WAGNER COMMUNITY SCHOOL DISTRICT NO. 11-4
OF CHARLES MIX COUNTY

AUDIT REPORT

FISCAL YEAR JULY 1, 2020, TO JUNE 30, 2021

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

WAGNER COMMUNITY SCHOOL DISTRICT NO. 11-4
SCHOOL DISTRICT OFFICIALS
JUNE 30, 2021

BOARD MEMBERS:

Chad Kreeger, President
Rachel Woods, Vice-President
Kristi Kafka
Brad Lhotak
Dennis Merkwan
Gene Niehus

SUPERINTENDENT:

Shad Storley

BUSINESS MANAGER:

Lory Dufrain

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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
Wagner Community School District No. 11-4
Charles Mix County, South Dakota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Wagner Community School District No. 11-4, South Dakota (School District), as of June 30, 2021 and for the year then ended, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 17, 2021, which was qualified for each major governmental fund because of improper reporting of interest income.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Current Audit Findings as item 2021-001 to be a material weakness.

Compliance and Other Matters

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

School District's Response to Findings

The School District's response to the finding identified in our audit is described in the accompanying Schedule of Current Audit Findings and Questioned Costs. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Schoenfish & Co., Inc.
Certified Public Accountants
December 17, 2021

Schoenfish & Co., Inc.

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

School Board
Wagner Community School District No. 11-4
Charles Mix County, South Dakota

Report on Compliance for Each Major Federal Program

We have audited the Wagner Community School District No. 11-4, South Dakota (School District) compliance with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2021. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Current Audit Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the School District's compliance.

Opinion on Each Major Program

In our opinion, Wagner School District No. 11-4 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 it's major programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is 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 deficiencies in internal control over compliance described in the accompanying Schedule of Current Audit Findings and Questioned Costs as item 2021-001 to be a material weakness.

The School District's response to the noncompliance finding identified in our audit is described in the accompanying Schedule of Current Audit Findings and Questioned Costs. The School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Purpose of this Report

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 purposes. As required by South Dakota Codified Law 4-11-11, this report and our report on compliance for each major federal program are matters of public record and their distribution is not limited.

Schoenfish & Co., Inc.
Certified Public Accountants
December 17, 2021

SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

Prior Federal Compliance Audit Findings:

Prior Finding Number 2020-001:

A material weakness was reported for a lack of segregation of duties for revenues.

Views of Responsible Officials and Planned Corrective Action Plan:
The Wagner Community School District Business Manager, Lory DuFrain, is the contact person responsible for the corrective action plan for this finding. This finding is due to the limited number of staff in the district's business office. Staffing the office at an efficient and financially feasible level precludes the hiring of enough personnel to provide an ideal environment for the internal controls. We are aware of the weakness in internal controls and will continue to develop policies and procedures and provide compensating controls to reduce the risk. The Wagner School District did adopt a new Internal Controls Policy DHA on December 11, 2017 that does not address many of these issues, and would ask for consideration reflecting this implementation. This will be an ongoing process, requiring continual analysis of processes and procedures in order to minimize the risk.

This finding has not been corrected and is restated under current audit finding number 2021-001.

Prior Other Audit Findings:

No other prior other audit findings were found except for the lack of segregation of duties for revenues as discussed in the prior federal compliance audit finding number 2020-001.

SCHEDULE OF CURRENT AUDIT FINDINGS AND QUESTIONED COSTS

CURRENT AUDIT FINDINGS AND QUESTIONED COSTS

Summary of the Independent Auditor's Results:

Financial Statements:

a. An unmodified opinion was issued on the financial statements of the governmental activities, business-type activities, each major proprietary fund, and the aggregate remaining fund information. An opinion qualified for improper reporting of investment income was issued for each major governmental fund.

b. A material weakness was disclosed during the audit of the financial statements and for internal control for a lack of segregation of duties for revenues as discussed in finding number 2021-001.

c. Our audit did not disclose any noncompliance which was material to the financial statements.

Federal Awards

a. A material weakness was disclosed for internal control over major federal programs for a lack of segregation of duties affecting the reporting compliance requirement category as discussed in finding number 2021-001.

b. Our opinion on compliance was an unmodified opinion on compliance with requirements applicable to each of the School District's major federal programs.

c. Our audit did not disclose any audit findings that are required to be disclosed in accordance with the 2 CFR 200.516(a) except for a material weakness resulting from the lack of segregation of duties for revenues as discussed in finding number 2021-001.

d. The federal awards tested as major programs were:
   1. Impact Aid CFDA No. 84.041

e. The dollar threshold used to distinguish between Type A and Type B federal award programs was $750,000.

f. Wagner Community School District No. 11-4 did not qualify as a low-risk entity.

CURRENT FEDERAL AUDIT FINDINGS:

Internal Control – Related Finding – Material Weakness:

Finding Number 2021-001:
A material weakness in internal controls was noted due to a lack of proper segregation of duties for revenues which affect the reporting compliance requirement category.

SCHEDULE OF CURRENT AUDIT FINDINGS AND QUESTIONED COSTS
(Continued)

Major Federal Program:
The major federal programs affected are Impact Aid, CFDA No. 84.041.

Criteria:
Proper segregation of duties results in increased reliability of reported financial data and decreased potential for the loss of public assets.

Condition:
A limited number of employees process all transactions from beginning to end. A limited number of employees also receive and disburse money, issue receipts and checks, post receipts in the accounting records, prepare bank deposits, reconcile bank statements, and prepare financial statements.

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

Identification as a Repeat Finding:
This is a repeat audit finding since fiscal year 1997.

RECOMMENDATION:

1. We recommend that the Wagner Community School District officials be cognizant of this lack of segregation of duties for revenues and attempt to provide compensating internal controls whenever, and wherever, possible and practical.

CLOSING CONFERENCE

The audit was discussed with the officials during the course of the audit and with the board president, superintendent, and business manager on January 18, 2022.

Wagner Community School District No. 11-4

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Superintendent
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Corrective Action Plan

Finding Number 2021-001: Material Weakness in internal controls due to lack of segregation of duties. Views of Responsible Officials and Planned Corrective Action Plan:

The Wagner Community School District Business Manager, Lory DuFrain, is the contact person responsible for the corrective action plan for this finding. This finding is due to the limited number of staff employed in the district's business office. Staffing the office at an efficient and financially feasible level precludes the hiring of enough personnel to provide an ideal environment for the internal controls. We are aware of the weakness in internal controls and will continue to develop policies and procedures and provide compensating controls to reduce the risk. The Wagner School District did adopt a new Internal Controls Policy DHA on December 11, 2017 that does address many of these issues, and would ask for consideration reflecting this implementation. This will be an ongoing process, requiring continual analysis of processes and procedures in order to minimize the risk.

Matt Yost, Superintendent — Date 12/14/21

Lory DuFrain, Business Manager — Date 12/14/21

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INDEPENDENT AUDITOR'S REPORT

School Board
Wagner Community School District No. 11-4
Charles Mix County, South Dakota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Wagner Community School District No. 11-4, South Dakota, (School District) as of June 30, 2021 and for the year then ended, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

The School District's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Qualified Opinion

Interest income for funds other than the General Fund was not recognized in the fund reporting the investment. As required by GAAP, this income should be reported in each respective fund and subsequently transferred to the General Fund per school policy. The amounts of this subject are not reasonably determinable.

Qualified Opinion

In our opinion, except for the effects of not reporting interest income in the fund where the investment is reported for each major governmental fund, as noted in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major governmental fund of Wagner Community School District No. 11-4 as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major proprietary fund, and the aggregate remaining fund information of Wagner Community School District No. 11-4 as of June 30, 2021, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules, the Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset), and the Schedule of the School District's Contributions on pages 45 through 49, 52, and 53, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of 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.

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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated December 17, 2021, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Schoenfish & Co., Inc.
Certified Public Accountants
December 17, 2021

WAGNER COMMUNITY SCHOOL DISTRICT NO. 11-4
STATEMENT OF NET POSITION
As of June 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	1,548,629.14	142,851.70	1,691,480.84
Investments	25,106,033.61		25,106,033.61
Taxes Receivable	796,860.82		796,860.82
Other Assets	5,091,973.83	100,617.05	5,192,590.88
Inventories		34,753.68	34,753.68
Net Pension Asset	13,452.03		13,452.03
Capital Assets:			
Land	2,750,839.40		2,750,839.40
Other Capital Assets, Net of Depreciation	22,293,916.64	199,464.10	22,493,380.74
TOTAL ASSETS	57,601,705.47	477,686.53	58,079,392.00
DEFERRED OUTFLOWS OF RESOURCES:			
Pension Related Deferred Outflows	2,162,171.95		2,162,171.95
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,162,171.95	0.00	2,162,171.95
LIABILITIES :			
Accounts Payable	1,060,757.00		1,060,757.00
Other Current Liabilities	868,783.74		868,783.74
Noncurrent Liabilities:			
Due Within One Year	73,121.85	1,000.00	74,121.85
Due in More than One Year	3,452.16	2,423.27	5,875.43
TOTAL LIABILITIES	2,006,114.75	3,423.27	2,009,538.02
DEFERRED INFLOWS OF RESOURCES:			
Taxes Levied for Future Period	778,474.28		778,474.28
Pension Related Deferred Inflows	1,797,740.55		1,797,740.55
TOTAL DEFERRED INFLOWS OF RESOURCES	2,576,214.83	0.00	2,576,214.83
NET POSITION:			
Net Investment in Capital Assets	25,044,756.04	199,464.10	25,244,220.14
Restricted for:			
Capital Outlay Purposes	1,079,813.30		1,079,813.30
Special Education Purposes	283,941.32		283,941.32
SDRS Pension Purposes	377,883.43		377,883.43
Unrestricted (Deficit)	28,395,153.75	274,799.16	28,669,952.91
TOTAL NET POSITION	55,181,547.84	474,263.26	55,655,811.10

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

WAGNER COMMUNITY SCHOOL DISTRICT NO. 11-4
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Total
Primary Government:							
Governmental Activities:							
Instruction	8,302,670.34	153,987.36	1,146,719.82		(7,001,963.16)		(7,001,963.16)
Support Services	5,046,765.54	18,486.11		282,419.00	(4,745,860.43)		(4,745,860.43)
Nonprogrammed Charges	58,121.85				(58,121.85)		(58,121.85)
Cocurricular Activities	326,187.25	16,339.00			(309,848.25)		(309,848.25)
Total Governmental Activities	13,733,744.98	188,812.47	1,146,719.82	282,419.00	(12,115,793.69)		(12,115,793.69)
Business-type Activities:							
Food Service	692,578.83	537.25	523,341.42			(168,700.16)	(168,700.16)
Driver's Education	7,064.01	2,775.00				(4,289.01)	(4,289.01)
Total Business-type Activities	699,642.84	3,312.25	523,341.42	0.00		(172,989.17)	(172,989.17)
Total Primary Government	14,433,387.82	192,124.72	1,670,061.24	282,419.00	(12,115,793.69)	(172,989.17)	(12,288,782.86)
General Revenues:							
Taxes:							
Property Taxes					1,853,052.51		1,853,052.51
Utility Taxes					116,864.98		116,864.98
Revenue from State Sources:							
State Aid					4,651,724.97		4,651,724.97
Revenue from Federal Sources					6,918,277.00		6,918,277.00
Unrestricted Investment Earnings					407,783.43		407,783.43
Other General Revenues					97,286.76		97,286.76
Transfers					(277,973.32)	277,973.32	0.00
Total General Revenues and Transfers					13,767,016.33	277,973.32	14,044,989.65
Change in Net Position					1,651,222.64	104,984.15	1,756,206.79
Net Position - Beginning					53,530,325.20	363,563.57	53,893,888.77
Adjustments:							
To Correct Prior Receipting Error (See Note 13)						5,715.54	5,715.54
Adjusted Net Position - Beginning					53,530,325.20	369,279.11	53,899,604.31
NET POSITION - ENDING					55,181,547.84	474,263.26	55,655,811.10

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

WAGNER COMMUNITY SCHOOL DISTRICT NO. 11-4
BALANCE SHEET
GOVERNMENTAL FUNDS
As of June 30, 2021

	General Fund	Capital Outlay Fund	Special Education Fund	Capital Projects Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	266,351.06	797,394.30	350,238.81	134,644.97	1,548,629.14
Investments	25,106,033.61				25,106,033.61
Taxes Receivable--Current	492,499.92		285,974.36		778,474.28
Taxes Receivable--Delinquent	14,077.01		4,309.53		18,386.54
Due from Other Government	4,794,280.83	282,419.00	15,274.00		5,091,973.83
TOTAL ASSETS	30,673,242.43	1,079,813.30	655,796.70	134,644.97	32,543,497.40
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:					
Liabilities:					
Accounts Payable				1,060,757.00	1,060,757.00
Contracts Payable	600,158.74		64,785.30		664,944.04
Payroll Deductions and Withholdings and Employer Matching Payable	182,743.98		21,095.72		203,839.70
Total Liabilities	782,902.72	0.00	85,881.02	1,060,757.00	1,929,540.74
Deferred Inflows of Resources:					
Unavailable Revenue - Property Taxes	14,077.01		4,309.53		18,386.54
Taxes Levied for Future Period	492,499.92		285,974.36		778,474.28
Total Deferred Inflows of Resources	506,576.93	0.00	290,283.89	0.00	796,860.82
Fund Balances:					
Restricted:					
Capital Outlay		1,079,813.30			1,079,813.30
Special Education			279,631.79		279,631.79
Unassigned	29,383,762.78			(926,112.03)	28,457,650.75
Total Fund Balances	29,383,762.78	1,079,813.30	279,631.79	(926,112.03)	29,817,095.84
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	30,673,242.43	1,079,813.30	655,796.70	134,644.97	32,543,497.40

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

WAGNER COMMUNITY SCHOOL DISTRICT NO. 11-4
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2021

Total Fund Balances - Governmental Funds	29,817,095.84
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.	13,452.03
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	25,044,756.04
Pension related deferred outflows are components of pension liability (asset) and therefore are not reported in the funds.	2,162,171.95
Long-term liabilities, such as accrued leave payable, and early retirement payable, are not due and payable in the current period and therefore are not reported in the funds.	(76,574.01)
Assets, such as taxes receivable that are not available to pay for the current period expenditures, are deferred in the funds.	18,386.54
Pension related deferred inflows are components of pension liability (asset) and therefore are not reported in the funds.	(1,797,740.55)
Net Position - Governmental Activities	55,181,547.84

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

WAGNER COMMUNITY SCHOOL DISTRICT NO. 11-4
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

	General Fund	Capital Outlay Fund	Special Education Fund	Capital Projects Fund	Total Governmental Funds
Revenues:					
Revenue from Local Sources:					
Taxes:					
Ad Valorem Taxes	1,182,251.47		645,756.30		1,828,007.77
Prior Years' Ad Valorem Taxes	15,815.79		5,556.34		21,372.13
Utility Taxes	116,864.98				116,864.98
Penalties and Interest on Taxes	5,163.52		1,128.44		6,291.96
Tuition and Fees:					
Preschool Tuition	153,987.36				153,987.36
Earnings on Investments and Deposits	407,783.43				407,783.43
Cocurricular Activities:					
Admissions	16,339.00				16,339.00
Other Student Activity Income	8,992.00				8,992.00
Other Revenue from Local Sources:					
Charges for Services	8,972.11		522.00		9,494.11
Other	62,934.41				62,934.41
Revenue from Intermediate Sources:					
County Sources:					
County Apportionment	33,499.64				33,499.64
Revenue in Lieu of Taxes	852.71				852.71
Revenue from State Sources:					
Grants-in-Aid:					
Unrestricted Grants-in-Aid	4,074,222.97		577,502.00		4,651,724.97
Restricted Grants-in-Aid	1,704.75				1,704.75
Revenue from Federal Sources:					
Grants-in-Aid:					
Unrestricted Grants-in-Aid Received Directly from Federal Government	6,510,777.00		46,022.00		6,556,799.00
Unrestricted Grants-in-Aid Received from Federal Government Through the State	407,500.00				407,500.00
Restricted Grants-in-Aid Received Directly from Federal Government	97,978.37				97,978.37
Restricted Grants-in-Aid Received from Federal Government Through the State	985,740.70	282,419.00	15,274.00		1,283,433.70
Total Revenue	14,091,380.21	282,419.00	1,291,761.08	0.00	15,665,560.29

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

WAGNER COMMUNITY SCHOOL DISTRICT NO. 11-4
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

	General Fund	Capital Outlay Fund	Special Education Fund	Capital Projects Fund	Total Governmental Funds
Expenditures:					
Instruction:					
Regular Programs:					
Elementary	2,143,906.33	112,416.81			2,256,323.14
Middle/Junior High	1,251,907.45	184,428.21			1,436,335.66
High School	1,152,542.79	28,535.60			1,181,078.39
Preschool Services	629,107.29				629,107.29
Special Programs:					
Gifted and Talented	1,282.16				1,282.16
Programs for Special Education		2,395.00	1,223,989.57		1,226,384.57
Educationally Deprived	755,785.51				755,785.51
Support Services:					
Students:					
Guidance	210,884.56				210,884.56
Health	91,872.68				91,872.68
Psychological			40,555.00		40,555.00
Speech Pathology			68,303.00		68,303.00
Student Therapy Services			52,554.00		52,554.00
Instructional Staff:					
Improvement of Instruction	27,629.53				27,629.53
Educational Media	276,866.82	6,830.15			283,696.97
General Administration:					
Board of Education	82,996.63				82,996.63
Executive Administration	232,892.38				232,892.38
School Administration:					
Office of the Principal	582,375.52				582,375.52
Other	620.87				620.87
Business:					
Fiscal Services	224,239.42	21,371.24			245,610.66
Facilities Acquisition and Construction				440.00	440.00
Operation and Maintenance of Plant	1,165,091.27	436,702.07			1,601,793.34
Student Transportation	352,398.08				352,398.08
Food Services	39,645.68	76,310.15			115,955.83

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

WAGNER COMMUNITY SCHOOL DISTRICT NO. 11-4
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

	General Fund	Capital Outlay Fund	Special Education Fund	Capital Projects Fund	Total Governmental Funds
Expenditures (Cont.):					
Support Services (Continued):					
Special Education:					
Administrative Costs			113,577.73		113,577.73
Other Special Education Costs			167,858.02		167,858.02
Nonprogrammed Charges:					
Early Retirement Payments	20,276.09				20,276.09
Cocurricular Activities:					
Male Activities	63,112.08	5,762.72			68,874.80
Female Activities	51,062.69	2,184.00			53,246.69
Combined Activities	172,200.73	9,745.65			181,946.38
Capital Outlay	10,688.09	538,449.35		2,730,517.40	3,279,654.84
Total Expenditures	9,539,384.65	1,425,130.95	1,666,837.32	2,730,957.40	15,362,310.32
Excess of Revenue Over (Under) Expenditures	4,551,995.56	(1,142,711.95)	(375,076.24)	(2,730,957.40)	303,249.97
Other Financing Sources:					
Transfers In		1,250,000.00	500,000.00	1,800,000.00	3,550,000.00
Transfers Out	(3,750,000.00)				(3,750,000.00)
Total Other Financing Sources (Uses)	(3,750,000.00)	1,250,000.00	500,000.00	1,800,000.00	(200,000.00)
Net Change in Fund Balances	801,995.56	107,288.05	124,923.76	(930,957.40)	103,249.97
Fund Balance - Beginning	28,581,767.22	972,525.25	154,708.03	4,845.37	29,713,845.87
FUND BALANCE - ENDING	29,383,762.78	1,079,813.30	279,631.79	(926,112.03)	29,817,095.84

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

WAGNER COMMUNITY SCHOOL DISTRICT NO. 11-4
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities
For the Year Ended June 30, 2021

Net Change in Fund Balances - Total Governmental Funds	103,249.97
Amounts reported for governmental activities in the statement of activities are different because:	
This amount represents capital asset purchases which are reported as expenditures on the fund financial statements but increase assets on the government-wide statements.	3,279,654.84
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.	(1,217,060.17)
In the statement of activities, gains and losses on disposal of capital assets are reported, whereas, in the governmental funds, the proceeds from the disposal of capital assets is reflected, regardless of whether a gain or loss is realized.	(21,805.29)
In both the government-wide and fund financial statements, revenues from property tax levies are applied to finance the budget of a particular period. Accounting for revenues from property tax accruals in the funds' statements differs from the accounting in the government-wide statements in that the fund financial statements require the amounts to be "available". This amount reflects the application of both the application period and "availability criteria".	(2,619.35)
Governmental funds recognize expenditures for amounts of compensated absences and early retirement actually paid to employees with current financial resources during the fiscal year. Amounts of compensated absences and early retirement earned by employees are not recognized in the funds. In the statement of activities, expenses for these benefits are recognized when the employees earn leave credits.	(34,035.89)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. (Pension Expense) (SDSDBF Payable)	145,747.54
Changes in the pension related deferred outflows/inflows are direct components of pension liability (asset) and are not reflected in the governmental funds.	(601,909.01)
Change in Net Position of Governmental Activities	1,651,222.64

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

WAGNER COMMUNITY SCHOOL DISTRICT NO. 11-4
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
As of June 30, 2021

	Enterprise Funds		
	Food Service Fund	Driver's Ed Fund	Totals
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	140,102.85	2,748.85	142,851.70
Due from State Government	100,617.05		100,617.05
Inventories -- Materials and Supplies	3,839.77		3,839.77
Inventories -- Stores for Resale	30,913.91		30,913.91
Total Current Assets	275,473.58	2,748.85	278,222.43
Noncurrent Assets:			
Capital Assets:			
Machinery and Equipment--Local Funds	561,509.09		561,509.09
Less: Accumulated Depreciation	(362,044.99)		(362,044.99)
Total Noncurrent Assets	199,464.10	0.00	199,464.10
TOTAL ASSETS	474,937.68	2,748.85	477,686.53
LIABILITIES:			
Current Liabilities:			
Accrued Leave Payble - Current	1,000.00		1,000.00
Total Current Liabilities	1,000.00	0.00	1,000.00
Noncurrent Liabilities:			
Accrued Leave Payable	2,423.27		2,423.27
Total Noncurrent Liabilities	2,423.27	0.00	2,423.27
TOTAL LIABILITIES	3,423.27	0.00	3,423.27
NET POSITION:			
Net Investment in Capital Assets	199,464.10		199,464.10
Unrestricted Net Position	272,050.31	2,748.85	274,799.16
TOTAL NET POSITION	471,514.41	2,748.85	474,263.26

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

WAGNER COMMUNITY SCHOOL DISTRICT NO. 11-4
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2021

	Enterprise Funds		Total
	Food Service Fund	Driver's Ed Fund	Business Type Funds
Operating Revenue:			
Food Sales:			
Adult	368.65		368.65
Other Charges for Goods and Services	168.60	2,775.00	2,943.60
Total Operating Revenue	537.25	2,775.00	3,312.25
Operating Expenses:			
Salaries	296,835.89	2,300.00	299,135.89
Employee Benefits	99,898.79	313.95	100,212.74
Purchased Services	710.50		710.50
Supplies	11,354.75	4,450.06	15,804.81
Cost of Sales - Purchased	201,815.81		201,815.81
Cost of Sales - Donated	51,392.64		51,392.64
Depreciation	30,570.45		30,570.45
Total Operating Expenses	692,578.83	7,064.01	699,642.84
Operating Income (Loss)	(692,041.58)	(4,289.01)	(696,330.59)
Nonoperating Revenue:			
State Grants	2,342.97		2,342.97
Federal Grants	469,605.81		469,605.81
Donated Food	51,392.64		51,392.64
Total Nonoperating Revenue (Expense)	523,341.42	0.00	523,341.42
Income (Loss) Before Contributions & Transfers	(168,700.16)	(4,289.01)	(172,989.17)
Capital Contributions	77,973.32		77,973.32
Transfers In	200,000.00		200,000.00
Change in Net Position	109,273.16	(4,289.01)	104,984.15
Net Position - Beginning	356,525.71	7,037.86	363,563.57
Adjustments:			
Prior Period Receipting Error - See Note 13	5,715.54		5,715.54
Adjusted Net Position - Beginning	362,241.25	7,037.86	369,279.11
NET POSITION - ENDING	471,514.41	2,748.85	474,263.26

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

WAGNER COMMUNITY SCHOOL DISTRICT NO. 11-4
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2021

	Enterprise Fund		
	Food Service Fund	Driver's Ed Fund	Totals
Cash Flows from Operating Activities:			
Cash Receipts from Customers	537.25	2,775.00	3,312.25
Cash Payments to Employees for Services	(396,799.28)	(7,064.01)	(403,863.29)
Cash Payments to Suppliers for Goods or Services	(210,075.82)		(210,075.82)
Net Cash Provided (Used) by Operating Activities	(606,337.85)	(4,289.01)	(610,626.86)
Cash Flows from Noncapital Financing Activities:			
Transfers from General Fund	200,000.00		200,000.00
Operating Grants	531,415.43		531,415.43
Net Cash Provided (Used) from Noncapital Financing Activities	731,415.43	0.00	731,415.43
Net Increase (Decrease) in Cash and Cash Equivalents	125,077.58	(4,289.01)	120,788.57
Cash and Cash Equivalents at Beginning of Year	9,309.73	7,037.86	16,347.59
Adjustments:			
Prior Period Receipting Error - See Note 13	5,715.54		5,715.54
Adjusted Net Position - Beginning	15,025.27	7,037.86	22,063.13
CASH AND CASH EQUIVALENTS AT END OF YEAR	140,102.85	2,748.85	142,851.70
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating Income (Loss)	(692,041.58)	(4,289.01)	(696,330.59)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	30,570.45		30,570.45
Value of Donated Commodities Used	51,392.64		51,392.64
(Increase) decrease in Inventories	3,805.24		3,805.24
(Decrease) Increase in Accrued Leave Payable	(64.60)		(64.60)
Net Cash Provided (Used) by Operating Activities	(606,337.85)	(4,289.01)	(610,626.86)
Noncash Investing, Capital and Financing Activities:			
Value of Commodities Received	51,392.64		51,392.64
Equipment Purchased by Capital Outlay Fund	77,973.32		77,973.32

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

WAGNER COMMUNITY SCHOOL DISTRICT NO. 11-4
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
As of June 30, 2021

	Private-Purpose Trust Funds	Custodial Funds
ASSETS:		
Cash and Cash Equivalents	54,310.37	76,290.09
Investments in Certificates of Deposits		10,000.00
TOTAL ASSETS	54,310.37	86,290.09
NET POSITION:		
Restricted for:		
Organizations		86,290.09
Scholarships	54,510.37	
TOTAL NET POSITION	54,510.37	86,290.09

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

WAGNER COMMUNTIY SCHOOL DISTRICT NO. 11-4
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended June 30, 2021

	Private-Purpose Trust Funds	Custodial Funds
ADDITIONS:		
Contributions and Donations	1,100.00	
Other Additions		103,845.21
Total Additions	1,100.00	103,845.21
DEDUCTIONS:		
Trust Deductions for Scholarships	2,650.00	
Other Deductions		108,316.50
Total Deductions	2,650.00	108,316.50
Change in Net Position	(1,550.00)	(4,471.29)
Net Position - Beginning	56,060.37	90,761.38
NET POSITION - ENDING	54,510.37	86,290.09

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

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Financial Reporting Entity:

The reporting entity of Wagner Community School District No. 11-4 (School District) consists of the primary government (which includes all of the funds, organizations, institutions, agencies, departments, and offices that make up the legal entity, plus those funds for which the primary government has a fiduciary responsibility, even though those fiduciary funds, may represent organizations that do not meet the criteria for inclusion in the financial reporting entity); those organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete.

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

b. Basis of Presentation:

Government-wide Financial Statements:

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements:

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

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

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

Governmental Funds:

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Proprietary Funds:

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

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

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

Driver's Education Fund – A fund used to record financial transactions related to driver's education operations. This fund is financed by user charges. This is a major fund.

Fiduciary Funds:

Fiduciary funds are never considered to be major funds.

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

Scholarship funds for the benefit of students.

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

Custodial funds for classes and clubs.

c. Measurement Focus and Basis of Accounting:

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

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Measurement Focus:

Government-wide Financial Statements:

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

Fund Financial Statements:

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

Basis of Accounting:

Government-wide Financial Statements:

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

Fund Financial Statements:

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues, including property taxes, generally are recognized when they become measurable and available. "Available" means resources are collected or to be collected soon enough after the end of the fiscal year that they can be used to pay all the bills of the current period. The accrual period does not exceed one bill-paying cycle, and for the Wagner Community School District No. 11-4, the length of that cycle is 60 days. Revenues which are accrued at June 30, 2021, are grants and utility taxes from the state government.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

d. Deposits and Investments:

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

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

e. Capital Assets:

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

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

Government-Wide Statements

All capital assets are valued at historical cost. Donated capital assets are valued at their estimated acquisition value on the date donated.

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

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

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land	$ 0.00	-----N/A-----	------N/A------
Improvements	$ 500.00	Straight-line	50 yrs.
Buildings	$ 500.00	Straight-line	100 yrs.
Machinery & Equipment	$ 500.00	Straight-line	5-20 yrs.

Land is an inexhaustible capital asset and is not depreciated.

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital expenditures of the 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.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

f. Long-Term Liabilities:

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

All long-term liabilities to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term liabilities primarily consist of SDSDBF Insurance deficit payable, compensated absences, and early retirement payable.

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

g. Program Revenues:

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

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

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

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

h. Proprietary Funds Revenue and Expense Classifications:

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

i. Cash and Cash Equivalents:

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

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

j. Equity Classifications:

Government-wide Statements:

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

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

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

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

Fund Financial Statements:

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

k. Application of Net Position:

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

l. Fund Balance Classification Policies and Procedures:

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

- Nonspendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Business Manager.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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

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

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

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

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

m. Pensions:

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

2. DEFICIT FUND BALACES/NET POSITION OF INDIVIDUAL FUND

As of June 30, 2021, the following individual funds had deficit fund balances/net position in the amounts shown:

Capital Projects Fund	$926,112.03

The Governing Board plans to take the following actions to address these violations: transfer Impact Aid funds when necessary to remediate the deficit.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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

As of June 30, 2021, the School District did not have any investments. The investments reported in the financial statements consist of only certificates of deposit.

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

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

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

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

4. RECEIVABLES AND PAYABLES

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

5. INVENTORY

Inventory held for consumption is stated at cost. Inventory for resale is stated at the lower of cost or market. The cost valuation method is first-in, first-out. Donated commodities are valued at estimated market value based on the USDA price list at date of receipt.

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

In the fund financial statements, inventories in the General Fund, special revenue funds, and proprietary funds consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed. No material supply inventories were on hand at June 30, 2021 in the General Fund and special revenue funds.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

6. PROPERTY TAXES

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

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

7. CHANGES IN CAPITAL ASSETS

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

Primary Government:	Balance 07/01/2020	Increases	Decreases	Balance 06/30/2021
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	20,322.00			20,322.00
Construction Work in Progress		2,730,517.40	0.00	2,730,517.40
Total, not being depreciated	20,322.00	2,730,517.40	0.00	2,750,839.40
Capital Assets, being depreciated:				
Improvements	8,482,044.56			8,482,044.56
Buildings	23,346,148.43			23,346,148.43
Machinery & Equipment	4,327,523.73	549,137.44	(572,147.87)	4,304,513.30
Total, being depreciated	36,155,716.72	549,137.44	(572,147.87)	36,132,706.29
Less Accumulated Depreciation for:				
Improvements	(2,969,681.70)	(395,176.02)		(3,364,857.72)
Buildings	(7,265,331.99)	(567,621.25)		(7,832,953.24)
Machinery & Equipment	(2,937,058.37)	(254,262.90)	550,342.58	(2,640,978.69)
Total Accumulated Depreciation	(13,172,072.06)	(1,217,060.17)	550,342.58	(13,838,789.65)
Total Capital Assets, being depreciated, net	22,983,644.66	(667,922.73)	(21,805.29)	22,293,916.64
Governmental Activity Capital Assets, Net	23,003,966.66	2,062,594.67	(21,805.29)	25,044,756.04

Depreciation expense was charged to functions as follows:

Governmental Activities:	
Instruction	501,820.36
Support Services	706,290.53
Co-curricular Activities	8,949.28
Total Depreciation Expense - Governmental Activities	1,217,060.17

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

	Balance 07/01/2020	Increases	Decreases	Balance 06/30/2021
Business-Type Activities:				
Capital Assets, being depreciated:				
Machinery & Equipment	483,535.77	77,973.32		561,509.09
Less Accumulated Depreciation for:				
Machinery & Equipment	(331,474.54)	(30,570.45)		(362,044.99)
Total Capital Assets, being depreciated, net	152,061.23	47,402.87	0.00	199,464.10
Business-Type Activity Capital Assets, Net	152,061.23	47,402.87	0.00	199,464.10

Depreciation expense was charged to functions as follows:

Business-Type Activities:	
Food Services	30,570.45
Total Depreciation Expense - Business-Type Activities	30,570.45

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

Project Name	Project Authorization	Expended Thru 6/30/21	Committed	Required Future Financing
Track/Football/Shop/Locker Remodel	$ 4,774,785.61	$ 2,629,118.40	$ 2,145,667.21	$ -
MS Building Project	$ 7,999,768.05	$ 101,399.00	$ 7,898,369.05	$ -

8. LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Primary Government:					
Governmental Activities:					
SDSDBF Insurance Deficit	127,130.00		127,130.00	0.00	0.00
Early Retirement Payable	20,276.09	58,121.85	20,276.09	58,121.85	58,121.85
Accrued Compensated Absences - Governmental Funds	22,262.03	21,607.51	25,417.38	18,452.16	15,000.00
Total Governmental Activities	169,668.12	79,729.36	172,823.47	76,574.01	73,121.85
Business-type Activities:					
Accrued Compensated Absences - Business-type Funds	3,487.86	684.65	749.25	3,423.26	1,000.00
Total Business-type Activities	3,487.86	684.65	749.25	3,423.26	1,000.00
TOTAL PRIMARY GOVERNMENT	173,155.98	80,414.01	173,572.72	79,997.27	74,121.85

Compensated absences for governmental activities typically have been liquidated from the General Fund and Food Service Fund. Early Retirement Benefits payable for governmental activities typically have been liquidated from the General Fund.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

PRIMARY GOVERNMENT

Liabilities Payable at June 30, 2021 is comprised of the following:

Governmental Activities:

Early Retirement Payable:
This liability for early retirement represents retirement payoff agreements with former employees.

Paid by the General Fund	$ 58,121.85

Compensated Absences:
Accrued Personal Leave balances of school employees

Governmental Activities:	
Payable from General Fund	$ 17,418.72
Payable from Special Education Fund	$ 1,033.44
Business-Type Activities:	
Payable from Food Service Fund	$ 3,423.27

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

Annual Requirements to Maturity for Long-Term Debt
June 30, 2021

Year Ending	Early Retirement Benefits Payable		Totals	
June 30,	Principal	Interest	Principal	Interest
2022	58,121.85		58,121.85	0.00
Totals	58,121.85	0.00	58,121.85	0.00

9. OPERATING LEASES

The School District has entered into operating leases for copier maintenance. The minimum monthly payments are $1,417.21. Payments are made from the Capital Outlay Fund.

The School District has also entered into an operating lease for maintenance of the energy system. Payments are made semi-annually from the General Fund.

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

	Copier Maintenance	HVAC Planned Service Agreement
2022	$ 17,006.52	$ 80,162.00
2023	$ 1,417.21	$ 83,317.00
2023		$ 86,385.00

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

10. RESTRICTED NET POSITION

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

Purpose	Restricted By:	Amount
Major Funds:		
Capital Outlay	Law	$ 1,079,813.30
Special Education	Law	283,941.32
SDRS Pension	Governmental Accounting Standards	377,883.43
Total Restricted Net Position		$ 1,741,638.05

11. INTERFUND TRANSFERS

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

	Transfers To:				
Transfers From:	Capital Projects Fund	Capital Outlay Fund	Special Education Fund	Food Service Fund	Totals
Major Funds:					
General	1,800,000.00	1,250,000.00	500,000.00	200,000.00	3,750,000.00
Totals	1,800,000.00	1,250,000.00	500,000.00	200,000.00	3,750,000.00

The School District uses transfers to transfer federal monies from the General Fund to other funds to conduct the indispensable functions of the School District.

12. DEFERRED INFLOWS AND DEFERRED OUTFLOWS OF RESOURCES

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

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

13. PRIOR PERIOD ADJUSTMENT

A restatement was made to correct a prior year receipting error in the Food Service Fund. As a result, beginning net position has been restated to reflect the adjustments as of July 1, 2020 as follows:

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

	Business-Type Activities	Food Service Food
Net Position July 1, 2020, as previously reported	$ 363,563.57	$ 356,525.71
Restatement:		
To Correct Prior Year Receipting Error	5,715.54	5,715.54
Net Position July 1, 2020, as restated	$ 369,279.11	$ 362,241.25

14. PENSION PLAN

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

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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

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

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

Contributions:
Per SDCL 3-12, contribution requirements of the active employees and the participating employers are established and may be amended by the SDRS Board. Covered employees are required by state statute to contribute the following percentages of their salary to the plan; Class A Members, 6.0% of salary; Class B Judicial Members, 9.0% of salary; and Class B Public Safety Members, 8.0% of salary. State statute also requires the employer to contribute an amount equal to the employee's contribution. The School District's share of contributions to the SDRS for the fiscal years ended June 30, 2021, 2020, and 2019 were $426,491.73, $407,874.19, and $395,651.54, respectively, equal to the required contributions each year.

Pension Liabilities (Assets), Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions:
At June 30, 2020, SDRS is 100.04% funded and accordingly has a net pension asset. The proportionate share of the components of the net pension asset of South Dakota Retirement System, for the School District as of the measurement period ending June 30, 2020 and reported by the School District as of June 30, 2021 are as follows:

Proportionate share of pension liability	$ 38,076,557.04
Less proportionate share of net pension restricted for pension benefits	$ 38,090,009.07
Proportionate share of net pension liability (asset)	$ (13,452.03)

At June 30, 2021, the School District reported a liability (asset) of $(13,452.03) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2020 and the total pension liability (asset) used to calculate the net pension liability (asset) was based on a projection of the School District's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2020, the School District's proportion was 0.30974190%, which is an increase (decrease) of (0.0003970%) from its proportion measured as of June 30, 2019.
For the year ended June 30, 2021, the School District recognized pension expense (reduction of pension expense) of $583,291.47. At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Difference between expected and actual experience.	$ 51,461.35	$ 10,537.96
Changes in assumption.	$ 433,300.51	$ 1,747,525.35
Net Difference between projected and actual earnings on pension plan investments.	$ 1,250,300.34	
Changes in proportion and difference between School district contributions and proportionate share of contributions.	$ 618.02	$ 39,677.24
School District contributions subsequent to the measurement date.	$ 426,491.73	
TOTAL	$ 2,162,171.95	$ 1,797,740.55

$426,491.73 reported as deferred outflow of resources related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

Year Ended June 30:	
2021	$ (184,883.05)
2022	$ (128,846.59)
2023	$ 18,516.59
2024	$ 233,152.72
TOTAL	$ (62,060.33)

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Mortality rates for disabled members were based on the RP-2014 Disabled Retiree Mortality Table, adjusted to 2006 and projected generationally with Scale MP-2016.

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

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

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
School District's proportionate share of the net pension liability (asset)	$5,218,496.09	$(13,452.03)	$(4,293,082.54)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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

15. JOINT VENTURES

The School District participates in the South Central Cooperative, a cooperative service unit (co-op) formed for the purpose of providing equal educational opportunity services to the member school districts.

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

Andes Central School District No. 11-1	12.53%
Avon School District No. 4-1	9.33%
Bon Homme School District No. 4-2	18.15%
Menno School District No. 33-2	10.40%
Scotland School District No. 4-3	10.18%
South Central School District No. 26-5	4.53%
Tripp-Delmont School District No. 33-5	6.66%
Wagner School District No. 11-4	28.22%

The co-op's governing board is composed of two representatives from each member school district, who are the school superintendent who serves on the advisory board and one school board member who serves on the governing board. The board is responsible for adopting the co-op's budget and setting service fees at a level adequate to fund the adopted budget.

The School District retains no equity in the net position of the co-op, but does have a responsibility to fund deficits of the co-op in proportion to the relative participation described above.

At June 30, 2021, this joint venture had total assets and deferred outflows of resources of $1,384,958.94, total liabilities and deferred inflows of resources of $442,941.45 and net position of $942,017.49.

16. RISK MANAGEMENT

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

Employee Health Insurance:
The School District joined the South Dakota District Health Benefits Fund. This is a public entity risk pool currently operating as a common risk management and insurance program for South Dakota local government entities. The School District pays a monthly premium to the pool to provide health insurance coverage for its employees. The pool purchases reinsurance coverage with the premiums it receives from the members. The coverage also includes a $2,000,000 lifetime maximum payment per person.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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

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

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

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

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

During the year ended June 30, 2021, five claims were filed for unemployment benefits. These claims results in the payment of benefits in the amount of $1,150.88. At June 30, 2021 no claims had been filed and were outstanding. It is not anticipated that any additional claims for unemployment benefits will be filed in the next fiscal year.

17. SIGNIFICANT CONTINGENCIES – LITIGATION

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

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

18. EARLY RETIREMENT BENEFITS

Certified teachers in the School District may voluntarily choose to retire early from employment with the School District and may be eligible for an early retirement benefit. To be eligible, the teacher must be at least 55 years of age and must make written application prior to the March school board meeting. The teacher will be paid a benefit based on the following percentage of current salary: 15-19 years, 20%; 20-24 years, 25%; and 25+ years, 30%. A limit of two eligible teachers may receive benefits in a given year. If more than two apply, the retiree with the most years of service would retire first. If two retirees have the same number of years of service, the retiree making the earliest request would be given preference. The board reserves the right to waive the limit of eligible retirees that may receive benefits. During fiscal year 2021, two teachers applied for early retirement.

19. SUBSEQUENT EVENTS

Management has evaluated whether any subsequent events have occurred through December 17, 2021, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION
WAGNER COMMUNITY SCHOOL DISTRICT NO. 11-4
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Revenue from Local Sources:				
Taxes:				
Ad Valorem Taxes	1,170,451.00	1,170,451.00	1,182,251.47	11,800.47
Prior Years' Ad Valorem Taxes	5,000.00	5,000.00	15,815.79	10,815.79
Utility Taxes	125,000.00	125,000.00	116,864.98	(8,135.02)
Penalties and Interest on Taxes	3,000.00	3,000.00	5,163.52	2,163.52
Tuition and Fees:				
Preschool Tuition	195,000.00	195,000.00	153,987.36	(41,012.64)
Earnings on Investments and Deposits	500,000.00	500,000.00	407,783.43	(92,216.57)
Cocurricular Activities:				
Admissions	25,000.00	25,000.00	16,339.00	(8,661.00)
Other Student Activity Income	11,700.00	11,700.00	8,992.00	(2,708.00)
Other Revenue from Local Sources:				
Rentals	1,200.00	1,200.00	0.00	(1,200.00)
Charges for Services	10,000.00	10,000.00	8,972.11	(1,027.89)
Other	25,000.00	25,000.00	61,437.53	36,437.53
Revenue from Intermediate Sources:				
County Sources:				
County Apportionment	40,000.00	40,000.00	33,499.64	(6,500.36)
Revenue in Lieu of Taxes	0.00	0.00	852.71	852.71
Revenue from State Sources:				
Grants-in-Aid:				
Unrestricted Grants-in-Aid	4,020,291.00	4,020,291.00	4,074,222.97	53,931.97
Restricted Grants-in-Aid	0.00	0.00	1,704.75	1,704.75
Revenue from Federal Sources:				
Grants-in-Aid:				
Unrestricted Grants-in-Aid Received from Federal Government Through the State	0.00	407,500.00	407,500.00	0.00
Restricted Grants-in-Aid Received Directly from Federal Government	125,830.00	125,830.00	97,978.37	(27,851.63)
Restricted Grants-in-Aid Received from Federal Government Through the State	1,253,814.00	1,270,254.00	985,740.70	(284,513.30)
Johnson O'Malley Funds	21,000.00	21,000.00	0.00	(21,000.00)
Total Revenue	7,532,286.00	7,956,226.00	7,579,106.33	(377,119.67)
Expenditures:				
Instruction:				
Regular Programs:				
Elementary	1,859,121.00	2,158,064.00	2,143,906.33	14,157.67
Middle/Junior High	1,204,286.00	1,284,390.00	1,251,907.45	32,482.55
High School	1,233,630.00	1,307,635.00	1,152,542.79	155,092.21
Preschool Services	625,096.00	647,533.00	629,617.88	17,915.12
Special Programs:				
Gifted and Talented	4,925.00	4,925.00	1,282.16	3,642.84
Educationally Deprived	907,588.00	907,588.00	755,785.51	151,802.49

REQUIRED SUPPLEMENTARY INFORMATION
WAGNER COMMUNITY SCHOOL DISTRICT NO. 11-4
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final	(Budgetary Basis)	Positive (Negative)
Expenditures (cont.):				
Support Services:				
Students:				
Attendance and Social Work	12,582.00	12,582.00	0.00	12,582.00
Guidance	327,423.00	327,423.00	210,884.56	116,538.44
Health	72,731.00	137,556.00	91,872.68	45,683.32
Instructional Staff:				
Improvement of Instruction	63,765.00	63,765.00	27,629.53	36,135.47
Educational Media	254,149.00	276,972.00	276,866.82	105.18
General Administration:				
Board of Education	151,877.00	151,877.00	82,996.63	68,880.37
Executive Administration	251,591.00	251,591.00	232,892.38	18,698.62
School Administration:				
Office of the Principal	602,823.00	602,823.00	582,375.52	20,447.48
Other	0.00	427.00	620.87	(193.87)
Business:				
Fiscal Services	270,241.00	270,241.00	224,239.42	46,001.58
Operation and Maintenance of Plant	1,489,166.00	1,489,166.00	1,174,469.77	314,696.23
Student Transportation Services	415,873.00	415,873.00	352,398.08	63,474.92
Food Services	32,000.00	71,647.00	39,645.68	32,001.32
Nonprogrammed Charges:				
Early Retirement Payments	69,973.00	69,973.00	20,276.09	49,696.91
Cocurricular Activities:				
Male Activities	70,428.00	70,428.00	63,112.08	7,315.92
Female Activities	58,327.00	58,327.00	51,062.69	7,264.31
Combined Activities	228,724.00	228,724.00	172,999.73	55,724.27
Total Expenditures	10,206,319.00	10,809,530.00	9,539,384.65	1,270,145.35
Excess of Revenue Over (Under) Expenditures	(2,674,033.00)	(2,853,304.00)	(1,960,278.32)	893,025.68
Other Financing Sources (Uses):				
Transfers In	3,197,005.00	3,197,005.00	1,900,000.00	(1,297,005.00)
Transfers Out	(100,000.00)	(100,000.00)	0.00	100,000.00
Total Other Financing Sources (Uses)	3,097,005.00	3,097,005.00	1,900,000.00	(1,197,005.00)
Net Change in Fund Balances	422,972.00	243,701.00	(60,278.32)	(303,979.32)
Fund Balance - Beginning	(250,944.50)	(250,944.50)	(250,944.50)	0.00
FUND BALANCE - ENDING	172,027.50	(7,243.50)	(311,222.82)	(303,979.32)

REQUIRED SUPPLEMENTARY INFORMATION
WAGNER COMMUNITY SCHOOL DISTRICT NO. 11-4
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
CAPITAL OUTLAY FUND
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Other Revenue from Local Sources:				
Other	189,750.00	189,750.00	0.00	(189,750.00)
Revenue from Federal Sources:				
Grants-in-Aid:				
Unrestricted Grants-in-Aid Received Directly from Federal Government	50,000.00	50,000.00	0.00	(50,000.00)
Restricted Grants-in-Aid Received from Federal Government Through the State	0.00	0.00	282,419.00	282,419.00
Total Revenue	239,750.00	239,750.00	282,419.00	42,669.00
Expenditures:				
Instruction:				
Regular Programs:				
Elementary	115,000.00	190,601.00	175,245.82	15,355.18
Middle/Junior High	150,000.00	295,277.00	269,924.85	25,352.15
High School	140,500.00	240,835.00	147,684.21	93,150.79
Preschool Services	10,500.00	10,500.00	9,329.23	1,170.77
Special Programs:				
Programs for Special Education	3,500.00	3,500.00	3,151.67	348.33
Support Services:				
Students:				
Health	3,000.00	3,000.00	0.00	3,000.00
Instructional Staff:				
Educational Media	100,500.00	100,500.00	15,396.15	85,103.85
Business:				
Fiscal Services	20,000.00	41,373.00	21,371.24	20,001.76
Operation and Maintenance of Plant	652,500.00	692,651.00	459,447.57	233,203.43
Student Transportation Services	255,000.00	255,000.00	217,480.00	37,520.00
Food Services	2,000.00	8,974.00	82,257.84	(73,283.84)
Cocurricular Activities:				
Male Activities	20,500.00	20,500.00	11,912.72	8,587.28
Female Activities	5,700.00	5,700.00	2,184.00	3,516.00
Combined Activities	24,500.00	24,500.00	9,745.65	14,754.35
Total Expenditures	1,503,200.00	1,892,911.00	1,425,130.95	467,780.05
Excess of Revenue Over (Under) Expenditures	(1,263,450.00)	(1,653,161.00)	(1,142,711.95)	510,449.05

REQUIRED SUPPLEMENTARY INFORMATION
WAGNER COMMUNITY SCHOOL DISTRICT NO. 11-4
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
CAPITAL OUTLAY FUND
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final	(Budgetary Basis)	Positive (Negative)
Other Financing Sources (Uses):				
Transfers In	1,263,450.00	1,263,450.00	1,250,000.00	(13,450.00)
Total Other Financing Sources (Uses)	1,263,450.00	1,263,450.00	1,250,000.00	(13,450.00)
Net Change in Fund Balances	0.00	(389,711.00)	107,288.05	496,999.05
Fund Balance - Beginning	972,525.25	972,525.25	972,525.25	0.00
FUND BALANCE - ENDING	972,525.25	582,814.25	1,079,813.30	496,999.05

REQUIRED SUPPLEMENTARY INFORMATION
WAGNER COMMUNITY SCHOOL DISTRICT NO. 11-4
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL EDUCATION FUND
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Revenue from Local Sources:				
Taxes:				
Ad Valorem Taxes	618,832.00	618,832.00	645,756.30	26,924.30
Prior Years' Ad Valorem Taxes	1,500.00	1,500.00	5,556.34	4,056.34
Penalties and Interest on Taxes	500.00	500.00	1,128.44	628.44
Other Revenue from Local Sources:				
Charges for Services	1,000.00	1,000.00	522.00	(478.00)
Revenue from State Sources:				
Grants-in-Aid:				
Unrestricted Grants-in-Aid	589,831.00	589,831.00	577,502.00	(12,329.00)
Revenue from Federal Sources:				
Grants-in-Aid:				
Unrestricted Grants-in-Aid Received Directly from Federal Government	65,000.00	65,000.00	46,022.00	(18,978.00)
Restricted Grants-in-Aid Received from Federal Government Through the State	506,001.00	506,001.00	15,274.00	(490,727.00)
Total Revenue	1,782,664.00	1,782,664.00	1,291,761.08	(490,902.92)
Expenditures:				
Instruction:				
Special Programs:				
Programs for Special Education	1,337,628.00	1,352,903.00	1,223,989.57	128,913.43
Coordinated Early Intervening Services (CEIS) Instruction	5,000.00	5,000.00	0.00	5,000.00
Support Services:				
Students:				
Psychological	40,555.00	40,555.00	40,555.00	0.00
Speech Pathology	68,303.00	68,303.00	68,303.00	0.00
Student Therapy Services	40,555.00	52,554.00	52,554.00	0.00
Business:				
Student Transportation Services	5,000.00	5,000.00	0.00	5,000.00
Special Education:				
Administrative Costs	111,499.00	115,477.00	113,577.73	1,899.27
Other Special Education Costs	174,124.26	174,124.26	167,858.02	6,266.24
Total Expenditures	1,782,664.26	1,813,916.26	1,666,837.32	147,078.94
Excess of Revenue Over (Under) Expenditures	(0.26)	(31,252.26)	(375,076.24)	(343,823.98)
Other Financing Sources (Uses):				
Transfers In	0.00	0.00	500,000.00	500,000.00
Total Other Financing Sources (Uses)	0.00	0.00	500,000.00	500,000.00
Net Change in Fund Balances	(0.26)	(31,252.26)	124,923.76	156,176.02
Fund Balance - Beginning	154,708.03	154,708.03	154,708.03	0.00
FUND BALANCE - ENDING	154,707.77	123,455.77	279,631.79	156,176.02

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

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

Note 1. Budgets and Budgetary Accounting:

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

1. Prior to the first regular meeting in May of each year the school board causes to be prepared a proposed budget for the next fiscal year according to the budgetary standards prescribed by the Auditor General.

2. The proposed budget is considered by the school board at the first regular meeting held in the month of May of each year.

3. The proposed budget is published for public review no later than July 15 each year.

4. Public hearings are held to solicit taxpayer input prior to the approval of the budget.

5. Before October 1 of each year, the school board must approve the budget for the ensuing fiscal year for each fund, except trust and agency funds.

6. After adoption by the school board, the operating budget is legally binding and actual expenditures of each fund cannot exceed the amounts budgeted, except as indicated by number 8.

7. A line item for contingencies may be included in the annual budget. Such a line item may not exceed 5 percent of the total school district budget and may be transferred by resolution of the school board to any other budget category, except for capital outlay, that is deemed insufficient during the year.

8. If it is determined during the year that sufficient amounts have not been budgeted, state statute allows adoption of supplemental budgets when moneys are available to increase legal spending authority.

9. Unexpended appropriations lapse at year-end unless encumbered by resolution of the school board.

10. Formal budgetary integration is employed as a management control device during the year for the General Fund and special revenue funds.

11. Budgets for the General Fund and special revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

12. The following reconciles the USGAAP Basis fund balance to the Budgetary Basis fund balance:

	Year Ended 6/30/2021
General Fund:	
USGAAP Basis Fund Balance	$ 29,383,762.78
(Deduct) Impact Aid Revenue	(6,512,273.88)
Impact Aid Beginning Balance	(28,832,711.72)
Impact Aid Transfer Out	5,650,000.00
Net Adjustment to GAAP Basis Fund Balance	(29,694,985.60)
Budgetary Basis Fund Balance	$ (311,222.82)

Note 2. GAAP/Budgetary Accounting Basis Differences:

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

REQUIRED SUPPLEMENTARY INFORMATION

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

South Dakota Retirement System

Last 7 Fiscal Years *

	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension	0.3097419%	0.3101389%	0.3089849%	0.2927634%	0.2854186%	0.2820774%	0.2830859%
District's proportionate share of net pension liability (asset)	$ (13,452)	$ (32,866)	$ (7,206)	$ (26,569)	$ 964,116	$ (1,196,371)	$ (2,039,518)
District's covered-employee payroll	$ 6,797,889	$ 6,594,178	$ 6,423,483	$ 5,948,335	$ 5,427,226	$ 5,149,915	$ 4,950,389
District's proportionate share of the net pension asset as a percentage of its covered-employee payroll	0.20%	0.50%	0.11%	0.45%	17.76%	23.23%	41.20%
Plan fiduciary net position as a percentage of the total pension liability (asset)	100.04%	100.09%	100.02%	100.10%	96.89%	104.10%	107.30%

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

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL DISTRICT CONTRIBUTIONS

South Dakota Retirement System

Last 7 Fiscal Years

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 426,492	$ 407,874	$ 395,652	$ 385,410	$ 356,901	$ 325,634	$ 308,996
Contributions in relation to the contractually required contribution	$ 426,492	$ 407,874	$ 395,652	$ 385,410	$ 356,901	$ 325,634	$ 308,996
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 7,108,184	$ 6,797,889	$ 6,594,178	$ 6,423,483	$ 5,948,335	$ 5,427,226	$ 5,149,915
Contributions as a percentage of covered-employee payroll	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%

Notes to Required Supplementary Information
for the Year Ended June 30, 2021
Schedule of the Proportionate Share of the Net Pension Liability (Asset) and
Schedule of Pension Contributions.

Changes from Prior Valuation

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

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

Benefit Provision Changes

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

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

Actuarial Assumption Changes

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

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

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

Actuarial Method Changes

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

WAGNER COMMUNITY SCHOOL DISTRICT NO. 11-4
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures FY 2021	
US Department of Agriculture:				
Pass-Through the SD Department of Education:				
Child Nutrition Cluster:				
Non-Cash Assistance (Commodities):				
National School Lunch Program	10.555	20213SD310N1099	51,392.64	
Cash Assistance:				
COVID 19 School Breakfast Program (Note 3)	10.553		18,925.40	
School Breakfast Program (Note 3)	10.553	20213SD310N1099	63,514.00	
COVID 19 National School Lunch Program (Note 3)	10.555		63,722.28	
National School Lunch Program (Note 3)	10.555	20213SD310N1099	249,534.13	
Total Child Nutrition Cluster				447,088.45
Fresh Fruit and Vegetable Program	10.582	20213SD310N1099		38,603.32
Total US Department of Agriculture				**485,691.77**
US Department of Treasury - Pass-Through Programs From:				
SD Department of Education,				
COVID 19 Coronavirus Relief Fund	21.019			407,500.00
Total US Department of Treasury				**407,500.00**
US Department of Education:				
Direct Federal Funding:				
Impact Aid (Title VIII of ESEA) (Note 4)	84.041			5,696,022.00
Indian Education - Grants to Local Educational Agencies	84.060			97,978.37
Pass-Through the SD Department of Education:				
Other Programs:				
Title I Grants to Local Educational Agencies	84.010	S010A200041		565,540.00
Rural Education	84.358			16,058.00
Supporting Effective Instruction State Grants	84.367	S367A200039		95,028.00
School Support and Academic Enrichment Grants	84.424	S424A200043		84,469.00
COVID 19 Elementary and Secondary School Emergency Relief Fund	84.425D			331,702.00
COVID 19 American Rescue Plan Elementary and Secondary School Emergency Relief	84.425U			204,917.00
Total US Department of Education				**7,091,714.37**
US Department of Health and Human Services - Pass-Through Programs From:				
SD Department of Education:				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243			21,026.38
Total US Department of Health and Human Services				**21,026.38**
GRAND TOTAL				**$8,005,932.52**

Note 1: *Basis of Presentation*

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the School District under programs of the federal government for the year ended June 30,2021. 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 School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School District.

Note 2: *Summary of Significant Accounting Policies*

Expenditures reported on the Schedule are reported on the modified 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. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The School District has not elected to use the 10 percent deminimis indirect cost rate as allowed under the Uniform Guidance.

Note 3: *Federal Reimbursement*

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

Note 4: *Major Federal Financial Assistance Program*

This represents a Major Federal Financial Assistance Program.