

South Dakota Department of Education



Fiscal Year 2018 General Fund Cash Balance Report

School Finance and Accountability Board
Thursday, November 15, 2018
Capitol Building – Room 412
Pierre, SD 57501

General Fund Cash Balance Summary

The Division of Finance and Management, specifically the Office of State Aid and School Finance, within the Department of Education (DOE), have compiled General Fund Cash Balance and General Fund Expenditures from each school district's FY 2018 Annual Financial Report. Nine school districts exceeded the monthly cash balance allowance in SDCL 13-13-10.1. However, only four school districts will see a reduction in general state aid. The Deuel School District exceeded the allowable cash balance cap, but is exempt based on SDCL 13-13-73.5 because of the dissolution of the Grant-Deuel School District on July 1, 2017. Two additional school districts, Milbank and Waverly, are also exempt from excess cash balance caps due to the dissolution, but neither exceeded the allowable general fund cash balance cap. The allowable general fund cash balance exemption for Deuel, Milbank, and Waverly School Districts will end on July 1, 2020. Four other school districts exceeded the allowable general fund cash balance cap: Agar-Blunt-Onida, Elk Mountain, Hoven, and Lead-Deadwood; however, those four school districts do not receive general state, so the reduction will have no effect.

Each school district reports its monthly general fund cash balance to DOE. Once a school district has signed off on its annual financial report and its state aid fall enrollment (SAFE) count, DOE has sufficient information to perform the excess general fund cash balance calculation.

A summary of the excess cash balance calculation steps are below:

1. Lowest Monthly Cash Balance divided by Total General Fund Expenditures equals the Lowest Monthly Cash Balance as a % of General Fund Expenditures
2. Use current year SAFE or lowest SAFE from the last two years, whichever is lowest
 - a. The SAFE count is used to assign a school district to one of three maximum allowable general fund cash balance categories:
 - i. 40% for a school district with a fall enrollment of 200 or less
 - ii. 30% for a school district with fall enrollment more than 200 but less than 600
 - iii. 25% for a school district with fall enrollment greater than or equal to 600
3. If the allowable cash balance percentage is exceeded based on the districts applicable SAFE; the difference between the excess general fund cash balance and the maximum allowable cash balance is the amount subject to a potential dollar for dollar reduction in general state aid.

FY2018 Monthly Cash Balance (SDCL 13-13-73.6) - General Fund

as of 11/1/2018



District Name	District #	Lowest Monthly Balance	Total GF Expenditures	Lowest Balance as % of Expenditures	Lowest SAFE Count	Allowable %	Exceed Limits	NOTES	Excess Amount	FY19 Gen State Aid ESTIMATE as of 11/1/2018	Maximum Penalty
Arlington 38-1	38001	\$795,033	\$2,528,630	31.44%	256.00	30%	Yes		\$36,444	\$744,665	\$36,444
Haakon 27-1	27001	\$986,671	\$2,852,291	34.59%	302.00	30%	Yes		\$130,984	\$1,047,315	\$130,984
Highmore-Harrold 34-2	34002	\$1,001,278	\$2,579,022	38.82%	232.95	30%	Yes		\$227,572	\$83,165	\$83,165
Tripp-Delmont 33-5	33005	\$800,476	\$1,922,455	41.64%	130.00	40%	Yes		\$31,494	\$85,454	\$31,494
Agar-Blunt-Onida 58-3	58003	\$1,624,334	\$2,953,257	55.00%	251.00	30%	Yes	Does not Receive GSA	\$738,357	\$0	\$0
Elk Mountain 16-2	16002	\$220,042	\$283,985	77.48%	10.00	40%	Yes	Does not Receive GSA	\$106,448	\$0	\$0
Hoven 53-2	53002	\$879,863	\$1,724,349	51.03%	102.00	40%	Yes	Does not Receive GSA	\$190,123	\$0	\$0
Lead-Deadwood 40-1	40001	\$2,685,075	\$8,600,793	31.22%	725.63	25%	Yes	Does not Receive GSA	\$534,877	\$0	\$0
Deuel 19-4	19004	\$1,266,054	\$3,724,471	33.99%	482.00	30%	Yes	Reorganization Exemption	\$148,713	\$1,254,285	\$0
Aberdeen 06-1	6001	\$6,449,970	\$29,384,459	21.95%	4,469.94	25%	No		\$0		\$0
Alcester-Hudson 61-1	61001	\$788,127	\$2,956,864	26.65%	299.52	30%	No		\$0		\$0
Andes Central 11-1	11001	\$56,185	\$4,387,593	1.28%	316.00	30%	No		\$0		\$0
Armour 21-1	21001	\$750,592	\$1,891,185	39.69%	168.00	40%	No		\$0		\$0
Avon 04-1	4001	\$386,351	\$2,046,054	18.88%	232.00	30%	No		\$0		\$0
Baltic 49-1	49001	\$728,898	\$3,407,119	21.39%	479.00	30%	No		\$0		\$0
Belle Fourche 09-1	9001	\$1,235,382	\$9,169,339	13.47%	1,361.33	25%	No		\$0		\$0
Bennett County 03-1	3001	(\$92,439)	\$5,178,651	-1.79%	442.00	30%	No		\$0		\$0
Beresford 61-2	61002	\$638,613	\$4,682,757	13.64%	675.00	25%	No		\$0		\$0
Big Stone City 25-1	25001	\$310,232	\$1,246,473	24.89%	90.00	40%	No		\$0		\$0
Bison 52-1	52001	\$302,010	\$1,894,511	15.94%	146.00	40%	No		\$0		\$0
Bon Homme 04-2	4002	\$6,539	\$4,349,113	0.15%	510.00	30%	No		\$0		\$0
Bowdle 22-1	22001	\$148,230	\$1,504,548	9.85%	109.00	40%	No		\$0		\$0
Brandon Valley 49-2	49002	\$2,007,229	\$26,091,548	7.69%	3,932.20	25%	No		\$0		\$0
Bridgewater-Emery 30-3	30003	\$833,837	\$2,928,604	28.47%	322.10	30%	No		\$0		\$0
Britton-Hecla 45-4	45004	\$14,684	\$3,570,258	0.41%	409.24	30%	No		\$0		\$0
Brookings 05-1	5001	\$2,582,749	\$22,724,801	11.37%	3,341.87	25%	No		\$0		\$0
Burke 26-2	26002	\$278,009	\$2,255,593	12.33%	220.00	30%	No		\$0		\$0
Canistota 43-1	43001	\$306,138	\$2,222,347	13.78%	193.00	40%	No		\$0		\$0
Canton 41-1	41001	\$1,365,758	\$5,808,159	23.51%	872.88	25%	No		\$0		\$0
Castlewood 28-1	28001	\$545,592	\$2,320,684	23.51%	274.00	30%	No		\$0		\$0
Centerville 60-1	60001	\$383,371	\$2,117,134	18.11%	225.13	30%	No		\$0		\$0
Chamberlain 07-1	7001	(\$1,009,077)	\$7,899,146	-12.77%	872.28	25%	No		\$0		\$0
Chester Area 39-1	39001	\$1,023,173	\$3,872,306	26.42%	531.00	30%	No		\$0		\$0
Clark 12-2	12002	\$535,908	\$3,155,213	16.98%	351.00	30%	No		\$0		\$0
Colman-Egan 50-5	50005	\$307,849	\$1,981,415	15.54%	247.00	30%	No		\$0		\$0
Colome Consolidated 59-3	59003	\$252,970	\$2,143,912	11.80%	224.00	30%	No		\$0		\$0
Corsica-Stickney 21-3	21003	\$707,091	\$2,457,601	28.77%	246.00	30%	No		\$0		\$0
Custer 16-1	16001	\$429,978	\$7,104,321	6.05%	881.16	25%	No		\$0		\$0
Dakota Valley 61-8	61008	\$571,624	\$8,929,834	6.40%	1,294.78	25%	No		\$0		\$0
De Smet 38-2	38002	\$537,343	\$2,867,715	18.74%	285.00	30%	No		\$0		\$0
Dell Rapids 49-3	49003	\$935,801	\$6,201,939	15.09%	912.02	25%	No		\$0		\$0
Deubrook Area 05-6	5006	\$527,880	\$3,403,003	15.51%	344.00	30%	No		\$0		\$0

FY2018 Monthly Cash Balance (SDCL 13-13-73.6) - General Fund

as of 11/1/2018



District Name	District #	Lowest Monthly Balance	Total GF Expenditures	Lowest Balance as % of Expenditures	Lowest SAFE Count	Allowable %	Exceed Limits	NOTES	Excess Amount	FY19 Gen State Aid ESTIMATE as of 11/1/2018	Maximum Penalty
Doland 56-2	56002	\$500,517	\$1,790,944	27.95%	160.00	40%	No		\$0		\$0
Douglas 51-1	51001	(\$481,882)	\$20,729,513	-2.32%	2,788.00	25%	No		\$0		\$0
Dupree 64-2	64002	(\$571,283)	\$4,788,357	-11.93%	362.00	30%	No		\$0		\$0
Eagle Butte 20-1	20001	(\$300,205)	\$5,721,872	-5.25%	331.02	30%	No		\$0		\$0
Edgemont 23-1	23001	\$327,160	\$1,851,924	17.67%	142.14	40%	No		\$0		\$0
Edmunds Central 22-5	22005	\$535,983	\$1,734,827	30.90%	128.00	40%	No		\$0		\$0
Elk Point-Jefferson 61-7	61007	\$464,134	\$4,630,415	10.02%	655.00	25%	No		\$0		\$0
Elkton 05-3	5003	(\$19,046)	\$2,959,274	-0.64%	298.00	30%	No		\$0		\$0
Estelline 28-2	28002	(\$23,207)	\$2,614,866	-0.89%	261.00	30%	No		\$0		\$0
Ethan 17-1	17001	\$537,000	\$1,887,951	28.44%	248.00	30%	No		\$0		\$0
Eureka 44-1	44001	\$286,165	\$2,093,261	13.67%	151.00	40%	No		\$0		\$0
Faith 46-2	46002	\$602,342	\$1,587,384	37.95%	164.00	40%	No		\$0		\$0
Faulkton Area 24-4	24004	\$774,613	\$2,871,558	26.98%	306.00	30%	No		\$0		\$0
Flandreau 50-3	50003	\$667,978	\$4,859,664	13.75%	683.70	25%	No		\$0		\$0
Florence 14-1	14001	\$469,592	\$2,051,199	22.89%	247.00	30%	No		\$0		\$0
Frederick Area 06-2	6002	\$453,375	\$1,897,017	23.90%	160.60	40%	No		\$0		\$0
Freeman 33-1	33001	\$46,526	\$2,890,997	1.61%	303.02	30%	No		\$0		\$0
Garretson 49-4	49004	\$418,100	\$3,472,565	12.04%	463.00	30%	No		\$0		\$0
Gayville-Volin 63-1	63001	\$672,496	\$2,274,771	29.56%	279.00	30%	No		\$0		\$0
Gettysburg 53-1	53001	\$521,425	\$2,140,001	24.37%	239.04	30%	No		\$0		\$0
Gregory 26-4	26004	\$768,712	\$3,017,906	25.47%	361.00	30%	No		\$0		\$0
Groton Area 06-6	6006	\$567,164	\$4,983,835	11.38%	568.00	30%	No		\$0		\$0
Hamlin 28-3	28003	\$1,198,899	\$5,213,602	23.00%	749.00	25%	No		\$0		\$0
Hanson 30-1	30001	\$789,928	\$3,129,426	25.24%	402.00	30%	No		\$0		\$0
Harding County 31-1	31001	\$59,681	\$2,867,923	2.08%	195.25	40%	No		\$0		\$0
Harrisburg 41-2	41002	\$4,779,530	\$30,941,883	15.45%	4,144.52	25%	No		\$0		\$0
Henry 14-2	14002	\$55,068	\$1,722,474	3.20%	165.00	40%	No		\$0		\$0
Herreid 10-1	10001	\$308,224	\$1,256,209	24.54%	109.00	40%	No		\$0		\$0
Hill City 51-2	51002	(\$870,414)	\$4,667,555	-18.65%	453.40	30%	No		\$0		\$0
Hitchcock-Tulare 56-6	56006	\$259,954	\$2,270,467	11.45%	230.38	30%	No		\$0		\$0
Hot Springs 23-2	23002	(\$327,720)	\$5,553,489	-5.90%	761.24	25%	No		\$0		\$0
Howard 48-3	48003	\$37,584	\$3,265,477	1.15%	363.10	30%	No		\$0		\$0
Huron 02-2	2002	\$2,469,176	\$19,249,622	12.83%	2,544.14	25%	No		\$0		\$0
Ipswich Public 22-6	22006	\$408,330	\$3,480,911	11.73%	403.00	30%	No		\$0		\$0
Irene-Wakonda 13-3	13003	\$647,968	\$2,583,015	25.09%	283.72	30%	No		\$0		\$0
Iroquois 02-3	2003	\$691,521	\$2,538,300	27.24%	219.00	30%	No		\$0		\$0
Jones County 37-3	37003	\$452,683	\$1,768,139	25.60%	179.00	40%	No		\$0		\$0
Kadoka Area 35-2	35002	\$327,176	\$3,830,056	8.54%	322.00	30%	No		\$0		\$0
Kimball 07-2	7002	\$438,041	\$2,525,054	17.35%	296.00	30%	No		\$0		\$0
Lake Preston 38-3	38003	\$258,941	\$1,971,988	13.13%	148.00	40%	No		\$0		\$0
Langford Area 45-5	45005	\$427,392	\$1,856,809	23.02%	203.00	30%	No		\$0		\$0
Lemmon 52-4	52004	\$29,840	\$2,670,557	1.12%	238.82	30%	No		\$0		\$0

FY2018 Monthly Cash Balance (SDCL 13-13-73.6) - General Fund

as of 11/1/2018



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Lennox 41-4	41004	\$1,062,387	\$6,850,526	15.51%	1,055.51	25%	No		\$0		\$0
Leola 44-2	44002	(\$303,520)	\$2,456,463	-12.36%	185.00	40%	No		\$0		\$0
Lyman 42-1	42001	\$629,969	\$4,217,279	14.94%	366.00	30%	No		\$0		\$0
Madison Central 39-2	39002	\$1,791,952	\$7,755,364	23.11%	1,162.77	25%	No		\$0		\$0
Marion 60-3	60003	\$402,062	\$1,988,009	20.22%	167.00	40%	No		\$0		\$0
McCook Central 43-7	43007	\$606,320	\$3,301,926	18.36%	377.91	30%	No		\$0		\$0
McIntosh 15-1	15001	\$23,037	\$3,241,791	0.71%	161.00	40%	No		\$0		\$0
McLaughlin 15-2	15002	\$49,657	\$6,190,578	0.80%	441.36	30%	No		\$0		\$0
Meade 46-1	46001	\$4,235,152	\$18,470,887	22.93%	2,825.25	25%	No		\$0		\$0
Menno 33-2	33002	\$490,427	\$3,364,177	14.58%	277.00	30%	No		\$0		\$0
Milbank 25-4	25004	\$1,632,711	\$6,778,679	24.09%	932.30	25%	No	Reorganization Exemption	\$0		\$0
Miller 29-4	29004	\$477,376	\$3,737,739	12.77%	453.04	30%	No		\$0		\$0
Mitchell 17-2	17002	\$3,767,800	\$19,050,516	19.78%	2,783.90	25%	No		\$0		\$0
Mobridge-Pollock 62-6	62006	\$1,062,680	\$4,890,263	21.73%	618.42	25%	No		\$0		\$0
Montrose 43-2	43002	\$570,459	\$2,111,504	27.02%	239.00	30%	No		\$0		\$0
Mount Vernon 17-3	17003	\$656,784	\$1,997,317	32.88%	200.00	40%	No		\$0		\$0
New Underwood 51-3	51003	\$371,258	\$1,916,811	19.37%	237.00	30%	No		\$0		\$0
Newell 09-2	9002	\$529,730	\$3,329,579	15.91%	285.00	30%	No		\$0		\$0
Northwestern Area 56-7	56007	\$403,831	\$2,142,434	18.85%	227.00	30%	No		\$0		\$0
Oelrichs 23-3	23003	(\$830,497)	\$2,239,044	-37.09%	134.00	40%	No		\$0		\$0
Oglala Lakota 65-1	65001	(\$6,021,734)	\$20,546,908	-29.31%	1,339.16	25%	No		\$0		\$0
Oldham-Ramona 39-5	39005	\$578,929	\$1,542,708	37.53%	153.00	40%	No		\$0		\$0
Parker 60-4	60004	\$926,662	\$3,100,647	29.89%	419.00	30%	No		\$0		\$0
Parkston 33-3	33003	\$616,258	\$4,225,490	14.58%	516.69	30%	No		\$0		\$0
Pierre 32-2	32002	\$3,598,832	\$17,711,957	20.32%	2,669.00	25%	No		\$0		\$0
Plankinton 01-1	1001	\$631,031	\$2,944,943	21.43%	299.00	30%	No		\$0		\$0
Platte-Geddes 11-5	11005	\$909,170	\$3,878,255	23.44%	500.08	30%	No		\$0		\$0
Rapid City Area 51-4	51004	\$6,026,005	\$91,871,921	6.56%	13,628.25	25%	No		\$0		\$0
Redfield 56-4	56004	\$964,953	\$4,375,111	22.06%	591.65	30%	No		\$0		\$0
Rosholt 54-4	54004	\$326,847	\$2,340,362	13.97%	229.00	30%	No		\$0		\$0
Rutland 39-4	39004	(\$74,105)	\$1,643,051	-4.51%	163.00	40%	No		\$0		\$0
Sanborn Central 55-5	55005	\$221,309	\$2,023,551	10.94%	180.00	40%	No		\$0		\$0
Scotland 04-3	4003	\$793,763	\$2,684,738	29.57%	253.00	30%	No		\$0		\$0
Selby Area 62-5	62005	\$710,174	\$2,027,635	35.02%	183.00	40%	No		\$0		\$0
Sioux Falls 49-5	49005	\$11,057,221	\$174,662,983	6.33%	23,744.41	25%	No		\$0		\$0
Sioux Valley 05-5	5005	\$671,942	\$5,012,749	13.40%	659.05	25%	No		\$0		\$0
Sisseton 54-2	54002	(\$211,127)	\$8,473,814	-2.49%	885.00	25%	No		\$0		\$0
Smee 15-3	15003	(\$915,829)	\$3,314,781	-27.63%	173.00	40%	No		\$0		\$0
South Central 26-5	26005	(\$280,188)	\$2,038,107	-13.75%	86.00	40%	No		\$0		\$0
Spearfish 40-2	40002	\$3,314,735	\$14,783,601	22.42%	2,327.85	25%	No		\$0		\$0
Stanley County 57-1	57001	\$143,097	\$3,853,438	3.71%	435.86	30%	No		\$0		\$0
Summit 54-6	54006	\$172,709	\$1,675,632	10.31%	143.00	40%	No		\$0		\$0

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Tea Area 41-5	41005	\$1,027,525	\$10,729,592	9.58%	1,709.51	25%	No		\$0		\$0
Timber Lake 20-3	20003	\$182,597	\$4,160,598	4.39%	335.00	30%	No		\$0		\$0
Todd County 66-1	66001	(\$362,061)	\$21,914,918	-1.65%	2,042.31	25%	No		\$0		\$0
Tri-Valley 49-6	49006	\$1,493,601	\$6,757,227	22.10%	908.00	25%	No		\$0		\$0
Vermillion 13-1	13001	\$1,824,456	\$9,128,123	19.99%	1,202.34	25%	No		\$0		\$0
Viborg-Hurley 60-6	60006	\$762,474	\$2,694,178	28.30%	344.00	30%	No		\$0		\$0
Wagner Community 11-4	11004	(\$649,684)	\$8,867,512	-7.33%	839.00	25%	No		\$0		\$0
Wall 51-5	51005	(\$21,257)	\$2,638,946	-0.81%	245.00	30%	No		\$0		\$0
Warner 06-5	6005	\$319,319	\$2,306,160	13.85%	310.00	30%	No		\$0		\$0
Watertown 14-4	14004	\$3,836,355	\$25,814,107	14.86%	3,927.97	25%	No		\$0		\$0
Waubay 18-3	18003	\$315,589	\$1,838,346	17.17%	169.00	40%	No		\$0		\$0
Waverly 14-5	14005	\$424,337	\$2,354,803	18.02%	235.00	30%	No	Reorganization Exemption	\$0		\$0
Webster Area 18-5	18005	\$1,015,971	\$4,165,550	24.39%	537.00	30%	No		\$0		\$0
Wessington Springs 36-2	36002	\$778,242	\$2,824,940	27.55%	312.18	30%	No		\$0		\$0
West Central 49-7	49007	\$571,114	\$9,409,475	6.07%	1,364.20	25%	No		\$0		\$0
White Lake 01-3	1003	\$503,077	\$1,318,338	38.16%	110.00	40%	No		\$0		\$0
White River 47-1	47001	(\$419,915)	\$4,638,153	-9.05%	404.00	30%	No		\$0		\$0
Willow Lake 12-3	12003	\$665,395	\$2,388,874	27.85%	222.00	30%	No		\$0		\$0
Wilmot 54-7	54007	\$166,184	\$1,876,859	8.85%	200.00	40%	No		\$0		\$0
Winner 59-2	59002	\$494,133	\$5,622,304	8.79%	708.00	25%	No		\$0		\$0
Wolsey-Wessington 02-6	2006	\$569,115	\$2,970,862	19.16%	346.00	30%	No		\$0		\$0
Woonsocket 55-4	55004	\$518,195	\$2,235,899	23.18%	218.00	30%	No		\$0		\$0
Yankton 63-3	63003	\$4,176,744	\$18,399,670	22.70%	2,717.19	25%	No		\$0		\$0

An abbreviated version of the statutes governing allowable general fund cash balance are at the end of this document.

South Dakota Codified Laws – Monthly Cash Balance Allowances

13-13-10.1. Definitions. The education funding terms and procedures referenced in this chapter are defined as follows:

(2A) "Fall enrollment," is calculated as follows:

- (a) Determine the number of kindergarten through twelfth grade students enrolled in all schools operated by the school district on the last Friday of September of the current school year;
- (b) Subtract the number of students for whom the district receives tuition except for:
 - (i) Nonresident students who are in the care and custody of a state agency and are attending a public school district;
 - (ii) Students who are being provided an education pursuant to § 13-28-11; and
 - (iii) Students for whom tuition is being paid pursuant to § 13-28-42.1; and
- (c) Add the number of students for whom the district pays tuition.

When computing state aid to education for a school district pursuant to § 13-13-73, the secretary of the Department of Education shall use the school district's fall enrollment;

(8) "Monthly cash balance," the total amount of money for each month in the school district's general fund, calculated by adding all deposits made during the month to the beginning cash balance and deducting all disbursements or payments made during the month;

(9) "General fund base percentage," is determined as follows:

- (a) Forty percent for a school district with a fall enrollment as defined in subdivision (2A) of two hundred or less;
- (b) Thirty percent for a school district with fall enrollment as defined in subdivision (2A) of more than two hundred but less than six hundred; and
- (c) Twenty-five percent for a school district with fall enrollment as defined in subdivision (2A) greater than or equal to six hundred.

When determining the general fund base percentage, the secretary of the Department of Education shall use the lesser of the school district's fall enrollment as defined in subdivision (2A) for the current school year or the school district's fall enrollment from the previous two years;

(10) "Allowable general fund cash balance," the general fund base percentage multiplied by the district's general fund expenditures in the previous school year.

13-13-73.5. Reduction of state aid by subtracting allowable general fund cash balance from lowest general fund monthly cash balance.

Beginning on July 1, 2018, a school district's state aid for general education as calculated pursuant to § 13-13-73 shall be reduced by subtracting the allowable general fund cash balance from the lowest general fund monthly cash balance. If the result is less than zero, the reduction equals zero.

A school district created or reorganized after July 1, 2016, is exempt from the reduction provided by this section for a period of three years immediately following its creation.