

DOUGLAS COUNTY SCHOOL DISTRICT

***FINANCIAL STATEMENTS &
SUPPLEMENTARY INFORMATION***

**Fiscal Year Ended
June 30, 2021**



**SILVA, SCEIRINE
& ASSOCIATES, LLC**
CERTIFIED PUBLIC ACCOUNTANTS

DOUGLAS COUNTY SCHOOL DISTRICT

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of the
Douglas County School District
Minden, Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Douglas County School District, Minden, Nevada (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Douglas County School District as of June 30, 2021, and the respective changes in its financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund, Special Education Fund, and Grants Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter – Correction of an Error

As discussed in Note 13 to these financial statements, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. This resulted in a restatement of the beginning governmental activities net position and the beginning aggregate remaining fund information fund balance totaling \$1,033,706. Our opinions are not modified with respect to this matter.

Other Matters

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 17, and the schedules related to the District's net pension liability and net other postemployment benefit liability on pages 70 through 73 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 combining and individual nonmajor fund financial statements and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.



Prior Year Partial Comparative Information

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the District as of and for the year ended June 30, 2020 and have issued our report thereon dated November 13, 2020, which expressed an unmodified opinion on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The summarized comparative information presented in the basic financial statements as of and for the year ended June 30, 2020, is consistent with the audited financial statements from which it has been derived.

The nonmajor combining and individual fund financial statements and schedules related to the 2020 financial statements are presented for purposes of additional analysis and were derived from and relate directly to the underlying accounting and other records used to prepare the 2020 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2020 basic financial statements and certain other additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. The individual fund financial statements and schedules are consistent in relation to the basic financial statements from which they have been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Silva Scerifone & Assoc, LLC

Reno, Nevada
November 30, 2021



DOUGLAS COUNTY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2021

Management's Discussion and Analysis of Douglas County School District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2021. We encourage readers to read the information presented here in conjunction with the District's financial statements, which follow this narrative.

Financial Highlights

- The District's net position (deficit) changed by \$7,475,375 in FY21, which followed a net decrease of \$(1,940,656) in FY20.
- The District's governmental funds increased by \$3,194,388 in FY21, compared to a decrease of \$(1,576,886) in FY20.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Douglas County School District's basic financial statements. The District's basic financial statements consist of three components: 1) District-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements. The basic financial statements present two different views of the District through the use of district-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the District.

The first two statements in the basic financial statements are the **District-wide** (sometimes referred to as Government-wide) **Financial Statements**. They provide both short and long-term information about the District's financial status.

The next statements are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the District. These statements provide more detail than the District-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the proprietary fund statements; and 3) the fiduciary fund statements.

The next section of the basic financial statements is the **Notes**. The notes to the financial statements explain in detail some of the data contained in those statements.

Supplementary information, including combining and individual fund statements and schedules, providing budget to actual and prior year comparisons, are presented in this part of the statements. Also included in this section is *Required Supplementary Information*, which presents in tabular format certain data related to the District's pension and other postemployment benefit (OPEB) liabilities.

DOUGLAS COUNTY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2021

District-wide Financial Statements

The District-wide financial statements are designed to provide the reader with a broad overview of the Douglas County School District's finances, similar in format to a financial statement of a private-sector business.

The *Statement of Net Position* presents information on all the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities* presents information showing how the District's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

In many government entities, the District-wide financial statements distinguish functions that are supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges by reporting them as business-type activities. The District has no functions in the business-type category, which results in the entire statement representing governmental activities. The District-wide financial statements are on pages 18 and 19 of this report.

Fund Financial Statements

The fund financial statements provide a more detailed look at the District's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Douglas County School District uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the Nevada Revised Statutes (NRS) and the District's regulations. The District's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the District-wide financial statements. These funds focus on how assets can readily be converted into cash, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the District's programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in reconciliations that are a part of the fund financial statements.

DOUGLAS COUNTY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2021

The focus of the governmental fund statements is on major funds. The determination of a major fund is primarily dependent on criteria established by the Governmental Accounting Standards Board (GASB). Each fund is assessed on an annual basis and its classification as major or nonmajor can change. The District has ten individual governmental funds. For the year ended June 30, 2021, the following are considered major funds:

- General Fund
- Special Education Fund
- Grants Fund
- Debt Service Fund
- Capital Projects Fund
- Building and Sites Fund

These funds are disclosed separately in the governmental funds Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances. The two remaining nonmajor governmental funds are combined into a single aggregated presentation in these statements. Individual fund data for these nonmajor funds is reported in the Combining and Individual Fund Statements and Schedules section of this report.

Proprietary Funds – Proprietary funds are comprised of enterprise funds and internal service funds. As previously discussed, the District has no business-type activities to be accounted for in enterprise funds.

Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the functions of the District. The District uses two internal service funds to account for its self-insurance of employees' health care and workers' compensation. Because internal service fund operations primarily benefit governmental funds, they are included in the governmental activities in the District-wide financial statements.

Fiduciary Funds - *Fiduciary Funds* account for resources held by the District in a trustee or agency capacity for the benefit of others; as such, fiduciary funds are not included in the District-wide statements. Prior to July 1, 2020, the District had one fiduciary fund – its agency fund, which was used to report the aggregate balances of student activity funds. In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, the District has appropriately reclassified its student activity funds to a special revenue fund, effective July 1, 2020. That transaction has been reported as a prior period adjustment and is discussed in Note 13 to the financial statements.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the financial statements are on pages 41 – 68 of this report.

DOUGLAS COUNTY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2021

DISTRICT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The largest component of the District's net position reflects the District's investment in capital assets (e.g. land, buildings, and equipment), less any related debt still outstanding that was issued to acquire those items. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

The negative net position can be attributed to GASB 68 and GASB 75 and the recording of a net pension and other postemployment benefits liability (net of the related deferred inflows and outflows) totaling \$93.8 million at year end.

The table below presents a comparison of the District's net position (deficit) as of June 30, 2021 compared to the prior year.

DISTRICT'S NET POSITION				
	<u>2021</u>	<u>2020</u>	<u>Change</u>	
	<i>(In Millions)</i>			
Assets				
Current assets	\$ 33.1	\$ 28.7	\$ 4.4	15.3%
Net capital assets	82.1	82.8	(0.7)	-0.8%
Total Assets	<u>115.2</u>	<u>111.5</u>	<u>3.7</u>	3.3%
Deferred Outflows of Resources	<u>10.4</u>	<u>12.4</u>	<u>(2.0)</u>	-16.1%
Liabilities				
Current liabilities	12.4	9.8	2.6	26.5%
Long-term liabilities	123.9	129.1	(5.2)	-4.0%
Total Liabilities	<u>136.3</u>	<u>138.9</u>	<u>(2.6)</u>	-1.9%
Deferred Inflows of Resources	<u>12.0</u>	<u>15.1</u>	<u>(3.1)</u>	-20.5%
Net Position (Deficit)				
Net Investment in Capital Assets	48.4	46.7	1.7	3.6%
Restricted	14.2	13.7	0.5	3.6%
Unrestricted	<u>(85.3)</u>	<u>(90.5)</u>	<u>5.2</u>	5.7%
Total Net Position (Deficit)	<u>\$ (22.7)</u>	<u>\$ (30.1)</u>	<u>\$ 7.4</u>	24.6%

DOUGLAS COUNTY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2021

A case could be made that the largest impact on the District's financial statement in 2021 had no impact on the District's financial condition; GASB 75 and GASB 68 (as amended by GASB 82) require the District to recognize a net pension and OPEB liability (net of related deferred outflows/inflows) of \$97.0 million. As discussed below, users of this financial statement may gain a clearer understanding of the District's actual financial condition by adding this amount to the reported net position.

GASB statements are national and apply to all governmental financial reports which are prepared in accordance with generally accepted accounting principles. Under the standards required by GASB 68 and GASB 75, the pension and OPEB liability equals the District's proportionate share of each plan's collective present value of estimated future pension and OPEB benefits attributable to active and inactive employees' past service, less plan assets available to pay benefits.

GASB noted that the unfunded portion of the pension and OPEB benefit promise is a present obligation of the government – part of a bargained-for-benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the District is not responsible for certain key factors affecting the balance of this liability. In Nevada, the employee shares the obligation of funding pension benefits with the employer. Contribution rates are established by State statute and are determined by the State legislature, based upon an actuarial valuation. Nevada's Public Employees' Retirement Act requires an adjustment in the statutory contribution rates on July 1 of each odd-numbered year, based on the actuarially determined rates indicated in the actuarial valuation report for the immediately preceding year. There is no legal means to enforce the unfunded liability of the pension and OPEB systems against the public employer.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences, are satisfied through paid time-off or termination payments. There is no repayment schedule for the pension and OPEB liabilities. Changes in pension and OPEB assumptions, contribution rates, and return on investments affect the balance of the pension and OPEB liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with the required pension and OPEB payments, State statute does not assign or identify the responsible party for the unfunded portion. In accordance with GASB 68 and GASB 75, the District's statements prepared on an accrual basis of accounting include an annual pension and OPEB expense for its proportionate share of each plan's change in net pension liability and OPEB liability not accounted for as deferred inflows or outflows.

In order to further understand what makes up the changes in net position for the current year, the table on the following page provides details of the District's activities for the current year and the immediately preceding year:

DOUGLAS COUNTY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2021

DISTRICT'S CHANGES IN NET POSITION				
	Governmental Activities		Change	
	2021	2020		
Revenues	<i>(In Millions)</i>			
Program revenues:				
Charges for services	\$ 0.5	\$ 0.7	\$ (0.2)	-28.6%
Operating grants and contributions	14.0	11.3	2.7	23.9%
Capital grants and contributions	0.1	0.4	(0.3)	-75.0%
General revenues:				
Property taxes	27.3	25.9	1.4	5.4%
Local school support taxes	18.1	14.8	3.3	22.3%
Government service taxes	5.7	5.0	0.7	14.0%
State aid, unrestricted	7.9	11.7	(3.8)	-32.5%
Other revenues	1.1	0.8	0.3	37.5%
Total Revenues	<u>74.7</u>	<u>70.6</u>	<u>4.1</u>	<u>5.8%</u>
Expenses				
Instruction	38.8	41.3	(2.5)	-6.1%
Support services	22.4	23.4	(1.0)	-4.3%
Food service	1.5	1.7	(0.2)	-11.8%
Facilities acq/constr/imprvmt	4.5	5.1	(0.6)	-11.8%
Interest on long-term debt	1.1	1.0	0.1	10.0%
Total Expenses	<u>68.3</u>	<u>72.5</u>	<u>(4.2)</u>	<u>-5.8%</u>
Change in Net Position (Deficit)				
before Prior-Period Adjustment	<u>\$ 6.4</u>	<u>\$ (1.9)</u>	<u>\$ 8.3</u>	<u>436.8%</u>

Governmental Activities:

- ◇ The largest and main revenue sources for the District are Local School Support Taxes (LSST), property taxes (ad valorem), and unrestricted state aid. Together, these revenue sources comprise 71% of total revenues and are reported as General Revenues on the Statement of Activities on page 19 of this report.
- ◇ Ad valorem taxes increased approximately 5.3% from the prior year due to an increase in tax collections and higher assessed valuations.
- ◇ LSST increased significantly - an approximate 22.4% from the prior year, due in large part to relief from the global pandemic.

DOUGLAS COUNTY SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2021

FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS

Douglas County School District uses fund accounting and budgetary integration to ensure and demonstrate compliance with finance-related legal requirements.

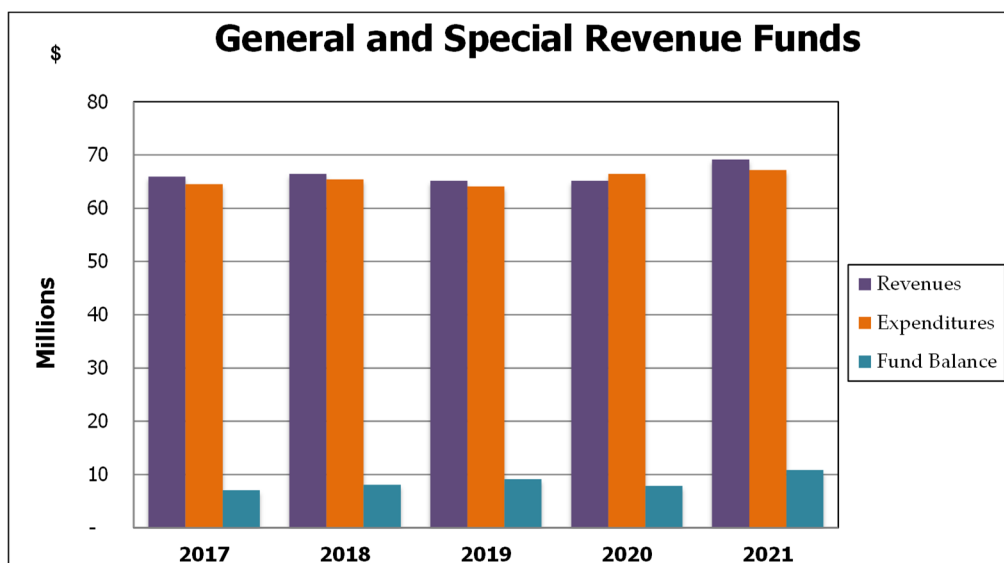
The focus of the District’s governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the District’s current funding requirements. Specifically, unassigned fund balance can be a useful measure of a government’s net resources available for spending at the end of the fiscal year.

As of June 30, 2021, the District’s governmental funds reported a combined fund balance of \$20.4 million, an increase of \$3.2 million or 18.5% from 2020.

Of the total fund balance as of June 30, 2021 of \$20.4 million, approximately \$14.5 million is nonspendable, restricted or assigned fund balance. The remaining \$5.9 million, or 29%, constitutes unassigned fund balance, which is available for spending at the District’s discretion within the parameters of the respective fund as established by the legally-adopted budget.

General and Special Revenue Funds

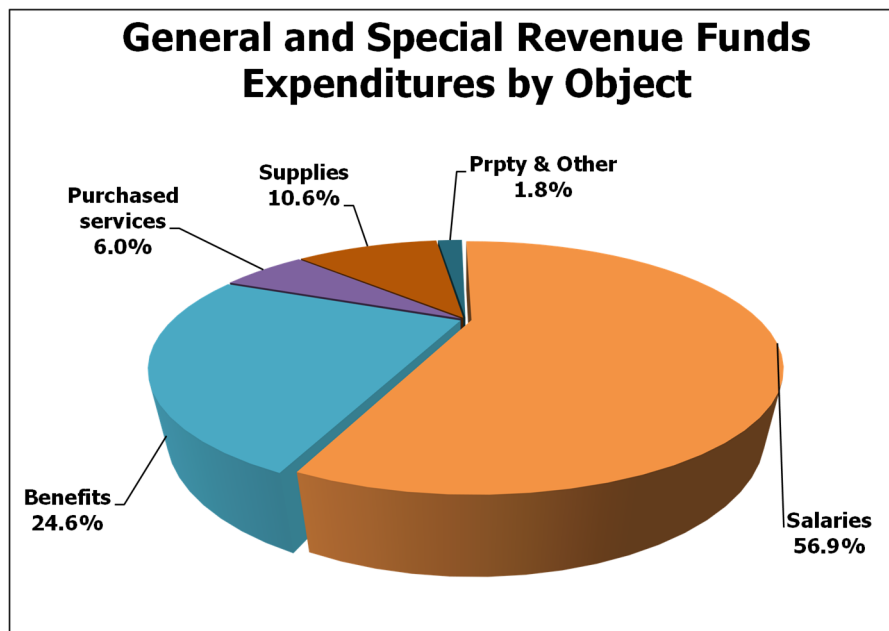
The General Fund and the special revenue funds (Special Education; CSR; Federal / State/ Local Grants; and Food Service funds) are often referred to as the District’s “operating funds.” The following chart compares the revenues to expenditures and fund balance for these funds for the last five years:



DOUGLAS COUNTY SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2021

Education is labor intensive, which is evident from the following chart. This chart displays the expenditures (by object) for the District’s General Fund and special revenue funds:



Debt Service Fund

The June 30, 2021 fund balance of the Debt Service Fund is \$3.2 million, which together with the 2021-22 budgeted revenues of \$3.5 million exceeds the 2021-22 anticipated debt service requirements of \$3.1 million on the District’s general obligation debt.

Capital Projects Funds

The District has two capital projects funds – the Building and Sites Fund and the Capital Projects Fund. These funds had a combined ending fund balance as of June 30, 2021 of \$6.3 million, which is restricted by NRS 387.328 to be used for major capital acquisitions and improvements.

Internal Service Funds

The District has two internal service funds – the Self-Insurance Health Fund and the Workers’ Compensation Self-Insurance Fund. As of June 30, 2021, these funds had a combined net position of \$3.0 million, which represents approximately 35% of the funds’ 2021-22 budgeted expenses of \$8.6 million.

DOUGLAS COUNTY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2021

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's capital assets as of June 30, 2021 and 2020 are as follows.

Capital Assets (Net of Depreciation)		
	<u>2021</u>	<u>2020</u>
	<i>(In Millions)</i>	
Land	\$ 1.3	\$ 1.3
Construction in progress	0.9	0.8
Buildings and improvements	74.6	75.9
Equipment and vehicles	<u>5.3</u>	<u>4.8</u>
	<u>\$ 82.1</u>	<u>\$ 82.8</u>

Debt Administration

The District's debt general obligation debt was comprised of the following as of June 30, 2021 and 2020:

Outstanding GO Bonds / Installment Note		
	<u>2021</u>	<u>2020</u>
	<i>(In Millions)</i>	
GO bonds, net of premiums and discounts	\$ 32.8	\$ 34.7
Installment note	<u>1.3</u>	<u>1.8</u>
	<u>\$ 34.1</u>	<u>\$ 36.5</u>

The last bond rating was completed January 2015. The District maintained an AA- rating with a stable outlook from Standard and Poor's (S&P).

Principal and interest payments on the General Obligation Bonds and the note payable for the 2021-22 fiscal year are scheduled to total \$3.0 million, less the expected interest subsidy of \$113 thousand on the Build America bonds for a net cash outlay requirement of \$2.9 million. Additional detail on the District's debt can be found on pages 55 – 56 of the financial statements.

The District is limited by state statutes as to the amount of general obligation debt it can have outstanding. The limit is equal to 15% of the District's total assessed property valuation. Based on the District's most current assessed value, the District's statutory general obligation debt limit is \$544 million and its general obligation debt did not exceed this statutory limit; however, other factors also limit the amount of the debt the District can issue.

DOUGLAS COUNTY SCHOOL DISTRICT

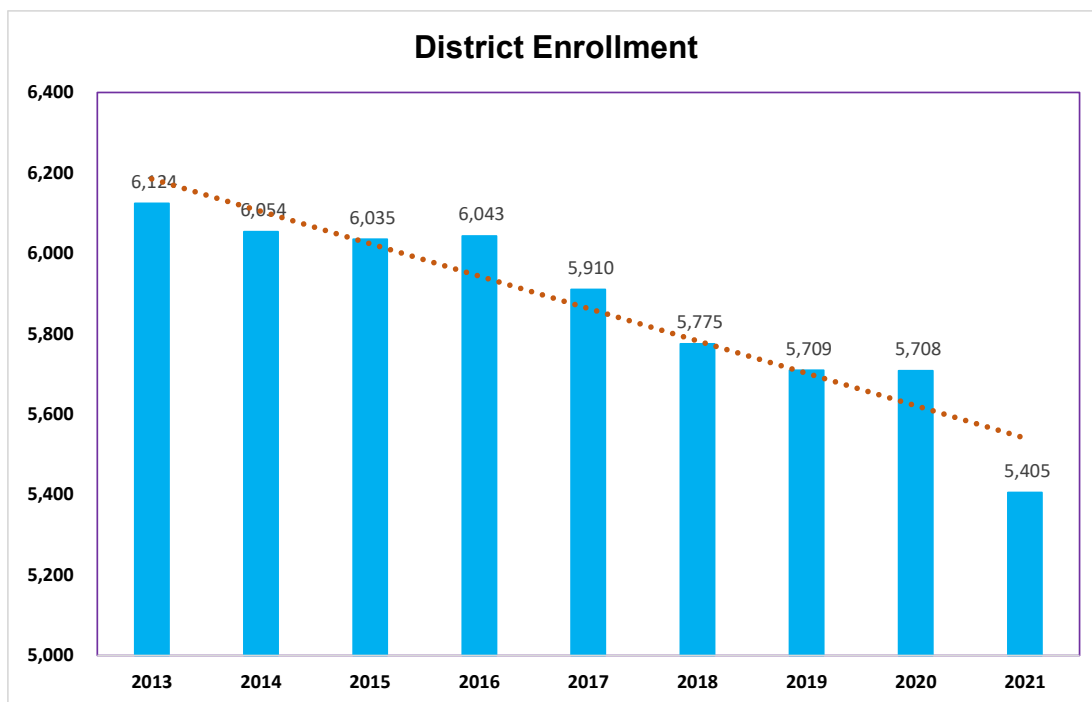
MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2021

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Enrollment and Funding

Nevada's school districts are budgeted and funded in large part based on student enrollment, as determined by a quarterly calculation of average daily enrollment (ADE). State statutes require all school districts to amend their General Fund budgets on or before January 1 of each school year, after the ADE is reported for the preceding quarter. Throughout the year, the District also amends their budget for other known adjustments, such as opening fund balance amounts based on prior year audited numbers and approved grant funds.

Provided below is a chart which depicts a trend of declining student enrollment. The District's unaudited enrollment for the current 2020-21 school year showed a large decrease from the prior year, moving from 5,708 students down to 5,405, and has declined 11.7%, or 719 students from the 2012-13 school year.



Nevada's school districts are highly dependent on the economic condition of the State. Nevada's formula for school district funding guarantees the majority of operating revenue by making up any shortfall in ad valorem or LSST collections. For the 2020-21 school year, the District (as did all Nevada's school districts) received full funding in accordance with the State budget.

A large percentage of revenues received by the District is provided through the State Distributive School Account (DSA) monies or basic support guarantee for school districts. As mentioned earlier, these revenues are based on an average daily enrollment (ADE). Total funding is trued up at year-end with the total ADE.

DOUGLAS COUNTY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2021

The formula weights pre-kindergarten (pre-k) at 0.6, while kindergarten through twelfth grades are given a weight of 1.0. Due to the significance of the revenue and basis of funding, there are several concerns regarding the future of DSA funding for the District.

The first concern is the already noted trend of declining weighted enrollment, and therefore a corresponding reduction of DSA revenues. The District saw significant enrollment growth, particular in the Valley-based school sites through school year 1999. However, since 1999, enrollment has fluctuated – some years increasing, but generally most years reflecting decreasing enrollment. With the methodology for enrollment changing to an average daily attendance (ADE), state funding can fluctuate either up or down depending on current enrollment. Decreasing enrollment has been a significant concern due to the high cost of real estate in Douglas County. It has also been an area that many retirees have moved into without generating any students for the District. This has a substantial impact on the State funding, and with the methodology for enrollment changing to an average daily attendance (ADE), state funding has continued to decrease due to declining enrollment.

A Task Force recommendation resulted in a change to the financial support of school districts by implementing a funding formula that takes into account the needs of special populations such as pupils from low-income families, pupils with disabilities and/or limited proficiency in the English language. The DSA funding is trued up at the end of the year with those modifications included.

In 2020-21 special education enrollment was 720, which was 13.3% of total enrollment. This allowed for full funding in special education. Special Education funding increased by \$134,072. The District is projecting 13.7% special education enrollment in 2021-22, so will continue to receive full funding for each student. Due to decreasing enrollment in special education, reductions were made in staffing needs, which decreased total expenditures. Total expenditures did not meet MOE from the prior year, and a letter was submitted to the State requesting a variance. Due to the increase in funding, reduction in enrollment and decrease in expenditures, the transfer from the General Fund was reduced.

Local Sources -The General Fund's local operating revenue sources are comprised largely of a county-wide seventy-five cent ad valorem (property tax) and the LSST (sales and use tax) equal to 2.60% of taxable sales. The General Fund received \$24.0 million from property tax and \$18.1 million from sales tax for the year ended June 30, 2021. The General Fund has budgeted \$24.7 million in property tax revenue and \$18.3 million in sales tax revenue for fiscal year 2022. Other local operating sources to the General Fund include governmental services taxes, tuition receipts, earnings on investments, and utility franchise fees.

The approval of SB543 that will go into effect in 2021-2022 changes the revenue projections to a Pupil Centered Funding Plan (PCFP). All local revenue is distributed from each county to the State Education Fund. All revenue collected from the counties is combined in a fund and redistributed to each school district based on the State calculated per student amount generated from total revenue from each county. The State committed to distributing to each school district the amount that was received in 2019-2020, including any

DOUGLAS COUNTY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2021

State grant funding that was provided in that year. If we are held harmless, this could affect total revenue received in subsequent years.

Due to the inception of the PCFP in 2021-2022, the budget will be revised in December to accommodate the funding designated by the State, and will show local taxes as State revenue distributed to each school district on a per pupil basis.

State Sources of Funding - State revenue sources consist of payments from the State distributive school account (the "DSA") received pursuant to the Nevada Plan for School Finance (the "School Finance Plan"). The revenue for the DSA is received from the following five sources: (a) State General Fund Appropriation; (b) a portion of the annual excise tax of \$250 for each slot machine operated in the State; (c) sales tax currently at a rate of 2.60% on out-of-state sales that cannot be attributed to a particular county; (d) revenue from mineral leases on federal land; and (e) interest earned on the Permanent School Fund established by the State Constitution.

Each school district's share of State aid is set by the State legislature for the biennium in accordance with a formula set forth in the School Finance Plan. The School Finance Plan was adopted by the Nevada legislature in 1967 to compensate for wide local variations in resources and in cost per pupil. It is designed to provide reasonable equal educational opportunity and can be expressed in a formula partially on a per-pupil basis and partially on a per-program basis. The formula in the School Finance Plan contains four basic calculations: equalized basic support ratios, wealth adjustment factors, transportation allotments, and guaranteed basic support.

Additionally, the School Finance Plan provides a substantial guarantee of revenue support for the District's General Fund budget. The effect of this guarantee is that approximately 66% of the District's budgeted General Fund revenue is fixed as a State obligation and is, therefore, not subject to revenue fluctuations during the course of the school year. Funding appears to be on the rise for local taxes, however, with the reduction in the State (DSA), the total funding could remain flat or have a reduction in revenue. Of the remaining District General Fund revenue, approximately two-thirds is based on the remaining \$0.50 component of the total \$0.75 property tax levy and since the assessed valuation of property within the District is determined prior to the beginning of the school year, the District knows its property tax base prior to the outset of its operating year.

The mechanism in place for this funding ends in 20-21, at which time PCFP funding will be implemented.

Proprietary Funds:

The District operates two proprietary funds: one for Workers' Compensation and the other for Health Insurance. Both funds are "self-funded" meaning the District, not an outside entity, assumes the financial risk for funding the plans. In practicality, this means the District pays for each workers' compensation or health insurance out-of-pocket claim as they are incurred rather than paying a fixed premium to an

DOUGLAS COUNTY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2021

insurance carrier. The District purchases "Stop Loss" insurance for both plans to help minimize its risk. "Stop Loss" insurance is a mechanism that limits the amount of money the District would have to pay on catastrophic claims exceeding predetermined levels.

Workers' Compensation Funding: The District's Workers' Compensation Fund has been funded by an overhead rate of \$0.090/\$100 in salary earnings by both permanent and temporary employees.

Each year, an actuarial review is conducted of the District's plan to evaluate the funding taking into account historical and trend data as well as projected claims. Actuarial and accounting guidance indicates that the funds should have sufficient reserves to accommodate claims costs with margin for unexpected adverse loss experience. The District's long-term funding policy is to maintain the fund at the 85% confidence level. The most recent actuarial review indicated the funding to be above the 85% confidence level in 2020-2021, and showed an increased ending fund balance of \$271,023. With projected costs, the District will continue with the rate of \$.090/100 for 2021-2022 to maintain a level recommended by our actuarial report.

Health Insurance Funding: For purposes of this discussion, health insurance includes medical, dental, optical, and life and AD&D insurances. Plan participants include employees, board members, retirees and spouses and/or dependents of any eligible member. Presently, the District pays 100% of the premium payment set at \$635 per month for each eligible employee.

The District's self-insurance fund is subject to negotiated contract language. Currently, all negotiated contracts provide for a monthly premium amount to be paid by the District for health insurance. Additionally, a committee made up of various bargaining group representatives meets monthly to review claims data and the financial health of the self-insurance fund. The Committee makes recommendations to the Board of Trustees pertaining to premium holidays, plan benefits, third party administrator, and stop-loss insurance, among other factors.

The past several years have shown a strong ending fund balance, along with changes to the plan to accommodate the Affordable Care Act (ACA). ACA has resulted in considerable changes to the plan benefits and additional financial burden in the form of 100% coverage of wellness benefits costs, transitional reinsurance fees, and disallowance of capping essential benefits.

Projections for calendar and plan year 2020 show claims to be budgeted at an increase of \$400,000. Actual claims for 2021 showed an increase of 11.53% from 2020. The Committee has established that an average of 3 months of incurred but not reported (IBNR) claims be maintained in the health insurance fund as an ending fund balance. The Committee evaluated the fund and determined that an increase in premiums was required in 2020 to maintain the health insurance fund ending fund balance at the projected level. Due to increased claims in 2021 and projected claims for 21-22, the Committee will again re-evaluate the need to increase premiums for the District as well as dependents, and raise deductibles in order for the fund to remain at the level the Committee has established.

DOUGLAS COUNTY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2021

Capital Projects Funding - The Capital Projects Fund generally receives two sources of revenue - Governmental Services Tax (GST; formerly referred to as Motor Vehicle Privilege Tax), and Residential Construction Tax (RCT).

Presently, Douglas County provides a breakdown to the District that indicates which portion of the GST flows to the General Fund (approximately 71% of total GST revenues), and which portion flows to the Capital Projects Fund (approximately 29% of total GST revenues). Per NRS 371, the "debt service" portion of GST is dependent on having a debt service tax rate. Currently, the District's debt service tax rate is \$0.10 per \$100 in property tax revenues.

RCT revenue that helps to sustain the District's Capital Projects Fund comes from a privilege tax on residential building permits. RCT is currently imposed in Douglas County at \$1,600 per new residential unit, the maximum authorized by NRS 387.331. The Douglas County Commission and Department of Taxation have approved the levy of this tax through June 2023 at which time the District will need to resubmit a request for continuation of the levy.

New and Proposed Capital Funding - Several new and proposed alternatives are available to the District for additional funding. Nevada Revised Statute 350.020(5) allows for the reserve level in the Debt Service Fund to decrease from 100% to 50%. The debt service fund has provided approximately \$100,000 in one-time funds to be transferred to the Capital Projects Fund. Due to increased revenue and refinancing current bonds at substantially lower interest rates, the Board could approve a transfer to the capital projects fund that would exceed the \$100,000 transfer now allocated. The Board of Trustees extended the authority of a rollover" question for an additional 10 year period after current authorization expired in 2018. This will continue until 2028. This option would provide approximately \$1 million over the course of the ten year extension in Pay- As-You-Go cash. Continued effort will be made to provide additional revenue from taxes for ongoing capital project needs.

Building and Sites Funding - This fund is designated to receive all monies from rental or sale of District's real property per NRS 393.320 and is restricted to capital related expenditures only. The proceeds from the sale of Kingsbury Middle School were allocated to this fund, and through Board approval, several projects have been allocated to implement safety projects for the entire district. Continued efforts will be made to further support the District FMP.

REQUESTS FOR INFORMATION

This report is designed to provide an overview of the Douglas County School District's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Business Services Office, 1638 Mono Avenue, Minden, Nevada 89423.

DOUGLAS COUNTY SCHOOL DISTRICT

STATEMENT OF NET POSITION (DEFICIT)

JUNE 30, 2021

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 26,786,139
Receivables	6,168,499
Inventories	166,392
Capital assets not being depreciated	2,174,816
Capital assets, net of accumulated depreciation	79,973,349
Total Assets	<u>115,269,195</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	9,982,391
Deferred amount on refunding	425,600
	<u>10,407,991</u>
Total Assets and Deferred Outflows	<u>125,677,186</u>
LIABILITIES	
Accounts payable and accrued expenses	8,417,697
Unearned revenues	1,322,674
Noncurrent liabilities:	
Due within one year	2,670,001
Due in more than one year	32,213,233
Obligation for other postemployment benefits (OPEB)	19,576,975
Net pension liability	72,123,743
Total Liabilities	<u>136,324,323</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions and OPEB	<u>12,066,660</u>
Total Liabilities and Deferred Inflows	<u>148,390,983</u>
NET POSITION (DEFICIT)	
Net investment in capital assets	48,432,935
Restricted for:	
Debt service	3,221,666
Self-insurance activities	2,950,353
Capital projects	6,346,930
Education and nutrition services	1,626,508
Unrestricted	<u>(85,292,189)</u>
Total Net Position (Deficit)	<u>\$ (22,713,797)</u>

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2021

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUES AND CHANGES IN NET POSITION	
		CHARGES FOR SERVICES	GRANTS AND CONTRIBUTIONS		
		OPERATING	CAPITAL		
GOVERNMENTAL ACTIVITIES					
Instruction	\$ (38,786,513)	\$ 327,395	\$ 9,913,315	\$ -	\$ (28,545,803)
Support Services	(22,411,622)	-	1,713,092	-	(20,698,530)
Facilities Acquisition and Construction	(4,455,758)	-	579,343	-	(3,876,415)
Food Service	(1,535,263)	135,151	1,817,401	-	417,289
Interest and charges on long-term debt	(1,099,773)	-	-	107,108	(992,665)
Total School District	(68,288,929)	462,546	14,023,151	107,108	(53,696,124)
General Revenues:					
Property taxes					27,256,801
Local school support taxes					18,096,558
Government service taxes					5,698,543
Other taxes and fees					765,878
Investment earnings					62,446
Other local sources					267,718
State aid not restricted to specific purposes					7,930,203
Gain on sales of property					59,646
Total General Revenues					60,137,793
Change in Net Position					6,441,669
NET POSITION (DEFICIT), July 1, 2020, original					(30,189,172)
Prior period adjustment					1,033,706
NET POSITION (DEFICIT), July 1, 2020, as restated					(29,155,466)
NET POSITION (DEFICIT), June 30, 2021					\$ (22,713,797)

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

GOVERNMENTAL FUNDS BALANCE SHEET

JUNE 30, 2021

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2020)

	GENERAL	SPECIAL	GRANTS	DEBT	CAPITAL	BUILDING	NON-MAJOR	TOTALS	
	FUND	EDUCATION	FUND	SERVICE	PROJECTS	AND SITES	GOV'T	GOVERNMENTAL FUNDS	
		FUND	FUND	FUND	FUND	FUND	FUNDS	2021	2020
ASSETS									
Cash and investments	\$ 9,272,247	\$ 1,330,374	\$ 140,651	\$ 3,210,108	\$ 4,136,410	\$ 2,584,682	\$ 1,758,808	\$ 22,433,280	\$ 16,674,590
Deposits held by fiscal agent	128,091	-	-	4,873	121,968	-	-	254,932	471,152
Receivables	4,820,301	28,829	1,006,416	33,805	158,723	378	52,955	6,101,407	6,414,324
Inventories	132,369	-	-	-	-	-	34,023	166,392	187,105
Total Assets	<u>\$ 14,353,008</u>	<u>\$ 1,359,203</u>	<u>\$ 1,147,067</u>	<u>\$ 3,248,786</u>	<u>\$ 4,417,101</u>	<u>\$ 2,585,060</u>	<u>\$ 1,845,786</u>	<u>\$ 28,956,011</u>	<u>\$ 23,747,171</u>
LIABILITIES									
Accounts payable and accrued liabilities	\$ 5,233,775	\$ 617,356	\$ 255,104	\$ -	\$ 188,792	\$ 453,665	\$ 185,255	\$ 6,933,947	\$ 4,551,917
Retainage payable	-	-	-	-	417	12,357	-	12,774	38,458
Due to other funds	453,468	-	-	-	-	-	-	453,468	983,846
Unearned revenues	-	-	891,963	-	-	-	-	891,963	715,550
Total Liabilities	<u>5,687,243</u>	<u>617,356</u>	<u>1,147,067</u>	<u>-</u>	<u>189,209</u>	<u>466,022</u>	<u>185,255</u>	<u>8,292,152</u>	<u>6,289,771</u>
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenues	201,846	-	-	27,120	-	-	-	228,966	216,895
FUND BALANCES									
Nonspendable	132,369	-	-	-	-	-	34,023	166,392	187,105
Restricted	-	-	-	3,221,666	4,227,892	2,119,038	1,626,508	11,195,104	9,625,936
Assigned	2,439,235	741,847	-	-	-	-	-	3,181,082	3,045,327
Unassigned	5,892,315	-	-	-	-	-	-	5,892,315	4,382,137
Total Fund Balance	<u>8,463,919</u>	<u>741,847</u>	<u>-</u>	<u>3,221,666</u>	<u>4,227,892</u>	<u>2,119,038</u>	<u>1,660,531</u>	<u>20,434,893</u>	<u>17,240,505</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 14,353,008</u>	<u>\$ 1,359,203</u>	<u>\$ 1,147,067</u>	<u>\$ 3,248,786</u>	<u>\$ 4,417,101</u>	<u>\$ 2,585,060</u>	<u>\$ 1,845,786</u>	<u>\$ 28,956,011</u>	<u>\$ 23,747,171</u>

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION (DEFICIT) JUNE 30, 2021

Fund Balance - Governmental Funds		\$	20,434,893
Amounts reported for governmental activities in the Statement of Net Position (Deficit) are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:			
Governmental capital assets	171,452,639		
Less accumulated depreciation	<u>(89,304,475)</u>		82,148,164
Other deferred outflows of resources related to debt are not financial resources and therefore are not reported in the governmental funds.			
Deferred debt charges	532,000		
Less accumulated amortization	<u>(106,400)</u>		425,600
The fund financial statements include a deferred inflow for property taxes which have not been collected. The government-wide financial statements recognize tax revenue in the period for which it is levied.			
			228,967
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds:			
General obligation bonds payable	(32,593,000)		
Bond premium	(213,056)		
Accrued interest payable	(233,553)		
Note payable	(1,322,000)		
Compensated absences	(755,178)		
Net pension liability	(72,123,743)		
Net OPEB liability	<u>(19,576,975)</u>		(126,817,505)
Deferred inflows and outflows of resources related to pension and OPEB are applicable to future periods and, therefore are not reported in the governmental funds			
Deferred outflows of resources related to pensions	9,982,391		
Deferred inflows of resources related to pensions	(9,239,980)		
Deferred inflows of resources related to OPEB	<u>(2,826,680)</u>		(2,084,269)

Continued on next page.

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION (DEFICIT) JUNE 30, 2021

Internal service funds are used by management to charge the costs of certain activities to individual funds. Net position of the internal service funds are reported with governmental activities.

\$ 2,950,353

Net Position (Deficit) - Governmental Activities

\$ (22,713,797)

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)

	GENERAL FUND	SPECIAL EDUCATION FUND	GRANTS FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	BUILDING AND SITES FUND	NON-MAJOR GOV'T FUNDS	TOTALS GOVERNMENTAL FUNDS	
								2021	2020
REVENUES									
Local sources	\$ 46,991,384	\$ 2,070	\$ 269,429	\$ 3,213,887	\$ 2,243,668	\$ 11,013	\$ 988,326	\$ 53,719,777	\$ 47,904,259
State sources	7,930,203	3,980,640	1,788,427	-	-	-	1,545,726	15,244,996	19,219,171
Federal sources	-	-	3,782,921	107,108	-	-	1,804,078	5,694,107	3,308,177
Total Revenues	54,921,587	3,982,710	5,840,777	3,320,995	2,243,668	11,013	4,338,130	74,658,880	70,431,607
EXPENDITURES									
Regular programs	23,770,863	-	1,459,580	-	-	-	2,269,340	27,499,783	26,609,645
Special programs	-	7,643,995	1,810,035	-	-	-	-	9,454,030	8,963,619
Vocational programs	848,351	-	218,663	-	-	-	-	1,067,014	1,237,525
Adult education	-	-	27,161	-	-	-	-	27,161	64,625
Extra and Co-Curricular	433,684	-	-	-	-	-	-	433,684	528,054
Other instructional programs	1,796,188	43,914	198,683	-	-	218,239	11,021	2,268,045	2,027,870
Community service programs	-	-	1,197	-	-	-	-	1,197	7,661
Undistributed Expenditures:									
Student support	2,713,693	-	348,922	-	-	-	182,446	3,245,061	3,088,688
Instructional staff support	1,218,660	-	62,693	-	-	-	-	1,281,353	1,642,318
General administration	520,113	-	-	-	-	-	-	520,113	542,752
School administration	4,571,372	-	-	-	-	-	-	4,571,372	4,640,348
Central services	1,957,897	-	-	-	-	-	-	1,957,897	1,908,362
Operation and maintenance	7,096,878	-	-	-	-	-	-	7,096,878	7,277,101
Student transportation	3,557,877	-	-	-	-	-	-	3,557,877	3,465,564
Other support	112,329	-	1,134,500	-	193,334	-	-	1,440,163	1,006,519
Food service	-	-	-	-	-	-	1,560,842	1,560,842	1,653,378
Facilities construction/ acquisition/improvements	509,250	-	579,343	-	899,939	1,061,791	-	3,050,323	3,932,262

Continued on next page.

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)

	GENERAL FUND	SPECIAL EDUCATION FUND	GRANTS FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	BUILDING AND SITES FUND	NON-MAJOR GOV'T FUNDS	TOTALS GOVERNMENTAL FUNDS	
								2021	2020
Debt Service:									
Principal	\$ 485,000	\$ -	\$ -	\$ 2,036,000	\$ -	\$ -	\$ -	\$ 2,521,000	\$ 2,269,000
Interest	37,946	-	-	998,687	-	-	-	1,036,633	1,193,535
Bond issuance costs	-	-	-	75,705	-	-	-	75,705	-
Fiscal agent charges	-	-	-	3,000	-	-	-	3,000	4,050
Total Expenditures	49,630,101	7,687,909	5,840,777	3,113,392	1,093,273	1,280,030	4,023,649	72,669,131	72,062,876
Revenues Over (Under)									
Expenditures	5,291,486	(3,705,199)	-	207,603	1,150,395	(1,269,017)	314,481	1,989,749	(1,631,269)
OTHER FINANCING SOURCES (USES)									
Proceeds from sale of property	59,646	-	-	-	-	-	-	59,646	25,210
Transfers (to) from other funds	(4,000,000)	4,000,000	-	(100,000)	100,000	-	-	-	-
Proceeds from refunding bonds	-	-	-	11,858,000	-	-	-	11,858,000	-
Payment to refunded bond agent	-	-	-	(11,726,000)	-	-	-	(11,726,000)	-
	(3,940,354)	4,000,000	-	32,000	100,000	-	-	191,646	25,210
Net Change in Fund Balances	1,351,132	294,801	-	239,603	1,250,395	(1,269,017)	314,481	2,181,395	(1,606,059)
FUND BALANCES, July 1, as originally stated	7,081,871	447,046	-	2,982,063	2,977,497	3,388,055	363,973	17,240,505	18,817,391
Prior period adjustment	-	-	-	-	-	-	1,033,706	1,033,706	-
FUND BALANCES, July 1, as restated	7,081,871	447,046	-	2,982,063	2,977,497	3,388,055	1,397,679	18,274,211	18,817,391
Increase (decrease) in reserve for inventories	30,916	-	-	-	-	-	(51,629)	(20,713)	29,173
FUND BALANCES, June 30	<u>\$ 8,463,919</u>	<u>\$ 741,847</u>	<u>\$ -</u>	<u>\$ 3,221,666</u>	<u>\$ 4,227,892</u>	<u>\$ 2,119,038</u>	<u>\$ 1,660,531</u>	<u>\$ 20,434,893</u>	<u>\$ 17,240,505</u>

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2021

Net Change in Fund Balances - Total Governmental Funds	\$ 3,194,388
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives.	(683,253)
Accrued interest on bonds is recorded in the Statement of Activities when incurred; it is not recorded in the governmental funds until it is paid.	49,664
Certain revenues are recorded in the fund statements when received. In the Statement of Activities, these revenues are recognized when earned.	12,071
Repayment of debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.	2,389,000
Governmental funds report the effect of discounts, premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities over the life of the debt.	(34,099)
The change in the long-term portion of compensated absences is reported in the Statement of Activities. These do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(35,236)
Change in pension expense related to deferred items.	382,179
The full cost of postemployment benefits to current employees earned during the current year and the amortization of the past cost is recognized as an expense in the Statement of Activities while only the current contributions are reported in the fund statements.	3,271,222
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net income (expense) of the internal service funds is reported with governmental activities.	<u>(1,070,561)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 7,475,375</u></u>

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)

	2021 BUDGET		2021		2020
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local Sources:					
Ad valorem taxes	\$ 23,629,825	\$ 23,386,896	\$ 24,041,207	\$ 654,311	\$ 22,660,907
Local school support tax	16,492,905	17,349,398	18,096,558	747,160	14,779,212
Governmental services tax	3,836,080	3,627,841	4,027,042	399,201	3,530,940
Franchise tax	85,000	85,000	203,558	118,558	17,921
Out-of-state tuition	230,000	290,000	327,395	37,395	229,492
Earnings on investments	65,000	25,000	28,791	3,791	126,419
Other	183,000	183,000	266,833	83,833	198,291
Total Local Sources	44,521,810	44,947,135	46,991,384	2,044,249	41,543,182
State Sources:					
Distributive school account	10,115,723	7,723,777	7,930,203	206,426	11,721,372
Federal Sources:					
E-Rate Funds	-	-	-	-	20,416
Total Revenues	54,637,533	52,670,912	54,921,587	2,250,675	53,284,970
EXPENDITURES					
Regular Programs:					
Salaries	16,821,026	16,480,983	15,883,254	597,729	16,294,465
Benefits	7,169,620	7,171,834	6,956,932	214,902	7,066,934
Purchased services	157,039	138,767	106,060	32,707	108,209
Supplies	992,660	1,000,814	776,234	224,580	423,651
Property	61,000	61,000	43,833	17,167	42,455
Other	5,700	5,255	4,550	705	4,783
	25,207,045	24,858,653	23,770,863	1,087,790	23,940,497
Vocational Programs:					
Salaries	544,055	558,789	555,690	3,099	539,031
Benefits	254,915	263,416	261,998	1,418	251,319
Purchased services	8,700	5,500	1,132	4,368	380
Supplies	42,547	35,447	24,201	11,246	22,925
Other	2,500	5,440	5,330	110	150
	852,717	868,592	848,351	20,241	813,805

Continued on next page.

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)

	2021 BUDGET		2021		2020
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Extra and Co-Curricular Activities:					
Co-Curricular Activities:					
Salaries	\$ 142,000	\$ 142,000	\$ 102,197	\$ 39,803	\$ 139,032
Benefits	4,225	4,225	2,709	1,516	3,650
Purchased services	13,260	320	320	-	1,688
Supplies	8,100	21,614	18,975	2,639	8,553
Other	5,700	-	-	-	3,930
	<u>173,285</u>	<u>168,159</u>	<u>124,201</u>	<u>43,958</u>	<u>156,853</u>
Athletics:					
Salaries	269,315	269,315	221,743	47,572	249,558
Benefits	12,600	12,600	10,569	2,031	13,147
Purchased services	96,100	24,591	12,357	12,234	73,929
Supplies	29,350	63,981	45,306	18,675	22,273
Property	-	13,000	-	13,000	-
Other	18,890	14,235	19,508	(5,273)	12,294
	<u>426,255</u>	<u>397,722</u>	<u>309,483</u>	<u>88,239</u>	<u>371,201</u>
Total Extra-and Co-Curricular Activities	<u>599,540</u>	<u>565,881</u>	<u>433,684</u>	<u>132,197</u>	<u>528,054</u>
Other Instructional Programs:					
Salaries	1,185,928	1,210,451	1,152,223	58,228	1,116,867
Benefits	490,113	520,627	495,511	25,116	479,993
Purchased services	140,850	132,540	120,142	12,398	120,876
Supplies	51,825	56,615	26,061	30,554	21,001
Other	2,600	2,600	2,251	349	1,268
	<u>1,871,316</u>	<u>1,922,833</u>	<u>1,796,188</u>	<u>126,645</u>	<u>1,740,005</u>
Undistributed Expenditures:					
Student Support:					
Salaries	1,867,923	1,902,820	1,864,388	38,432	1,814,596
Benefits	799,927	827,437	804,283	23,154	786,907
Purchased services	25,316	26,116	14,442	11,674	17,956
Supplies	35,739	32,771	21,324	11,447	21,851
Property	7,500	7,500	7,500	-	7,500
Other	2,335	2,529	1,756	773	1,606
	<u>2,738,740</u>	<u>2,799,173</u>	<u>2,713,693</u>	<u>85,480</u>	<u>2,650,416</u>

Continued on next page.

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)

	2021 BUDGET		2021		2020
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Instructional Staff Support:					
Salaries	\$ 826,150	\$ 822,098	\$ 817,229	\$ 4,869	\$ 810,153
Benefits	358,174	359,103	351,550	7,553	349,383
Purchased services	27,135	14,444	6,316	8,128	8,593
Supplies	64,789	69,020	42,781	26,239	26,321
Other	1,000	700	784	(84)	862
	<u>1,277,248</u>	<u>1,265,365</u>	<u>1,218,660</u>	<u>46,705</u>	<u>1,195,312</u>
General Administration:					
Salaries	241,350	242,850	242,876	(26)	253,640
Benefits	123,548	123,305	111,604	11,701	124,630
Purchased services	231,550	215,550	123,238	92,312	123,370
Supplies	25,300	31,300	18,365	12,935	20,485
Property	-	7,500	-	7,500	-
Other	22,500	25,000	24,030	970	18,818
	<u>644,248</u>	<u>645,505</u>	<u>520,113</u>	<u>125,392</u>	<u>540,943</u>
School Administration:					
Salaries	3,212,497	3,203,716	3,136,886	66,830	3,136,035
Benefits	1,359,015	1,374,328	1,304,554	69,774	1,335,695
Purchased services	162,777	124,998	78,990	46,008	118,864
Supplies	57,933	57,175	49,039	8,136	45,448
Other	3,700	709	1,903	(1,194)	4,306
	<u>4,795,922</u>	<u>4,760,926</u>	<u>4,571,372</u>	<u>189,554</u>	<u>4,640,348</u>
Central Services:					
Salaries	1,063,290	1,039,468	1,029,827	9,641	1,019,313
Benefits	409,679	409,119	402,671	6,448	402,779
Purchased services	281,780	278,180	202,819	75,361	179,184
Supplies	218,750	234,000	201,428	32,572	194,042
Property	118,000	120,000	119,787	213	106,821
Other	9,000	2,150	1,365	785	6,223
	<u>2,100,499</u>	<u>2,082,917</u>	<u>1,957,897</u>	<u>125,020</u>	<u>1,908,362</u>

Continued on next page.

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)

	2021 BUDGET		2021		2020
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Operation and Maintenance:					
Salaries	\$ 2,689,223	\$ 2,735,860	\$ 2,646,659	\$ 89,201	\$ 2,597,042
Benefits	1,105,462	1,131,373	1,093,372	38,001	1,087,288
Purchased services	2,143,464	1,810,655	1,779,405	31,250	2,109,376
Supplies	1,588,285	1,582,029	1,437,151	144,878	1,420,379
Property	128,500	139,500	139,000	500	62,634
Other	100	825	1,291	(466)	382
	<u>7,655,034</u>	<u>7,400,242</u>	<u>7,096,878</u>	<u>303,364</u>	<u>7,277,101</u>
Student Transportation:					
Salaries	1,732,279	1,740,612	1,623,308	117,304	1,668,993
Benefits	826,940	803,396	789,133	14,263	813,795
Purchased services	129,249	139,938	97,963	41,975	79,165
Supplies	466,095	474,207	414,607	59,600	320,565
Property	532,250	632,749	632,748	1	582,909
Other	400	100	118	(18)	137
	<u>3,687,213</u>	<u>3,791,002</u>	<u>3,557,877</u>	<u>233,125</u>	<u>3,465,564</u>
Other Support:					
Salaries	105,000	143,000	111,839	31,161	100,629
Benefits	37,050	40,200	490	39,710	46,749
Purchased services	40,000	100,500	-	100,500	-
Supplies	10,000	10,000	-	10,000	-
Other	14,600	14,600	-	14,600	-
	<u>206,650</u>	<u>308,300</u>	<u>112,329</u>	<u>195,971</u>	<u>147,378</u>
Site Improvement:					
Purchased services	85,000	269,000	121,995	147,005	903,301
Building Improvements:					
Purchased services	70,000	250,000	387,255	(137,255)	-
Debt Service:					
Principal	485,000	485,000	485,000	-	474,000
Interest	37,947	37,947	37,946	1	48,668
	<u>522,947</u>	<u>522,947</u>	<u>522,946</u>	<u>1</u>	<u>522,668</u>
Total Undistributed Expenditures	<u>23,783,501</u>	<u>24,095,377</u>	<u>22,781,015</u>	<u>1,314,362</u>	<u>23,251,393</u>

Continued on next page.

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)

	2021 BUDGET		2021		2020
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Contingency	\$ 529,695	\$ 526,658	\$ -	\$ 526,658	\$ -
Total Expenditures	52,843,814	52,837,994	49,630,101	3,207,893	50,273,754
Revenues Over (Under) Expenditures	1,793,719	(167,082)	5,291,486	5,458,568	3,011,216
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	8,000	8,000	59,646	51,646	25,210
Transfers to other funds	(4,400,000)	(4,400,000)	(4,000,000)	400,000	(3,800,000)
	(4,392,000)	(4,392,000)	(3,940,354)	451,646	(3,774,790)
Net Change in Fund Balance	(2,598,281)	(4,559,082)	1,351,132	5,910,214	(763,574)
FUND BALANCE, July 1	4,931,858	7,081,871	7,081,871	-	7,854,847
Increase (Decrease) in Reserve for Inventories	-	-	30,916	30,916	(9,402)
FUND BALANCE, June 30	<u>\$ 2,333,577</u>	<u>\$ 2,522,789</u>	<u>\$ 8,463,919</u>	<u>\$ 5,941,130</u>	<u>\$ 7,081,871</u>

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

SPECIAL EDUCATION FUND - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)

	2021 BUDGET		2021		2020
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local Sources:					
Earnings on investments	\$ 5,000	\$ 5,000	\$ 2,070	\$ (2,930)	\$ 11,985
State Sources:					
State appropriation	3,721,852	3,923,489	3,980,640	57,151	3,846,568
Total Revenues	3,726,852	3,928,489	3,982,710	54,221	3,858,553
EXPENDITURES					
Special Programs:					
Instruction:					
Salaries	4,063,339	4,340,578	4,053,166	287,412	3,951,376
Benefits	1,854,160	2,009,221	1,924,685	84,536	1,884,068
Purchased services	7,600	5,000	7,074	(2,074)	23,362
Supplies	10,772	11,180	-	11,180	141,245
	5,935,871	6,365,979	5,984,925	381,054	6,000,051
Other Direct Support:					
Salaries	804,375	716,600	661,455	55,145	796,586
Benefits	300,017	272,625	235,867	36,758	303,916
Purchased services	693,418	458,200	325,351	132,849	421,196
Supplies	29,550	44,322	38,487	5,835	14,848
Other	1,000	278	552	(274)	187
	1,828,360	1,492,025	1,261,712	230,313	1,536,733
Student Transportation:					
Salaries	312,075	320,000	268,435	51,565	325,107
Benefits	113,129	95,408	88,297	7,111	105,048
Supplies	40,654	40,654	40,626	28	40,179
	465,858	456,062	397,358	58,704	470,334
Total Special Programs	8,230,089	8,314,066	7,643,995	670,071	8,007,118

Continued on next page.

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

SPECIAL EDUCATION FUND - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)

	2021 BUDGET		2021		2020
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Other Instructional Programs:					
Gifted and Talented:					
Salaries	\$ -	\$ 65,000	\$ 26,764	\$ 38,236	\$ 41,346
Benefits	-	12,622	17,102	(4,480)	20,158
Supplies	1,400	450	48	402	167
Total Other Instructional	1,400	78,072	43,914	34,158	61,671
Contingency	84,147	83,921	-	83,921	-
Total Expenditures	8,315,636	8,476,059	7,687,909	788,150	8,068,789
Revenues Over (Under) Expenditures	(4,588,784)	(4,547,570)	(3,705,199)	842,371	(4,210,236)
OTHER FINANCING SOURCES					
Transfers from other funds	4,400,000	4,400,000	4,000,000	(400,000)	3,800,000
Net Change in Fund Balance	(188,784)	(147,570)	294,801	442,371	(410,236)
FUND BALANCE, July 1	483,694	447,046	447,046	-	857,282
FUND BALANCE, June 30	\$ 294,910	\$ 299,476	\$ 741,847	\$ 442,371	\$ 447,046

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

GRANTS FUND - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2021
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)

	2021 BUDGET		2021		2020
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local sources	\$ 979,963	\$ 750,217	\$ 269,429	\$ (480,788)	\$ 853,910
State sources	2,914,953	2,621,204	1,788,427	(832,777)	2,204,935
Federal sources	3,248,137	4,026,375	3,782,921	(243,454)	1,918,126
Total Revenues	7,143,053	7,397,796	5,840,777	(1,557,019)	4,976,971
EXPENDITURES					
Regular Programs:					
Salaries	786,819	478,145	447,645	30,500	602,945
Benefits	174,523	207,799	198,554	9,245	185,694
Purchased services	128,193	27,321	15,059	12,262	57,162
Supplies	451,916	873,440	770,026	103,414	337,587
Other	28,853	30,233	28,296	1,937	25,939
Total Regular Programs	1,570,304	1,616,938	1,459,580	157,358	1,209,327
Special Programs:					
Salaries	1,131,145	1,046,956	943,638	103,318	557,679
Benefits	330,820	483,503	451,694	31,809	258,042
Purchased services	399,494	193,426	4,099	189,327	38,689
Supplies	195,046	497,005	358,459	138,546	75,467
Other	60,020	65,758	52,145	13,613	26,624
Total Special Programs	2,116,525	2,286,648	1,810,035	476,613	956,501
Vocational Programs:					
Salaries	33,312	-	-	-	14,104
Benefits	14,248	-	-	-	6,471
Purchased services	243,245	23,902	10,065	13,837	103,136
Supplies	312,524	187,095	177,491	9,604	204,834
Property	93,878	24,251	25,621	(1,370)	85,262
Other	9,586	5,488	5,486	2	9,913
Total Vocational Programs	706,793	240,736	218,663	22,073	423,720

Continued on next page.

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

GRANTS FUND - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2021
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)

	2021 BUDGET		2021		2020
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Adult Education:					
Salaries	\$ 56,124	\$ 58,395	\$ 24,796	\$ 33,599	\$ 46,466
Benefits	25,190	4,992	1,479	3,513	17,489
Purchased services	1,218	2,305	51	2,254	93
Supplies	1,165	10,418	835	9,583	105
Other	1,500	-	-	-	472
Total Adult Education	85,197	76,110	27,161	48,949	64,625
Other Instructional Programs:					
Salaries	112,311	110,317	106,599	3,718	115,638
Benefits	44,184	47,755	47,135	620	46,952
Purchased services	82,285	72,218	41,760	30,458	60,229
Supplies	2,628	3,328	2,677	651	2,657
Other	718	603	512	91	718
Total Other Instructional	242,126	234,221	198,683	35,538	226,194
Community Service Programs:					
Salaries	7,734	1,308	496	812	3,353
Benefits	661	111	1	110	271
Purchased services	9,839	-	-	-	-
Supplies	8,009	5,000	700	4,300	4,037
Total Community Service	26,243	6,419	1,197	5,222	7,661
Undistributed Expenditures:					
Student Support:					
Salaries	349,535	291,002	271,234	19,768	317,196
Benefits	117,315	77,544	76,688	856	110,352
Purchased services	1,000	-	-	-	1,000
Supplies	2,500	1,000	1,000	-	2,500
Other	7,224	906	-	906	7,224
	477,574	370,452	348,922	21,530	438,272

Continued on next page.

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

GRANTS FUND - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)

	2021 BUDGET		2021		2020
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Instructional Staff Support:					
Salaries	\$ 260,058	\$ -	\$ 16,003	\$ (16,003)	\$ 239,773
Benefits	244,025	-	510	(510)	112,365
Purchased services	82,822	45,748	42,850	2,898	75,525
Supplies	20,180	-	349	(349)	18,781
Other	2,264	2,258	2,981	(723)	562
	<u>609,349</u>	<u>48,006</u>	<u>62,693</u>	<u>(14,687)</u>	<u>447,006</u>
General Administration:					
Salaries	14,049	14,049	-	14,049	-
Supplies	1,809	-	-	-	1,809
	<u>15,858</u>	<u>14,049</u>	<u>-</u>	<u>14,049</u>	<u>1,809</u>
Other Support:					
Salaries	15,791	16,791	16,259	532	16,328
Benefits	-	86	24	62	-
Purchased services	45,339	52,289	24,000	28,289	16,392
Supplies	48,313	1,098,905	1,053,374	45,531	41,753
Property	13,738	29,787	26,249	3,538	-
Other	-	14,594	14,594	-	-
	<u>123,181</u>	<u>1,212,452</u>	<u>1,134,500</u>	<u>77,952</u>	<u>74,473</u>
Facilities Acquisition and Construction:					
Site Improvement:					
Purchased services	14,653	132,555	401,978	(269,423)	3,770
Building Improvements:					
Purchased services	-	1,028,227	73,892	954,335	344,123
Supplies	365,250	17,000	-	17,000	-
	<u>365,250</u>	<u>1,045,227</u>	<u>73,892</u>	<u>971,335</u>	<u>344,123</u>

Continued on next page.

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

GRANTS FUND - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2021
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)

	2021 BUDGET		2021		2020
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Other Facilities Construction:					
Purchased services	\$ 790,000	\$ 22,385	\$ 11,875	\$ 10,510	\$ 776,691
Supplies	-	35,000	35,000	-	2,799
Property	-	56,598	56,598	-	-
	<u>790,000</u>	<u>113,983</u>	<u>103,473</u>	<u>10,510</u>	<u>779,490</u>
Total Facilities Acquisition and Construction	<u>1,169,903</u>	<u>1,291,765</u>	<u>579,343</u>	<u>712,422</u>	<u>1,127,383</u>
Total Undistributed Expenditures	<u>2,395,865</u>	<u>2,936,724</u>	<u>2,125,458</u>	<u>811,266</u>	<u>2,088,943</u>
Total Expenditures	<u>7,143,053</u>	<u>7,397,796</u>	<u>5,840,777</u>	<u>1,557,019</u>	<u>4,976,971</u>
Net Change in Fund Balance	-	-	-	-	-
FUND BALANCE, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2021

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2020)

	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS	
	2021	2020
ASSETS		
Current Assets:		
Cash and investments	\$ 4,097,927	\$ 4,482,547
Receivables	67,092	383,443
Due from other funds	453,468	983,846
Total Assets	<u>4,618,487</u>	<u>5,849,836</u>
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued expenses	18,522	123,836
Unearned revenue	430,711	415,475
Pending claims	1,218,901	1,289,611
Total Current Liabilities	<u>1,668,134</u>	<u>1,828,922</u>
NET POSITION		
Restricted	<u>\$ 2,950,353</u>	<u>\$ 4,020,914</u>

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2021

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)

	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS	
	2021	2020
OPERATING REVENUES		
Insurance premiums	\$ 7,909,094	\$ 7,688,100
Insurance proceeds and other	657,098	452,484
Other	13,053	4,260
Total Operating Revenues	8,579,245	8,144,844
OPERATING EXPENSES		
Claims expense	8,558,938	6,917,181
Purchased services	1,100,822	1,029,553
Other	3,955	3,890
Total Operating Expenses	9,663,715	7,950,624
Operating Income (Loss)	(1,084,470)	194,220
NONOPERATING REVENUES		
Earnings on investments	13,909	56,678
Change in Net Position	(1,070,561)	250,898
NET POSITION, July 1	4,020,914	3,770,016
NET POSITION, June 30	\$ 2,950,353	\$ 4,020,914

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

PROPRIETARY FUNDS STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2021

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)

	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from insurance premiums	\$ 8,454,708	\$ 7,142,022
Cash received from insurance proceeds and other	986,502	142,007
Cash paid for claims expense	(8,629,648)	(6,758,874)
Cash paid for services and supplies	(1,210,091)	(1,033,625)
Net cash provided (used) by operating activities	(398,529)	(508,470)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	13,909	53,956
Net Increase (Decrease) in Cash and Investments	(384,620)	(454,514)
CASH AND INVESTMENTS, July 1	<u>4,482,547</u>	<u>4,937,061</u>
CASH AND INVESTMENTS, June 30	<u>\$ 4,097,927</u>	<u>\$ 4,482,547</u>

Continued on next page.

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

PROPRIETARY FUNDS STATEMENT OF CASH FLOWS (Cont'd.)

YEAR ENDED JUNE 30, 2021

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)

	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS	
	2021	2020
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (1,084,470)	\$ 194,220
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Change in assets and liabilities:		
Receivables	316,351	(314,737)
Premiums due from other funds	530,378	(552,696)
Accounts payable	(105,314)	116,960
Unearned revenues	15,236	6,618
Pending claims	(70,710)	41,165
Total Adjustments	685,941	(702,690)
Net cash provided (used) by operating activities	\$ (398,529)	\$ (508,470)

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Douglas County School District, Minden, Nevada (District) have been prepared in accordance with United States generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the authoritative standard-setting body for establishing governmental accounting and financial reporting.

A summary of the District's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Reporting Entity

The District is organized under terms of legislation enacted in 1956 creating countywide school districts. The governing Board of Trustees consists of seven members elected by district voters for four-year terms and has authority to adopt and administer budgets. As required by GAAP, the accompanying financial statements include the accounts of all District operations. The District is not financially accountable for any other entity.

Basic Financial Statements – District-Wide Statements

The basic financial statements include both district-wide (based on the District as a whole) and fund financial statements. The District-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Interfund activities relating to services provided and used between functions are not eliminated. Elimination of these charges would distort the direct cost and program revenues reported for the various functions concerned.

In the District-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis and is reflected on a full accrual, economic resource basis that recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts: net investment in capital assets; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities then unrestricted resources, as they are needed.

The District-wide Statement of Activities reports both the gross and net cost of each of the District's functions. The functions are also supported by general government revenues (ad valorem taxes, school support taxes, distributive school funds, government services tax and interest income not legally restricted for specific programs, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues and capital and operating grants. Certain indirect costs are included as part

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

of the program expenses reported for the various functional activities. Program revenues include charges for services, grants, contributions, and investment earnings legally restricted to support a specific program. Program revenue must be directly associated with the function. Operating grants include operating-specific and discretionary grants. The net costs (by function) are normally covered by general revenue.

Basic Financial Statements – Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses. District resources are allocated to and accounted for in the individual funds based upon the purposes for which they are intended and the means by which spending activities are controlled. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the district-wide financial statements.

The emphasis of the fund financial statements is on the major funds in the governmental type activity category. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise categories combined) for the determination of major funds. District management may electively add funds as major funds, when it is determined the funds have specific community or management focus. Major individual governmental funds are reported as separate columns in the fund financial statements.

The focus of the governmental funds' measurement in the fund statements is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income.

The focus for proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The District's internal service funds are presented in the proprietary fund financial statements. Because the principal users of the internal services are the District's governmental activities, the financial statements of the internal service funds are consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the costs of these services are reported in the appropriate functional activity.

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

The District reports the following major **governmental funds**:

General Fund

The General Fund is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.

Special Education Fund

The Special Education Fund is a special revenue fund which accounts for transactions of the District relating to educational services provided to children with special needs supported by state and local sources.

Grants Fund

The Grants Fund is a special revenue fund which accounts for grants received by the District from federal, state and local sources.

Debt Service Fund

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt, and other debt of governmental activities.

Capital Projects Fund

The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by special revenues).

Building and Sites Fund

The Building and Sites Fund accounts for financial resources to be used for major improvements to the District's existing facilities.

Additionally, the District reports the following fund types and funds:

Proprietary Funds:

Internal Service Funds

The Internal Service Funds account for the financing of services provided by one department to other departments of the District on a cost-reimbursement basis. The District's internal service funds account for its self-funded insurance activities for group health and workers' compensation.

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Special Revenue Funds (Nonmajor):

Special Revenue funds account for proceeds of specific revenue sources (other than private purpose trust or major capital projects) that are legally restricted to expenditures for specified purposes. The District reports the following nonmajor Special Revenue funds: Food Service Fund; Class Size Reduction Fund, and the Student Activities Fund.

Measurement Focus

District-Wide Financial Statements

The District-wide statements, as well as the proprietary fund financial statements, are prepared using the economic resources measurement focus.

All assets and liabilities associated with the operation of the District are included on the Statement of Net Position. The Statement of Activities presents increases (revenues) and decreases (expenses) in total net position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the district-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the district-wide financial statements and the governmental funds financial statements.

Basis of Accounting

The basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements. The District-wide financial statements and the proprietary fund financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences between the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows/outflows, and in the presentation of expenses versus expenditures.

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Revenues

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available generally means expected to be received within 60 days of the fiscal year-end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include taxes, grants, entitlements and donations for which the revenue is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Property taxes are recognized as revenues in the year for which they are levied. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are deemed both measurable and available at fiscal year-end: investment earnings, grants and entitlements.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position and Balance Sheet will sometimes report a separate section for deferred *outflows* of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then.

In addition to liabilities, the Statement of Net Position and Balance Sheet will sometimes report a separate section for deferred *inflows* of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. One such inflow arises only under a modified accrual basis of accounting. Accordingly, the item, unavailable revenue, is reported only in the governmental funds Balance Sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, certain pension-related and other postemployment benefit (OPEB) items are reported as deferred *outflows* and deferred *inflows* on the Statement of Net Position. See Notes 9 and 10 for additional information on these elements.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

amortization, are not recognized in the governmental funds. Debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Property Taxes

Taxes on real property are levied and the lien attaches on July 1st of each year. They are due on the third Monday of August and can be paid in quarterly installments on or before the third Monday of August and the first Monday of October, January, and March, respectively. Penalties are assessed if a taxpayer fails to pay an installment within ten days of the installment due date. If delinquent taxes are not paid within the two-year redemption period, the Treasurer of Douglas County obtains a deed to the property free of all encumbrances. Upon receipt of a deed, the Treasurer may sell the property to satisfy the tax lien.

Property tax revenue and the related receivable have been recognized for property tax assessments in the fiscal year for which they were levied, provided that such taxes were collected within 60 days after the District's year-end. Taxes receivable not collected within such time period are recorded as unavailable revenue at the District's year-end. To record amounts due and deemed collectible, secured roll property taxes receivable reflect only those taxes receivable from the last two delinquent roll years.

Budgets and Budgetary Accounting

The District adheres to the *Local Government Budget and Finance Act* incorporated within the statutes of the State of Nevada, which includes the following major procedures to establish the budgetary data which is reflected in these financial statements:

1. Prior to April 15, the District's Board of Trustees (the Board) files a tentative budget with the Nevada Department of Taxation and the Nevada Department of Education for the fiscal year beginning the following July 1. For all funds except Agency funds, the tentative budget includes proposed expenditures and the means of financing them.
2. Prior to June 8, at a public hearing, the Board indicates changes, if any, to be made to the tentative budget and adopts a final budget by the favorable vote of a majority of the Board's members.
3. On or before the following January 1, the Board of Trustees adopts an amended final budget to reflect any adjustments necessary as a result of the complete count of students.
4. The Superintendent of Schools is authorized to transfer appropriations between accounts within departments and funds, if amounts do not exceed the original budget, subject to subsequent approval by the Board of Trustees. Augmentations in excess of the original budget require approval from the Board of Trustees.

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

5. Formal budgetary integration is employed as a management control device for the General Fund, Special Revenue funds, the Debt Service Fund, Capital Projects funds, and the Internal Service funds. Such funds have legally adopted annual budgets which lapse at year-end.
6. Budgeted appropriations may not be exceeded by actual expenditures of the various programs in the budgeted governmental funds. The sum of operating and nonoperating expenses in the Internal Service funds may not exceed appropriations.
7. All budgets are adopted on a basis consistent with GAAP. The accompanying financial statements reflect the Original Budget and the Final Budget, which include the adjustments for legally authorized revisions made during the year. Appropriations, except encumbrances and unexpended grant appropriations, lapse at the end of each fiscal year.

Cash and Investments

The District pools cash and investment resources of its various funds in order to facilitate the management of its cash and investments. Amounts applicable to a particular fund are readily identifiable.

The balance in the pooled cash account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the District's investments. Investments are carried at fair value as determined by quoted market prices, net of accrued interest as provided by the pool sponsors. Restricted cash includes cash reserved for the acquisition or construction of capital assets or improvements.

Pursuant to NRS 355.170 and 355.175, the District may invest in the following types of securities:

1. United States bonds and debentures maturing within 10 years from the date of purchase.
2. Certain farm loan bonds.
3. Securities of the United States Treasury, obligations of an agency or instrumentality of the United States, or a corporation sponsored by the government maturing within (10) years from the date of purchase.
4. Negotiable certificates of deposit from commercial banks, insured credit unions or savings and loan associations.
5. Certain nonnegotiable certificates of deposit issued by insured commercial banks, insured credit unions, or insured savings and loan associations.
6. Certain securities issued by local governments of the State of Nevada.

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

7. Certain bankers' acceptances, commercial paper issued by a corporation organized and operating in the United States, and certain money market mutual funds.
8. Certain obligations of state and local governments.
9. State of Nevada Local Government Investment Pool Fund.
10. Other securities expressly provided by other statutes, including repurchase agreements.

Statements of Cash Flows

For purposes of the statements of cash flows, the District considers all short-term highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents.

Inventories

Inventories in the General Fund and Food Services Special Revenue Fund are maintained on the consumption basis of accounting, where items are purchased for inventory and recorded as expenditures as the items are consumed. Inventories are valued at cost, as determined using the first-in, first-out (FIFO) cost method, except for commodities, which are stated at their fair value.

Capital Assets

Capital assets, which include land, buildings, vehicles, and equipment, are reported in the government-wide financial statements. The District defines capital assets as having an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. If purchased or constructed, all capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are valued at their estimated acquisition value as of the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings and Improvements	20-50
Vehicles/Buses	8
Equipment	5-15

Allowance for Uncollectible Receivables

The District has not established an allowance for uncollectible receivables since prior experience has shown that uncollectible receivables are not significant in amount.

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Accrued Liabilities

Accrued liabilities consist principally of teacher, administrator, and other District employee salaries and benefits for the school program year ended June 30, 2021, but not yet paid.

Expenditures

Expenditure data is characterized by major program classifications pursuant to the provisions of the National Center for Education Statistics handbook, *Financial Accounting for Local and State School Systems*, as modified by the State of Nevada Department of Education.

A brief description of these program classifications follows:

Regular programs are activities designed to provide elementary and secondary students with learning experiences to prepare them as citizens, family members, and non-vocational workers.

Special programs are activities designed primarily to serve students having special needs. Special programs include services for the gifted and talented, mentally challenged, physically handicapped, emotionally disturbed, culturally different, learning disabled, bilingual, and special programs for other types of students at all levels.

Vocational programs are learning experiences that will provide individuals with the opportunity to develop the necessary knowledge, skills, and attitudes needed for occupational employment.

Other instructional programs are activities that provide elementary and secondary students with learning experiences in school-sponsored activities, athletics, and summer school.

Adult education programs are learning experiences designed to develop knowledge and skills to meet intermediate and long-range educational objectives for adults, who, having completed or interrupted formal schooling, have accepted adult roles and responsibilities.

Undistributed expenditures are charges not readily assignable to a specific program. Student and instructional staff support and overall general and administrative cost are classified as undistributed expenditures. Also included are cost of operating, maintaining, and constructing the physical facilities of the District.

Food services programs consist of activities to provide food service to students and staff.

Community Services programs are those programs not directly related to the provision of educational services, including services for the welfare of the community.

Compensated Absences

Teachers and certain school administrators do not receive vacation leave. For other District employees, vacation leave is earned at rates dependent on length of employment and can be accumulated to specific maximum days/hours. Employees are allowed to accumulate sick days for future use up to certain

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

maximums. Vested sick leave will be paid by the District to eligible employees. Payments will be made as a lump sum at the rate of \$40 per day of accumulated and vested sick leave for eligible administrators, and at the rate of \$30 per day for all other eligible employees. The current portion of vacation and sick leave is recorded as a payroll expenditure. The estimated long-term liability for vacation and sick leave is accounted for in the district-wide financial statements.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses/expenditures and disclosure of contingent assets and liabilities. Accordingly, actual results could differ from these estimates.

Prior Year Information

Certain basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2020, from which summarized information was derived. Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation. Such reclassifications relate primarily to the determination of major and nonmajor funds, as previously discussed.

NOTE 2 – COMPLIANCE WITH NEVADA REVISED STATUTES

The District conformed to all significant statutory constraints on its financial administration during the year with the possible exception of an overexpenditure in the Student Activities Fund (a special revenue fund), regular programs of \$31,317. This is a potential violation of NRS 354.626.

NOTE 3 – CASH AND INVESTMENTS

The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of the pool is displayed on the Governmental Funds Balance Sheet as "Cash and Investments."

As of June 30, 2021, the District had the following amounts reported as cash and investments:

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

District-Wide Balances:

Pooled cash	\$ 10,110,208
Food services	30,038
Self-insurance claims accounts	56,642
Cash held by Student Activity Funds	954,319
	<hr/>
	11,151,207
Deposits held with fiscal agent	254,932
Local Government Investment Pool	15,380,000
	<hr/>
Total Cash and Investments	<u>\$ 26,786,139</u>

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The District investments are held in the State of Nevada's Local Government Investment Pool; as such, the investments are not categorized by valuation inputs.

The following is a list of cash and deposits indicating collateral or insurance on these deposits:

	<u>Bank Balance</u>
Insured (FDIC)	\$ 697,711
Uninsured but collateralized by securities held in the name of the Office of the State Treasurer/Nevada Collateral Pool	10,833,805
	<hr/>
	<u>\$ 10,577,197</u>

As of June 30, 2021, the District had \$15,380,000 invested with Nevada's Local Government Investment Pool. The investment is stated at fair value with a maturity date of less than one year.

The Local Government Investment Pool is authorized by NRS 355.167 and is administered by the State Treasurer. Administrative policies are adopted by the State Board of Finance, which has oversight responsibilities of the fund. The fair value of the District's position in the pool equals the value of the pool shares. The investment in the State Treasurer's Local Government Investment Pool is carried at market. This Pool is an unrated external investment pool.

Interest Rate Risk – Interest rate risk is the risk of possible reduction in the value of a security, especially a bond, resulting from the rise in interest rates. To limit exposure to interest rate risk, the Nevada Revised Statutes limits bankers' acceptances to 180 days maturities, repurchase agreements to 90 days, U.S. Treasuries and Agencies to less than 10 years, and commercial paper to 270 days maturity.

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation and is a function of the credit quality ratings of its investments. In accordance with the Nevada Revised Statutes, the District limits its investment instruments by their credit risk. The State of Nevada Local Government Investment Pool and the Douglas County Investment Pool are unrated external investment pools.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank or brokerage failure, the District’s deposits may not be returned. The District’s bank deposits are generally covered by FDIC insurance and are collateralized by the Office of the State Treasurer/Nevada Collateral Pool.

NOTE 4 – RECEIVABLES

The District had the following receivables as of June 30, 2021:

	Taxes Receivable	Due from Other Gov't.	Other	Total Receivables
<i>Major Governmental Funds:</i>				
General	\$ 247,716	\$ 4,482,791	\$ 89,794	\$ 4,820,301
Special Education	-	28,575	254	28,829
Federal and State Grants	-	1,006,416	-	1,006,416
Debt Service	33,326	-	479	33,805
Capital Projects	-	158,131	592	158,723
Building and Sites	-	-	378	378
<i>Other Governmental Funds</i>	-	-	52,955	52,955
Total Governmental Funds	281,042	5,675,913	144,452	6,101,407
<i>Internal Service Funds</i>				
	-	-	67,092	67,092
Total Receivables	\$ 281,042	\$ 5,675,913	\$ 211,544	\$ 6,168,499

NOTE 5 – INTERFUND BALANCES AND TRANSACTIONS

From time to time, certain funds may temporarily overdraw their allocation of the pooled cash resources creating interfund receivable/payable balances. These occurrences typically arise either because the fund is a reimbursement type fund and must expend resources prior to the reimbursement or because the fund would otherwise have to liquidate investments. There were no balances as of June 30, 2021 resulting from these transactions.

The cost of health and workers’ compensation insurance benefits are accounted for in internal service funds which assess each fund based on total enrolled members in the District’s plan. The amounts due to the Self Insurance Health Fund and Workers’ Compensation Self-Insurance Fund at year end represent the portion attributable to year end accrued salaries.

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Interfund receivable and payable balances as of June 30, 2021 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Governmental Fund:		
General Fund	\$ -	\$ 453,468
Internal Service Funds:		
Self Insurance Health Fund	430,711	-
Workers' Comp. Self-Insurance Fund	22,757	-
	<u>\$ 453,468</u>	<u>\$ 453,468</u>

Interfund transfers are shown as other financing sources (uses) in all funds other than the internal service funds, where they are shown as operating transfers. Transfers are used primarily to supplement programs that are not fully funded by general revenues through the distributive school account. Transfers made during the year ended June 30, 2021 were as follows:

	Transfers	
	<u>To</u>	<u>From</u>
General Fund	\$ -	\$ 4,000,000
Special Education Fund	4,000,000	-
Debt Service Fund	-	100,000
Capital Projects Fund	100,000	-
	<u>\$ 4,100,000</u>	<u>\$ 4,100,000</u>

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 6 – CAPITAL ASSETS

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

	Balance July 1, 2020	Additions / Transfers	Deletions / Transfers	Balance June 30, 2021
Nondepreciable Capital Assets				
Land	\$ 1,273,439	\$ -	\$ -	\$ 1,273,439
Construction in progress	807,967	865,331	(771,921)	901,377
	<u>2,081,406</u>	<u>865,331</u>	<u>(771,921)</u>	<u>2,174,816</u>
Depreciable Capital Assets				
Buildings and improvements	151,989,215	3,123,854	-	155,113,069
Equipment and vehicles	12,969,420	1,303,328	(107,994)	14,164,754
	<u>164,958,635</u>	<u>4,427,182</u>	<u>(107,994)</u>	<u>169,277,823</u>
Total Capital Assets	<u>167,040,041</u>	<u>5,292,513</u>	<u>(879,915)</u>	<u>171,452,639</u>
Less accumulated depreciation for:				
Buildings and improvements	76,087,413	4,409,481	-	80,496,894
Equipment and vehicles	8,121,209	794,366	(107,994)	8,807,581
	<u>84,208,622</u>	<u>5,203,847</u>	<u>(107,994)</u>	<u>89,304,475</u>
Governmental Activities, Capital Assets, net	<u>\$ 82,831,419</u>	<u>\$ 88,666</u>	<u>\$ (771,921)</u>	<u>\$ 82,148,164</u>

Depreciation expense was allocated to the following functions/programs:

<i>Instruction</i>	\$ 200,711
<i>Support Services</i>	
Student	5,550
Central services	115,429
Operations and maintenance	135,814
Student transportation	290,585
Facilities construction and improvement	4,455,758
	<u>5,003,136</u>
Total Depreciation Expense	<u>\$ 5,203,847</u>

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 7 – LONG-TERM DEBT

Bonds Issued

On December 3, 2020 the District issued \$11,858,000 in General Obligation Refunding Bonds Series 2020. The bonds have an interest rate of 1.34% and mature in April 2030. Principal payments begin in April 2022. The proceeds were used to refund the District’s 2019 Refunding Bonds. The refunding was undertaken to realize a savings in debt service payments of \$588,446 over the term of the Series 2020 refunding.

Changes in Long-Term Debt

The following is a summary of the changes in the District’s long-term obligations during the fiscal year ended June 30, 2021:

	Balance July 1, 2020	Additions of New Debt	Retirements, Repayments and Reductions	Balance June 30, 2021	Due Within One Year	Due After One Year
General Obligation Bonds	\$ 34,497,000	\$11,858,000	\$(13,762,000)	\$ 32,593,000	\$ 2,159,000	\$ 30,434,000
Plus: Bond Premiums	228,057	-	(15,001)	213,056	15,001	198,055
Total Bonds Payable	<u>34,725,057</u>	<u>11,858,000</u>	<u>(13,777,001)</u>	<u>32,806,056</u>	<u>2,174,001</u>	<u>30,632,055</u>
Compensated Absences	719,942	35,236	-	755,178	-	755,178
Installment Note Payable	<u>1,807,000</u>	<u>-</u>	<u>(485,000)</u>	<u>1,322,000</u>	<u>496,000</u>	<u>826,000</u>
	37,251,999	11,893,236	(14,262,001)	34,883,234	2,670,001	32,213,233
OPEB	23,103,950	-	(3,526,975)	19,576,975	-	19,576,975
Pension liability	<u>71,188,494</u>	<u>935,249</u>	<u>-</u>	<u>72,123,743</u>	<u>-</u>	<u>72,123,743</u>
	<u>\$131,544,443</u>	<u>\$12,828,485</u>	<u>\$(17,788,976)</u>	<u>\$126,583,952</u>	<u>\$ 2,670,001</u>	<u>\$123,913,951</u>

Total interest expense for the year ended June 30, 2021 was \$1,099,773.

The District was, in accordance with NRS 387.400, within the legal debt limit at June 30, 2021.

General Obligation Bonds payable consist of the following as of June 30, 2021:

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Issue	Date Issued	Date of Final Maturity	Original Interest Rate %	Amount Issued	Balance June 30, 2021
Improvement Bonds (QSCBs), Series 2010C	5/13/2010	4/1/2027	4.5 - 6.4	\$ 2,305,000	\$ 2,000,000
Improvement Bonds, Series 2012	12/19/2012	4/1/2042	2.0 - 3.25	9,000,000	7,840,000
Improvement Bonds, Series 2013	10/16/2013	4/1/2034	3.0 - 4.0	8,500,000	6,595,000
Improvement Bonds, Series 2015	2/19/2015	4/1/2035	2.0 - 3.25	5,000,000	4,300,000
Refunding Bonds, Series 2020	12/3/2020	4/1/2030	1.340	11,858,000	11,858,000
					<u>\$32,593,000</u>

The annual requirements to amortize all General Obligation Debt outstanding as of June 30, 2021 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Expected Interest Subsidy	Total Requirements
2022	\$ 2,159,000	\$ 874,721	\$ (113,200)	\$ 2,920,521
2023	2,239,000	837,754	(113,200)	2,963,554
2024	2,278,000	798,788	(113,200)	2,963,588
2025	2,318,000	758,331	(113,200)	2,963,131
2026	2,361,000	715,006	(113,200)	2,962,806
2027 - 2031	11,268,000	2,504,098	(113,200)	13,658,898
2032 - 2036	6,455,000	1,099,845	-	7,554,845
2037- 2041	2,880,000	372,287	-	3,252,287
2042	635,000	19,844	-	654,844
	<u>\$ 32,593,000</u>	<u>\$ 7,980,674</u>	<u>\$ (679,200)</u>	<u>\$ 39,894,474</u>

Installment Note Payable

On June 15, 2012 the District refinanced an existing installment purchase agreement with Bank of America for \$4,980,000, which was entered into for the purpose of financing District-wide energy efficiency improvements. Payments on the note, including interest at 2.25% began January 2013 and will continue until July 2023.

The annual requirements to amortize the outstanding installment note payable as of June 30, 2021 are as follows:

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Fiscal Year Ending June 30,	Principal	Interest	Total Payment
2022	\$ 496,000	\$ 26,966	\$ 522,966
2023	507,000	15,750	522,750
2024	319,000	3,589	322,589
	<u>\$ 1,322,000</u>	<u>\$ 46,305</u>	<u>\$ 1,368,305</u>

NOTE 8 – FUND BALANCE/NET POSITION

District-Wide Financial Statements

The district-wide Statement of Net Position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position is categorized as invested in capital assets, restricted and unrestricted.

Net position is reported as restricted when there are statutory limitation on their use either through enabling legislation adopted by the School or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The restriction for debt service represents the portion of net position legally restricted by statute or bond covenants for future debt service requirements of both principal and interest. The amount restricted for projects consists of unspent grants, donations, and debt proceeds with third party restrictions for use on specific projects or programs.

Unrestricted net position represents the District's available financial resources.

Fund Financial Statements

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - fund balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. The District has inventories that are considered nonspendable.

Restricted – fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.

DOUGLAS COUNTY SCHOOL DISTRICT

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Committed – fund balances that contain self-imposed constraints of the District by its Board of Trustees, the highest level of the District’s decision making authority. Committed fund balance is reported pursuant to formal action of the Board of Trustees.

Assigned – fund balances that contain self-imposed constraints of the District to be used for a particular purpose. Amounts may be assigned by the Board of Trustees or its designee(s).

Appropriated assigned fund balance is an appropriation of existing fund balance to eliminate a projected budgetary deficit in the subsequent year’s budget in an amount no greater than the projected excess of expected expenditures over expected revenues.

Unassigned – fund balance of the General Fund that is not constrained for any particular purpose.

When both restricted and unrestricted resources are available for use, it is the District’s policy to use externally restricted resources first, then unrestricted resources – committed, assigned, and unassigned as needed.

The following is a summary of the District’s governmental fund balances as of June 30, 2021:

	Major Funds						Total Governmental Funds
	General Fund	Special Education Fund	Debt Service Fund	Capital Projects Fund	Building and Sites Fund	Other Gov’t Funds	
Nonspendable:							
Inventories	\$ 132,369	\$ -	\$ -	\$ -	\$ -	\$ 34,023	\$ 166,392
Restricted for:							
Debt service	-	-	3,221,666	-	-	-	3,221,666
Property renovations/upgrades	-	-	-	4,227,892	2,119,038	-	6,346,930
Child nutrition services	-	-	-	-	-	668,145	668,145
Education services	-	-	-	-	-	4,044	4,044
Student activities	-	-	-	-	-	954,319	954,319
Assigned to:							
Education services	2,439,235	741,847	-	-	-	-	3,181,082
Unassigned	5,892,315	-	-	-	-	-	5,892,315
Governmental Fund Balances	<u>\$8,463,919</u>	<u>\$741,847</u>	<u>\$3,221,666</u>	<u>\$4,227,892</u>	<u>\$2,119,038</u>	<u>\$1,660,531</u>	<u>\$ 20,434,893</u>

NOTE 9 – NEVADA PUBLIC EMPLOYEES’ RETIREMENT SYSTEM

Plan Description

The District contributes to the State of Nevada Public Employees Retirement System (PERS) a statewide, cost-sharing, multiple-employer defined benefit plan administered by the State of Nevada that covers

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NOTES TO FINANCIAL STATEMENTS

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substantially all employees of the District. PERS provides retirement, disability, and death benefits, including annual cost of living adjustments, to plan members and their beneficiaries. Chapter 286 of the Nevada Revised Statutes establishes the benefit provisions provided to the participants of PERS. These benefit provisions may only be amended through legislation. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report is available on the web at <http://www.nvpers.org> or by writing to the State of Nevada Public Employees Retirement System, 693 West Nye Lane, Carson City, NV 89703-1599 or by calling (775) 687-4200.

Benefits Provided

Benefits provisions of the defined benefit pension plan are established by Nevada Revised Statutes (NRS or statute), which may be amended. Benefits are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the System on or after January 1, 2010, and on or after July 1, 2015. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed at 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.5% multiplier, and for regular members entering PERS on or after July 1, 2015, there is a 2.25% multiplier. The System offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Post-retirement increases are provided by authority of NRS 286.575-.579.

Vesting

Regular members are eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, or at any age with thirty years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with ten years of service, or any age with thirty years of service. Regular members who entered the System on or after July 1, 2015, are eligible for retirement at age 65 with 5 years of service, or at age 62 with 10 years of service or at age 55 with 30 years of service or any age with 33 1/3 years of service.

The normal ceiling limitation on monthly benefit allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Members become fully vested as to benefits upon completion of five years of service.

DOUGLAS COUNTY SCHOOL DISTRICT

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Contributions

Contribution provisions are specified by state statute and may be amended only by action of the State legislature. Contribution rates are based on biennial actuarial valuations and are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance a portion of the unfunded accrued liability. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. One plan provides for matching employee and employer contributions (EE/ER), while the other plan provides for employer-pay contributions (EPC) only. Under the matching Employee/Employer Contribution (EE/ER) plan a member may, upon termination of service for which contribution is required, withdraw employee contributions which have been credited to their account. All membership rights and active service credit in the System are canceled upon withdrawal of contributions from the member's account. If EPC was elected, the member cannot convert to the Employee/Employer Contribution (EE/ER) plan.

The required contribution rates for the year ended June 30, 2021 were 15.25% for the EE/ER plan and 29.25% for the EPC plan. The required contribution rates for the year ended June 30, 2020 were 15.25% for the EE/ER plan and 29.25% for the EPC plan. The District's contributions to the Plan were \$5,378,816 and \$5,415,208 for the years ended June 30, 2021 and 2020, respectively.

PERS Investment Policy

PERS' policies which determine the investment portfolio target asset allocation are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System.

The following was the PERS Board's adopted policy target asset allocation as of June 30, 2020:

Asset Class	Target Allocation	Long-Term
		Geometric Expected Real Rate of Return
U.S. Stocks	42%	5.50%
International Stocks	18%	5.50%
U.S. Bonds	28%	0.75%
Private Markets	12%	6.65%
	<u>100%</u>	

Net Pension Liability

At June 30, 2021, the District reported a liability of \$72,123,743 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions in the PERS pension plan relative to the total contributions of all participating reporting units and members. At June

DOUGLAS COUNTY SCHOOL DISTRICT

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30, 2020, the District's proportion of the regular plan was .51782%, which was a decrease of .00424 from its .52206% proportion measured as of June 30, 2019.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the District calculated using the discount rate of 7.5%. The following also reflects what the District's net pension liability would be if it were calculated using a discount rate that is 1.00 percentage point lower (6.50%) or 1.00 percentage point higher (8.50%) than the current discount rate of 7.50%.

	1% Decrease in Discount Rate (6.50%)	Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
Net Pension Liability	\$ 112,485,174	\$ 72,123,743	\$ 38,566,213

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the Comprehensive Annual Financial Report, available on the NVPERS website.

Actuarial Assumptions

The System's net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	7.5% per year.
Salary increases	4.25% to 9.15% depending on service.
Inflation rate	2.75% per year.
Productivity pay increase	0.50%
Consumer Price Index	2.75%
Other assumptions	Same as those used in the June 30, 2020 funding actuarial valuation.

DOUGLAS COUNTY SCHOOL DISTRICT

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Actuarial assumptions used in the June 30, 2020 valuation were based on the results of the experience study for the period July 1, 2012 through June 30, 2016, which was completed in 2017.

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Expense, Deferred Outflows and Inflows of Resources Related to Pensions

For the year ended June 30, 2021, the District recognized pension expense of \$4,977,767. As of June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,240,835	\$ 931,293
Changes in assumptions	2,025,878	-
Net difference between projected and actual earnings on pension plan assets	-	2,724,530
Changes in proportion and differences between the District's contributions and proportionate share of contributions	336,862	5,584,157
District's contributions subsequent to the measurement date	5,378,816	-
	<u>\$ 9,982,391</u>	<u>\$ 9,239,980</u>

The District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and (deferred inflows) of resources related to pensions will be recognized in pension expense as follows:

DOUGLAS COUNTY SCHOOL DISTRICT

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Years Ending June 30	Amount
2022	\$ (2,709,790)
2023	(1,124,376)
2024	(638,472)
2025	(79,255)
2026	(76,865)
2027	(7,647)
	<u>\$ (4,636,405)</u>

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Retirees of the District may receive these other postemployment benefits (OPEB) through the Nevada Public Employees' Benefits Program (PEBP) or through the District's healthcare plan offered to its active employees.

Plan Descriptions

Nevada Public Employees' Benefits Program

The District contributes to the Nevada Public Employees' Benefits Program (PEBP), an agent, multiple-employer defined benefit plan, which provides medical benefits to eligible retired District employees and their beneficiaries. PEBP is administered by the Board of the Public Employees' Benefits Program, consisting of nine appointed members. Before November 30, 2008, NRS 287.023 allowed retirees of local governments meeting established criteria to enroll in the PEBP and required the local governments to subsidize the cost of their retirees' premiums. Although retirees may no longer enroll in the PEBP, retirees enrolled as of November 30, 2008 may remain in the plan with continued premium subsidies paid by the District. The PEBP issues a publicly available report that includes financial statements and required supplementary information. That report may be obtained by writing to the Nevada Public Employees' Benefits Program, 901 South Stewart Street, Suite 1001, Carson City, Nevada 89701. The information is also located on their website at www.pebp.state.nv.us, or by calling (800) 326-5496.

PEBP is administered by the State of Nevada and is not considered a "plan" for purposes of Governmental Accounting Standards Board (GASB) Statement No. 74 *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. However, to enhance the understanding of this footnote, this PEBP program may be referred to as a "plan." Any assets accumulated for OPEB purposes are to be reported as assets of the employer. As of June 30, 2020, \$3.0 million of assets have been accumulated in the District's Self Insurance Health Fund. These assets are restricted for employee benefits and are not subject to the claims of the District's creditors.

DOUGLAS COUNTY SCHOOL DISTRICT

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The contribution requirements of plan members and the District are established and may be amended by the Board of the Public Employees' Benefits Program. The amount of subsidy an individual retiree is entitled is predicated on the years of service and a legislatively determined base amount. The District contributed \$688,599 during the year on behalf of 251 participating retirees.

Douglas County School District Healthcare Plan

The District administers a single-employer defined benefit healthcare plan. This plan provides postemployment healthcare benefits to retirees of the District. Any retiree who participates in the Nevada Public Employees' Retirement System (PERS) may purchase coverage for themselves and dependents at the same premium rate which is charged to the District's active employees. Because retirees pay the same premium as active employees rather than a higher rate that would result from rating retirees as a separate insured group, the District incurs the cost of an implicit premium subsidy. A separate report has not been issued for this plan. The District has elected to pay the implicit cost of postemployment benefits on the *pay-as-you-go* basis. District contributions were \$219,786 for FY 21.

Plan membership consisted of 703 active plan members and 77 retirees as of September 1, 2020, the date of the latest actuarial valuation.

The District is self-insured for healthcare coverage. NRS 288.150 specifies that insurance benefits are subject to mandatory bargaining. The amount employees contribute towards their insurance premium is negotiated with each association.

Actuarial Methods and Assumptions

The District's net OPEB liability for each plan was measured as of June 30, 2021, and the total OPEB liabilities used to calculate their respective net OPEB liability were determined by actuarial valuations for each plan as of September 1, 2020.

The total OPEB liability in the actuarial valuation for each plan was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement, unless otherwise specified:

DOUGLAS COUNTY SCHOOL DISTRICT

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	<u>District</u>	<u>PEBP</u>
Valuation Date	9/1/20	9/1/20
Actuarial cost method	Entry Age Normal	Entry Age Normal
Inflation	2.50%	2.50%
Salary increases	3.00%	N/A
Discount rate	2.16%	2.16%
Retirement age	45 to 75	N/A
Healthcare cost trend rate		
Eff Jan 2021	Actual	N/A
2022	6.00%	Non-MC: 5.30%
By 2076	grading to 4.00%	fluctuating to 4.00%
		Post MC: 4.50%
Mortality	RPH 2014	RPH 2014
	Healthy Annuitant	Healthy Annuitant

Sensitivity of the OPEB Liabilities to Changes in the Discount Rate and Healthcare Cost Trend Rate

The following presents the net OPEB liabilities of the District's plan and PEBP, as well as what the liabilities would be if they were calculated using a discount rate that is 1% lower (1.16%) or 1% higher (3.16%).

<u>Net OPEB Liability</u>	<u>1% Decrease in Discount Rate to 1.16%</u>	<u>Current Discount Rate 2.16%</u>	<u>1% Increase in Discount Rate to 3.16%</u>
District	\$ 8,057,122	\$ 7,133,858	\$ 6,356,838
PEBP	13,996,905	12,443,117	11,144,003
	<u>\$ 22,054,027</u>	<u>\$ 19,576,975</u>	<u>\$ 17,500,841</u>

The following presents the net OPEB liabilities of the District's Plan and PEBP, as well as what the liabilities would be if they were calculated using a 1% decrease and a 1% increase in the healthcare cost trend rate.

<u>Net OPEB Liability</u>	<u>1% Decrease in Current Trend</u>	<u>Current Trend</u>	<u>1% Increase in Current Trend</u>
District	\$ 6,146,499	\$ 7,133,858	\$ 8,358,799
PEBP	11,107,422	12,443,117	14,007,727
	<u>\$ 17,253,921</u>	<u>\$ 19,576,975</u>	<u>\$ 22,366,526</u>

DOUGLAS COUNTY SCHOOL DISTRICT

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JUNE 30, 2021

OPEB Expense and Deferred Outflows of Resources and Inflows Related to OPEB

For the year ended June 30, 2021, the District recognized OPEB expense of \$200,783 for the District Plan and \$(2,563,620) for PEBP. As of June 30, 2021, the District reported deferred inflows of \$2,826,680 and \$-0- for the District Plan and PEBP, respectively, and deferred outflows of \$-0- for both plans.

The deferred inflows of \$2,826,680 for the District Plan will be recognized as a component of OPEB expense, ratably at the rate of approximately \$(383,514) per year through 2029.

Change in Net OPEB Liability

The following table depicts the District's changes in the net OPEB liability for the year ended June 30, 2021:

	<u>District</u>	<u>PEBP</u>	<u>Combined</u>
Balance, July 1, 2020	\$ 7,408,614	\$ 15,695,336	\$ 23,103,950
Changes for the Year:			
Service cost	413,849	-	413,849
Interest cost	170,448	339,258	509,706
Changes of assumptions	1,325,871	(2,472)	1,323,399
Plan experience	(1,965,138)	(2,900,406)	(4,865,544)
Benefit payments	(219,786)	(688,599)	(908,385)
Net Changes	<u>(274,756)</u>	<u>(3,252,219)</u>	<u>(3,526,975)</u>
Balance, June 30, 2021	<u>\$ 7,133,858</u>	<u>\$ 12,443,117</u>	<u>\$ 19,576,975</u>

NOTE 11 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; and natural disasters. These risks are provided for through participation in the Nevada Public Agency Insurance Pool (the Pool), a public entity risk pool. The District pays an annual premium and specific deductibles, as necessary, to the Pool for its general insurance coverage. The Pool covers its members up to \$10,000,000 per event and a \$10,000,000 general aggregate per member. Property crime and equipment breakdown coverage is provided to its members up to \$300,000,000 per loss with various sublimits established for earthquake, flood, equipment breakdown, and money and securities.

Self-Insurance Health Fund

The District contributed approximately \$635 per employee to this fund for health and accident coverage. In addition, employees have the option to authorize payroll deductions for premiums for dependent coverage. The premiums are adjusted annually as necessary to properly allow for health and accident

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

claims. The District's third party administrator monitors and negotiates payment of all health and accident claims.

The District is protected against unanticipated catastrophic individual or aggregate loss through its stop-loss coverage, which is in effect for individual claims exceeding \$175,000 and for aggregate loss, which is based on a factor determined monthly by the carrier.

Workers' Compensation Self-Insurance Fund

Claims are paid by a third party administrator acting on behalf of the District. The District is protected against unanticipated catastrophic claims and annual aggregate loss by a commercial insurance carrier. Coverage is in effect for specific occurrences exceeding \$400,000. Liabilities for incurred losses to be settled by fixed or reasonably determined payments over an extended period of time are computed by an actuary and are reported at their present value using an expected future investment yield of 2.5%.

The self-insurance funds are reported as internal service funds in the accompanying financial statements. Liabilities are recorded in the financial statements if it is probable that a liability has been incurred at the date of the financial statements and a reasonable estimate of the liability can be made. These liabilities include an estimate for claims that have been incurred but not yet reported. Because actual claim liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount. Claim liabilities are reevaluated annually to take into consideration recently settled claims, claim frequency, and other economic and social factors.

The changes in the claims liability for the years ended June 30, 2020 and 2021 are as follows:

	Self-Insurance Funds		
	Health Fund	Workers' Compensation	Total
Claims liability, July 1, 2019	\$ 804,446	\$ 444,000	\$ 1,248,446
Current year claims and changes in estimates	6,731,737	185,445	6,917,182
Claim payments	(6,659,572)	(216,445)	(6,876,017)
Claims liability, June 30, 2020	876,611	413,000	1,289,611
Current year claims and changes in estimates	8,519,318	17,728	8,537,046
Claim payments	(8,479,028)	(128,728)	(8,607,756)
Claims liability, June 30, 2021	\$ 916,901	\$ 302,000	\$ 1,218,901

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Litigation

The District is a defendant in various lawsuits. The outcome of these lawsuits is not presently determinable. In the opinion of management, any resulting uninsured liability will not have a material effect, if any, on the financial position or results of the operations of the District.

Grants

The District has received state and federal grants for specific purposes that are subject to audit and review by grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under terms of the grant. The amount, if any, of expenditures which may be disallowed cannot be determined at this time, although, based on prior experience, the District believes such disallowances, if any, will not be material.

Construction Commitments

The District has active construction projects as of June 30, 2021 which are being financed primarily by available cash in the District's two capital projects funds. No additional financing is required to complete these projects.

NOTE 13 – PRIOR PERIOD ADJUSTMENT

In connection with the initial implementation of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, a prior period adjustment was made for the fund reclassification of the Student Activities Fund. The fund was previously classified as an agency fund and as of July 1, 2020 was deemed to be a special revenue fund, as required by GASB Statement No. 84. The effect of this adjustment was to increase both fund balance and net position as of July 1, 2020 by \$1,033,706.

NOTE 14 – NEW ACCOUNTING PRONOUNCEMENTS

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The District is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the District's financial statements for the year ending June 30, 2022.

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The primary objectives of this statement are to enhance comparability in accounting and financial reporting and improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements. The topics within this statement, via the adoption of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, have been delayed for the District until the fiscal year ending June 30, 2022. Management has not yet determined the impact of this statement on the District's financial statement.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement defines a SBITA; establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA. The requirements of this statement are effective for the District's fiscal year ending June 30, 2023. Management has not yet determined the impact of this statement on the District's financial statement.

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to increase consistency and comparability related to the reporting of fiduciary component units when a potential component unit does not have a governing board and the primary government performs those duties; mitigate costs associated with the reporting; and enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans. The requirements of this statement are effective for the District's fiscal year ending June 30, 2022. Management has not yet determined the impact of this statement on the District's financial statement.

DOUGLAS COUNTY SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NPL
 (NET PENSION LIABILITY)
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEVADA
 LAST TEN FISCAL YEARS*

	Plan Year Ended						
	2020	2019	2018	2017	2016	2015	2014
District's proportion of the Net Pension Liability	0.51782%	0.52206%	0.53453%	0.57247%	0.58846%	0.60910%	0.57980%
District's proportionate share of the Net Pension Liability	\$ 72,123,743	\$ 71,188,494	\$ 72,898,330	\$ 76,137,260	\$ 79,189,924	\$ 69,799,991	\$ 60,291,529
District's covered employee payroll	\$ 36,405,291	\$ 36,654,122	\$ 35,646,119	\$ 35,305,799	\$ 35,363,059	\$ 35,561,565	\$ 32,383,611
District's proportionate share of the Net Pension Liability as a percentage of its covered employee payroll	198.11%	194.22%	204.51%	215.65%	223.93%	196.28%	186.18%
Plan fiduciary net position as a percentage of the Total Pension Liability	77.00%	76.46%	75.23%	74.42%	72.20%	75.10%	76.30%

*GASB Statement No. 68 requires ten years of information to be presented. However, until a full 10 year trend is available, the District presents information for those years for which the information is available.

DOUGLAS COUNTY SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF DISTRICT'S CONTRIBUTIONS PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEVADA LAST TEN FISCAL YEARS*

	Determined for the Year Ended June 30,						
	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 5,378,816	\$ 5,415,208	\$ 5,025,730	\$ 4,983,219	\$ 4,989,279	\$ 8,912,739	\$ 8,393,174
Contributions in relation to the statutorily required contribution	<u>5,378,816</u>	<u>5,415,208</u>	<u>5,025,730</u>	<u>4,983,219</u>	<u>4,989,279</u>	<u>8,912,739</u>	<u>8,393,174</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered employee payroll	\$ 36,405,291	\$ 36,654,122	\$ 35,646,119	\$ 35,305,799	\$ 35,363,059	\$ 35,561,565	\$ 32,383,611
Contributions as a percentage of covered employee payroll	14.77%	14.77%	14.10%	14.11%	14.11%	25.06%	25.92%

*GASB Statement No. 68 requires ten years of information to be presented. However, until a full 10 year trend is available, the District presents information for those years for which the information is available.

DOUGLAS COUNTY SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES OF CHANGES IN NET OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY AND RELATED RATIOS LAST TEN FISCAL YEARS*

	2021			2020		
	District	PEBP	Total	District	PEBP	Total
Total OPEB Liability						
Service cost	\$ 413,849	\$ -	\$ 413,849	\$ 308,442	\$ -	\$ 308,442
Interest	170,448	339,258	509,706	221,063	473,506	694,569
Change in benefit terms	-	-	-	-	-	-
Expected versus actual experience	(1,965,138)	(2,900,406)	(4,865,544)	-	-	-
Changes in assumptions	1,325,871	(2,472)	1,323,399	1,023,019	2,120,778	3,143,797
Benefit payments	(219,786)	(688,599)	(908,385)	(267,079)	(778,304)	(1,045,383)
Net change in Total OPEB Liability	(274,756)	(3,252,219)	(3,526,975)	1,285,445	1,815,980	3,101,425
Total OPEB Liability, beginning	7,408,614	15,695,336	23,103,950	6,123,169	13,879,356	20,002,525
Total OPEB Liability, ending	7,133,858	12,443,117	19,576,975	7,408,614	15,695,336	23,103,950
Plan Fiduciary Net Position						
Employer contributions	219,786	688,599	908,385	267,079	778,304	1,045,383
Net investment income	-	-	-	-	-	-
Benefit payments	(219,786)	(688,599)	(908,385)	(267,079)	(778,304)	(1,045,383)
Net change in Plan Fiduciary Net Position	-	-	-	-	-	-
Plan Fiduciary Net Position, beginning	-	-	-	-	-	-
Plan Fiduciary Net Position, ending	-	-	-	-	-	-
District's Net OPEB Liability	\$ 7,133,858	\$ 12,443,117	\$ 19,576,975	\$ 7,408,614	\$ 15,695,336	\$ 23,103,950
Covered payroll	\$ 38,199,000	N/A	N/A	\$ 37,443,397	N/A	N/A
District's net OPEB liability as a percentage of covered payroll	18.68%	N/A	N/A	19.79%	N/A	N/A

*GASB Statement No. 75 requires ten years of information to be presented. However, until all 10 years of data is available the District presents information for those years for which the information is available.

Continued on next page.

DOUGLAS COUNTY SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES OF CHANGES IN NET OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY AND RELATED RATIOS LAST TEN FISCAL YEARS*

	2019			2018		
	District	PEBP	Total	District	PEBP	Total
Service cost	\$ 470,590	\$ -	\$ 470,590	\$ 487,581	\$ -	\$ 487,581
Interest	352,961	531,373	884,334	315,670	512,486	828,156
Change in benefit terms	-	-	-	-	-	-
actual experience	(2,182,159)	(1,222,963)	(3,405,122)	-	-	-
Changes in assumptions	(995,379)	1,322,789	327,410	(398,244)	(575,379)	(973,623)
Benefit payments	(251,622)	(823,650)	(1,075,272)	(262,271)	(766,650)	(1,028,921)
Net change in Total OPEB Liability	(2,605,609)	(192,451)	(2,798,060)	142,736	(829,543)	(686,807)
Total OPEB Liability, beginning	8,728,778	14,071,807	22,800,585	8,586,042	14,901,350	23,487,392
Total OPEB Liability, ending	6,123,169	13,879,356	20,002,525	8,728,778	14,071,807	22,800,585
Plan Fiduciary Net Position						
Employer contributions	251,622	823,650	1,075,272	262,271	766,650	1,028,921
Net investment income	-	-	-	-	-	-
Benefit payments	(251,622)	(823,650)	(1,075,272)	(262,271)	(766,650)	(1,028,921)
Net change in Plan Fiduciary Net Position	-	-	-	-	-	-
Plan Fiduciary Net Position, beginning	-	-	-	-	-	-
Plan Fiduciary Net Position, ending	-	-	-	-	-	-
District's Net OPEB Liability	\$ 6,123,169	\$ 13,879,356	\$ 20,002,525	\$ 8,728,778	\$ 14,071,807	\$ 22,800,585
Covered payroll	\$ 31,511,797	N/A	N/A	\$ 35,338,249	N/A	N/A
District's net OPEB liability as a percentage of covered payroll	0.1943	N/A	N/A	0.247	N/A	N/A

*CASB Statement No. 75 requires ten years of information to be presented. However, until all 10 years of data is available the District presents information for those years for which the information is available.

DOUGLAS COUNTY SCHOOL DISTRICT

DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)

	2021 BUDGET		2021		2020
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local Sources:					
Ad valorem taxes	\$ 3,173,369	\$ 3,173,369	\$ 3,203,522	\$ 30,153	\$ 3,035,166
Earnings on investments	15,000	15,000	10,365	(4,635)	40,831
Total Local Sources	3,188,369	3,188,369	3,213,887	25,518	3,075,997
Federal Sources:					
In lieu of tax	275	275	-	(275)	-
Bond interest subsidy	113,200	113,200	107,108	(6,092)	337,265
Total Federal sources	113,475	113,475	107,108	(6,367)	337,265
Total Revenues	3,301,844	3,301,844	3,320,995	19,151	3,413,262
EXPENDITURES					
Debt Service:					
Principal	1,929,000	2,036,000	2,036,000	-	1,795,000
Interest	1,136,844	943,859	998,687	(54,828)	1,144,867
Bond issue costs	-	-	75,705	(75,705)	-
Fiscal agent charges	6,000	6,000	3,000	3,000	4,050
Total Expenditures	3,071,844	2,985,859	3,113,392	(127,533)	2,943,917
Revenues Over (Under)					
Expenditures	230,000	315,985	207,603	(108,382)	469,345
OTHER FINANCING SOURCES (USES)					
Refunding bond proceeds	-	-	11,858,000	11,858,000	-
Principal on refunded bonds	-	-	(11,726,000)	11,726,000	-
Transfer to other funds	(100,000)	(100,000)	(100,000)	-	(100,000)
Total Other Financing Sources (Uses)	(100,000)	(100,000)	32,000	23,584,000	(100,000)
Net Change in Fund Balance	130,000	215,985	239,603	23,618	369,345
FUND BALANCE, July 1	2,941,456	2,982,063	2,982,063	-	2,612,718
FUND BALANCE, June 30	\$ 3,071,456	\$ 3,198,048	\$ 3,221,666	\$ 23,618	\$ 2,982,063

DOUGLAS COUNTY SCHOOL DISTRICT

CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2021
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)

	2021 BUDGET		2021		2020
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local Sources:					
Governmental services tax	\$ 1,376,776	\$ 1,363,144	\$ 1,671,501	\$ 308,357	\$ 1,451,705
Residential construction tax	408,098	400,096	562,320	162,224	346,896
Earnings on investments	4,000	4,000	9,847	5,847	38,955
Total Revenues	1,788,874	1,767,240	2,243,668	476,428	1,837,556
EXPENDITURES					
Other Support:					
Supplies	227,000	257,000	193,334	63,666	778,546
Property	30,000	-	-	-	6,122
	257,000	257,000	193,334	63,666	784,668
Facilities Acquisition and Construction:					
Building Improvements:					
Purchased services	1,000,000	964,295	899,939	64,356	116,956
Site Improvements:					
Purchased services	-	-	-	-	1,443,614
Total Facilities Acquisition and Construction	1,000,000	964,295	899,939	64,356	1,560,570
Total Expenditures	1,257,000	1,221,295	1,093,273	128,022	2,345,238
Revenues Over (Under) Expenditures	531,874	545,945	1,150,395	604,450	(507,682)
OTHER FINANCING SOURCES					
Transfer from other funds	100,000	100,000	100,000	-	100,000
Net Change in Fund Balance	631,874	645,945	1,250,395	604,450	(407,682)
FUND BALANCE, July 1	3,133,356	2,977,497	2,977,497	-	3,385,179
FUND BALANCE, June 30	\$ 3,765,230	\$ 3,623,442	\$ 4,227,892	\$ 604,450	\$ 2,977,497

DOUGLAS COUNTY SCHOOL DISTRICT

BUILDING AND SITES FUND
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2021
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)

	2021 BUDGET		2021		2020
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local Sources:					
Earnings on investments	\$ 2,000	\$ 2,000	\$ 10,128	\$ 8,128	\$ 44,775
Other	32,726	14,030	885	(13,145)	14,030
Total Revenues	34,726	16,030	11,013	(5,017)	58,805
EXPENDITURES					
Operations and Maintenance:					
Purchased services	-	20,000	12,375	7,625	-
Supplies	-	210,000	-	210,000	-
Property	-	-	205,864	(205,864)	-
	-	230,000	218,239	11,761	-
Facilities Acquisition and Construction:					
Site Improvement:					
Purchased services	-	344,000	102,258	241,742	170,039
Building Improvement:					
Purchased services	1,000,000	1,041,370	959,533	81,837	170,969
	1,000,000	1,385,370	1,061,791	323,579	341,008
Total Expenditures	1,000,000	1,615,370	1,280,030	335,340	341,008
Net Change in Fund Balance	(965,274)	(1,599,340)	(1,269,017)	330,323	(282,203)
FUND BALANCE, July 1	1,456,578	3,388,055	3,388,055	-	3,670,258
FUND BALANCE, June 30	\$ 491,304	\$ 1,788,715	\$ 2,119,038	\$ 330,323	\$ 3,388,055

DOUGLAS COUNTY SCHOOL DISTRICT

NONMAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET

JUNE 30, 2021

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2020)

	SPECIAL REVENUE FUNDS			TOTAL NONMAJOR GOVERNMENTAL FUNDS	
	FOOD SERVICE	CLASS SIZE REDUCTION	STUDENT ACTIVITIES	2021	2020
ASSETS					
Cash and investments	\$ 689,566	\$ 114,923	\$ 954,319	\$ 1,758,808	\$ 409,671
Receivables	52,920	35	-	52,955	10,955
Inventories	34,023	-	-	34,023	85,652
Total Assets	<u>\$ 776,509</u>	<u>\$ 114,958</u>	<u>\$ 954,319</u>	<u>\$ 1,845,786</u>	<u>\$ 506,278</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 74,341	\$ 110,914	\$ -	\$ 185,255	\$ 142,305
Total Liabilities	<u>74,341</u>	<u>110,914</u>	<u>-</u>	<u>185,255</u>	<u>142,305</u>
FUND BALANCES					
Nonspendable	34,023	-	-	34,023	85,652
Restricted	668,145	4,044	954,319	1,626,508	278,321
Total Fund Balances	<u>702,168</u>	<u>4,044</u>	<u>954,319</u>	<u>1,660,531</u>	<u>363,973</u>
Total Liabilities and Fund Balances	<u>\$ 776,509</u>	<u>\$ 114,958</u>	<u>\$ 954,319</u>	<u>\$ 1,845,786</u>	<u>\$ 506,278</u>

DOUGLAS COUNTY SCHOOL DISTRICT

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)

	SPECIAL REVENUE FUNDS			TOTAL NONMAJOR GOVERNMENTAL FUNDS	
	FOOD SERVICE	CLASS SIZE REDUCTION	STUDENT ACTIVITIES	2021	2020
REVENUES					
Local sources	\$ 135,856	\$ 540	\$ 851,930	\$ 988,326	\$ 522,824
State sources	13,323	1,532,403	-	1,545,726	1,446,296
Federal sources	1,804,078	-	-	1,804,078	1,032,370
Total Revenues	<u>1,953,257</u>	<u>1,532,943</u>	<u>851,930</u>	<u>4,338,130</u>	<u>3,001,490</u>
EXPENDITURES					
Regular programs	-	1,531,490	737,850	2,269,340	1,459,821
Other instructional programs	-	-	11,021	11,021	-
Undistributed Expenditures:					
Student support	-	-	182,446	182,446	-
Food service	1,560,842	-	-	1,560,842	1,653,378
Total Undistributed	<u>1,560,842</u>	<u>-</u>	<u>182,446</u>	<u>1,743,288</u>	<u>1,653,378</u>
Total Expenditures	<u>1,560,842</u>	<u>1,531,490</u>	<u>931,317</u>	<u>4,023,649</u>	<u>3,113,199</u>
Revenues Over (Under) Expenditures	<u>392,415</u>	<u>1,453</u>	<u>(79,387)</u>	<u>314,481</u>	<u>(111,709)</u>
FUND BALANCES, July 1, as originally stated	361,382	2,591	-	363,973	437,107
Prior period adjustment	-	-	1,033,706	1,033,706	-
FUND BALANCES, July 1, as restated	361,382	2,591	1,033,706	1,397,679	437,107
Increase (decrease) in reserve for inventories	<u>(51,629)</u>	<u>-</u>	<u>-</u>	<u>(51,629)</u>	<u>38,575</u>
FUND BALANCES, June 30	<u>\$ 702,168</u>	<u>\$ 4,044</u>	<u>\$ 954,319</u>	<u>\$ 1,660,531</u>	<u>\$ 363,973</u>

DOUGLAS COUNTY SCHOOL DISTRICT

FOOD SERVICE FUND
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2021
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)

	2021 BUDGET		2021		2020
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local Sources:					
Earnings on investments	\$ 2,000	\$ 2,000	\$ 705	\$ (1,295)	\$ 3,230
Daily sales	590,808	590,808	135,151	(455,657)	517,692
Total Local Sources	592,808	592,808	135,856	(456,952)	520,922
State Sources - Grants	4,400	4,000	13,323	9,323	3,952
Federal Sources - Grants	948,500	948,500	1,804,078	855,578	1,032,370
Total Revenues	1,545,708	1,545,308	1,953,257	407,949	1,557,244
EXPENDITURES					
Salaries	690,630	695,120	661,766	33,354	662,399
Benefits	297,836	310,675	299,079	11,596	289,399
Purchased services	11,100	11,500	6,493	5,007	6,952
Supplies	644,880	644,480	587,503	56,977	692,828
Property	-	-	3,537	(3,537)	-
Other	3,300	3,300	2,464	836	1,800
Total Food Service	1,647,746	1,665,075	1,560,842	104,233	1,653,378
Contingency	25,000	25,000	-	25,000	-
Total Expenditures	1,672,746	1,690,075	1,560,842	129,233	1,653,378
Net Change in Fund Balance	(127,038)	(144,767)	392,415	537,182	(96,134)
FUND BALANCE, July 1	279,903	361,382	361,382	-	418,941
Increase (decrease) in reserve for inventories	-	-	(51,629)	(51,629)	38,575
FUND BALANCE, June 30	\$ 152,865	\$ 216,615	\$ 702,168	\$ 485,553	\$ 361,382

DOUGLAS COUNTY SCHOOL DISTRICT

CLASS SIZE REDUCTION FUND
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2021
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)

	2021 BUDGET		2021		2020
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local Sources:					
Earnings on investments	\$ 5,000	\$ 1,000	\$ 540	\$ (460)	\$ 1,902
State Sources:					
Special appropriations	1,481,087	1,532,403	1,532,403	-	1,442,344
Total Revenues	1,486,087	1,533,403	1,532,943	(460)	1,444,246
EXPENDITURES					
Regular Programs:					
Salaries	989,577	1,044,978	1,044,978	-	992,478
Benefits	496,510	486,512	486,512	-	467,343
Total Expenditures	1,486,087	1,531,490	1,531,490	-	1,459,821
Net Change in Fund Balance	-	1,913	1,453	(460)	(15,575)
FUND BALANCE, July 1	5,000	2,591	2,591	-	18,166
FUND BALANCE, June 30	\$ 5,000	\$ 4,504	\$ 4,044	\$ (460)	\$ 2,591

DOUGLAS COUNTY SCHOOL DISTRICT

STUDENT ACTIVITIES FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2021

	2021 BUDGET		2021	
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Local Sources:				
Student activities	\$ -	\$ 900,000	\$ 851,930	\$ (48,070)
EXPENDITURES				
Regular Programs:				
Supplies	-	706,533	737,850	(31,317)
Other Instructional Programs:				
Supplies	-	11,021	11,021	-
Undistributed Expenditures:				
Student Support:				
Supplies	-	182,446	182,446	-
Total Expenditures	-	900,000	931,317	(31,317)
Revenues Over (Under) Expenditures	-	-	(79,387)	(79,387)
FUND BALANCE, July 1, as originally stated				
Prior period adjustment	-	1,033,705	1,033,706	1
FUND BALANCE, July 1, as restated	-	1,033,705	1,033,706	1
FUND BALANCE, June 30	\$ -	\$ 1,033,705	\$ 954,319	\$ (79,386)

DOUGLAS COUNTY SCHOOL DISTRICT

PROPRIETARY FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2020)

	SELF- INSURANCE HEALTH FUND	WORKERS' COMP SELF INSURANCE FUND	TOTALS GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS	
			2021	2020
ASSETS				
Current Assets:				
Cash and investments	\$ 2,568,634	\$ 1,529,293	\$ 4,097,927	\$ 4,482,547
Receivables	66,882	210	67,092	383,443
Due from other funds	430,711	22,757	453,468	983,846
Total Assets	3,066,227	1,552,260	4,618,487	5,849,836
 LIABILITIES				
Current Liabilities:				
Accounts payable and accrued expenses	5,092	13,430	18,522	123,836
Unearned revenue	430,711	-	430,711	415,475
Pending claims	916,901	302,000	1,218,901	1,289,611
Total Current Liabilities	1,352,704	315,430	1,668,134	1,828,922
 NET POSITION				
Restricted	\$ 1,713,523	\$ 1,236,830	\$ 2,950,353	\$ 4,020,914

DOUGLAS COUNTY SCHOOL DISTRICT

PROPRIETARY FUNDS
 COMBINING STATEMENT OF
 REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 YEAR ENDED JUNE 30, 2021
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)

	SELF - INSURANCE HEALTH FUND	WORKERS' COMP SELF INSURANCE FUND	TOTALS	
			GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS	
			2021	2020
OPERATING REVENUES				
Insurance premiums	\$ 7,564,729	\$ 344,365	\$ 7,909,094	\$ 7,688,100
Insurance proceeds	657,098	-	657,098	452,484
Other	-	13,053	13,053	4,260
Total Operating Revenues	<u>8,221,827</u>	<u>357,418</u>	<u>8,579,245</u>	<u>8,144,844</u>
OPERATING EXPENSES				
Claims expense	8,541,210	17,728	8,558,938	6,917,181
Purchased services	1,027,633	73,189	1,100,822	1,029,553
Other	3,955	-	3,955	3,890
Total Operating Expenses	<u>9,572,798</u>	<u>90,917</u>	<u>9,663,715</u>	<u>7,950,624</u>
Operating Income (Loss)	(1,350,971)	266,501	(1,084,470)	194,220
NONOPERATING REVENUES				
Earnings on investments	<u>9,387</u>	<u>4,522</u>	<u>13,909</u>	<u>56,678</u>
Change in Net Position	(1,341,584)	271,023	(1,070,561)	250,898
NET POSITION, July 1	<u>3,055,107</u>	<u>965,807</u>	<u>4,020,914</u>	<u>3,770,016</u>
NET POSITION, June 30	<u>\$ 1,713,523</u>	<u>\$ 1,236,830</u>	<u>\$ 2,950,353</u>	<u>\$ 4,020,914</u>

DOUGLAS COUNTY SCHOOL DISTRICT

PROPRIETARY FUNDS COMBINING STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2021

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)

	SELF -	WORKERS'	TOTALS	
	INSURANCE	COMP SELF	GOVERNMENTAL ACTIVITIES	
	HEALTH FUND	FUND	INTERNAL SERVICE FUNDS	
			2021	2020
CASH FROM OPERATING ACTIVITIES				
Cash received from insurance premiums	\$ 8,080,722	\$ 373,986	\$ 8,454,708	\$ 7,142,022
Cash received from insurance and other	972,839	13,663	986,502	142,007
Cash paid for claims	(8,500,920)	(128,728)	(8,629,648)	(6,758,874)
Cash paid for services and supplies	(1,033,190)	(176,901)	(1,210,091)	(1,033,625)
Net cash provided (used) by operating activities	(480,549)	82,020	(398,529)	(508,470)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	9,387	4,522	13,909	53,956
Net Increase (Decrease) in Cash and Investments	(471,162)	86,542	(384,620)	(454,514)
CASH AND INVESTMENTS, July 1	<u>3,039,796</u>	<u>1,442,751</u>	<u>4,482,547</u>	<u>4,937,061</u>
CASH AND INVESTMENTS, June 30	<u>\$ 2,568,634</u>	<u>\$ 1,529,293</u>	<u>\$ 4,097,927</u>	<u>\$ 4,482,547</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (1,350,971)	\$ 266,501	\$ (1,084,470)	\$ 194,220
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Change in assets and liabilities:				
Receivables	315,741	610	316,351	(314,737)
Premiums due from other funds	500,757	29,621	530,378	(552,696)
Accounts payable and accrued expenses	(1,602)	(103,712)	(105,314)	116,960
Unearned revenue	15,236	-	15,236	6,618
Pending claims	40,290	(111,000)	(70,710)	41,165
Total Adjustments	<u>870,422</u>	<u>(184,481)</u>	<u>685,941</u>	<u>(702,690)</u>
Net cash provided (used) by operating activities	<u>\$ (480,549)</u>	<u>\$ 82,020</u>	<u>\$ (398,529)</u>	<u>\$ (508,470)</u>

DOUGLAS COUNTY SCHOOL DISTRICT

SELF-INSURANCE HEALTH FUND
SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)

	2021 BUDGET		2021		2020
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
OPERATING REVENUES					
Insurance premiums	\$ 7,288,920	\$ 7,288,920	\$ 7,564,729	\$ 275,809	\$ 7,339,180
Insurance proceeds	-	-	657,098	657,098	452,484
Total Operating Revenues	7,288,920	7,288,920	8,221,827	932,907	7,791,664
OPERATING EXPENSES					
Claims expense	6,850,000	7,250,000	8,541,210	(1,291,210)	6,731,736
Purchased services	970,000	970,000	1,027,633	(57,633)	941,231
Other	31,030	31,030	3,955	27,075	3,890
Total Operating Expenses	7,851,030	8,251,030	9,572,798	(1,321,768)	7,676,857
Operating Income (Loss)	(562,110)	(962,110)	(1,350,971)	(388,861)	114,807
NONOPERATING REVENUES					
Earnings on investments	30,000	15,000	9,387	(5,613)	40,043
Change in Net Position	(532,110)	(947,110)	(1,341,584)	(394,474)	154,850
NET POSITION, July 1	2,368,147	3,055,107	3,055,107	-	2,900,257
NET POSITION, June 30	\$ 1,836,037	\$ 2,107,997	\$ 1,713,523	\$ (394,474)	\$ 3,055,107

DOUGLAS COUNTY SCHOOL DISTRICT

SELF-INSURANCE HEALTH FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)

	2021 BUDGET		2021		2020
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from insurance premiums	\$ 7,288,920	\$ 7,288,920	\$ 8,080,722	\$ 791,802	\$ 6,823,187
Cash received from insurance and other	-	-	972,839	972,839	136,101
Cash paid for claims	(6,850,000)	(7,250,000)	(8,500,920)	(1,250,920)	(6,659,571)
Cash paid for services and supplies	(1,001,030)	(1,001,030)	(1,033,190)	(32,160)	(942,234)
Net cash provided (used) by operating activities	(562,110)	(962,110)	(480,549)	481,561	(642,517)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	30,000	15,000	9,387	(5,613)	38,141
Net Increase (Decrease) in Cash	(532,110)	(947,110)	(471,162)	475,948	(604,376)
CASH AND INVESTMENTS, July 1	<u>3,112,062</u>	<u>3,055,107</u>	<u>3,039,796</u>	<u>(15,311)</u>	<u>3,644,172</u>
CASH AND INVESTMENTS, June 30	<u>\$ 2,579,952</u>	<u>\$ 2,107,997</u>	<u>\$ 2,568,634</u>	<u>\$ 460,637</u>	<u>\$ 3,039,796</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ (562,110)	\$ (962,110)	\$ (1,350,971)	\$ (388,861)	\$ 114,807
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Change in assets and liabilities:					
Receivables	-	-	315,741	315,741	(316,383)
Premiums due from other funds	-	-	500,757	500,757	(522,611)
Accounts payable and accrued exp.	-	-	(1,602)	(1,602)	2,887
Unearned revenues	-	-	15,236	15,236	6,618
Pending claims	-	-	40,290	40,290	72,165
Total Adjustments	-	-	870,422	870,422	(757,324)
Net cash provided (used) by operating activities	<u>\$ (562,110)</u>	<u>\$ (962,110)</u>	<u>\$ (480,549)</u>	<u>\$ 481,561</u>	<u>\$ (642,517)</u>

DOUGLAS COUNTY SCHOOL DISTRICT

WORKERS' COMPENSATION SELF-INSURANCE FUND
 SCHEDULE OF REVENUES, EXPENSES,
 AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2021
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)

	2021 BUDGET		2021		2020
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
OPERATING REVENUES					
Insurance premiums	\$ 335,000	\$ 335,000	\$ 344,365	\$ 9,365	\$ 348,920
Other	10,000	10,000	13,053	3,053	4,260
Total Operating Revenues	345,000	345,000	357,418	12,418	353,180
OPERATING EXPENSES					
Claims expense	-	-	17,728	(17,728)	185,445
Purchased services	393,397	393,397	73,189	320,208	88,322
Total Operating Expenses	393,397	393,397	90,917	302,480	273,767
Operating Income (Loss)	(48,397)	(48,397)	266,501	314,898	79,413
NONOPERATING REVENUES					
Earnings on investments	10,000	10,000	4,522	(5,478)	16,635
Change in Net Position	(38,397)	(38,397)	271,023	309,420	96,048
NET POSITION, July 1	781,362	965,807	965,807	-	869,759
NET POSITION, June 30	\$ 742,965	\$ 927,410	\$ 1,236,830	\$ 309,420	\$ 965,807

DOUGLAS COUNTY SCHOOL DISTRICT

WORKERS' COMPENSATION SELF-INSURANCE FUND SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2021

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)

	2021 BUDGET		2021		2020
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from insurance premiums	\$ 335,000	\$ 335,000	\$ 373,986	\$ 38,986	\$ 318,835
Cash received from other sources	10,000	10,000	13,663	3,663	5,906
Cash paid for claims	-	-	(128,728)	(128,728)	(99,303)
Cash paid for services and supplies	(393,397)	(393,397)	(176,901)	216,496	(91,391)
Net cash provided (used) by operating activities	(48,397)	(48,397)	82,020	130,417	134,047
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	10,000	10,000	4,522	(5,478)	15,815
Net Increase (Decrease) in Cash	(38,397)	(38,397)	86,542	124,939	149,862
CASH AND INVESTMENTS, July 1	<u>1,204,492</u>	<u>1,204,492</u>	<u>1,442,751</u>	<u>238,259</u>	<u>1,292,889</u>
CASH AND INVESTMENTS, June 30	<u>\$ 1,166,095</u>	<u>\$ 1,166,095</u>	<u>\$ 1,529,293</u>	<u>\$ 363,198</u>	<u>\$ 1,442,751</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ (48,397)	\$ (48,397)	\$ 266,501	\$ 314,898	\$ 79,413
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Change in assets and liabilities:					
Receivables	-	-	610	610	1,646
Premiums due from other funds	-	-	29,621	29,621	(30,085)
Accounts payable and accrued exp.	-	-	(103,712)	(103,712)	114,073
Pending claims	-	-	(111,000)	(111,000)	(31,000)
Total Adjustments	-	-	(184,481)	(184,481)	54,634
Net cash provided (used) by operating activities	<u>\$ (48,397)</u>	<u>\$ (48,397)</u>	<u>\$ 82,020</u>	<u>\$ 130,417</u>	<u>\$ 134,047</u>



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

To the Board of Trustees
Douglas County School District
Minden, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Douglas County School District (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 30, 2021.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Silva Scirene & Assoc, LLC

Reno, Nevada
November 30, 2021





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

To the Board of Trustees
Douglas County School District
Minden, Nevada

Report on Compliance for Each Major Federal Program

We have audited the Douglas County School District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Silva Scirene & Assoc, LLC

Reno, Nevada
November 30, 2021



DOUGLAS COUNTY SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2021

(Page 1 of 2)

FEDERAL GRANTOR / PASS-THROUGH GRANTOR AND PROGRAM	FEDERAL CFDA NUMBER	PASS- THROUGH GRANTOR'S NUMBER	AMOUNT
U.S. DEPARTMENT OF EDUCATION			
<i>Passed through the State of Nevada Department of Education</i>			
Individuals with Disabilities Education Act (IDEA) - Special Education Cluster:			
IDEA, Part B - Grants to States, IDEA Local Plan	84.027	20-639-03000	\$ 1,752,813
IDEA - District Improvement Grant	84.027	20-641-03000	25,293
IDEA - Preschool	84.173	20-665-03000	57,222
Total Special Education Cluster			<u>1,835,328</u>
Title I, Part A - Grants to Local Educational Agencies	84.010	21-633-03000	<u>587,393</u>
Title I, Part D - Neglected and Delinquent Children	84.013	20-650-03000	<u>36,995</u>
Career and Technical Education (Perkins IV)	84.048	20-631-03000	62,557
Corrections (Perkins)	84.048	20-635-03000	28,517
			<u>91,074</u>
McKinney-Vento Homeless Assistance	84.196A	20-688-03000	<u>25,509</u>
Title III, Part A - English Language Acquisition	84.365A	20-658-03000	<u>26,095</u>
Title II, Part A - Teacher/Principal Training & Recruiting	84.367	20-709-03000	<u>128,213</u>
Title IV-A - Student Support and Academic Achievement	84.424A	20-715-03000	<u>62,732</u>
Governor's Emergency Education Relief Fund (GEER)	84.425C	21-729-03000	1,024
Elementary and Secondary School Emergency Relief Fund (ESSER)	84.425D	20-740-03000	510,555
			<u>511,579</u>
Total U.S. Department of Education			<u>3,304,918</u>
U.S. DEPARTMENT OF TREASURY			
<i>Passed through the State of Nevada Department of Education</i>			
Coronavirus Relief Fund (AB 3)	21.019	21-340-03000	333,514
Coronavirus Relief Fund (Cohort 2)	21.019	21-760-03000	113,228
			<u>446,742</u>

Continued on next page.

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2021

(Page 2 of 2)

FEDERAL GRANTOR / PASS-THROUGH GRANTOR AND PROGRAM	FEDERAL CFDA NUMBER	PASS- THROUGH GRANTOR'S NUMBER	AMOUNT
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed through the State of Nevada Department of Agriculture:</i>			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	\$ 159,622
National School Lunch Program	10.555	N/A	1,515,099
National School Lunch Program - Commodities	10.555	N/A	<u>129,357</u>
Total Child Nutrition Cluster			<u>1,804,078</u>
NSLP Equipment Assistance Grant	10.579	FND 2OLEQ08	<u>31,261</u>
Total U.S. Department of Agriculture			<u>1,835,339</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 5,586,999</u>

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS JUNE 30, 2021

NOTE 1 – REPORTING ENTITY

The accompanying *Schedule of Expenditures of Federal Awards* presents the expenditure activity of all federal award programs of the Douglas County School District (the District) for the year ended June 30, 2021. The District's reporting entity is defined in Note 1 to its basic financial statements. All expenditures of federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the *Schedule of Expenditures of Federal Awards*.

NOTE 2 – BASIS OF ACCOUNTING

The accompanying *Schedule of Expenditures of Federal Awards* is prepared on the modified accrual basis of accounting. The amounts shown as expenditures of CFDA #10.555 – National School Lunch Program Commodities represents the fair value of commodity food received by the District for the year ended June 30, 2021.

NOTE 3 – INDIRECT COST RATE

The Douglas County School District has elected to use a 2.94% indirect cost rate approved by the Nevada Department of Education.

DOUGLAS COUNTY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2021

A. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditors' report issued:	Unmodified
Internal Control over Financial Reporting	
Material weaknesses identified:	No
Significant deficiencies identified:	None reported
Noncompliance material to financial statements noted:	No

Federal Awards

Internal Control over Major Programs	
Material weaknesses identified:	No
Significant deficiencies identified:	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a)	No

Major Programs

The major programs for the year ended June 30, 2021 were:

<u>Name of Federal Program/Cluster</u>	<u>CFDA</u>	<u>Expenditures</u>
Coronavirus Relief Fund Programs	21.019	\$ 446,742
Education Stabilization Fund Programs	84.425C/84.425D	510,597
Title I, Part A - Grants to LEAs	84.010	587,393

The threshold for distinguishing Types A and B programs was \$750,000.

Douglas County School District was determined to be a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

None.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.

DOUGLAS COUNTY SCHOOL DISTRICT

INDEPENDENT AUDITORS' COMMENTS

JUNE 30, 2021

CURRENT YEAR STATUTE COMPLIANCE

The required disclosure on compliance with Nevada Revised Statutes and the Nevada Administrative Code is presented in Note 2 to the financial statements. We noted one potential violation due to an overexpenditure.

STATUS OF PRIOR YEAR STATUTE VIOLATIONS

There was one potential statute or regulation violation noted in the 2020 audit. This potential violation was due to an overexpenditure.

CURRENT YEAR AUDIT RECOMMENDATIONS

We did not find any financial weaknesses of magnitude to justify inclusion within our audit report.

STATUS OF PRIOR YEAR AUDIT RECOMMENDATIONS

There were no prior year recommendations related to financial weaknesses of a magnitude to justify inclusion within the audit report.

