



Financial Statements
June 30, 2024

Enemy Swim Day School

| Name | Position | Term Expiration |
|--------------------------|------------------------|---------------------------------|
| Lisa Lauterhahn | Chairperson | October 2025 |
| Evelyn Eagle | Vice Chairperson | October 2024 |
| Lolita Seaboy | Member | October 2024 |
| Skyman Redday | Member | October 2026 |
| Miranda White | Member | October 2026 |
| Dallas Owen | Member | Appointed by the Tribal Council |
| Dr. Nadine Eastman | Superintendent | |
| Debra Rumpza | Business Manager | |

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Independent Auditor's Report

To the Board of Education
Enemy Swim Day School
Waubay, South Dakota

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of Enemy Swim Day School (the School), a component unit of the Sisseton-Wahpeton Oyate Tribe, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the the School, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2024, on our consideration of School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.



Aberdeen, South Dakota
December 18, 2024

This section of Enemy Swim Day School's (the School) annual financial report presents our discussion and analysis of the School's financial performance during the fiscal year that ended on June 30, 2024. Please read it in conjunction with the School's financial statements, which immediately follow this section.

Financial Highlights

The School's total governmental fund revenues were \$6,941,557, while total governmental fund expenditures were \$5,398,305. This resulted in an increase in fund balance for the governmental funds of \$1,543,252 for the year ending June 30, 2024.

In the Food Service Fund, a proprietary fund, total revenues were \$209,390, while total expenses were \$211,463. This created a decrease in net position of \$2,073 for the year ending June 30, 2024, and left the food service net position at \$37,930 as of the end of the 2024 fiscal year.

Overview of the Financial Statements

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

1. The first two statements are government-wide financial statements that provide both short-term and long-term information about the School's overall financial status.
2. The remaining statements are fund financial statements that focus on individual parts of the School which report the School's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The following outline shows how the various parts of this annual report are arranged and related to one another.

- A. Management's Discussion and Analysis
- B. Basic Financial Statements
 1. Government-Wide Financial Statements
 2. Fund Financial Statements

Note 1 summarizes the major features of the School's financial statements, including the portion of the School's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Government-Wide Statements

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

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

- Over time, increases or decreases in the School's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the School, additional non-financial factors, such as changes in the School's federal funding and enrollment figures, must be considered.

In the government-wide financial statements, the School's activities are shown in two categories:

1. Governmental Activities – Most of the School's basic services are included here, such as regular and special education, transportation, and administration. Federal grants finance most of these activities.
2. Business-Type Activities – The School's food service program is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the School's funds – focusing on its most significant or "major" funds – not the School as a whole. Funds are accounting devices the School uses to keep track of specific sources of funding and spending on particular programs.

- Some funds are required by state law.
- The School establishes other funds to control and show that it is properly using certain revenues (e.g., federal grants).

The School has two kinds of funds:

1. Governmental Funds – Most of the School's basic services are included in governmental funds, which generally focus on how cash and other financial assets that can be readily converted to cash flow in and out and on the balances left at year-end which are available for spending. Consequently, the governmental fund statements provide a detailed, short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the School's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information following the governmental fund statements that explains the relationship (or differences) between them.
2. Proprietary Fund – The School's food service program and the accounting used to record the transactions is similar to the method used for the government-wide financial statements.

Financial Analysis of the School as a Whole

**Statement of Net Position
June 30, 2024 and 2023**

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|-------------------------|----------------------|--------------------------|------------------|----------------------|----------------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Assets | | | | | | |
| Cash and cash equivalents | \$ 1,943,956 | \$ 1,122,476 | \$ 11,310 | \$ 11,128 | \$ 1,955,266 | \$ 1,133,604 |
| Investments | 9,085,118 | 8,734,336 | - | - | 9,085,118 | 8,734,336 |
| Prepaid expenses | - | - | - | - | - | - |
| Other assets | 727,651 | 88,882 | 14,021 | 14,182 | 741,672 | 103,064 |
| Capital assets, net | 709,548 | 662,555 | 13,811 | 17,414 | 723,359 | 679,969 |
| Total assets | \$ 12,466,273 | \$ 10,608,249 | \$ 39,142 | \$ 42,724 | \$ 12,505,415 | \$ 10,650,973 |
| Liabilities | \$ 1,385,237 | \$ 1,124,415 | \$ 1,212 | \$ 2,721 | \$ 1,386,449 | \$ 1,127,136 |
| Net Position | | | | | | |
| Net investment in capital assets | 698,307 | 644,357 | 13,811 | 17,414 | 712,118 | 661,771 |
| Restricted for specific purposes | 5,990,900 | 5,319,363 | - | - | 5,990,900 | 5,319,363 |
| Unrestricted | 4,391,829 | 3,520,114 | 24,119 | 22,589 | 4,415,948 | 3,542,703 |
| Total net position | 11,081,036 | 9,483,834 | 37,930 | 40,003 | 11,118,966 | 9,523,837 |
| Total liabilities and net position | \$ 12,466,273 | \$ 10,608,249 | \$ 39,142 | \$ 42,724 | \$ 12,505,415 | \$ 10,650,973 |

**Statement of Activities
Years Ended June 30, 2024 and 2023**

| | Governmental Activities | | Business-Type Activities | | Total | |
|------------------------------------|-------------------------|---------------------|--------------------------|------------------|----------------------|---------------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Revenues | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ - | \$ - | \$ 8,794 | \$ 10,903 | \$ 8,794 | \$ 10,903 |
| Operating grants and contributions | 6,048,589 | 4,798,087 | 200,596 | 190,804 | 6,249,185 | 4,988,891 |
| | 6,048,589 | 4,798,087 | 209,390 | 201,707 | 6,257,979 | 4,999,794 |
| General revenues: | | | | | | |
| Interest earnings | 517,522 | 40,590 | - | - | 517,522 | 40,590 |
| Miscellaneous | 375,446 | 182,678 | - | - | 375,446 | 182,678 |
| | 892,968 | 223,268 | - | - | 892,968 | 223,268 |
| Total revenues | 6,941,557 | 5,021,355 | 209,390 | 201,707 | 7,150,947 | 5,223,062 |
| Expenses | | | | | | |
| School administration | 671,976 | 622,750 | - | - | 671,976 | 622,750 |
| Direct instruction | 1,799,222 | 1,786,737 | - | - | 1,799,222 | 1,786,737 |
| Transportation | 442,309 | 371,570 | - | - | 442,309 | 371,570 |
| Facilities | 555,891 | 561,075 | - | - | 555,891 | 561,075 |
| Food service | 50,947 | 43,834 | - | - | 50,947 | 43,834 |
| Title II, IV and VII | 198,780 | 149,700 | - | - | 198,780 | 149,700 |
| Program costs | 1,625,230 | 1,470,697 | - | - | 1,625,230 | 1,470,697 |
| Business type activities | - | - | 211,463 | 186,956 | 211,463 | 186,956 |
| Total expenses | 5,344,355 | 5,006,363 | 211,463 | 186,956 | 5,555,818 | 5,193,319 |
| Change in Net Position | 1,597,202 | 14,992 | (2,073) | 14,751 | 1,595,129 | 29,743 |
| Beginning Net Position | 9,483,834 | 9,468,842 | 40,003 | 25,252 | 9,523,837 | 9,494,094 |
| Ending Net Position | \$ 11,081,036 | \$ 9,483,834 | \$ 37,930 | \$ 40,003 | \$ 11,118,966 | \$ 9,523,837 |

Financial Analysis of the School's Funds

General Fund

The General Fund includes the primary operations of the School in providing educational services to students from pre-kindergarten through grade eight, including instruction costs, student transportation, and capital outlay projects. The General Fund revenues and expenditures increased compared to 2023. The revenues received in the General Fund are mostly made up of federal money funded through the Bureau of Indian Education (BIE) on a yearly basis. Interest income increased, and grants received from the Sisseton-Wahpeton Oyate Tribal Education Department decreased compared to 2023.

General Fund Budgetary Highlights

The School's final General Fund results, when compared to the revised budget, are:

- Actual General Fund revenues, including other sources, were approximately \$526,000 (2023 amount), 1,310,000 (2024 amount) more than budgeted.
- The actual General Fund expenditures were approximately \$1,860,000 (2023 amount), and \$1,880,000 (2024 amount) less than budgeted. Expenditures were lower than budget due to delay in the the potential project to add onto the school.

Other Special Revenue Funds

Title I – Title I is based on the number of students who attend the School based on a three-year average. Title I is operated on a school-wide level and funds the salaries and benefits of classroom-size reduction teachers, and student service personnel, as well as student and classroom supplies, activities, parent involvement, and community activities. Title I is expended each year.

21st Century – The 21st Century grant is administered by the State of South Dakota on a reimbursement basis. The 21st Century grant funds a portion of the School's after-school program, which runs Monday through Thursday when school is in session. It also funds a summer enrichment program that usually runs six weeks in June and July. This is a five-year grant with FY 2024 being the fifth year of the current five-year grant cycle. The grant expires on June 30, 2024. The grant funds wages for after-school program workers, reading and math clinic workers, and summer program workers, as well as supplies and special activities for the students.

FACE – Family and Child Education is funded through the BIE on a yearly basis. This program is for children from birth-to-five years and adults. This is a family-based program which requires an adult to be engaged in their child's education as well as their own education. Each year, a grant must be submitted for a base amount of \$303,647, plus \$1,500 for each enrolled and participating student as of January 15th. This program funds four to five full-time staff with benefits, supplies, participant meetings, and incentives.

Special Education – Special education is funded with 15% of the Indian School Equalization Program (ISEP) money generated from the students attending the School on a three-year average. Special education is then supplemented with Part B funds. During fiscal year 2024, there were four certified special education teachers, one special education co-teacher, and six para-educators with benefits, supplies, and special equipment needs. The ISEP special education funds are expended each year. The Part B funds are expended over a 26-month period as allowed under the grant program.

Capital Assets, Including Right-to-Use Assets

| | Governmental Activities | | Business-Type Activities | |
|--------------------------|-------------------------|--------------------|--------------------------|------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Capital Assets | | | | |
| Buildings | \$ 180,591 | \$ 180,591 | \$ - | \$ - |
| Vehicles | 1,123,317 | 1,041,281 | - | - |
| Equipment | 604,966 | 605,479 | 32,229 | 32,229 |
| Construction in progress | 156,367 | 53,074 | - | - |
| Accumulated depreciation | <u>(1,355,693)</u> | <u>(1,217,870)</u> | <u>(18,418)</u> | <u>(14,815)</u> |
| | <u>\$ 709,548</u> | <u>\$ 662,555</u> | <u>\$ 13,811</u> | <u>\$ 17,414</u> |

By the end of fiscal year 2024, the School had invested approximately \$2,065,000 in a broad range of capital assets, including vehicles and equipment. Total accumulated depreciation as of June 30, 2024, was approximately \$1,356,000. See Note 4 for more details.

Factors Bearing on the School’s Future

The future of the School is solid. The School has been in existence since 1938. Staff retention is good. The Superintendent has more than 15 years of school administrator experience along with a Principal with more than 10 years of experience. The Business Manager has been with the School for 25 years. The School Board is an elected body and has been consistent and well trained. The School building was completed in 2006, with additions completed in 2007. The School building was built for 175 students. The School draws students from the Lake Traverse Indian Reservation and surrounding areas. Enrollment fluctuates between 150 and 160 students. Funding for the School is appropriated by the U.S. Congress on a yearly basis. Some of the BIE programs are constrained by 60% (facilities) and operate on a tight budget. The School has a need to supplement School programs from interest monies to meet needs. The School further supplements BIE funds with competitive grants and other funding. The School's finances are sound and well-managed, and expenditures remain within the planned budgets set by the School Board.

Contacting the School Financial Management

This financial report is designed to provide the School with a general overview of the School’s finances and to demonstrate the School’s accountability for the money it receives. If you have any questions about this report or would like additional information, contact Debra Rumpza, Business Manager, 13525 446th Avenue, Waubay, South Dakota, 57273.

Enemy Swim Day School

Statement of Net Position

June 30, 2024

| | Primary Government | | |
|---|----------------------------|-----------------------------|----------------------|
| | Governmental Activities | Business-Type Activities | Total |
| Assets | | | |
| Cash and cash equivalents | \$ 1,943,956 | \$ 11,310 | \$ 1,955,266 |
| Investments | 9,085,118 | - | 9,085,118 |
| Due from other governments | 727,651 | 7,823 | 735,474 |
| Inventory | - | 6,198 | 6,198 |
| Capital assets | | | |
| Right-to-use lease assets, net of accumulated amortization | 7,136 | - | 7,136 |
| Capital assets, net of accumulated depreciation | 702,412 | 13,811 | 716,223 |
| | <u>\$ 12,466,273</u> | <u>\$ 39,142</u> | <u>\$ 12,505,415</u> |
| Liabilities | | | |
| Accounts payable | \$ 163,097 | \$ 1,212 | \$ 164,309 |
| Accrued payroll | 343,613 | - | 343,613 |
| Accrued leave | 41,392 | - | 41,392 |
| Outstanding checks in excess of cash on hand | 825,894 | - | 825,894 |
| Noncurrent liabilities | | | |
| Right-to-use lease liability, due within one year | 5,925 | - | 5,925 |
| Right-to-use lease liability, due in more than one year | 5,316 | - | 5,316 |
| Total liabilities | <u>1,385,237</u> | <u>1,212</u> | <u>1,386,449</u> |
| Net Position | | | |
| Net investment in capital assets | 698,307 | 13,811 | 712,118 |
| Restricted by grant agreements | 5,990,900 | - | 5,990,900 |
| Unrestricted | 4,391,829 | 24,119 | 4,415,948 |
| Total net position | <u>11,081,036</u> | <u>37,930</u> | <u>11,118,966</u> |
| | <u>\$ 12,466,273</u> | <u>\$ 39,142</u> | <u>\$ 12,505,415</u> |

Enemy Swim Day School
Statement of Activities
Year Ended June 30, 2024

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | Total |
|---------------------------------------|--------------|-------------------------|--|--|--|-----------------------------|---------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | |
| Primary Government | | | | | | | |
| Governmental activities: | | | | | | | |
| School administration | \$ 671,976 | \$ - | \$ 806,528 | \$ - | \$ 134,552 | \$ - | \$ 134,552 |
| Direct instruction | 1,799,222 | - | 1,915,760 | 250,000 | 366,538 | - | 366,538 |
| Transportation | 442,309 | - | 695,709 | - | 253,400 | - | 253,400 |
| Facilities | 555,891 | - | 396,903 | - | (158,988) | - | (158,988) |
| Food service salaries | 50,947 | - | - | - | (50,947) | - | (50,947) |
| Title II, IV, and VII | 198,780 | - | 327,466 | - | 128,686 | - | 128,686 |
| Program costs | 1,625,230 | - | 1,906,223 | - | 280,993 | - | 280,993 |
| Total governmental activities | 5,344,355 | - | 6,048,589 | 250,000 | 954,234 | - | 954,234 |
| Business-type activities: | | | | | | | |
| Food service | 211,463 | 8,794 | 200,596 | - | - | (2,073) | (2,073) |
| Total primary government | \$ 5,555,818 | \$ 8,794 | \$ 6,249,185 | \$ 250,000 | 954,234 | (2,073) | 952,161 |
| General Revenues | | | | | | | |
| Interest and investment income (loss) | | | | | 517,522 | - | 517,522 |
| Miscellaneous | | | | | 125,446 | - | 125,446 |
| Total general revenues | | | | | 642,968 | - | 642,968 |
| Change in Net Position | | | | | 1,597,202 | (2,073) | 1,595,129 |
| Net Position - Beginning | | | | | 9,483,834 | 40,003 | 9,523,837 |
| Net Position - Ending | | | | | \$ 11,081,036 | \$ 37,930 | \$ 11,118,966 |

Enemy Swim Day School
Balance Sheet – Governmental Funds
June 30, 2024

| | Special Revenue Funds | | | | Special Education | Total Governmental Funds |
|--|-----------------------|-------------------|------------------|-------------------|----------------------|--------------------------------|
| | General | Title I | 21st Century | FACE | | |
| Assets | | | | | | |
| Cash and cash equivalents | \$ 654,040 | \$ 230,132 | \$ - | \$ 453,902 | \$ 605,882 | \$ 1,943,956 |
| Investments | 9,085,118 | - | - | - | - | 9,085,118 |
| Due from other governments | 519,410 | 78,125 | 56,591 | 73,500 | 25 | 727,651 |
| Due (to)/from other funds | 29,374 | - | (29,374) | - | - | - |
| | <u>\$ 10,287,942</u> | <u>\$ 308,257</u> | <u>\$ 27,217</u> | <u>\$ 527,402</u> | <u>\$ 605,907</u> | <u>\$ 11,756,725</u> |
| Liabilities and Fund Balance | | | | | | |
| Liabilities | | | | | | |
| Outstanding checks in excess of cash on hand | \$ 825,894 | \$ - | \$ - | \$ - | \$ - | \$ 825,894 |
| Accounts payable | 113,801 | 12,139 | 6,539 | 4,837 | 25,781 | 163,097 |
| Accrued payroll | 222,632 | 29,849 | 14,074 | 21,739 | 55,319 | 343,613 |
| Accrued leave payable | 31,215 | 1,785 | 289 | 881 | 7,222 | 41,392 |
| | <u>1,193,542</u> | <u>43,773</u> | <u>20,902</u> | <u>27,457</u> | <u>88,322</u> | <u>1,373,996</u> |
| Fund Balance | | | | | | |
| Restricted | | | | | | |
| Grants | 4,702,571 | 264,484 | 6,315 | 499,945 | 517,585 | 5,990,900 |
| Unassigned | 4,391,829 | - | - | - | - | 4,391,829 |
| | <u>9,094,400</u> | <u>264,484</u> | <u>6,315</u> | <u>499,945</u> | <u>517,585</u> | <u>10,382,729</u> |
| | <u>\$ 10,287,942</u> | <u>\$ 308,257</u> | <u>\$ 27,217</u> | <u>\$ 527,402</u> | <u>\$ 605,907</u> | <u>\$ 11,756,725</u> |

Enemy Swim Day School
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
Year Ended June 30, 2024

| | |
|---|-----------------------------|
| Total Fund Balances - Governmental Funds | \$ 10,382,729 |
| Amounts Reported for Governmental Activities in the Statement of Net Position Are Different Because: | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | 709,548 |
| Long-term liabilities, including financing lease payables, are not due and payable in the current period and, therefore, are not reported in the funds. | <u>(11,241)</u> |
| Total Net Position - Governmental Activities | <u><u>\$ 11,081,036</u></u> |

Enemy Swim Day School

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds
Year Ended June 30, 2024

| | Special Revenue | | | | | Total Governmental Funds |
|---|---------------------|-------------------|-----------------|-------------------|----------------------|--------------------------------|
| | General | Title I | 21st Century | FACE | Special Education | |
| Revenues | | | | | | |
| Intergovernmental | | | | | | |
| Federal grants | \$ 4,142,366 | \$ 525,215 | \$ 155,472 | \$ 393,459 | \$ 832,077 | \$ 6,048,589 |
| Interest and investment income (loss) | 517,522 | - | - | - | - | 517,522 |
| Miscellaneous income | 357,945 | - | - | 17,501 | - | 375,446 |
| Total revenues | <u>5,017,833</u> | <u>525,215</u> | <u>155,472</u> | <u>410,960</u> | <u>832,077</u> | <u>6,941,557</u> |
| Expenditures | | | | | | |
| School administration | 678,933 | - | - | - | - | 678,933 |
| Direct instruction | 1,799,222 | - | - | - | - | 1,799,222 |
| Transportation | 442,578 | - | - | - | - | 442,578 |
| Facilities | 499,322 | - | - | - | - | 499,322 |
| Food service salaries | 50,947 | - | - | - | - | 50,947 |
| Title II, IV and VII | 198,780 | - | - | - | - | 198,780 |
| Construction costs | 102,793 | - | - | - | - | 102,793 |
| Program costs | - | 508,682 | 155,697 | 252,428 | 708,923 | 1,625,730 |
| Total expenditures | <u>3,772,575</u> | <u>508,682</u> | <u>155,697</u> | <u>252,428</u> | <u>708,923</u> | <u>5,398,305</u> |
| Revenues over (under) Expenditures, and Net Change in Fund Balance | <u>1,245,258</u> | <u>16,533</u> | <u>(225)</u> | <u>158,532</u> | <u>123,154</u> | <u>1,543,252</u> |
| Fund Balance, Beginning of Year | <u>7,849,142</u> | <u>247,951</u> | <u>6,540</u> | <u>341,413</u> | <u>394,431</u> | <u>8,839,477</u> |
| Fund Balance, End of Year | <u>\$ 9,094,400</u> | <u>\$ 264,484</u> | <u>\$ 6,315</u> | <u>\$ 499,945</u> | <u>\$ 517,585</u> | <u>\$ 10,382,729</u> |

Enemy Swim Day School

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to
the Statement of Activities
Year Ended June 30, 2024

| | | |
|---|------------------|----------------------------|
| Net Change in Fund Balances - Total Governmental Funds | | \$ 1,543,252 |
| Amounts Reported for Governmental Activities in the Statement of Activities Are Different Because: | | |
| Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation and amortization expense. In the current period these amounts are: | | |
| Capital outlay | 199,928 | |
| Depreciation and amortization expense | <u>(152,935)</u> | |
| | | 46,993 |
| Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. | | |
| | | <u>6,957</u> |
| Change in Net Position of Governmental Activities | | <u><u>\$ 1,597,202</u></u> |

Enemy Swim Day School
Statement of Net Position – Proprietary Funds
June 30, 2024

| | Business-Type Activity |
|---|---------------------------------|
| | Enterprise Fund Food Service |
| Assets | |
| Cash and cash equivalents | \$ 11,310 |
| Due from other governments | 7,823 |
| Inventory | 6,198 |
| Capital assets, net of accumulated depreciation | 13,811 |
| | \$ 39,142 |
| Liabilities and Net Position | |
| Liabilities | |
| Accounts payable | \$ 1,212 |
| Total liabilities | 1,212 |
| Net Position | |
| Net investment in capital assets | 13,811 |
| Unrestricted | 24,119 |
| Total net position | 37,930 |
| | \$ 39,142 |

Enemy Swim Day School
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds
Year Ended June 30, 2024

| | Business-Type Activity |
|---------------------------------------|---------------------------------|
| | Enterprise Fund Food Service |
| Operating Revenues | |
| Sales to adults | \$ 8,794 |
| Operating Expenses | |
| Purchased food | 134,745 |
| Supplies | 73,115 |
| Depreciation | 3,603 |
| Total operating expenses | 211,463 |
| Operating Loss | (202,669) |
| Other Income | |
| Federal grants | 192,323 |
| Value of donated food | 8,205 |
| Miscellaneous income | 68 |
| Total other income | 200,596 |
| Change in Net Position | (2,073) |
| Total Net Position, Beginning of Year | 40,003 |
| Total Net Position, End of Year | \$ 37,930 |

Enemy Swim Day School
Statement of Cash Flows – Proprietary Funds
Year Ended June 30, 2024

| | Business-Type Activity |
|--|---------------------------------|
| | Enterprise Fund Food Service |
| Operating Activities | |
| Receipts from customers and users | \$ 8,794 |
| Payments for cost of services | <u>(199,825)</u> |
| Net Cash used for Operating Activities | <u>(191,031)</u> |
| Noncapital Financing Activities | |
| Grant reimbursements and miscellaneous income | <u>191,213</u> |
| Net Cash from Noncapital Financing Activities | <u>191,213</u> |
| Change in Cash and Cash Equivalents | 182 |
| Cash and Cash Equivalents, Beginning of Year | <u>11,128</u> |
| Cash and Cash Equivalents, End of Year | <u><u>\$ 11,310</u></u> |
| Reconciliation of Operating Loss to Operating Activities | |
| Operating loss | \$ (202,669) |
| Adjustments for noncash expenses and revenues: | |
| Depreciation | 3,603 |
| Value of donated food used | 8,205 |
| Changes in assets and liabilities: | |
| Inventory | 1,339 |
| Accounts payable | <u>(1,509)</u> |
| Net Cash used for Operating Activities | <u><u>\$ (191,031)</u></u> |
| Noncash Investing, Capital and Financing Activities | |
| Value of commodities received | \$ 8,205 |

Note 1 - Summary of Significant Accounting Policies

Enemy Swim Day School (the School) provides educational services to children in grades pre-kindergarten through eight. For the year ended June 30, 2024, the School served between 150 and 160 students.

The following is a summary of the significant accounting policies:

Reporting Entity

The School is chartered through the Sisseton-Wahpeton Oyate Tribe. These financial statements include only the accounts of Enemy Swim Day School.

The School operates as a grant school under the Tribally Controlled Schools Act of 1988, PL 100-297 as amended by PL 100-427. The School is exempt from federal income tax under IRS section 501(c)(3). Under current GASB pronouncements, the School has determined they are to report on a governmental basis.

The School Board, an elected body, consists of five elected voting members and one non-voting member who is appointed by the Sisseton-Wahpeton Oyate Tribal Council. The School Board is authorized by Sisseton-Wahpeton Oyate to be the contracting authority for all contracts and grants. The School Board is responsible for the operation of the School.

Component units are legally-separate organizations for which elected members of the primary government are financially accountable. The School is financially accountable if it appoints a voting majority of the organization's governing body and is either:

1. Able to impose its will on that organization; or
2. There is potential for the organization to provide specific financial benefits to, or impose financial burdens on, the School. The School may be financially accountable if an organization is fiscally dependent on the School.

There are no component units reported within these financial statements.

Government-Wide and Fund Financial Statements

The goal of government-wide financial statements is to present a broad overview of the School's finances. The basic statements that form the government-wide financial statements are the statement of net position and the statement of activities. These two statements report information on all of the non-fiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally financed through intergovernmental revenues, are reported separately from business-type activities, which are normally financed through user fees and charges for goods or services.

The statement of activities reports gross direct expenses by function reduced by program revenues. This results in a measurement of net revenue or expense for each of the School's activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues are directly associated with the function or business-type activity and include: 1) charges for services, and 2) operating or capital grants and contributions that are restricted to a particular function. Other items not properly included among program revenues are reported, instead, as general revenues.

Separate financial statements are prepared for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. State revenue is recognized in the year to which it applies. Federal revenue is recorded in the year which the related expenditure is made. Grants received in advance of meeting specific eligibility requirements are reported as unearned revenues until eligibility requirements are met. All other revenue items are considered to be measurable and available only when the School receives cash.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The School reports the following major governmental funds:

General Fund

The General Fund is used to account for all financial resources of the School except those required to be accounted for in another fund.

Special Revenue

Title I – The Title I Fund is used to account for the allocation of Title I funding from the Department of Interior grants.

21st Century – The 21st Century Fund is used to account for summer program activities, after-school activities, and reading and math clinics with funding from the State of South Dakota.

FACE – The FACE (Family and Child Education) Fund is used to account for the allocation of FACE funding from the Department of Interior grants.

Special Education – The Special Education Fund is used to account for the allocation of 15% of the annual ISEP grant and additional special education Part B funding from the Department of Interior.

The School reports the following major proprietary fund:

Food Service

The Food Service Fund is used to account for the activity in the food service program.

Amounts reported as program revenues include the following: amounts received from those who purchase, use or directly benefit from a program; amounts received from parties outside the School that are restricted to one or more specific programs; and earnings on investments that are legally restricted for a specific program. Revenues that do not meet the previous criteria are reported as general revenues.

Proprietary funds report operating revenues and expenses separately from non-operating items. Operating revenues and expenses generally result from providing services or producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the School's enterprise fund are charges to customers for food sales. Operating expenses for the enterprise fund include the costs of sales and services, and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Other Significant Accounting Policies

Cash and Cash Equivalents

The School maintains a cash and investment pool. Interest earned from pooled cash accounts is allocated to the General Fund. Funds with a negative balance as of year-end show such amounts as due to other funds. At times during the year, outstanding checks and deposits may be in excess of cash in bank which are reported as a liability at year-end. Those excess amounts are covered with a transfer from investments.

Cash and cash equivalents includes checking and savings accounts, certificates of deposit, and short-term U.S. government bonds with a maturity of three months or less when purchased.

Investments

Investments include certificates of deposit with original maturities of more than three months, and common stock shares of Principal Financial Group, Inc. Brokered certificates of deposit and common stock are carried at fair value, and certificates of deposit held directly with financial institutions are held at cost plus accrued interest. Unrealized gains and losses due to fluctuations in fair value are included in income. Earnings on investments are allocated to the General Fund.

Inventories

The costs of supplies, textbooks and food are recognized as expenditures in governmental funds when purchased and as expenses in proprietary funds when used. Inventory in the Food Service Fund consists of food items and is valued at the lower of cost (first-in, first-out) or market. Market is determined by a standard price list furnished by the USDA for commodities.

Capital Assets

The capital assets, which include a building, vehicles and equipment, are reported in the government-wide financial and proprietary fund statements. Capital assets are defined by the School as assets with an initial, individual cost equal to or greater than \$5,000. Such assets are recorded at historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or significantly extend lives are not capitalized. Depreciation of the capital assets is computed on the straight-line method over a period of 5 to 10 years for vehicles and equipment and 20 years for the building.

Depreciation expense that can be specifically identified by function is included in the direct expense of each function.

Right-to-use leased assets are recognized at the lease commencement date and represent the School's right to use an underlying asset for the lease term. Right-to-use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the leased asset into service. Right-to-use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period varies from 3 to 5 years.

Accrued Leave

Vacation benefits are accrued as a liability as the benefits are earned if the employees' right to receive compensation is attributable to services already rendered, and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Long-Term Obligations

Lease liabilities represent the School's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments is discounted based on a borrowing rate determined by the School.

Fund Balance Classification Policies and Procedures

The School 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 nor committed. Fund balance may be assigned by the School Board or Business Manager.
- Unassigned – Includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

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

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

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

| <u>Major Special Revenue Fund</u> | <u>Revenue Source</u> |
|---|---|
| Title 1, Special Education and FACE 21 st Century | Federal grants through Department of Interior Federal grants through Department of Education |

Net Position

Net position represents the difference between assets and liabilities in the government-wide and proprietary fund financial statements. Net investment in capital assets consists of capital assets net of accumulated depreciation reduced by any outstanding notes or borrowings that are attributable to the acquisition of those assets. Net position is reported as restricted in the government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Deferred Inflows of Resources

Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. If applicable, the government has one account of this type, unavailable revenue, and it is only reported in the governmental funds balance sheet. The balance sheet reports unavailable grant revenues, which are deferred and recognized as an inflow of resources in the period the amount becomes available.

Income Taxes

The School is organized as a South Dakota nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as organizations described in IRC Section 501(c)(3), qualifies for the charitable contribution deduction, and has been determined not to be a private foundation. The School is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the School is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. The School determined that it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Management believes that the School has appropriate support for any tax positions taken affecting its annual filing requirements and, as such, does not have any uncertain tax positions that are material to the financial statements. The School would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense, if such interest and penalties are incurred.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, reported amounts of revenues and expenses and other disclosures. Actual results could differ from those estimates.

Note 2 - Deposits and Investments

The School follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. As of June 30, 2024, all investments were held in certificates of deposit or in common stock of Principal Financial Group, Inc.

Custodial Credit Risk: Custodial credit risk is the risk that, in the event of the failure of the counterparty, the School will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School limits the amount that may be deposited or invested in any one institution to an amount that is covered by the Federal Deposit Insurance Corporation (FDIC) insurance or other collateral and money market funds which invest in securities guaranteed by the U.S. government or securities in U.S. government agencies. All certificates of deposit are covered by FDIC insurance. Common stock shares are not insured.

The actual cash and cash equivalent balances at June 30, 2024, were as follows:

| | |
|---|---------------------|
| | <u>Bank Balance</u> |
| Insured (FDIC/NCUA) | \$ 933,414 |
| Uninsured, collateral jointly held by State's/School's agent in the name of the State and the pledging financial institution | <u>229,171</u> |
| | <u>\$ 1,162,585</u> |
| The School's carrying amount of cash and cash equivalents at June 30, 2024 | <u>\$ 1,129,372</u> |

Interest Rate Risk: The School 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. As of June 30, 2024, the School had investments maturing as follows:

| | <u>2024 Investment Maturities (in Years)</u> | | | |
|-------------------------|--|--------------------|--------------|--------------------|
| | <u>Carrying Value</u> | <u>Less than 1</u> | <u>1-5</u> | <u>No Maturity</u> |
| Certificates of deposit | \$ 9,046,834 | \$ 5,274,735 | \$ 3,772,099 | \$ - |
| Common stock | 38,284 | - | - | 38,284 |

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The School limits the amount that may be deposited or invested in any one investment to an amount that is covered by FDIC insurance or other collateral and money market funds which invest in securities guaranteed by the U.S. government or securities in U.S. government agencies. Investments in money market funds and certificates of deposit are not rated. Any investments issued by, or explicitly guaranteed by, the U.S. government are not considered to have a credit risk.

Concentration of Credit Risk: The School places no limit on the amount the School may invest in any one institution. All investments are held in certificates of deposit covered by FDIC insurance or in common stock shares which are not insured.

Note 3 - Receivables

The School has receivables from the State of South Dakota for \$56,591 in the 21st Century Fund and \$7,823 in the Food Service Fund for program costs not yet reimbursed as of June 30, 2024. The School has receivables in the General Fund of \$519,410, FACE Fund of \$73,500, Title I Fund of \$78,125, and in the SPED Fund of \$25 due from the federal government. The School expects all receivables to be collected within one year.

Note 4 - Capital Assets

A summary of changes in capital asset activity for the year ended June 30, 2024, is as follows:

| | Balance July 1, 2023 | Additions | Disposals | Balance June 30, 2024 |
|---|-------------------------|------------|-----------|--------------------------|
| Governmental Activities | | | | |
| Capital assets, not being depreciated | | | | |
| Construction work in progress | \$ 53,074 | \$ 103,293 | \$ - | \$ 156,367 |
| Total not being depreciated | 53,074 | 103,293 | - | 156,367 |
| Capital assets | | | | |
| Buildings | 180,591 | - | - | 180,591 |
| Vehicles | 1,041,281 | 82,036 | - | 1,123,317 |
| Equipment | 584,952 | 14,599 | 15,112 | 584,439 |
| Total capital assets being depreciated | 1,806,824 | 96,635 | 15,112 | 1,888,347 |
| Less accumulated depreciation | | | | |
| Buildings | 51,168 | 9,030 | - | 60,198 |
| Vehicles | 850,221 | 81,767 | - | 931,988 |
| Equipment | 310,137 | 55,091 | 15,112 | 350,116 |
| Total accumulated depreciation | 1,211,526 | 145,888 | 15,112 | 1,342,302 |
| Capital assets, net | 648,372 | 54,040 | - | 702,412 |
| Right-to-use assets | | | | |
| Equipment | 20,527 | - | - | 20,527 |
| Total accumulated amortization equipment | 6,344 | 7,047 | - | 13,391 |
| Net right-to-use assets | 14,183 | (7,047) | - | 7,136 |
| Total capital assets, net | \$ 662,555 | \$ 46,993 | \$ - | \$ 709,548 |
| Governmental Activities | | | | |
| Transportation Facilities | | | | \$ 81,767 |
| | | | | 71,168 |
| Total depreciation and amortization expense - governmental activities | | | | \$ 152,935 |
| Business-Type Activities | | | | |
| Equipment | \$ 32,229 | \$ - | \$ - | \$ 32,229 |
| Total capital assets being depreciated | 32,229 | - | - | 32,229 |
| Less accumulated depreciation | 14,815 | 3,603 | - | 18,418 |
| Business-type activities capital assets, net | \$ 17,414 | \$ (3,603) | \$ - | \$ 13,811 |

Note 5 - Long-Term Liabilities/Leases

A summary of the changes in long-term liabilities for the year ended June 30, 2024, is as follows:

| Governmental Activities | 7/1/23 | Increase | Decrease | 6/30/24 | Due In One Year |
|--|------------------|-------------|-------------------|------------------|--------------------|
| Financing (capital acquisition) leases | \$ 18,198 | \$ - | \$ (6,957) | \$ 11,241 | \$ 5,925 |
| Total | <u>\$ 18,198</u> | <u>\$ -</u> | <u>\$ (6,957)</u> | <u>\$ 11,241</u> | <u>\$ 5,925</u> |

Governmental Activities

Debt payable at June 30, 2024, is comprised of the following:

Financing (Capital Acquisition) Leases

| | |
|---|------------------|
| Xerox Corporation, copy machine, matures December 2024, 3.9% interest, paid by the FACE Fund. | \$ 537 |
| Xerox Corporation, copy machine, matures February 2025, 5% interest, paid by the General Fund. | 1,683 |
| Xerox Corporation, copy machine, matures April 2026, 5.5% interest, paid by the General Fund. | 5,400 |
| Xerox Corporation, copy machine, matures June 2028, 7.5% interest, paid by the Special Education Fund. | <u>3,621</u> |
| | <u>\$ 11,241</u> |

The annual debt service requirements to maturity for all debt outstanding as of June 30, 2024, are as follows:

| Year Ending June 30, | Financing (Capital Acquisition Leases) | |
|-------------------------|---|---------------|
| | Principal | Interest |
| 2025 | \$ 5,925 | \$ 507 |
| 2026 | 3,412 | 243 |
| 2027 | 959 | 110 |
| 2028 | <u>945</u> | <u>36</u> |
| Totals | <u>\$ 11,241</u> | <u>\$ 896</u> |

Note 6 - Fair Value

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the School has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The School invests in certificates of deposit directly with a financial institution. Those investments are valued using cost-based measures.

The School invests in common stock shares of Principal Financial Group, Inc. Those investments are valued at fair value determined by quoted prices for identical assets in active markets the School has the ability to access, and are classified within Level 1.

The School invests in brokered certificates of deposit traded in the financial markets. The brokered certificates of deposit are valued by the custodian of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market rate assumptions, and are classified within Level 2.

The following table presents the assets measured at fair value on a recurring basis, except those measured at cost as identified below, at June 30, 2024:

| | Total | Level 1 | Level 2 | Level 3 |
|--|---------------------|------------------|---------------------|-------------|
| Certificate of deposit (at cost) | \$ 106,996 | \$ - | \$ - | \$ - |
| Brokered certificates of deposit | 8,939,838 | - | 8,939,838 | - |
| Principal Financial Group, Inc. - common stock | 38,284 | 38,284 | - | - |
| | <u>\$ 9,085,118</u> | <u>\$ 38,284</u> | <u>\$ 8,939,838</u> | <u>\$ -</u> |

Note 7 - Joint Venture

Northeast Educational Services Cooperative No. 28-201
PO Box 327
Hayti, South Dakota 57241
605.783.3607

The School participates in Northeast Educational Services Cooperative, a cooperative service unit (co-op) formed for the purpose of providing special education and other services to member schools. The School's percentage of participation in the co-op is 1.62% based on student counts.

The co-op's governing board has one representative from the School Board of Enemy Swim Day School. 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 retains no equity in the net position of the co-op, but does have a responsibility to fund deficits of the co-op in proportion to the relative participation described above.

Separate financial statements of the co-op are available at its business office in Hayti, South Dakota.

As of June 30, 2024, this joint venture had total unaudited fund equity of \$1,414,263.

Note 8 - Interfund Activity

Interfund receivables/payables are used when a fund has a cash deficit. As of June 30, 2024, the General Fund has a receivable and the 21st Century Fund has a corresponding payable for \$29,374, which represents a deficit cash balance for the 21st Century Fund. Interfund activity is expected to be paid back within the next fiscal year.

Note 9 - Risk Management

The School is exposed to various risks of loss related to torts; theft of, damage, and destruction of assets; errors and omissions; injuries to employees; and disasters. A variety of methods are used to provide insurance for these risks. Commercial insurance policies, transferring all risks of loss, except for relatively small deductible amounts, are purchased for property damage, tort actions, and errors and omissions. Settled claims for these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in the School's insurance coverage during the year ended June 30, 2024.

Workers' compensation insurance coverage is provided through a third-party carrier.

Note 10 - Retirement Plan

The School contributes a percentage of each employee's contractual earnings to a Simplified Employee Pension that is administered by Mainstay Funds. These contributions are paid to Individual Retirement Accounts for each eligible employee and immediately become the employee's property. The School has no continuing responsibility for the contributions after they are made. If an employee's years of service are less than one year, they receive 2% of contractual earnings 30 days after they initiate the second-year contract. The following contribution categories apply to employees with over one year of service: two to three years is 3%, four to five years is 4%, and six years plus is 5%. The School's contributions for the years ended June 30, 2024, 2023 and 2022, were \$95,106, \$93,201 and \$85,733, respectively.

Note 11 - Commitments and Contingencies

Federal Revenue

Amounts received or receivable from federal and state agencies are subject to agency audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of funds which may be disallowed by the agencies cannot be determined at this time, although the School expects such amounts, if any, to be immaterial.

Litigation

The School can, at times, be involved in legal actions arising in the normal course of activities. In the opinion of management, such matters will not have a material adverse effect upon the financial position of the School.

Note 12 - Related Party

In the ordinary course of business, the School purchases bus fuel and School vehicle gasoline and minor supplies from an entity in which the School's Business Manager is a 20%-part owner. The HR One Stop Gas Station is the nearest full service gas station in proximity to the School. Purchases for the year ended June 30, 2024, totaled \$59,881, of which \$2,673 is recorded as accounts payable as of June 30, 2024.

The School received grant and other revenues in the General Fund from the Sisseton-Wahpeton Oyate Tribe of \$103,623 for the year ended June 30, 2024. This is included in miscellaneous income of the statement of net position.



Supplementary Information
June 30, 2024

Enemy Swim Day School

Enemy Swim Day School
 Budgetary Comparison Schedule – Budgetary Basis – General Fund
 Year Ended June 30, 2024

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget Positive (Negative) |
|--------------------------------|------------------|------------------|--|---|
| | Original | Final | | |
| Revenues | | | | |
| Federal grants: | | | | |
| School operations | \$ 1,250,000 | \$ 1,250,000 | \$ 1,524,329 | \$ 274,329 |
| School administration | 689,000 | 689,000 | 806,528 | 117,528 |
| Title IV | 20,000 | 20,000 | 21,966 | 1,966 |
| Transportation | 500,000 | 500,000 | 695,709 | 195,709 |
| Facilities maintenance | 350,000 | 350,000 | 396,903 | 46,903 |
| Title II and IID | 35,000 | 35,000 | 122,500 | 87,500 |
| Enhancement | - | - | 41,312 | 41,312 |
| Immersion | 183,000 | 183,000 | 183,000 | - |
| Strong | 250,000 | 250,000 | 236,669 | (13,331) |
| Native American Language (NAL) | 130,000 | 130,000 | 113,450 | (16,550) |
| Interest income | 152,500 | 152,500 | 517,522 | 365,022 |
| Miscellaneous income | 120,500 | 120,500 | 357,945 | 237,445 |
| Total revenues | 3,680,000 | 3,680,000 | 5,017,833 | 1,337,833 |
| Expenditures | | | | |
| School administration: | | | | |
| Salaries and benefits | 517,600 | 517,600 | 514,183 | 3,417 |
| Purchased services | 99,600 | 99,600 | 47,202 | 52,398 |
| Supplies | 21,500 | 21,500 | 19,211 | 2,289 |
| Net fundraising | - | - | (11,294) | 11,294 |
| Other | 122,300 | 122,300 | 109,631 | 12,669 |
| Direct instruction: | | | | |
| Salaries and benefits | 1,642,265 | 1,642,265 | 1,543,721 | 98,544 |
| Purchased services | 240,452 | 240,452 | 70,855 | 169,597 |
| Supplies | 173,882 | 173,882 | 71,768 | 102,114 |
| Capital | 200,975 | 200,975 | 14,667 | 186,308 |
| Other | 1,277,890 | 1,277,890 | 98,211 | 1,179,679 |
| Transportation: | | | | |
| Salaries and benefits | 261,100 | 261,100 | 223,973 | 37,127 |
| Repairs | 60,000 | 60,000 | 41,737 | 18,263 |
| Purchased services | 22,250 | 22,250 | 17,018 | 5,232 |
| Supplies | 95,150 | 95,150 | 77,812 | 17,338 |
| Capital | 82,500 | 82,500 | 82,038 | 462 |
| Facilities: | | | | |
| Salaries and benefits | 208,000 | 208,000 | 198,170 | 9,830 |
| Utilities | 105,600 | 105,600 | 103,471 | 2,129 |
| Purchased services | 129,700 | 129,700 | 123,677 | 6,023 |
| Supplies | 65,000 | 65,000 | 63,462 | 1,538 |
| Capital | 11,700 | 11,700 | 10,542 | 1,158 |
| Food service: | | | | |
| Salaries and benefits | 64,500 | 64,500 | 50,947 | 13,553 |
| Title II, IV and VII: | | | | |
| Salaries and benefits | 63,600 | 63,600 | 58,991 | 4,609 |
| Purchased services | 120,900 | 120,900 | 92,320 | 28,580 |
| Supplies | 31,800 | 31,800 | 27,036 | 4,764 |
| Capital | 15,000 | 15,000 | 10,931 | 4,069 |
| Other | 19,400 | 19,400 | 9,502 | 9,898 |
| Construction | | | | |
| Capital | - | - | 102,793 | (102,793) |
| Total expenditures | 5,652,664 | 5,652,664 | 3,772,575 | 1,880,089 |

Enemy Swim Day School
 Budgetary Comparison Schedule – Budgetary Basis – General Fund
 Year Ended June 30, 2024

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance With Final Budget Positive (Negative) |
|---|---------------------|---------------------|---|---|
| | Original | Final | | |
| Excess of Revenues over (under) Expenditures and Change in Fund Balance | (1,972,664) | (1,972,664) | 1,245,258 | 3,217,922 |
| Fund Balance, Beginning of Year | <u>7,849,142</u> | <u>7,849,142</u> | <u>7,849,142</u> | <u>-</u> |
| Fund Balance, End of Year | <u>\$ 5,876,478</u> | <u>\$ 5,876,478</u> | <u>\$ 9,094,400</u> | <u>\$ 3,217,922</u> |

Budgetary Accounting

The School adopts an annual budget for the special revenue funds, but it is not legally required to adopt a budget. However, there is no legal restriction on expenditures in excess of appropriations. Budget appropriations lapse at the end of each year. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Budgetary integration is employed as a management control device during the year.

Enemy Swim Day School
 Budgetary Comparison Schedule – Budgetary Basis – Title I
 Year Ended June 30, 2024

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget Positive (Negative) |
|---------------------------------|--------------------------|--------------------------|--|---|
| | Original | Final | | |
| Revenues | | | | |
| Federal grants: | | | | |
| Title I | \$ 450,000 | \$ 450,000 | \$ 525,215 | \$ 75,215 |
| Total revenues | <u>450,000</u> | <u>450,000</u> | <u>525,215</u> | <u>75,215</u> |
| Expenditures | | | | |
| Program costs: | | | | |
| Salaries and benefits | 433,600 | 433,600 | 370,420 | 63,180 |
| Purchased services | 44,709 | 44,709 | 43,408 | 1,301 |
| Supplies | 40,000 | 40,000 | 37,173 | 2,827 |
| Community involvement | 57,900 | 57,900 | 51,327 | 6,573 |
| Capital | 8,791 | 8,791 | 6,354 | 2,437 |
| Total expenditures | <u>585,000</u> | <u>585,000</u> | <u>508,682</u> | <u>76,318</u> |
| Net Change in Fund Balance | (135,000) | (135,000) | 16,533 | 151,533 |
| Fund Balance, Beginning of Year | <u>247,951</u> | <u>247,951</u> | <u>247,951</u> | <u>-</u> |
| Fund Balance, End of Year | <u><u>\$ 112,951</u></u> | <u><u>\$ 112,951</u></u> | <u><u>\$ 264,484</u></u> | <u><u>\$ 151,533</u></u> |

Enemy Swim Day School
 Budgetary Comparison Schedule – Budgetary Basis – 21st Century
 Year Ended June 30, 2024

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget Positive (Negative) |
|---------------------------------|------------------------|------------------------|--|---|
| | Original | Final | | |
| Revenues | | | | |
| Federal grants: | | | | |
| 21st Century | \$ 160,000 | \$ 160,000 | \$ 155,472 | \$ (4,528) |
| Total revenues | <u>160,000</u> | <u>160,000</u> | <u>155,472</u> | <u>(4,528)</u> |
| Expenditures | | | | |
| Program costs: | | | | |
| Salaries and benefits | 150,620 | 150,620 | 146,604 | 4,016 |
| Purchased services | 6,660 | 6,660 | 4,828 | 1,832 |
| Supplies | 5,720 | 5,720 | 4,265 | 1,455 |
| Total expenditures | <u>163,000</u> | <u>163,000</u> | <u>155,697</u> | <u>7,303</u> |
| Net Change in Fund Balances | (3,000) | (3,000) | (225) | 2,775 |
| Fund Balance, Beginning of Year | <u>6,540</u> | <u>6,540</u> | <u>6,540</u> | <u>-</u> |
| Fund Balance, End of Year | <u><u>\$ 3,540</u></u> | <u><u>\$ 3,540</u></u> | <u><u>\$ 6,315</u></u> | <u><u>\$ 2,775</u></u> |

Enemy Swim Day School
 Budgetary Comparison Schedule – Budgetary Basis – FACE
 Year Ended June 30, 2024

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget Positive (Negative) |
|---------------------------------|-------------------|-------------------|--|---|
| | Original | Final | | |
| Revenues | | | | |
| Federal grants: | | | | |
| FACE | \$ 310,000 | \$ 310,000 | \$ 393,459 | \$ 83,459 |
| Miscellaneous income | - | - | 17,501 | 17,501 |
| | <u>310,000</u> | <u>310,000</u> | <u>410,960</u> | <u>100,960</u> |
| Total revenues | | | | |
| Expenditures | | | | |
| Program costs: | | | | |
| Salaries and benefits | 213,900 | 213,900 | 178,921 | 34,979 |
| Purchased services | 63,600 | 63,600 | 45,064 | 18,536 |
| Supplies | 21,500 | 21,500 | 18,904 | 2,596 |
| Capital | 3,000 | 3,000 | 2,946 | 54 |
| Community involvement | 8,000 | 8,000 | 6,593 | 1,407 |
| | <u>310,000</u> | <u>310,000</u> | <u>252,428</u> | <u>57,572</u> |
| Total expenditures | | | | |
| Net Change in Fund Balances | - | - | 158,532 | 158,532 |
| Fund Balance, Beginning of Year | <u>341,413</u> | <u>341,413</u> | <u>341,413</u> | <u>-</u> |
| Fund Balance, End of Year | <u>\$ 341,413</u> | <u>\$ 341,413</u> | <u>\$ 499,945</u> | <u>\$ 158,532</u> |

Enemy Swim Day School
 Budgetary Comparison Schedule – Budgetary Basis – Special Education
 Year Ended June 30, 2024

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget Positive (Negative) |
|---------------------------------|-------------------|-------------------|--|---|
| | Original | Final | | |
| Revenues | | | | |
| Federal grants: | | | | |
| Special Education | \$ 725,500 | \$ 725,500 | \$ 832,077 | \$ 106,577 |
| Total revenues | <u>725,500</u> | <u>725,500</u> | <u>832,077</u> | <u>106,577</u> |
| Expenditures | | | | |
| Program costs: | | | | |
| Salaries and benefits | 516,300 | 516,300 | 511,102 | 5,198 |
| Purchased services | 183,200 | 183,200 | 180,234 | 2,966 |
| Supplies | 14,000 | 14,000 | 13,729 | 271 |
| Capital | 5,000 | 5,000 | 3,234 | 1,766 |
| Other | 1,500 | 1,500 | 624 | 876 |
| Total expenditures | <u>720,000</u> | <u>720,000</u> | <u>708,923</u> | <u>11,077</u> |
| Net Change in Fund Balance | 5,500 | 5,500 | 123,154 | 117,654 |
| Fund Balance, Beginning of Year | <u>394,431</u> | <u>394,431</u> | <u>394,431</u> | <u>-</u> |
| Fund Balance, End of Year | <u>\$ 399,931</u> | <u>\$ 399,931</u> | <u>\$ 517,585</u> | <u>\$ 117,654</u> |



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*

To the Board of Education
Enemy Swim Day School
Waubay, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities and each major fund of Enemy Swim Day School (the School) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School’s basic financial statements, and have issued our report thereon dated December 18, 2024.

Report on Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001, that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

The School's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the School's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The School's response was not subjected to the other 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 entity'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.

A handwritten signature in black ink that reads "Eide Sully LLP". The signature is written in a cursive, flowing style.

Aberdeen, South Dakota
December 18, 2024



**Independent Auditor’s Report on Compliance for the Major Federal Program;
Report on Internal Control Over Compliance Required by the Uniform Guidance**

The Board of Education
Enemy Swim Day School
Waubay, South Dakota

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Enemy Swim Day School’s (the School) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the School’s major federal program for the year ended June 30, 2024. The School’s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Aberdeen, South Dakota
December 18, 2024

Enemy Swim Day School
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title | Federal Financial Assistance Listing | Pass-Through Entity Identifying Number | Expenditures |
|--|---|---|------------------|
| Department of Agriculture | | | |
| Passed-Through the State of South Dakota: | | | |
| Child Nutrition Cluster: | | | |
| Food Distribution | 10.555 | * | \$ 8,205 |
| National School Lunch Program | 10.555 | * | 115,329 |
| Total ALN #10.555 | | | <u>123,534</u> |
| School Breakfast Program | 10.553 | * | 54,548 |
| Summer Food Service Program for Children | 10.559 | * | 10,671 |
| Fresh Fruit and Vegetable Program | 10.582 | * | 11,775 |
| Total Child Nutrition Cluster | | | <u>200,528</u> |
| Total Department of Agriculture | | | <u>200,528</u> |
| Department of Interior | | | |
| Passed-Through the Bureau of Indian Education (BIE): | | | |
| Indian School Equalization Program (ISEP) | 15.042 | A22AC00881 | 1,381,131 |
| Indian Family and Child Education (FACE) | 15.043 | A22AC00881 | 252,428 |
| Indian Schools Student Transportation | 15.044 | A22AC00881 | 442,578 |
| Administrative Cost Grants for Indian Schools | 15.046 | A22AC00881 | 719,793 |
| Indian Education Facilities, Operations, and Maintenance | 15.047 | A22AC00881 | 499,322 |
| Education Enhancements (Native Lang) | 15.151 | A22AC00881 | 184,567 |
| Education Enhancement Improve Student Performance | 15.151 | A22AC00881 | 16,200 |
| Education Program Management | 15.959 | A22AC00881 | 25,000 |
| Total Department of Interior | | | <u>3,521,019</u> |

(continued on next page)

Enemy Swim Day School
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title | Federal Financial Assistance Listing | Pass-Through Entity Identifying Number | Expenditures |
|---|---|---|----------------------------|
| Department of Education | | | |
| Direct Award: | | | |
| Indian Education Formula Grants to LEAs | 84.060A | | 30,575 |
| Passed-Through the Bureau of Indian Education (BIE): | | | |
| Title I Grants to Local Educational Agencies | 84.010 | A22AC00881 | 508,682 |
| Teacher Quality Partnership Grants | 84.336 | A22AC00881 | 123,991 |
| Striving Readers Comprehensive Literacy Program | 84.371 | A22AC00881 | 37,352 |
| Indian Education National Activities Education Partnership and Native American Language | 84.415B | A22AC00881 | 128,388 |
| Student Support & Academic Enrichment | 84.424A | A22AC00881 | 190,390 |
| COVID-19 - Education Stabilization Fund American Rescue Plan – Elementary and Secondary School Emergency Relief (ARP ESSER)** | 84.425U | A22AC00881 | 130,201 |
| Special Education Cluster: Special Education Grants to States | 84.027A | A22AC00881 | <u>507,754</u> |
| Passed-Through the State of South Dakota: | | | |
| Twenty-First Century Community Learning Centers | 84.287 | * | 155,697 |
| Rural Education | 84.358 | * | 2,200 |
| COVID-19 - Education Stabilization Fund American Rescue Plan – Elementary and Secondary School Emergency Relief (ARP ESSER)** | 84.425U | 2023G-463 | <u>21,966</u> |
| Total Department of Education | | | <u>1,837,196</u> |
| Total Expenditures of Federal Awards | | | <u><u>\$ 5,558,743</u></u> |

* Pass-through number not provided to School.
** Total expenditures for ALN #84.425 were \$152,167.

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the Enemy Swim Day School (the School) under programs of the federal government for the year ended June 30, 2024. The information 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 Enemy Swim Day School, it is not intended to, and does not, present the financial position, changes in fund balance, or cash flows of Enemy Swim Day School.

Note B – Significant Accounting Policies

Expenditures reported in 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. No federal financial assistance has been provided to a subrecipient.

Note C – Indirect Cost Rate

The School does not draw for indirect administrative expenses and has not elected to use the 10% *de minimis* cost rate.

Note D – Food Distribution

Nonmonetary assistance is reported in this schedule at the fair market value of the commodities received and disbursed. At June 30, 2024, the School had food commodities totaling \$0 in inventory.

Section I – Summary of Auditor’s Results

Financial Statements

| | |
|---|------------|
| Type of auditor's report issued: | Unmodified |
| Internal control over financial reporting: | |
| • Material weakness(es) identified? | None |
| • Significant deficiency(s) identified that are not considered to be material weaknesses? | Yes |
| Noncompliance material to financial statements noted? | No |

Federal Awards

| | |
|--|---------------|
| Internal control over major programs: | |
| • Material weakness(es) identified? | None |
| • Significant deficiency(s) identified that are not considered to be material weaknesses? | None reported |
| Type of auditor's report issued on compliance for major programs: | Unmodified |
| Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516: | No |

Identification of major programs:

| <u>Name of Federal Program or Cluster</u> | <u>Federal Financial Assistance Listing</u> |
|--|---|
| Indian School Equalization Program (ISEP) | 15.042 |
| Dollar threshold used to distinguish between type A and type B programs: | \$ 750,000 |
| Auditee qualified as low-risk auditee? | Yes |

Section II – Financial Statement Findings

2024-001 Preparation of Financial Statements and Footnotes

Significant Deficiency

Criteria: The School's internal control structure should be designed to provide for the preparation of the financial statements and footnotes, which includes having an adequate system for recording and processing entries material to the financial statements being audited in accordance with generally accepted accounting principles.

Condition: Enemy Swim Day School requested the external auditors to assist in the preparation of the financial statements and related footnotes for the year ended June 30, 2024.

Cause: The limited size of the School's staff and resources cause the inability to prepare the financial statements and footnotes and could cause the need for auditors to, at times, propose journal entries.

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

Repeat Finding from Prior Years: Yes, prior year finding 2023-001.

Recommendation: This circumstance is not unusual in an organization of this size. It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

Views of Responsible Officials: Management agrees with the finding.

Section III – Federal Award Findings and Questioned Costs

None reported.

Enemy Swim Day

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PRINCIPAL

Dr. Jeannine Metzger

BUSINESS MANAGER

Debra Rumpza

SCHOOL BOARD

CHAIRPERSON

Lisa Lauterhahn

VICE CHAIRPERSON

Evelyn Eagle

BOARD MEMBER

Skyman Redday

BOARD MEMBER

Lolita Seaboy

BOARD MEMBER

Miranda White

SWO COUNCIL REP

Dallas Owen

**SWO EDUCATION
DIRECTOR**

Dr. Sherry Johnson

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Management's Response to Auditor's Findings:
Summary Schedule of Prior Audit Findings and
Corrective Action Plan
June 30, 2024

Prepared by Management of
Enemy Swim Day School

Home of the Lakers

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Summary Schedule of Prior Audit Findings

Financial Statement Findings

Finding 2023-001 Preparation of Financial Statements, Footnotes and Schedule of Expenditures of Federal Awards

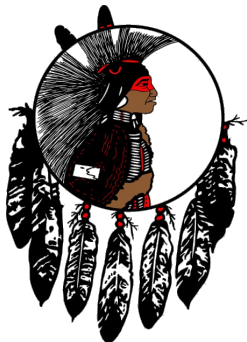
Significant Deficiency in Internal Control Initial Fiscal Year Finding Occurred: 2007
Finding Summary: Eide Bailly LLP prepared our draft financial statements and accompanying notes for the financial statements, including the schedule of expenditures of federal awards.

Status: Ongoing. Due to cost considerations, we will continue to have Eide Bailly LLP prepare our draft financial statements, accompanying notes to the financial statements, and schedule of expenditures of federal awards.

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Corrective Action Plan

Financial Statement Findings

Finding 2024-001 Preparation of Financial Statements and Footnotes

Significant Deficiency in Internal Control

Finding Summary:

Eide Bailly LLP prepared our draft financial statements and accompanying notes to the financial statements.

Responsible Individuals:

Debra Rumpza, Business Manager

Corrective Action Plan:

It is not cost effective to have an internal control system designed to provide for the preparation of the financial statements, accompanying notes, and schedule of expenditures of federal awards as part of their annual audit. We have designated a member of management to review the drafted financial statements and accompanying notes.

Anticipated Completion Date: Ongoing

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