals: Trista Olney, Business Manager

Corrective Action Plan: The District will make every effort to ensure that checks are posted in the proper period, review the accuracy of the custodial accounts, and ensure all budget supplements are accurately reflected in the budgetary schedules.

Anticipated Completion Date: Fiscal year 2026

Finding #2025-004: Grant Tracking and Schedule of Expenditures of Federal Awards (SEFA) Adjustments

Responsible Individuals: Trista Olney, Business Manager

Corrective Action Plan: The District will continue efforts to prepare the SEFA accurately.

Anticipated Completion Date: Fiscal year 2026

Finding #2025-005: Internal Controls over Payroll

Responsible Individuals: Trista Olney, Business Manager

Corrective Action Plan: The District will make every effort to review payroll hours before payroll is posted.

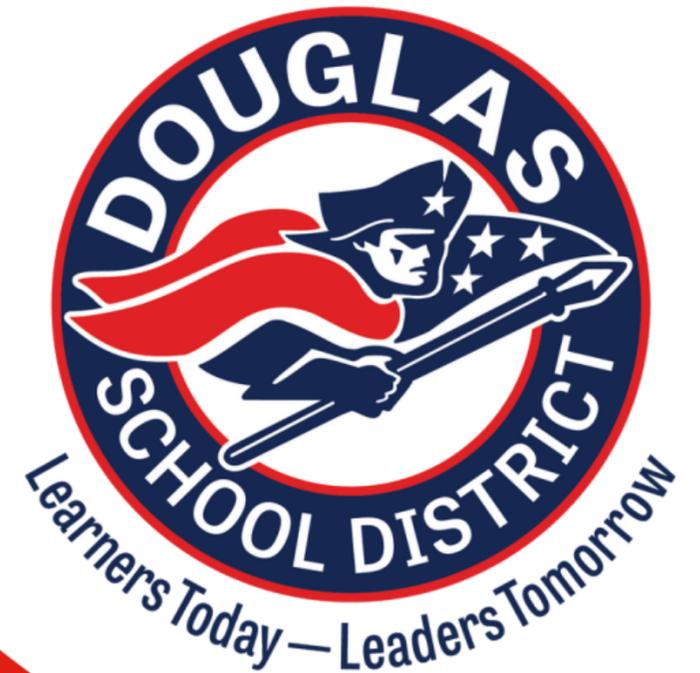
Anticipated Completion Date: Fiscal year 2026

Douglas School District Financial Presentation

Trista Olney
January 26, 2026



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Douglas School District Board of Education

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Tanya Gray	President	2027
Amy McGovern	1st Vice President	2028
Ben Frerichs	2nd Vice President	2026
Chris Misselt	Member	2027
Tonya Welch	Member	2028
Col. Paul Koecher	Associate Member	
CMSgt. Tia Mullins	Associate Member	
Joanne Mulholland	Associate Member Alternate	

Executive Administration

Kevin Case - Superintendent
Trista Olney - Business Manager
Ann Pettit - Executive Director of Elementary Curriculum
Courtney Crosswait - Executive Director of Secondary Curriculum
Tim Kosters - Executive Director of Operations
Monica Waltman - Director of Special Services



Definition of District Operated Funds

FUND DEFINITIONS:

General Fund (10): A fund established by SDCL 13-16-3 to meet all operational costs and to account for all financial resources of the School District, except for those required to be accounted for in various other funds. This fund accounts for the general operation of the School District.

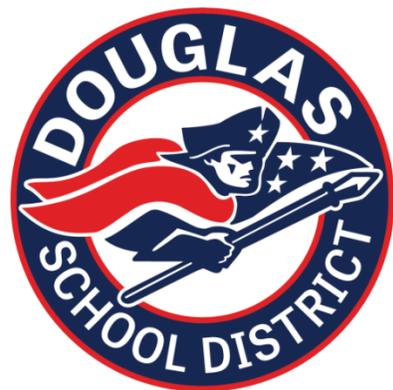
Capital Outlay Fund (21): A fund established by SDCL 13-6-6 to meet expenditures which result in the acquisition of or additions to real property, plant or equipment.

Special Education Fund (22): A fund established by SDCL 13-37-16 to account for the costs associated with the special education of all children in need of special assistance and prolonged assistance who attend school within the District.

Impact Aid Fund (27): A fund established to account for funds received through the Impact Aid federal grant (ALN 84.041). Authorized in statute (SDCL 13-13-11.1 and 13-16-30/31). However, it does not constitute a special revenue fund under GASB 54.

Food Service Fund (51): A fund used to record the financial transactions related to the K-12 food service operation.

Fund (66): Douglas created Fund 66 to track all grant dollars spent throughout the year. These grants each have their own unique account number for tracking purposes and close to the General Fund at the end of the fiscal year.



Glossary of Terms

REVENUE DEFINITIONS:

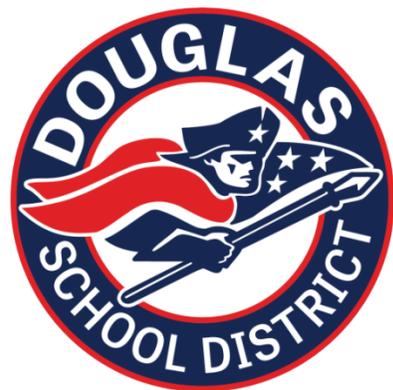
Local Revenue: Revenues from LOCAL sources is the amount of money produced within the boundaries of the school district and available to the school district for its use. Money collected by another governmental unit as an agent of the school district is recorded as revenue from local sources. Local Revenue includes funding sources such as property taxes, interest earned, revenue from admissions to activities and/or tournament entry costs, miscellaneous revenue and in the Food Service Fund - revenue from the purchase of meals for students.

County Revenue: Revenue from COUNTY sources is revenue from funds collected by the County and distributed to the school district. County Revenue includes County Apportionment and is only received in the General Fund.

State Revenue: Revenue from STATE sources is revenue from funds collected by the State and distributed to the school district. State Revenue includes State Aid in both the General Fund and the Special Education Fund. In the General Fund, there is also State Apportionment and Bank Franchise Tax dollars.

Federal Revenue: Revenue from FEDERAL sources is revenue from funds collected by the Federal government and distributed to the school district. Federal Revenue includes Impact Aid, Department of Defense dollars, IDEA dollars in the Special Education Fund, and reimbursements for meals that students purchase in the Food Service Fund. There are also several grant programs funded by Federal dollars including Title I, Title II, Title IV, Title VI and other various grants.

**Reserve/
Transfer:** When there are not enough revenue sources to cover the expenditures in any one fund, that fund either utilizes dollars remaining in reserve, or that fund requires a transfer of dollars from another fund - generally from the Impact Aid Fund.



Glossary of Terms

EXPENDITURE DEFINITIONS:

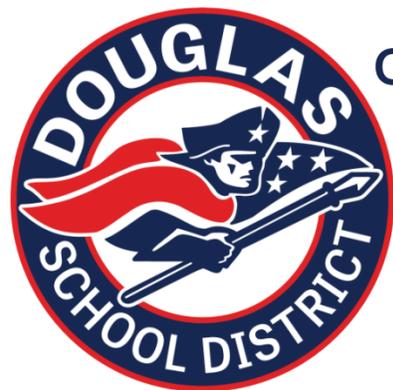
Instruction: **INSTRUCTIONAL** expenditures refer to expenditures incurred that have a direct relationship to the instruction of students. Instructional expenditures include PreK-12 programs, Special Education programs, Title I programs and other educational programs.

Support Services: **SUPPORT** services expenditures refer to expenditures incurred that support the instruction of students. Support service expenditures include Social Work services, Guidance services, Health services, Psychological services, Speech and Audiology services and Student Therapy services. Support service expenditures also include things such as Library services, the Board of Education, Administration, Fiscal services, Transportation, Food Service, Custodial services and a multitude of other services.

Community Services: **COMMUNITY** services expenditures refer to expenditures incurred that support the overall community in relationship to students. Community services expenditures include Public/Community Library, Civic Services, Welfare Activities and Community Relations.

Co-Curricular: **CO-CURRICULAR** expenditures refer to expenditures incurred for students who participate in activities outside the traditional classroom setting. Co-Curricular expenditures include sports, music, drama, robotics and a host of other activities intended to enrich the educational experience of students.

Contingency: SDCL 13-11-2.1 allows districts to budget an amount, not to exceed 5%, of its operating budget that may, by resolution, be transferred to other budget categories for expenditures. This is allowed in the General Fund and the Special Education Fund.



Glossary of Terms

TAXABLE VALUATION ABBREVIATIONS:

AG: **Agricultural Taxable Valuation**

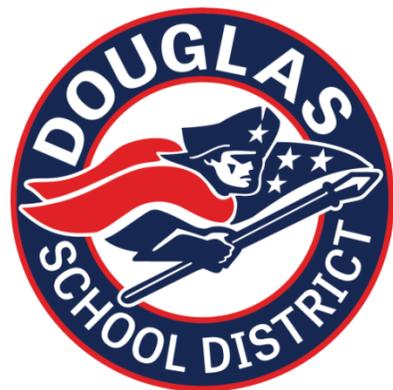
OO: **Owner-Occupied Taxable Valuation**

M: **Manufactured Homes Taxable Valuation**

M-OO: **Manufactured Homes that are Owner-Occupied**

OTH: **Other Non-Ag Taxable Valuation**

UTIL: **Utility Taxable Valuation**



State Funding Explanation

- The General Fund is EQUALIZED, which means that every school receives funding based on the same calculation (depending on the size of your school.)
 - The General Fund Per Student Funding = Local Taxes + State Aid
 - FY25 for Douglas that calculation averaged \$7,413.86/student
 - FY26 for Douglas that calculation averages \$7,512.24/student
- Because the General Fund is Equalized, technically, Impact Aid “should” go to Capital Outlay
 - Douglas has made purposeful decisions to pay more and keep class sizes smaller (Some other Districts utilize Capital Outlay Flexibility in the same manner)
- State Calculation = **Target # of Teachers (based on enrollment)** X **Average Target Teacher Salary (\$62,045.62 for FY26)** plus **ADD 29% for staff benefits** and **ADD another 38.78% to cover all other costs (Administrators, Counselors, Custodians, Utilities, etc.)**
 - Douglas Average Teacher Salary (FY25) = \$65,028.98
- Other Revenue = Interest, Yearbook Sales, County & State Apportionment, Franchise & Activities Admissions
- Video Link from SASD: [SASD State Funding Explainer Video](#)



Impact Aid Specifics

- **Refer to Spreadsheet:** [Impact Aid Expenditures & Revenues - Cumulative Look](#)
- **Items to Note:**
 - 7003/7002 dollars are basic support payment - will continue with student enrollment
 - Percentage of b2 dollars (approximately 50%) - additional qualifiers (noted below)
 - Dollar amount transferred annually
 - Student Count
 - Overall Count
 - Percentages
 - COVID Exemption explanation (student count/dollars received)
- **Rules for b2 dollars:**
 - Tax at least 95%
 - Per Pupil Expenditure must be less than the state/national average
 - Maintain a minimum of 35% military-connected students (45% to requalify)
 - Application for this year - 36.13% estimate



Expenditures, Revenues & Cash Balance

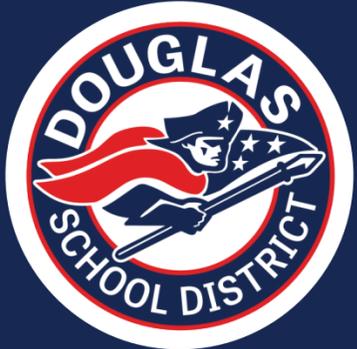
EXPENDITURES									
A	B	C	D	E	F	G	H	I	J
	General Fund	Capital Outlay Fund	Special Education Fund	Impact Aid Transfer	Food Service	Grants	ESSER	Grants Excluding ESSER	TOTAL (Columns B - G)
2024-2025	\$25,075,683	\$4,557,531	\$6,275,332	\$3,796,178	\$1,811,172	\$1,907,391	\$523,508	\$1,383,883	\$43,423,287
2023-2024	\$23,959,559	\$5,884,316	\$5,422,648	\$4,051,043	\$1,522,094	\$2,965,965	\$1,137,233	\$1,828,732	\$43,805,625
2022-2023	\$23,004,296	\$1,315,286	\$4,741,639	\$3,137,018	\$1,423,320	\$3,023,907	\$2,190,776	\$833,131	\$36,645,466
2021-2022	\$21,665,739	\$6,002,835	\$3,884,069	\$5,160,407	\$1,480,916	\$2,894,471	\$1,808,576	\$1,085,895	\$41,088,437
2020-2021	\$21,344,121	\$1,136,333	\$3,729,478	\$2,867,509	\$1,430,368	\$2,028,745	\$840,278	\$1,188,467	\$32,536,556
2019-2020	\$19,793,147	\$1,486,965	\$3,478,451	\$2,413,240	\$1,464,578	\$1,340,770	\$0	\$1,340,770	\$29,977,151
2018-2019	\$19,338,508	\$1,641,228	\$3,523,129	\$1,540,310	\$1,218,301	\$1,047,839	\$0	\$1,047,839	\$28,309,315
REVENUES									
A	B	C	D	E	F	G	H	I	J
	General Fund	Capital Outlay Fund	Special Education Fund	Impact Aid	Food Service	Grants	ESSER	Grants Excluding ESSER	TOTAL (Columns B - G)
2024-2025	\$25,052,994	\$5,192,851	\$6,362,924	\$6,106,591	\$1,592,754	\$1,931,502	\$494,444	\$1,437,058	\$46,239,616
2023-2024	\$24,162,968	\$4,779,267	\$5,932,926	\$6,887,806	\$1,511,790	\$4,092,403	\$3,020,706	\$1,071,697	\$47,367,159
2022-2023	\$21,939,820	\$4,789,907	\$4,102,176	\$5,002,078	\$1,375,661	\$3,026,998	\$2,035,776	\$991,222	\$40,236,640
2021-2022	\$22,499,252	\$2,999,101	\$3,725,755	\$5,240,704	\$1,763,104	\$2,900,250	\$1,814,352	\$1,085,897	\$39,128,166
2020-2021	\$21,593,691	\$2,147,886	\$3,723,129	\$5,758,504	\$1,317,874	\$2,028,546	\$840,278	\$1,188,268	\$36,569,630
2019-2020	\$19,621,361	\$2,264,117	\$3,592,902	\$6,891,657	\$1,254,653	\$1,353,513	\$0	\$1,353,513	\$34,978,203
2018-2019	\$18,600,737	\$1,880,542	\$4,190,391	\$5,168,586	\$1,048,165	\$1,047,875	\$0	\$1,047,875	\$31,936,297
CASH ON HAND BALANCE									
A	B	C	D	E	F	G	H	I	J
	General Fund	Capital Outlay Fund	Special Education Fund	Impact Aid	Food Service	Grants*	ESSER *	Grants Excluding ESSER*	TOTAL (Columns B - G)
2024-2025	\$56,257	\$1,110,860	\$1,752,442	\$29,995,953	\$2,458	\$0	\$0	\$0	\$32,917,970
2023-2024	\$22,636	\$9,700	\$1,768,136	\$27,685,540	\$179,400	\$0	\$0	\$0	\$29,665,411
2022-2023	\$131,589	\$1,642,556	\$1,165,353	\$24,848,777	\$313,399	\$0	\$0	\$0	\$28,101,674
2021-2022	\$114,490	\$9,082	\$1,761,727	\$22,983,717	\$324,349	\$0	\$0	\$0	\$25,158,085
2020-2021	\$85,951	\$3,334,233	\$2,064,093	\$22,903,420	\$2,379	\$0	\$0	\$0	\$24,392,507
2019-2020	\$83,767	\$1,982,708	\$1,908,667	\$20,012,425	\$51,580	\$0	\$0	\$0	\$24,039,147
2018-2019	\$72,532	\$1,617,527	\$1,899,283	\$15,534,008	\$227,692	\$0	\$0	\$0	\$19,351,054

*All grant balances close to the General Fund at the end of the Fiscal Year



Revenue Detail

REVENUES									
GENERAL FUND									
	Local Taxes	Other Local Revenue	County Apportionment	State Aid	Other State Revenue	Impact Aid	Other Federal Revenue	Transfers In	TOTAL
2024-2025	\$4,046,946	\$81,423	\$206,493	\$16,349,598	\$414,650	\$0	\$197,708	\$3,756,178	\$25,052,994
2023-2024	\$3,837,075	\$89,470	\$172,730	\$15,625,866	\$352,197	\$0	\$159,587	\$3,926,043	\$24,162,968
2022-2023	\$3,502,654	\$83,804	\$166,529	\$14,672,689	\$279,637	\$0	\$97,489	\$3,137,018	\$21,939,820
2021-2022	\$3,394,789	\$79,710	\$204,364	\$14,009,252	\$265,577	\$0	\$987	\$4,544,573	\$22,499,252
2020-2021	\$3,263,980	\$37,948	\$173,850	\$13,627,610	\$315,626	\$0	\$1,379,186	\$2,795,491	\$21,593,691
2019-2020	\$3,234,761	\$85,664	\$186,827	\$13,443,943	\$315,702	\$0	\$1,069	\$2,353,395	\$19,621,361
2018-2019	\$2,833,319	\$33,827	\$210,532	\$13,714,062	\$284,472	\$0	\$1,179	\$1,523,346	\$18,600,737
CAPITAL OUTLAY									
	Local Taxes	Other Local Revenue	County Apportionment	State Aid	Other State Revenue	Impact Aid	Other Federal Revenue	Transfers In	TOTAL
2024-2025	\$3,347,368	\$896	\$0	\$0	\$0	\$134,601	\$565,709	\$1,144,277	\$5,192,851
2023-2024	\$2,974,017	\$12,499	\$0	\$0	\$0	\$137,617	\$1,530,134	\$125,000	\$4,779,267
2022-2023	\$2,417,013	\$35,673	\$0	\$0	\$0	\$110,523	\$2,226,697	\$0	\$4,789,907
2021-2022	\$2,045,781	\$31,566	\$0	\$0	\$0	\$14,428	\$282,326	\$625,000	\$2,999,101
2020-2021	\$1,884,631	\$1,435	\$0	\$0	\$0	\$0	\$261,821	\$0	\$2,147,886
2019-2020	\$1,627,332	\$39,828	\$0	\$0	\$0	\$267,878	\$329,078	\$0	\$2,264,117
2018-2019	\$1,620,942	\$4,529	\$0	\$0	\$0	\$0	\$255,072	\$0	\$1,880,542
SPECIAL EDUCATION									
	Local Taxes	Other Local Revenue	County Apportionment	State Aid	Other State Revenue	Impact Aid	Other Federal Revenue	Transfers In	TOTAL
2024-2025	\$1,706,206	\$0	\$0	\$3,661,218	\$0	\$89,173	\$906,327	\$0	\$6,362,924
2023-2024	\$1,574,525	\$0	\$0	\$3,412,483	\$0	\$95,910	\$850,009	\$0	\$5,932,926
2022-2023	\$1,396,161	\$0	\$0	\$1,838,851	\$94,698	\$57,773	\$714,693	\$0	\$4,102,176
2021-2022	\$1,313,391	\$0	\$0	\$1,492,341	\$0	\$57,773	\$862,250	\$0	\$3,725,755
2020-2021	\$1,209,099	\$0	\$0	\$1,733,225	\$0	\$68,722	\$712,083	\$0	\$3,723,129
2019-2020	\$1,007,746	\$141	\$0	\$1,800,565	\$0	\$86,674	\$697,777	\$0	\$3,592,902
2018-2019	\$931,089	\$0	\$0	\$2,450,618	\$0	\$97,869	\$710,814	\$0	\$4,190,391

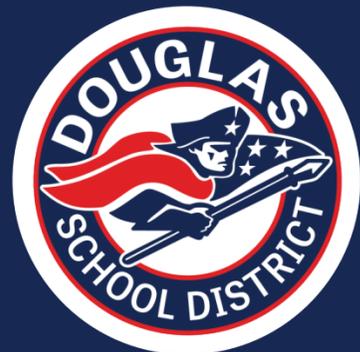


State Aid

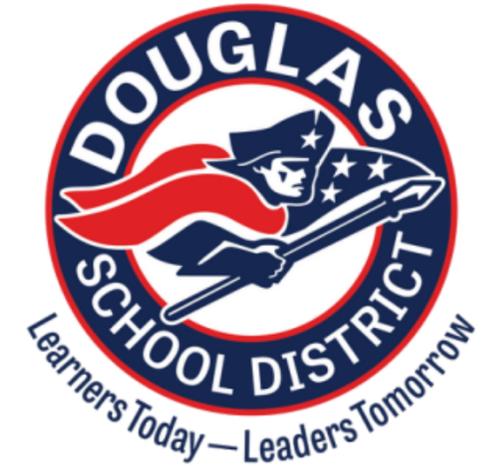
STATE AID - REVENUE												
	2024-2025		2023-2024		2022-2023		2021-2022		2020-2021		2019-2020	
State Aid (Estimated)	\$17,062,500		\$15,555,500		\$15,000,000		\$13,850,000		\$13,500,000		\$13,210,000	
State Aid (Received)	\$16,349,598	80%	\$15,625,866	80%	\$14,672,689	81%	\$14,009,252	80%	\$13,627,610	81%	\$13,443,943	80%
Local Taxes (Estimated)	\$3,905,400		\$3,544,050		\$3,173,300		\$3,101,500		\$3,056,100		\$3,027,175	
Local Taxes (Received)	\$4,046,946	20%	\$3,837,075	20%	\$3,502,654	19%	\$3,394,789	20%	\$3,263,980	19%	\$3,273,001	20%
Total (Estimated)	\$20,967,900		\$19,099,550		\$18,173,300		\$16,951,500		\$16,556,100		\$16,237,175	
Total (Received)	\$20,396,544		\$19,462,941		\$18,175,343		\$17,404,041		\$16,891,590		\$16,716,944	
Difference	-\$571,356		\$363,391		\$2,043		\$452,541		\$335,490		\$479,769	

STUDENT COUNT FUNDING						
	Fall 2024	Fall 2023	Fall 2022	Fall 2021	Fall 2020	Fall 2019
Date of Student Count	9/27/2024	9/29/2023	9/30/2022	9/24/2021	9/25/2020	9/27/2019
SD State Aid Fall Enrollment	137,802.14	138,280.86	138,448.65	137,692.40	136,280.90	136,519.17
Douglas Fall Enrollment	2,775.27	2,755.28	2,750.00	2,804.14	2,758.00	2,838.00

TARGET TEACHER COMPENSATION						
	FY2025	FY2024	FY2023	FY2022	FY2021	FY2020
General State Aid Formula	\$62,045.62	\$59,659.25	\$55,756.31	\$52,600.29	\$51,367.47	\$50,360.26
Overhead Rate	38.78%	38.78%	38.78%	37.30%	34.93%	33.06%
Teacher Compensation	\$80,038.85	\$76,960.43	\$71,925.64	\$67,854.37	\$66,264.04	\$64,964.74
Total % Increase	4.00%	7.00%	6.00%	2.40%	2.00%	2.50%
FY2021 Add-On to State Aid					Est. \$11M Statewide	
Per Student Equivalent	\$7,405.20	\$7,120.38	\$6,654.56	\$6,210.94	\$5,960.67	\$5,762.81
Douglas Avg. Teacher Pay	\$65,028.98	\$63,349.00	\$60,846.18	\$57,994.26	\$57,291.09	\$55,757.35
Douglas Avg. Teacher Comp.	\$80,741.00	\$78,671.00	\$75,450.49	\$71,844.15	\$71,114.82	\$69,289.23



Expenditure Data Ranking



EXPENDITURE DATA RANKING								
	2024-2025	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Cost Per ADM	\$ 11,694	\$ 11,667	\$ 11,235	\$10,150	\$9,560	\$8,823	\$8,368	\$8,741
Enrollment	2,749.494	2,713.090	2,697.585	2,767.009	2,723.815	2,788.538	2,846.537	2,770.674
Total Expenditures	\$32,152,430	\$31,653,441	\$30,306,513	\$28,083,875	\$26,041,006	\$24,602,450	\$23,819,992	\$24,219,101
Ranking (149 Total)	105	94	87	101	108	113	125	117
State Average	\$ 12,222	\$ 11,766	\$ 11,020	\$10,527	\$10,049	\$9,420	\$9,369	\$9,304
Highest Cost per ADM	\$42,229	\$36,904	\$38,135	\$34,599	\$36,236	\$35,923	\$26,962	\$24,088
Lowest Cost per ADM	\$9,358	\$8,911	\$8,739	\$8,134	\$7,819	\$7,160	\$6,827	\$7,247
Douglas Variance from State Average	-\$528	-\$99	\$215	-\$377	-\$489	-\$597	-\$1,001	-\$563

Taxable Valuation - SUMMARY



DOUGLAS SCHOOL DISTRICT VALUATION								
		Payable 2026	Payable 2025	Payable 2024	Payable 2023	Payable 2022	Payable 2021	Payable 2020
	Meade County:	\$ 314,112,260	\$ 282,981,336	\$ 273,558,587	\$ 218,680,800	\$ 175,692,916	\$ 153,518,267	\$ 144,054,422
	Pennington County:	\$ 858,047,950	\$ 827,042,046	\$ 781,088,078	\$ 637,477,103	\$ 519,889,942	\$ 461,238,837	\$ 426,249,260
	Total District Valuation:	\$ 1,172,160,210	\$ 1,110,023,382	\$ 1,054,646,665	\$ 856,157,903	\$ 695,582,858	\$ 614,757,104	\$ 570,303,682
Maximum Levies*	Agricultural	\$ 1.125	\$ 1.197	\$ 1.320	\$ 1.362	\$ 1.409	\$ 1.443	\$ 1.473
	Owner-Occupied	\$ 2.518	\$ 2.679	\$ 2.954	\$ 3.048	\$ 3.153	\$ 3.229	\$ 3.296
	Non-Ag & Utilities	\$ 5.211	\$ 5.544	\$ 6.113	\$ 6.308	\$ 6.525	\$ 6.682	\$ 6.821
	Special Education	\$ 1.462	\$ 1.488	\$ 1.574	\$ 1.599	\$ 1.670	\$ 1.684	\$ 1.616
	*per \$1,000 of valuation							

Taxable Valuation - DETAIL

DOUGLAS SCHOOL DISTRICT VALUATION

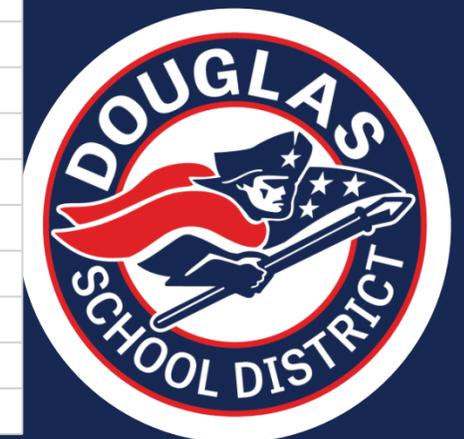
		Payable 2026	Difference	Payable 2025	Difference	Payable 2024	Difference	Payable 2023	Difference	Payable 2022	Difference	Payable 2021	Difference	Payable 2020
Meade County	AG	\$ 15,062,652	\$ 750,016	\$ 14,312,636	\$ (419,478)	\$ 14,732,114	\$ (956,251)	\$ 15,688,365	\$ (520,425)	\$ 16,208,790	\$ 1,113,163	\$ 15,095,627	\$ (1,930,009)	\$ 17,025,636
	OO	\$ 213,547,928	\$ 20,409,818	\$ 193,138,110	\$ 14,337,692	\$ 178,800,418	\$ 33,690,837	\$ 145,109,581	\$ 32,619,180	\$ 112,490,401	\$ 15,408,390	\$ 97,082,011	\$ 7,214,014	\$ 89,867,997
	M	\$ 1,673,627	\$ 414,225	\$ 1,259,402	\$ 472,447	\$ 786,955	\$ (14,549)	\$ 801,504	\$ 113,193	\$ 688,311	\$ 26,096	\$ 662,215	\$ (50,366)	\$ 712,581
	M-OO	\$ 15,168,813	\$ 2,187,579	\$ 12,981,234	\$ 1,106,049	\$ 11,875,185	\$ 2,085,664	\$ 9,789,521	\$ 5,125,955	\$ 4,663,566	\$ (2,853,107)	\$ 7,516,673	\$ 933,495	\$ 6,583,178
	OTH	\$ 85,210,275	\$ 10,075,621	\$ 75,134,654	\$ (4,521,258)	\$ 79,655,912	\$ 22,146,865	\$ 57,509,047	\$ 10,865,871	\$ 46,643,176	\$ 5,655,760	\$ 40,987,416	\$ 4,187,554	\$ 36,799,862
	UTIL	\$ 291,405	\$ (102,531)	\$ 393,936	\$ 23,793	\$ 370,143	\$ (3,664)	\$ 373,807	\$ 23,258	\$ 350,549	\$ (2,664)	\$ 353,213	\$ (7,714)	\$ 360,927
	Total w/o M or M-OO	\$ 314,112,260	\$ 31,130,924	\$ 282,981,336	\$ 9,420,749	\$ 273,558,587	\$ 54,877,787	\$ 218,680,800	\$ 42,987,884	\$ 175,692,916	\$ 22,174,649	\$ 153,518,267	\$ 9,463,845	\$ 144,054,422
		11.00%		3.44%		25.09%		24.47%		14.44%		6.57%		
Pennington County	AG	\$ 15,953,905	\$ (845,835)	\$ 16,799,740	\$ (825,605)	\$ 17,625,345	\$ (218,790)	\$ 17,844,135	\$ 1,963,670	\$ 15,880,465	\$ 54,355	\$ 15,826,110	\$ 426,915	\$ 15,399,195
	OO	\$ 614,490,095	\$ 13,126,257	\$ 601,363,838	\$ 15,951,952	\$ 585,411,886	\$ 115,289,441	\$ 470,122,445	\$ 84,355,702	\$ 385,766,743	\$ 42,580,989	\$ 343,185,754	\$ 23,051,759	\$ 320,133,995
	M	\$ 10,265,612	\$ 1,021,532	\$ 9,244,080	\$ (913,987)	\$ 10,158,067	\$ 2,091,558	\$ 8,066,509	\$ 2,055,768	\$ 6,010,741	\$ 736,542	\$ 5,274,199	\$ (164,391)	\$ 5,438,590
	M-OO	\$ 11,172,679	\$ (174,499)	\$ 11,347,178	\$ (967,246)	\$ 12,314,424	\$ 2,533,313	\$ 9,781,111	\$ 2,693,629	\$ 7,087,482	\$ (17,202)	\$ 7,104,684	\$ 962,172	\$ 6,142,512
	OTH	\$ 223,578,509	\$ 19,182,228	\$ 204,396,281	\$ 29,522,332	\$ 174,873,949	\$ 28,085,459	\$ 146,788,490	\$ 31,030,143	\$ 115,758,347	\$ 15,839,044	\$ 99,919,303	\$ 11,366,390	\$ 88,552,913
	UTIL	\$ 4,025,441	\$ (456,746)	\$ 4,482,187	\$ 1,305,289	\$ 3,176,898	\$ 454,865	\$ 2,722,033	\$ 237,646	\$ 2,484,387	\$ 176,717	\$ 2,307,670	\$ 144,513	\$ 2,163,157
	Total w/o M or M-OO	\$ 858,047,950	\$ 31,005,904	\$ 827,042,046	\$ 45,953,968	\$ 781,088,078	\$ 143,610,975	\$ 637,477,103	\$ 117,587,161	\$ 519,889,942	\$ 58,651,105	\$ 461,238,837	\$ 34,989,577	\$ 426,249,260
		3.75%		5.88%		22.53%		22.62%		12.72%		8.21%		
Total District Valuation		\$ 1,172,160,210	\$ 62,136,828	\$ 1,110,023,382	\$ 55,376,717	\$ 1,054,646,665	\$ 198,488,762	\$ 856,157,903	\$ 160,575,045	\$ 695,582,858	\$ 80,825,754	\$ 614,757,104	\$ 44,453,422	\$ 570,303,682
		105.53%		5.60%		5.25%		23.18%		23.08%		13.15%		7.79%
Local Effort (Tax Valuation):		\$ 3,751,487		\$ 3,742,476		\$ 3,877,819		\$ 3,229,136		\$ 2,694,386		\$ 2,425,563		\$ 2,271,376
Discretionary/TIF Local Effort:		\$ 11,359		\$ 1,732		\$ 11,082		\$ 14,193		\$ 568,744		\$ 518,031		\$ 600,309
State Recognized Local Effort:		\$ 3,762,846		\$ 3,744,208		\$ 3,888,901		\$ 3,243,329		\$ 3,263,130		\$ 2,943,594		\$ 2,871,685
Maximum Tax Request:		\$ 3,751,487		\$ 3,742,476		\$ 3,877,819		\$ 3,229,136		\$ 2,694,386		\$ 2,425,563		\$ 2,271,376
Additional Special Ed:		\$ 3,314		\$ 477		\$ 2,897		\$ 3,615		\$ 173,153		\$ 155,301		\$ 166,265
Maximum Levies*	Agricultural	\$ 1.125		\$ 1.197		\$ 1.320		\$ 1.362		\$ 1.409		\$ 1.443		\$ 1.473
	Owner-Occupied	\$ 2.518		\$ 2.679		\$ 2.954		\$ 3.048		\$ 3.153		\$ 3.229		\$ 3.296
	Non-Ag & Utilities	\$ 5.211		\$ 5.544		\$ 6.113		\$ 6.308		\$ 6.525		\$ 6.682		\$ 6.821
	Special Education	\$ 1.462		\$ 1.488		\$ 1.574		\$ 1.599		\$ 1.670		\$ 1.684		\$ 1.616

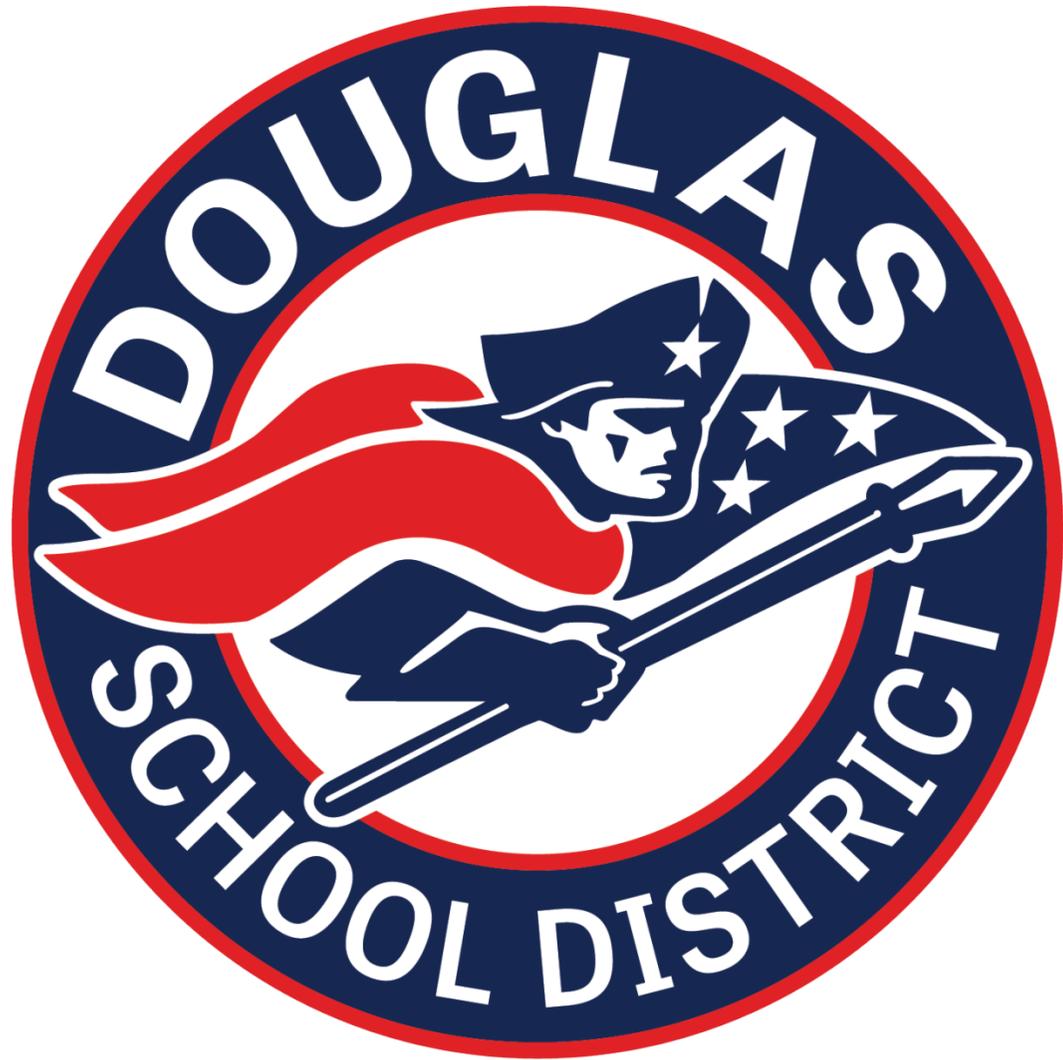
*per \$1,000 of valuation



Cash on Hand - 5 Year Summary

Cash On Hand Summary Information						
Cash on Hand Balance:	30-Jun-25	30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21	Total Transfer:
General Fund (10)	(\$1,047,752.90)	(\$1,187,107.36)	(\$566,205.66)	(\$2,462,157.87)	(\$968,001.02)	Impact Aid to (10) General Fund: (\$3,560,000.00)
Pension Fund Transfers	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	Impact Aid to (21) Capital Outlay Fund: \$0.00
Accounts & Contracts Payable	(\$2,455,990.47)	(\$2,490,257.07)	(\$2,302,205.74)	(\$1,923,352.20)	(\$1,696,047.62)	Impact Aid to (22) Special Education Fund: \$0.00
Impact Aid Transfer	\$3,560,000.00	\$3,700,000.00	\$3,000,000.00	\$4,500,000.00	\$2,750,000.00	Impact Aid to (51) Food Service Fund: (\$40,000.00)
Ending Cash Balance	\$56,256.63	\$22,635.57	\$131,588.60	\$114,489.93	\$85,951.36	(\$3,600,000.00)
Capital Outlay Fund (21)	\$1,932,325.60	\$659,202.01	\$2,182,162.30	\$179,397.87	\$3,675,853.41	Impact Aid Balance: \$33,595,952.54
8007(a) Construction Funds	(\$738,789.00)	(\$604,188.00)	(\$466,571.00)	(\$341,620.00)	(\$341,620.00)	FY24 Impact Aid Transfers: (\$3,600,000.00)
Accounts Payable	(\$82,676.15)	(\$170,314.36)	(\$73,035.52)	(\$453,695.90)	\$0.00	Impact Aid Ending Balance (6/30/25): \$29,995,952.54
Impact Aid Transfer	\$0.00	\$125,000.00	\$0.00	\$625,000.00	\$0.00	
Ending Cash Balance	\$1,110,860.45	\$9,699.65	\$1,642,555.78	\$9,081.97	\$3,334,233.41	Projected Impact Aid Balance:
Special Education Fund (22)	\$2,280,225.47	\$2,273,138.52	\$1,654,083.83	\$2,085,354.00	\$2,344,908.76	Beginning Balance (7/01/25): \$29,995,952.54
Accounts & Contracts Payable	(\$527,783.36)	(\$505,002.39)	(\$488,731.32)	(\$323,627.31)	(\$280,815.57)	Projected 2025-2026 Revenue: \$5,500,000.00
Impact Aid Transfer	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	Projected 2025-2026 Transfers: (\$6,297,200.00)
Ending Cash Balance	\$1,752,442.11	\$1,768,136.13	\$1,165,352.51	\$1,761,726.69	\$2,064,093.19	Projected Ending Balance (6/30/26): \$29,198,752.54
Food Service Fund (51)	\$12,032.50	\$210,044.71	\$336,935.81	\$343,522.69	\$145,433.42	Health/Wellness Balance*: \$965,886.87
Accounts & Contracts Payable	(\$49,574.52)	(\$30,644.22)	(\$23,536.36)	(\$19,173.76)	(\$18,054.63)	*Included in the General Fund Balance
Impact Aid Loan	\$0.00	\$0.00	\$0.00	\$0.00	(\$150,000.00)	
Impact Aid Transfer	\$40,000.00	\$0.00	\$0.00	\$0.00	\$25,000.00	
Ending Cash Balance	\$2,457.98	\$179,400.49	\$313,399.45	\$324,348.93	\$2,378.79	
Impact Aid Fund (27)	\$27,685,539.54	\$24,848,776.54	\$22,983,716.54	\$22,903,419.54	\$20,012,424.65	
Impact Aid Received	\$5,910,413.00	\$6,661,763.00	\$4,865,060.00	\$5,205,297.00	\$5,713,013.00	
Interest Earned	\$196,177.71	\$226,042.59	\$137,017.61	\$35,407.16	\$45,491.29	
Annual Funds Transferred	(\$3,796,177.71)	(\$4,051,042.59)	(\$3,137,017.61)	(\$5,160,407.16)	(\$2,867,509.40)	
Ending Impact Aid Balance	\$29,995,952.54	\$27,685,539.54	\$24,848,776.54	\$22,983,716.54	\$22,903,419.54	





**What questions might
you have for me?**

**Trista Olney
Trista.Olney@k12.sd.us**

**IMPACT AID EXPENDITURES AND REVENUES
CUMULATIVE LOOK**

	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025	6/30/2026	Average						
Impact Aid 7002/7003	\$2,425,529	46.93%	\$3,474,911	51.44%	\$1,910,935	33.18%	\$1,543,510	30.16%	\$2,310,164	46.18%	\$3,958,916	58.54%	\$3,711,409	60.78%	46.74%
Impact Aid 7003b2	\$2,743,057	53.07%	\$3,280,648	48.56%	\$3,847,569	66.82%	\$3,574,334	69.84%	\$2,691,914	53.82%	\$2,803,610	41.46%	\$2,395,182	39.22%	53.26%
Impact Aid 7007 (construction)	\$0		\$136,098		\$0		\$122,860		\$0		\$125,280		\$0		
Total Impact Aid Revenue	\$5,168,586		\$6,891,657		\$5,758,504		\$5,240,704		\$5,002,078		\$6,887,806		\$6,106,591		
Impact Aid Transfers															
- To General Fund	(\$1,500,000)	(\$2,200,000)	(\$2,750,000)	(\$4,500,000)	(\$3,000,000)	(\$3,700,000)	(\$3,560,000)								
- To Capital Outlay	\$0	\$0	\$0	(\$625,000)	\$0	(\$125,000)	\$0								
- To Food Service	\$0	\$0	(\$25,000)	\$0	\$0	\$0	(\$40,000)								
- To Enterprise Fund	(\$16,964)	(\$60,010)	(\$47,018)	\$0	\$0	\$0	\$0								
- Interest Earned	(\$23,346)	(\$153,230)	(\$45,491)	(\$35,407)	(\$137,018)	(\$226,043)	(\$196,178)								
Total Impact Aid Transfers	(\$1,540,310)	(\$2,413,240)	(\$2,867,509)	(\$5,160,407)	(\$3,137,018)	(\$4,051,043)	(\$3,796,178)								
Difference (Amount Received - Amount Spent)	\$3,628,276	\$4,478,417	\$2,890,995	\$80,297	\$1,865,060	\$2,836,763	\$2,310,413								
Impact Aid EOY Cash Balance	\$15,534,008	\$20,012,425	\$22,903,420	\$22,983,717	\$24,848,777	\$27,685,540	\$29,995,953								
Increase in Impact Aid Cash Balance		\$4,478,417	\$2,890,995	\$80,297	\$1,865,060	\$2,836,763	\$2,310,413								
Student Count															
(1A) Active Duty Living on Base	453	402	402	402	303	323	338	360							
(BM) Active Duty NOT Living on Base	407	358	358	358	314	272	260	270							
(CL) Civilian Living on Federal Property	274	267	267	267	308	305	299	285							
(BC) Civilian Working on Base	179	185	185	185	119	127	148	139							
Subtotal Military Connected	1313	1212	1212	1212	1044	1027	1045	1054							
Non-Federal	1614	1652	1652	1652	1755	1783	1800	1876							
Total	2927	2864	2864	2864	2799	2810	2845	2930							
Total Percentage of Military Connected	44.86%	42.32%	42.32%	42.32%	37.30%	36.55%	36.73%	35.97%							

*COVID exemption

*COVID exemption