

**Douglas County School District**

***FINANCIAL STATEMENTS &  
SUPPLEMENTARY INFORMATION***

**Fiscal Year Ended  
June 30, 2020**



**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, 2020, 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, 2020, 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.

## **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 postemployment liability on pages 69 through 71 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, 2019 and have issued our report thereon dated November 27, 2019, 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, 2019, 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 2019 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 2019 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2019 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 13, 2020, 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.

A handwritten signature in cursive script that reads "Silva Scerine & Assoc, LLC". The signature is written in dark ink and is positioned above the typed name and date.

Reno, Nevada  
November 13, 2020

# DOUGLAS COUNTY SCHOOL DISTRICT

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## MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2020

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, 2020. 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 \$(1,940,656) in FY20, which followed a net increase of \$1,865,454 in FY19.
- The District's governmental funds decreased by \$(1,576,886) in FY20, compared to a decrease of \$(380,428) in FY19.

### 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

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## MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2020

### **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

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## MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2020

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 nine individual governmental funds. For the year ended June 30, 2020, 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. The District's only fiduciary fund is its agency fund, which is used to report the aggregate balances of student activity funds.

### **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, 2020

### 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 \$97.4 million at year end.

The table below presents a comparison of the District's net position (deficit) as of June 30, 2020 compared to the prior year.

<b>DISTRICT'S NET POSITION</b>				
	<u>2020</u>	<u>2019</u>	<u>Change</u>	
	<i>(In Millions)</i>			
<b>Assets</b>				
Current and other assets	\$ 28.7	\$ 30.2	\$ (1.5)	-5.0%
Net capital assets	82.8	83.0	(0.2)	-0.2%
Total Assets	<u>111.5</u>	<u>113.2</u>	<u>(1.7)</u>	-1.5%
<b>Deferred Outflows of Resources</b>	<u>12.4</u>	<u>13.3</u>	<u>(0.9)</u>	-6.8%
<b>Liabilities</b>				
Current liabilities	9.8	10.3	(0.5)	-4.9%
Long-term liabilities	129.1	130.0	(0.9)	-0.7%
Total Liabilities	<u>138.9</u>	<u>140.3</u>	<u>(1.4)</u>	-1.0%
<b>Deferred Inflows of Resources</b>	<u>15.1</u>	<u>14.3</u>	<u>0.8</u>	5.6%
<b>Net Position (Deficit)</b>				
Net Investment in Capital Assets	46.7	43.3	3.4	7.9%
Restricted	13.7	13.9	(0.2)	-1.4%
Unrestricted	(90.5)	(85.4)	(5.1)	-6.0%
Total Net Position (Deficit)	<u>\$ (30.1)</u>	<u>\$ (28.2)</u>	<u>\$ (1.9)</u>	-6.7%

# DOUGLAS COUNTY SCHOOL DISTRICT

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## MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2020

A case could be made that the largest impact on the District's financial statement in 2020 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. 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, 2020

<b>DISTRICT'S CHANGES IN NET POSITION</b>				
	<b>Governmental Activities</b>		<b>Change</b>	
	<b>2020</b>	<b>2019</b>		
<b>Revenues</b>	<i>(In Millions)</i>			
Program revenues:				
Charges for services	\$ 0.7	\$ 0.9	\$ (0.2)	-22.2%
Operating grants and contributions	11.3	10.4	0.9	8.7%
Capital grants and contributions	0.4	0.4	-	0.0%
General revenues:				
Property taxes	25.9	24.1	1.8	7.5%
Local school support taxes	14.8	15.5	(0.7)	-4.5%
Government service taxes	5.0	4.9	0.1	2.0%
State aid, unrestricted	11.7	12.8	(1.1)	-8.6%
Other revenues	0.8	1.4	(0.6)	-42.9%
Total Revenues	<u>70.6</u>	<u>70.4</u>	<u>0.2</u>	<u>0.3%</u>
<b>Expenses</b>				
Instruction	41.3	38.9	2.4	6.2%
Support services	23.4	22.3	1.1	4.9%
Food service	1.7	1.6	0.1	6.2%
Facilities acq/constr/imprvmt	5.1	4.0	1.1	27.5%
Interest on long-term debt	1.0	1.7	(0.7)	-41.2%
Total Expenses	<u>72.5</u>	<u>68.5</u>	<u>4.0</u>	<u>5.8%</u>
<b>Change in Net Position (Deficit)</b>	<u>\$ (1.9)</u>	<u>\$ 1.9</u>	<u>\$ (3.8)</u>	<u>-200.0%</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 74% 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 7.5% from the prior year due to an increase in tax collections and higher assessed valuations.
- ◇ LSST decreased an approximate 4.5% from the prior year, due in large part to the global pandemic beginning in the Winter of 2020.

# DOUGLAS COUNTY SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2020

### 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.

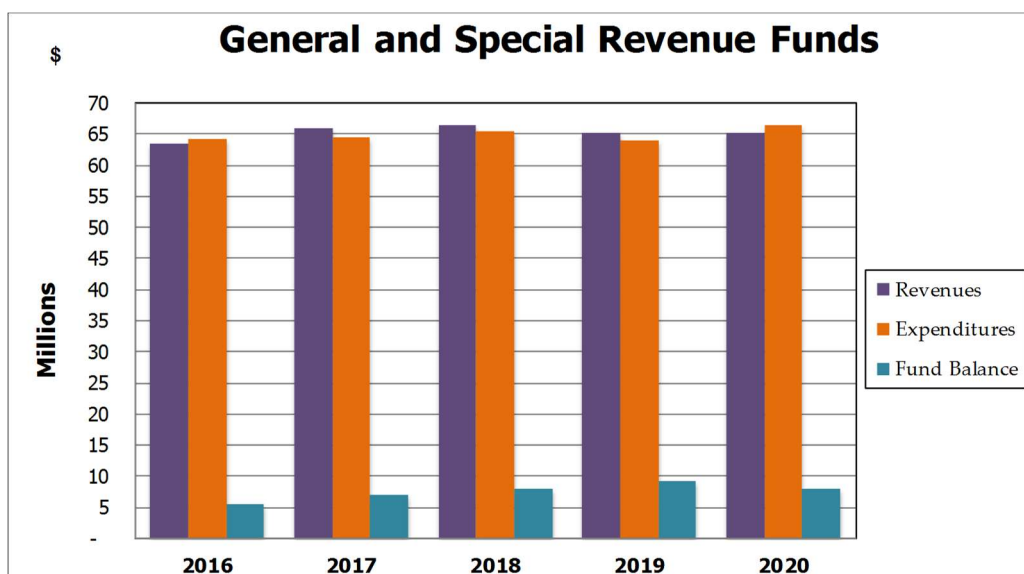
The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the District's current funding requirements. Specifically, unassigned fund balance can be a useful measure of a government's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

At June 30, 2020, the District's governmental funds reported a combined fund balance of \$17.2 million, a decrease of \$1.6 million or 8.3% from 2019.

Of the total fund balance at June 30, 2020 of \$17.2 million, approximately \$12.8 million is nonspendable, restricted or assigned fund balance. The remaining \$4.4 million, or 25%, 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*

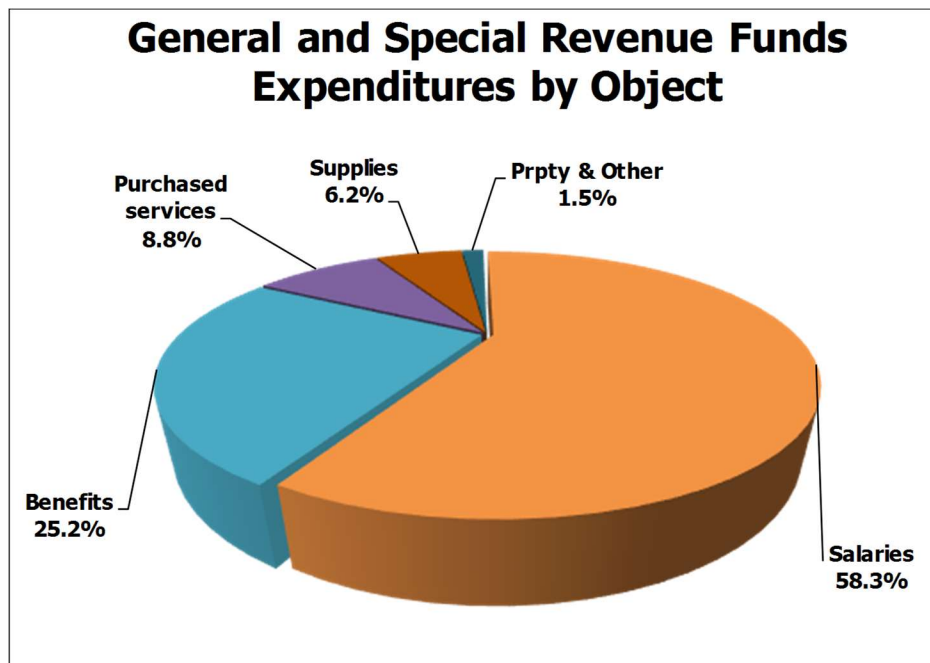
The General Fund and the special revenue funds (Special Education; CSR; Federal / State/ Local Grants; and Food Service funds) are often referred to as the District's "operating funds." The following chart compares the revenues to expenditures and fund balance for these funds for the last five years:



# DOUGLAS COUNTY SCHOOL DISTRICT

## MANAGEMENT’S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2020

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, 2020 fund balance of the Debt Service Fund is \$3.0 million, which together with the 2020-21 budgeted revenues of \$3.3 million exceeds the 2020-21 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 at June 30, 2020 of \$6.4 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, 2020, these funds had a combined net position of \$4.0 million, which represents approximately 49% of the funds’ 2020-21 budgeted expenses of \$8.2 million.

# DOUGLAS COUNTY SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2020

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### *Capital Assets*

The District's capital assets as of June 30, 2020 and 2019 are as follows.

<b>Capital Assets (Net of Depreciation)</b>		
	<u>2020</u>	<u>2019</u>
	<i>(In Millions)</i>	
Land	\$ 1.3	\$ 1.3
Construction in progress	0.8	0.9
Buildings and improvements	75.9	76.6
Equipment and vehicles	<u>4.8</u>	<u>4.2</u>
	<u>\$ 82.8</u>	<u>\$ 83.0</u>

#### *Debt Administration*

The District's debt general obligation debt was comprised of the following as of June 30, 2020 and 2019:

<b>Outstanding GO Bonds / Installment Note</b>		
	<u>2020</u>	<u>2019</u>
	<i>(In Millions)</i>	
GO bonds, net of premiums and discounts	\$ 34.7	\$ 36.5
Installment note	<u>1.8</u>	<u>2.3</u>
	<u>\$ 36.5</u>	<u>\$ 38.8</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 2020-21 fiscal year are scheduled to total \$3.5 million, less the expected interest subsidy of \$113 thousand on the Build America bonds for a net cash outlay requirement of \$3.4 million. Additional detail on the District's debt can be found on pages 55 – 57 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 \$512 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

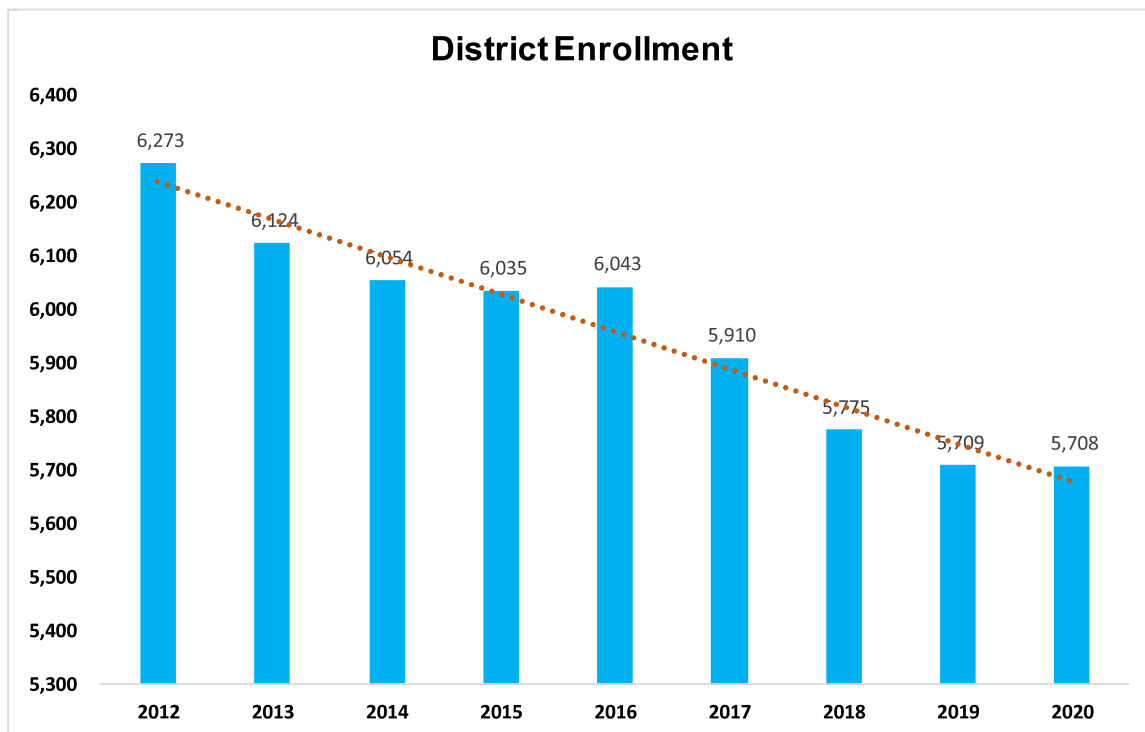
## MANAGEMENT’S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2020

### 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 2019-20 school year showed a slight decrease from the prior year moving from 5,709 students to 5,708, but has declined 9.9%, or 565 students (unaudited) from the 2011-12 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 2019-20 school year, the District (as did all Nevada’s school districts) received full funding in accordance with the State budget.

# DOUGLAS COUNTY SCHOOL DISTRICT

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## MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2020

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. 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.

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 2019-20 special education enrollment was 803, which was 14.1% of total enrollment. This allowed for full funding in special education. Special Education funding increased by \$372,552. The District is projecting 14.0% special education enrollment in 2020-21, so will continue to receive full funding for each student. The District re-classified current positions, which helped meet the maintenance of effort required for total expenditures as well as increased total contracted services to accommodate the specific needs of the special education population. Due to the increase in funding, the transfer from the General Fund was reduced.

To protect districts during time of declining enrollment, State law had contained a “hold harmless” provision which provided that the guaranteed level of funding was based on the higher of the current or the previous year’s enrollment (unless the decline in enrollment was more than 5%, in which case the funding was based on the higher of the current or the previous two year’s enrollment. However, the “hold harmless” provisions of the DSA formula were eliminated except in cases of 5% decline or greater from prior year enrollment. Due to the pandemic that has been in place since March 2020, the District shows a drastic decrease in enrollment for 2020-21. The District has more than 175 students that are now being home schooled, along with a population decrease. This has resulted in a decrease in our overall enrollment for fiscal year 2020-21 by approximately 337 students, or 5.9%.

The ever-changing landscape of the DSA formula will continue to be reviewed with potential for extensive impact and changes to funding for this District. 2019-20 showed a reduction in total revenue of 1.4% from 2018-19. In part, this was due to funding for charter and virtual schools that have increased in nature for the entire state. The approval of SB543 that will go into effect in the 2021-22 school year changes the revenue

# DOUGLAS COUNTY SCHOOL DISTRICT

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## MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2020

projections to a Pupil Center Funding Plan. The details are still being worked out by the State, but will have some impact on the total revenue received by the District. The District will monitor this closely for future funding that may be affected.

*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 \$22.6 million from property tax and \$14.8 million from sales tax for the year ended June 30, 2020. The General Fund has budgeted \$23.6 million in property tax revenue and \$16.5 million in sales tax revenue for fiscal year 2021. Other local operating sources to the General Fund include governmental services taxes, tuition receipts, earnings on investments, and utility franchise fees.

*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 percent 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.

### *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

# DOUGLAS COUNTY SCHOOL DISTRICT

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## MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2020

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 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 90% confidence level in 2019-2020, and showed an increase in its ending fund balance of \$96,048. With projected costs, the District will continue with the rate of \$.090/100 for 2019-20 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 the same level as 2019. Actual claims for 2020 showed an increase of 3.37% from 2019. 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.

# DOUGLAS COUNTY SCHOOL DISTRICT

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## MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2020

### *Capital Projects Funds:*

Capital Projects Fund - 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 transferred to the Capital Projects Fund. Due to increased revenue and refinancing current bonds at substantially lower interest rates, the Board of Trustees could approve a transfer to the Capital Projects Fund that would exceed the \$100,000 transfer now allocated. The Board 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 (in FY18 and 19) of Kingsbury Middle School were allocated to this fund, and with Board approval, have been used 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, 2020

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and investments	\$ 21,628,289
Receivables	6,797,767
Inventories	187,104
Capital assets not being depreciated	2,081,406
Capital assets, net of accumulated depreciation	80,750,013
Total Assets	<u>111,444,579</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	11,931,116
Deferred amount on refunding	474,700
	<u>12,405,816</u>
Total Assets and Deferred Outflows	<u>123,850,395</u>
<b>LIABILITIES</b>	
Accounts payable and accrued expenses	6,702,514
Unearned revenues	715,550
Noncurrent liabilities:	
Due within one year	2,429,001
Due in more than one year	34,822,998
Obligation for other postemployment benefits (OPEB)	23,103,950
Net pension liability	71,188,494
Total Liabilities	<u>138,962,507</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pensions and OPEB	<u>15,077,060</u>
Total Liabilities and Deferred Inflows	<u>154,039,567</u>
<b>NET POSITION (DEFICIT)</b>	
Net investment in capital assets	46,735,604
Restricted for:	
Debt service	2,982,063
Self-insurance activities	4,020,914
Capital projects	6,365,552
Education and nutrition services	278,321
Unrestricted	<u>(90,571,626)</u>
Total Net Position (Deficit)	<u>\$ (30,189,172)</u>

See accompanying notes.

# DOUGLAS COUNTY SCHOOL DISTRICT

## STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2020

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUES AND CHANGES IN NET POSITION	
		CHARGES FOR SERVICES	GRANTS AND CONTRIBUTIONS OPERATING      CAPITAL		
<b>GOVERNMENTAL ACTIVITIES</b>					
Instruction	\$ (41,286,273)	\$ 229,492	\$ 8,169,279	\$ 20,417	\$ (32,867,085)
Support Services	(23,419,997)	-	969,220	-	(22,450,777)
Facilities Acquisition and Construction	(5,150,110)	-	1,127,383	-	(4,022,727)
Food Service	(1,663,009)	517,692	1,036,322	-	(108,995)
Interest and charges on long-term debt	(1,068,332)	-	-	337,265	(731,067)
Total School District	<u>(72,587,721)</u>	<u>747,184</u>	<u>11,302,204</u>	<u>357,682</u>	<u>(60,180,651)</u>
<b>General Revenues:</b>					
					25,890,317
					14,779,212
					4,982,645
					364,817
					256,112
					224,310
					11,721,372
					21,210
					<u>58,239,995</u>
					(1,940,656)
					<u>(28,248,516)</u>
					<u>\$ (30,189,172)</u>

See accompanying notes.

# DOUGLAS COUNTY SCHOOL DISTRICT

## GOVERNMENTAL FUNDS BALANCE SHEET

JUNE 30, 2020

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)

	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	
								2020	2019
<b>ASSETS</b>									
Cash and investments	\$ 5,123,577	\$ 1,144,534	\$ 688,439	\$ 2,975,912	\$ 2,934,525	\$ 3,397,932	\$ 409,671	\$ 16,674,590	\$ 19,452,209
Deposits held by fiscal agent	471,152	-	-	-	-	-	-	471,152	167,006
Receivables	5,213,452	876	977,057	31,855	178,149	1,980	10,955	6,414,324	5,354,868
Due from other funds	-	-	-	-	-	-	-	-	136,811
Inventories	101,453	-	-	-	-	-	85,652	187,105	157,933
Total Assets	<u>\$ 10,909,634</u>	<u>\$ 1,145,410</u>	<u>\$ 1,665,496</u>	<u>\$ 3,007,767</u>	<u>\$ 3,112,674</u>	<u>\$ 3,399,912</u>	<u>\$ 506,278</u>	<u>\$ 23,747,171</u>	<u>\$ 25,268,827</u>
<b>LIABILITIES</b>									
Accounts payable and accrued liabilities	\$ 2,652,726	\$ 698,364	\$ 949,946	\$ -	\$ 104,714	\$ 3,862	\$ 142,305	\$ 4,551,917	\$ 4,661,980
Retainage payable	-	-	-	-	30,463	7,995	-	38,458	45,418
Due to other funds	983,846	-	-	-	-	-	-	983,846	567,961
Unearned revenues	-	-	715,550	-	-	-	-	715,550	1,153,426
Total Liabilities	<u>3,636,572</u>	<u>698,364</u>	<u>1,665,496</u>	<u>-</u>	<u>135,177</u>	<u>11,857</u>	<u>142,305</u>	<u>6,289,771</u>	<u>6,428,785</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Unavailable revenues	191,191	-	-	25,704	-	-	-	216,895	22,651
<b>FUND BALANCES</b>									
Nonspendable	101,453	-	-	-	-	-	85,652	187,105	157,933
Restricted	-	-	-	2,982,063	2,977,497	3,388,055	278,321	9,625,936	10,058,185
Assigned	2,598,281	447,046	-	-	-	-	-	3,045,327	3,403,499
Unassigned	4,382,137	-	-	-	-	-	-	4,382,137	5,197,774
Total Fund Balance	<u>7,081,871</u>	<u>447,046</u>	<u>-</u>	<u>2,982,063</u>	<u>2,977,497</u>	<u>3,388,055</u>	<u>363,973</u>	<u>17,240,505</u>	<u>18,817,391</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 10,909,634</u>	<u>\$ 1,145,410</u>	<u>\$ 1,665,496</u>	<u>\$ 3,007,767</u>	<u>\$ 3,112,674</u>	<u>\$ 3,399,912</u>	<u>\$ 506,278</u>	<u>\$ 23,747,171</u>	<u>\$ 25,268,827</u>

See accompanying notes.



# DOUGLAS COUNTY SCHOOL DISTRICT

## RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION (DEFICIT) JUNE 30, 2020

<b>Fund Balance - Governmental Funds</b>		\$	17,240,505
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	167,040,041		
Less accumulated depreciation	<u>(84,208,622)</u>		82,831,419
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>(57,300)</u>		474,700
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.			
			216,894
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	(34,497,000)		
Bond premium	(228,057)		
Accrued interest payable	(283,217)		
Note payable	(1,807,000)		
Compensated absences	(719,942)		
Net pension liability	(71,188,494)		
Net OPEB liability	<u>(23,103,950)</u>		(131,827,660)
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	11,931,116		
Deferred inflows of resources related to pensions	(12,506,133)		
Deferred inflows of resources related to OPEB	<u>(2,570,927)</u>		(3,145,944)

Continued on next page.

See accompanying notes.

# DOUGLAS COUNTY SCHOOL DISTRICT

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## RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION (DEFICIT) JUNE 30, 2020

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.

\$ 4,020,914

**Net Position (Deficit) - Governmental Activities**

\$ (30,189,172)

*See accompanying notes.*

# DOUGLAS COUNTY SCHOOL DISTRICT

GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2020  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019)

	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	2020	2019
<b>REVENUES</b>									
Local sources	\$ 41,543,182	\$ 11,985	\$ 853,910	\$ 3,075,997	\$ 1,837,556	\$ 58,805	\$ 522,824	\$ 47,904,259	\$ 47,499,839
State sources	11,721,372	3,846,568	2,204,935	-	-	-	1,446,296	19,219,171	19,091,931
Federal sources	20,416	-	1,918,126	337,265	-	-	1,032,370	3,308,177	3,761,360
Total Revenues	53,284,970	3,858,553	4,976,971	3,413,262	1,837,556	58,805	3,001,490	70,431,607	70,353,130
<b>EXPENDITURES</b>									
Regular programs	23,940,497	-	1,209,327	-	-	-	1,459,821	26,609,645	26,334,601
Special programs	-	8,007,118	956,501	-	-	-	-	8,963,619	8,541,982
Vocational programs	813,805	-	423,720	-	-	-	-	1,237,525	1,400,646
Adult education	-	-	64,625	-	-	-	-	64,625	89,555
Extra and Co-Curricular	528,054	-	-	-	-	-	-	528,054	503,532
Other instructional programs	1,740,005	61,671	226,194	-	-	-	-	2,027,870	2,019,057
Community service programs	-	-	7,661	-	-	-	-	7,661	-
Undistributed Expenditures:									
Student support	2,650,416	-	438,272	-	-	-	-	3,088,688	3,191,403
Instructional staff support	1,195,312	-	447,006	-	-	-	-	1,642,318	1,439,739
General administration	540,943	-	1,809	-	-	-	-	542,752	494,028
School administration	4,640,348	-	-	-	-	-	-	4,640,348	4,629,819
Central services	1,908,362	-	-	-	-	-	-	1,908,362	1,989,263
Operation and maintenance	7,277,101	-	-	-	-	-	-	7,277,101	6,967,627
Student transportation	3,465,564	-	-	-	-	-	-	3,465,564	3,454,141
Other support	147,378	-	74,473	-	784,668	-	-	1,006,519	843,903
Food service	-	-	-	-	-	-	1,653,378	1,653,378	1,616,897
Facilities construction/ acquisition/improvements	903,301	-	1,127,383	-	1,560,570	341,008	-	3,932,262	3,959,283

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, 2020

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019)

	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	
								2020	2019
Debt Service:									
Principal	\$ 474,000	\$ -	\$ -	\$ 1,795,000	\$ -	\$ -	\$ -	\$ 2,269,000	\$ 1,833,000
Interest	48,668	-	-	1,144,867	-	-	-	1,193,535	1,632,744
Fiscal agent charges	-	-	-	4,050	-	-	-	4,050	115,061
Total Expenditures	<u>50,273,754</u>	<u>8,068,789</u>	<u>4,976,971</u>	<u>2,943,917</u>	<u>2,345,238</u>	<u>341,008</u>	<u>3,113,199</u>	<u>72,062,876</u>	<u>71,056,281</u>
Revenues Over (Under)									
Expenditures	<u>3,011,216</u>	<u>(4,210,236)</u>	<u>-</u>	<u>469,345</u>	<u>(507,682)</u>	<u>(282,203)</u>	<u>(111,709)</u>	<u>(1,631,269)</u>	<u>(703,151)</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Proceeds from sale of property	25,210	-	-	-	-	-	-	25,210	191,641
Transfers (to) from other funds	(3,800,000)	3,800,000	-	(100,000)	100,000	-	-	-	-
Proceeds from refunding bonds	-	-	-	-	-	-	-	-	13,667,000
Payment to refunded bond agent	-	-	-	-	-	-	-	-	(13,553,742)
	<u>(3,774,790)</u>	<u>3,800,000</u>	<u>-</u>	<u>(100,000)</u>	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>25,210</u>	<u>304,899</u>
Net Change in Fund Balances	(763,574)	(410,236)	-	369,345	(407,682)	(282,203)	(111,709)	(1,606,059)	(398,252)
<b>FUND BALANCES, July 1</b>	7,854,847	857,282	-	2,612,718	3,385,179	3,670,258	437,107	18,817,391	19,197,819
Increase (decrease) in reserve for inventories	(9,402)	-	-	-	-	-	38,575	29,173	17,824
<b>FUND BALANCES, June 30</b>	<u>\$ 7,081,871</u>	<u>\$ 447,046</u>	<u>\$ -</u>	<u>\$ 2,982,063</u>	<u>\$ 2,977,497</u>	<u>\$ 3,388,055</u>	<u>\$ 363,973</u>	<u>\$ 17,240,505</u>	<u>\$ 18,817,391</u>

See accompanying notes.

# DOUGLAS COUNTY SCHOOL DISTRICT

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## RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2020

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ (1,576,886)</b>
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.	(192,123)
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.	181,204
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported on the disposals.	(4,000)
Certain revenues are recorded in the fund statements when received. In the Statement of Activities, these revenues are recognized when earned.	194,243
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.	2,269,000
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.	(51,951)
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.	(77,625)
Change in pension expense related to deferred items.	(789,644)
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.	(2,143,772)
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>250,898</u>
<b>Change in Net Position of Governmental Activities</b>	<b><u><u>\$ (1,940,656)</u></u></b>

*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, 2020  
*(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)*

	2020 BUDGET		2020		2019
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local Sources:					
Ad valorem taxes	\$ 22,398,945	\$ 22,398,945	\$ 22,660,907	\$ 261,962	\$ 21,432,949
Local school support tax	16,366,341	16,366,341	14,779,212	(1,587,129)	15,546,145
Governmental services tax	3,671,719	3,671,719	3,530,940	(140,779)	3,495,944
Franchise tax	85,000	85,000	17,921	(67,079)	154,466
Out-of-state tuition	264,000	230,000	229,492	(508)	270,090
Earnings on investments	45,000	89,000	126,419	37,419	145,974
Other	193,000	183,000	198,291	15,291	202,694
Total Local Sources	43,024,005	43,024,005	41,543,182	(1,480,823)	41,248,262
State Sources:					
Distributive school account	10,652,580	10,652,580	11,721,372	1,068,792	12,798,551
Federal Sources:					
E-Rate Funds	-	-	20,416	20,416	-
Total Revenues	53,676,585	53,676,585	53,284,970	(391,615)	54,046,813
<b>EXPENDITURES</b>					
Regular Programs:					
Salaries	16,377,189	16,781,218	16,294,465	486,753	15,763,047
Benefits	6,850,388	7,180,772	7,066,934	113,838	6,534,792
Purchased services	197,668	201,313	108,209	93,104	135,201
Supplies	949,818	885,133	423,651	461,482	687,711
Property	43,000	43,000	42,455	545	55,713
Other	5,890	5,720	4,783	937	5,125
	24,423,953	25,097,156	23,940,497	1,156,659	23,181,589
Vocational Programs:					
Salaries	569,163	540,716	539,031	1,685	541,858
Benefits	270,891	253,957	251,319	2,638	241,180
Purchased services	9,200	9,200	380	8,820	3,522
Supplies	40,047	38,047	22,925	15,122	31,207
Other	2,500	2,500	150	2,350	150
	891,801	844,420	813,805	30,615	817,917

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, 2020  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020 BUDGET		2020		2019
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Extra and Co-Curricular Activities:					
Co-Curricular Activities:					
Salaries	\$ 142,000	\$ 142,000	\$ 139,032	\$ 2,968	\$ 133,905
Benefits	4,225	4,225	3,650	575	3,483
Purchased services	12,060	17,760	1,688	16,072	7,724
Supplies	8,500	12,000	8,553	3,447	6,204
Other	5,400	5,400	3,930	1,470	2,077
	<u>172,185</u>	<u>181,385</u>	<u>156,853</u>	<u>24,532</u>	<u>153,393</u>
Athletics:					
Salaries	269,315	269,315	249,558	19,757	228,739
Benefits	12,600	12,600	13,147	(547)	11,491
Purchased services	94,200	96,800	73,929	22,871	72,881
Supplies	22,700	27,900	22,273	5,627	24,987
Other	14,000	17,000	12,294	4,706	12,041
	<u>412,815</u>	<u>423,615</u>	<u>371,201</u>	<u>52,414</u>	<u>350,139</u>
Total Extra-and Co-Curricular Activities	<u>585,000</u>	<u>605,000</u>	<u>528,054</u>	<u>76,946</u>	<u>503,532</u>
Other Instructional Programs:					
Salaries	1,135,092	1,144,106	1,116,867	27,239	1,076,796
Benefits	477,593	506,205	479,993	26,212	441,709
Purchased services	139,550	142,150	120,876	21,274	125,882
Supplies	52,825	50,405	21,001	29,404	31,973
Other	1,900	2,600	1,268	1,332	2,360
	<u>1,806,960</u>	<u>1,845,466</u>	<u>1,740,005</u>	<u>105,461</u>	<u>1,678,720</u>
Undistributed Expenditures:					
Student Support:					
Salaries	1,840,431	1,885,717	1,814,596	71,121	1,768,309
Benefits	782,039	814,419	786,907	27,512	728,231
Purchased services	25,999	25,210	17,956	7,254	22,878
Supplies	34,066	35,101	21,851	13,250	24,954
Property	7,500	7,500	7,500	-	6,750
Other	2,130	2,230	1,606	624	1,197
	<u>2,692,165</u>	<u>2,770,177</u>	<u>2,650,416</u>	<u>119,761</u>	<u>2,552,319</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, 2020  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020 BUDGET		2020		2019
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>Instructional Staff Support:</b>					
Salaries	\$ 855,278	\$ 840,350	\$ 810,153	\$ 30,197	\$ 812,862
Benefits	347,563	358,691	349,383	9,308	336,568
Purchased services	100,935	99,565	8,593	90,972	26,200
Supplies	63,364	64,276	26,321	37,955	45,778
Other	1,100	1,100	862	238	624
	<u>1,368,240</u>	<u>1,363,982</u>	<u>1,195,312</u>	<u>168,670</u>	<u>1,222,032</u>
<b>General Administration:</b>					
Salaries	241,821	253,645	253,640	5	243,358
Benefits	120,760	127,515	124,630	2,885	96,220
Purchased services	233,050	229,550	123,370	106,180	115,724
Supplies	23,800	27,300	20,485	6,815	15,259
Other	22,500	22,500	18,818	3,682	23,467
	<u>641,931</u>	<u>660,510</u>	<u>540,943</u>	<u>119,567</u>	<u>494,028</u>
<b>School Administration:</b>					
Salaries	3,192,773	3,191,501	3,136,035	55,466	3,134,452
Benefits	1,297,843	1,362,464	1,335,695	26,769	1,265,396
Purchased services	183,349	183,470	118,864	64,606	131,866
Supplies	73,242	61,669	45,448	16,221	94,709
Other	3,739	3,850	4,306	(456)	3,396
	<u>4,750,946</u>	<u>4,802,954</u>	<u>4,640,348</u>	<u>162,606</u>	<u>4,629,819</u>
<b>Central Services:</b>					
Salaries	1,043,597	1,036,038	1,019,313	16,725	1,020,572
Benefits	398,771	408,645	402,779	5,866	399,863
Purchased services	283,330	284,380	179,184	105,196	225,700
Supplies	200,200	257,150	194,042	63,108	200,604
Property	113,000	107,000	106,821	179	106,405
Other	9,000	7,000	6,223	777	6,119
	<u>2,047,898</u>	<u>2,100,213</u>	<u>1,908,362</u>	<u>191,851</u>	<u>1,959,263</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, 2020  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020 BUDGET		2020		2019
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Operation and Maintenance:					
Salaries	\$ 2,726,825	\$ 2,728,394	\$ 2,597,042	\$ 131,352	\$ 2,575,568
Benefits	1,034,741	1,114,980	1,087,288	27,692	1,017,623
Purchased services	2,260,423	2,180,466	2,109,376	71,090	1,631,014
Supplies	1,559,706	1,580,283	1,420,379	159,904	1,546,788
Property	153,500	128,500	62,634	65,866	196,008
Other	470	500	382	118	626
	<u>7,735,665</u>	<u>7,733,123</u>	<u>7,277,101</u>	<u>456,022</u>	<u>6,967,627</u>
Student Transportation:					
Salaries	1,692,737	1,722,029	1,668,993	53,036	1,652,023
Benefits	781,164	1,237,493	813,795	423,698	767,368
Purchased services	129,468	125,890	79,165	46,725	82,998
Supplies	465,570	469,454	320,565	148,889	424,334
Property	532,000	1,064,250	582,909	481,341	525,016
Other	956	400	137	263	2,402
	<u>3,601,895</u>	<u>4,619,516</u>	<u>3,465,564</u>	<u>1,153,952</u>	<u>3,454,141</u>
Other Support:					
Salaries	90,000	160,000	100,629	59,371	119,800
Benefits	37,050	47,050	46,749	301	26,005
Purchased services	100,500	100,500	-	100,500	-
Supplies	10,000	10,000	-	10,000	7,241
Other	9,600	16,600	-	16,600	14,605
	<u>247,150</u>	<u>334,150</u>	<u>147,378</u>	<u>186,772</u>	<u>167,651</u>
Site Improvement:					
Purchased services	10,000	911,500	903,301	8,199	603
Debt Service:					
Principal	474,000	474,000	474,000	-	418,000
Interest	48,668	48,668	48,668	-	58,388
	<u>522,668</u>	<u>522,668</u>	<u>522,668</u>	<u>-</u>	<u>476,388</u>
Total Undistributed Expenditures	23,618,558	25,818,793	23,251,393	2,567,400	21,923,871
Contingency	504,530	528,788	-	528,788	-
Total Expenditures	<u>51,830,802</u>	<u>54,739,623</u>	<u>50,273,754</u>	<u>4,465,869</u>	<u>48,105,629</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, 2020  
*(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)*

	2020 BUDGET		2020		2019
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Revenues Over (Under) Expenditures	\$ 1,845,783	\$ (1,063,038)	\$ 3,011,216	\$ 4,074,254	\$ 5,941,184
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of capital assets	8,000	8,000	25,210	17,210	5,391
Transfers to other funds	(4,400,000)	(4,400,000)	(3,800,000)	600,000	(4,200,000)
	(4,392,000)	(4,392,000)	(3,774,790)	617,210	(4,194,609)
Net Change in Fund Balance	(2,546,217)	(5,455,038)	(763,574)	4,691,464	1,746,575
<b>FUND BALANCE, July 1</b>	4,835,548	7,854,847	7,854,847	-	6,102,260
Increase (Decrease) in Reserve for Inventories	-	-	(9,402)	(9,402)	6,012
<b>FUND BALANCE, June 30</b>	<u>\$ 2,289,331</u>	<u>\$ 2,399,809</u>	<u>\$ 7,081,871</u>	<u>\$ 4,682,062</u>	<u>\$ 7,854,847</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, 2020  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020 BUDGET		2020		2019
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local Sources:					
Earnings on investments	\$ 5,000	\$ 5,000	\$ 11,985	\$ 6,985	\$ 17,339
State Sources:					
State appropriation	3,721,852	3,721,852	3,846,568	124,716	3,622,802
<b>Total Revenues</b>	<b>3,726,852</b>	<b>3,726,852</b>	<b>3,858,553</b>	<b>131,701</b>	<b>3,640,141</b>
<b>EXPENDITURES</b>					
Special Programs:					
Instruction:					
Salaries	3,986,734	4,050,328	3,951,376	98,952	3,677,275
Benefits	1,727,076	1,913,000	1,884,068	28,932	1,691,960
Purchased services	250	21,485	23,362	(1,877)	239
Supplies	8,125	171,717	141,245	30,472	5,038
	5,722,185	6,156,530	6,000,051	156,479	5,374,512
Other Direct Support:					
Salaries	738,025	797,825	796,586	1,239	728,668
Benefits	267,429	310,510	303,916	6,594	262,212
Purchased services	696,168	534,918	421,196	113,722	710,905
Supplies	37,400	27,050	14,848	12,202	19,845
Other	1,000	1,000	187	813	215
	1,740,022	1,671,303	1,536,733	134,570	1,721,845
Student Transportation:					
Salaries	359,075	359,075	325,107	33,968	327,836
Benefits	106,757	113,270	105,048	8,222	109,356
Supplies	40,654	40,654	40,179	475	40,209
	506,486	512,999	470,334	42,665	477,401
<b>Total Special Programs</b>	<b>7,968,693</b>	<b>8,340,832</b>	<b>8,007,118</b>	<b>333,714</b>	<b>7,573,758</b>

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, 2020  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020 BUDGET		2020		2019
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Other Instructional Programs:					
Gifted and Talented:					
Salaries	\$ 124,833	\$ 107,613	\$ 41,346	\$ 66,267	\$ 72,807
Benefits	65,587	55,542	20,158	35,384	34,594
Purchased services	-	10,000	-	10,000	-
Supplies	1,600	1,300	167	1,133	290
Total Other Instructional	192,020	174,455	61,671	112,784	107,691
Contingency	81,607	85,153	-	85,153	-
Total Expenditures	8,242,320	8,600,440	8,068,789	531,651	7,681,449
Revenues Over (Under)					
Expenditures	(4,515,468)	(4,873,588)	(4,210,236)	663,352	(4,041,308)
<b>OTHER FINANCING SOURCES</b>					
Transfers from other funds	4,400,000	4,400,000	3,800,000	(600,000)	4,200,000
Net Change in Fund Balance	(115,468)	(473,588)	(410,236)	63,352	158,692
<b>FUND BALANCE, July 1</b>	443,405	857,282	857,282	-	698,590
<b>FUND BALANCE, June 30</b>	<u>\$ 327,937</u>	<u>\$ 383,694</u>	<u>\$ 447,046</u>	<u>\$ 63,352</u>	<u>\$ 857,282</u>

*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, 2020  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020 BUDGET		2020		2019
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local sources	\$ 176,552	\$ 979,963	\$ 853,910	\$ (126,053)	\$ 790,949
State sources	1,616,663	2,914,953	2,204,935	(710,018)	1,742,732
Federal sources	3,333,524	3,248,137	1,918,126	(1,330,011)	2,283,297
Total Revenues	5,126,739	7,143,053	4,976,971	(2,166,082)	4,816,978
<b>EXPENDITURES</b>					
Regular Programs:					
Salaries	656,700	786,819	602,945	183,874	706,977
Benefits	206,406	174,524	185,694	(11,170)	200,706
Purchased services	134,820	128,193	57,162	71,031	141,583
Supplies	171,758	451,915	337,587	114,328	211,367
Other	25,198	28,853	25,939	2,914	23,709
Total Regular Programs	1,194,882	1,570,304	1,209,327	360,977	1,284,342
Special Programs:					
Salaries	781,872	1,131,145	557,679	573,466	543,104
Benefits	309,956	330,820	258,042	72,778	252,466
Purchased services	468,494	399,494	38,689	360,805	125,174
Supplies	314,865	195,046	75,467	119,579	18,888
Property	50,000	-	-	-	-
Other	60,060	60,020	26,624	33,396	28,592
Total Special Programs	1,985,247	2,116,525	956,501	1,160,024	968,224
Vocational Programs:					
Salaries	34,145	33,312	14,104	19,208	30,325
Benefits	13,821	14,248	6,471	7,777	12,627
Purchased services	213,143	242,646	103,136	139,510	187,784
Supplies	326,192	314,626	204,834	109,792	342,251
Property	4,766	91,775	85,262	6,513	-
Other	-	10,186	9,913	273	9,742
Total Vocational Programs	592,067	706,793	423,720	283,073	582,729

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, 2020  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020 BUDGET		2020		2019
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>Adult Education:</b>					
Salaries	\$ 67,953	\$ 56,124	\$ 46,466	\$ 9,658	\$ 61,811
Benefits	26,441	25,190	17,489	7,701	22,608
Purchased services	3,050	1,218	93	1,125	550
Supplies	7,407	1,165	105	1,060	4,376
Other	1,500	1,500	472	1,028	210
Total Adult Education	106,351	85,197	64,625	20,572	89,555
<b>Other Instructional Programs:</b>					
Salaries	85,456	112,311	115,638	(3,327)	85,635
Benefits	41,776	44,184	46,952	(2,768)	41,403
Purchased services	89,427	82,285	60,229	22,056	87,545
Supplies	15,509	2,628	2,657	(29)	17,568
Other	496	718	718	-	495
Total Other Instructional	232,664	242,126	226,194	15,932	232,646
<b>Community Service Programs:</b>					
Salaries	16,019	7,734	3,353	4,381	-
Benefits	1,370	661	271	390	-
Purchased services	15,000	9,839	-	9,839	-
Supplies	13,591	8,009	4,037	3,972	-
Total Community Service	45,980	26,243	7,661	18,582	-
<b>Undistributed Expenditures:</b>					
<b>Student Support:</b>					
Salaries	461,324	354,782	317,196	37,586	433,036
Benefits	148,658	112,068	110,352	1,716	167,679
Purchased services	3,700	1,000	1,000	-	7,338
Supplies	7,260	2,500	2,500	-	22,577
Other	9,813	7,224	7,224	-	8,454
	630,755	477,574	438,272	39,302	639,084

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, 2020  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020 BUDGET		2020		2019
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Instructional Staff Support:					
Salaries	\$ 40,978	\$ 260,058	\$ 239,773	\$ 20,285	\$ 50,402
Benefits	125	244,025	112,365	131,660	2,600
Purchased services	110,406	82,822	75,525	7,297	142,256
Supplies	15,116	20,180	18,781	1,399	21,765
Other	1,014	2,264	562	1,702	684
	<u>167,639</u>	<u>609,349</u>	<u>447,006</u>	<u>162,343</u>	<u>217,707</u>
General Administration:					
Salaries	14,049	14,049	-	14,049	-
Supplies	1,809	1,809	1,809	-	-
	<u>15,858</u>	<u>15,858</u>	<u>1,809</u>	<u>14,049</u>	<u>-</u>
Central Services:					
Supplies	-	-	-	-	30,000
Other Support:					
Salaries	14,080	15,791	16,328	(537)	20,353
Benefits	-	-	-	-	321
Purchased services	36,039	45,339	16,392	28,947	4,760
Supplies	91,374	48,313	41,753	6,560	12,976
Property	13,738	13,738	-	13,738	13,738
Other	-	-	-	-	200
	<u>155,231</u>	<u>123,181</u>	<u>74,473</u>	<u>48,708</u>	<u>52,348</u>
Facilities Acquisition and Construction:					
Site Improvement:					
Purchased services	-	14,653	3,770	10,883	720,343
Building Improvements:					
Purchased services	-	365,250	344,123	21,127	-
Supplies	65	-	-	-	-
	<u>65</u>	<u>365,250</u>	<u>344,123</u>	<u>21,127</u>	<u>-</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, 2020  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020 BUDGET		2020		2019
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Other Facilities Construction:					
Purchased services	\$ -	\$ 790,000	\$ 776,691	\$ 13,309	\$ -
Other	-	-	2,799	(2,799)	-
Property			-	-	-
Other			-	-	-
	-	790,000	779,490	10,510	-
Total Facilities Acquisition and Construction	65	1,169,903	1,127,383	42,520	720,343
Total Undistributed Expenditures	969,548	2,395,865	2,088,943	306,922	1,659,482
Total Expenditures	5,126,739	7,143,053	4,976,971	2,166,082	4,816,978
Net Change in Fund Balance	-	-	-	-	-
<b>FUND BALANCE, July 1</b>	-	-	-	-	-
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ -	\$ -	\$ -

*See accompanying notes.*



# DOUGLAS COUNTY SCHOOL DISTRICT

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PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
JUNE 30, 2020

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)

	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS	
	2020	2019
<b>ASSETS</b>		
Current Assets:		
Cash and investments	\$ 4,482,547	\$ 4,937,061
Receivables	383,443	65,984
Due from other funds	983,846	431,150
Total Assets	<u>5,849,836</u>	<u>5,434,195</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable and accrued expenses	123,836	6,876
Unearned revenue	415,475	408,857
Pending claims	1,289,611	1,248,446
Total Current Liabilities	<u>1,828,922</u>	<u>1,664,179</u>
<b>NET POSITION</b>		
Restricted	<u>\$ 4,020,914</u>	<u>\$ 3,770,016</u>

See accompanying notes.

# DOUGLAS COUNTY SCHOOL DISTRICT

PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
YEAR ENDED JUNE 30, 2020

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019)

	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS	
	2020	2019
<b>OPERATING REVENUES</b>		
Insurance premiums	\$ 7,688,100	\$ 7,160,131
Insurance proceeds and other	452,484	491,801
Other	4,260	3,008
Total Operating Revenues	8,144,844	7,654,940
<b>OPERATING EXPENSES</b>		
Claims expense	6,917,181	7,143,712
Purchased services	1,029,553	1,078,266
Other	3,890	7,306
Total Operating Expenses	7,950,624	8,229,284
Operating Income (Loss)	194,220	(574,344)
<b>NONOPERATING REVENUES</b>		
Earnings on investments	56,678	75,244
Change in Net Position	250,898	(499,100)
<b>NET POSITION, July 1</b>	3,770,016	4,269,116
<b>NET POSITION, June 30</b>	\$ 4,020,914	\$ 3,770,016

*See accompanying notes.*

# DOUGLAS COUNTY SCHOOL DISTRICT

## PROPRIETARY FUNDS STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2020

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019)

	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS	
	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from insurance premiums	\$ 7,142,022	\$ 7,103,539
Cash received from insurance proceeds and other	142,007	494,809
Cash paid for claims expense	(6,758,874)	(7,205,197)
Cash paid for services and supplies	(1,033,625)	(1,085,727)
Net cash provided (used) by operating activities	(508,470)	(692,576)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on investments	53,956	75,244
Net Increase (Decrease) in Cash and Investments	(454,514)	(617,332)
<b>CASH AND INVESTMENTS, July 1</b>	4,937,061	5,554,393
<b>CASH AND INVESTMENTS, June 30</b>	\$ 4,482,547	\$ 4,937,061
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ 194,220	\$ (574,344)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Change in assets and liabilities:		
Receivables	(314,737)	42,487
Premiums due from other funds	(552,696)	-
Accounts payable	116,960	(59,685)
Unearned revenues	6,618	21,011
Pending claims	41,165	(122,045)
Total Adjustments	(702,690)	(118,232)
Net cash provided (used) by operating activities	\$ (508,470)	\$ (692,576)

See accompanying notes.

# DOUGLAS COUNTY SCHOOL DISTRICT

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## STATEMENT OF AGENCY ASSETS AND LIABILITIES

JUNE 30, 2020

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)

	<u>STUDENT ACTIVITY FUNDS</u>	
	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash and investments	<u>\$ 1,033,706</u>	<u>\$ 1,025,891</u>
<b>LIABILITIES</b>		
Due to student groups	<u>\$ 1,033,706</u>	<u>\$ 1,025,891</u>

*See accompanying notes.*

# DOUGLAS COUNTY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

### 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

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

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

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

The District's fiduciary fund is presented in the fiduciary fund financial statement by its agency type. Since, by definition, these assets are held for the benefit of a third party and cannot be used to address activities or obligations of the District, these funds are not incorporated into the district-wide statements. 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:

# DOUGLAS COUNTY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

### **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.

### **Fiduciary Funds:**

#### *Agency Funds*

The Agency Funds account for assets held by the District in a trustee capacity or as an agent for student activity funds.

### **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: the Food Service Fund and the Class Size Reduction 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. The agency funds (student activity funds) have no 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.



# DOUGLAS COUNTY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

### **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.

### **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

# DOUGLAS COUNTY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

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 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 1<sup>st</sup> 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.

# DOUGLAS COUNTY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

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.
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.

# DOUGLAS COUNTY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

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.
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:

# DOUGLAS COUNTY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

	<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.

### **Accrued Liabilities**

Accrued liabilities consist principally of teacher, administrator, and other District employee salaries and benefits for the school program year ended June 30, 2020, 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.

# DOUGLAS COUNTY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

*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 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, 2019, 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 Capital Projects Fund of \$210,175. This is a potential violation of NRS 354.626.

# DOUGLAS COUNTY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

### 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." Student Activity Funds are reported as Agency funds. These funds are not part of the District's pooled cash and investments; rather, they are held in an agency capacity by the District and cannot be used in the District's normal operations. As of June 30, 2020, the District had the following amounts reported as cash and investments:

District-Wide Balances:	
Pooled cash	\$ 5,170,887
Food services	10,416
Self-insurance claims accounts	38,551
Deposits held with fiscal agent	229,435
Local Government Investment Pool	16,180,000
	<u>21,629,289</u>
Fiduciary Fund Balances:	
Cash held by Student Activity Funds	<u>1,033,706</u>
Total Cash and Investments	<u>\$ 22,662,995</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:

	Bank Balance
Insured (FDIC)	\$ 304,919
Uninsured but collateralized by securities held in the name of the Office of the State Treasurer/Nevada Collateral Pool	<u>6,976,228</u>
	<u>\$ 7,281,147</u>

# DOUGLAS COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

As of June 30, 2020, the District had \$16,180,000 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.

*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, 2020:

	Taxes Receivable	Due from Other Gov't.	Other	Total Receivables
<i>Major Governmental Funds:</i>				
General	\$ 221,822	\$ 4,877,206	\$ 114,424	\$ 5,213,452
Special Education	-	-	876	876
Federal and State Grants	-	977,057	-	977,057
Debt Service	29,954	-	1,901	31,855
Capital Projects	-	176,298	1,851	178,149
Building and Sites	-	-	1,980	1,980
<i>Other Governmental Funds</i>	-	-	10,955	10,955
Total Governmental Funds	251,776	6,030,561	131,987	6,414,324
<i>Internal Service Funds</i>	-	-	383,443	383,443
Total Receivables	\$ 251,776	\$ 6,030,561	\$ 515,430	\$ 6,797,767



# DOUGLAS COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

### 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, 2020 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.

Interfund receivable and payable balances at June 30, 2020 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Governmental Fund:		
General Fund	\$ -	\$ 983,846
Internal Service Funds:		
Self Insurance Health Fund	931,468	-
Workers' Comp. Self-Insurance Fund	52,378	-
	<u>\$ 983,846</u>	<u>\$ 983,846</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, 2020 were as follows:

	Transfers	
	<u>To</u>	<u>From</u>
General Fund	\$ -	\$ 3,800,000
Special Education Fund	3,800,000	-
Debt Service Fund	-	100,000
Capital Projects Fund	100,000	-
	<u>\$ 3,900,000</u>	<u>\$ 3,900,000</u>

# DOUGLAS COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

### NOTE 6 – CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2020 is shown below:

	Balance July 1, 2019	Additions / Transfers	Deletions / Transfers	Balance June 30, 2020
<b>Nondepreciable Capital Assets</b>				
Land	\$ 1,273,439	\$ -	\$ -	\$ 1,273,439
Construction in progress	931,403	3,436,837	(3,560,273)	807,967
	<u>2,204,842</u>	<u>3,436,837</u>	<u>(3,560,273)</u>	<u>2,081,406</u>
<b>Depreciable Capital Assets</b>				
Buildings and improvements	148,428,942	3,560,273	-	151,989,215
Equipment and vehicles	11,940,944	1,328,506	(300,030)	12,969,420
	<u>160,369,886</u>	<u>4,888,779</u>	<u>(300,030)</u>	<u>164,958,635</u>
<b>Total Capital Assets</b>	<u>162,574,728</u>	<u>8,325,616</u>	<u>(3,860,303)</u>	<u>167,040,041</u>
Less accumulated depreciation for:				
Buildings and improvements	71,840,775	4,246,638	-	76,087,413
Equipment and vehicles	7,706,411	710,828	(296,030)	8,121,209
	<u>79,547,186</u>	<u>4,957,466</u>	<u>(296,030)</u>	<u>84,208,622</u>
<b>Governmental Activities, Capital Assets, net</b>	<u>\$ 83,027,542</u>	<u>\$ 3,368,150</u>	<u>\$ (3,564,273)</u>	<u>\$ 82,831,419</u>

Depreciation expense was allocated to the following functions/programs:

<i>Instruction</i>	<u>\$ 191,208</u>
<i>Support Services</i>	
Student	5,287
Central services	109,964
Operations and maintenance	129,384
Student transportation	276,827
Facilities construction and improvement	4,244,796
	<u>4,766,258</u>
<b>Total Depreciation Expense</b>	<u>\$ 4,957,466</u>

# DOUGLAS COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

### NOTE 7 – LONG-TERM DEBT

#### 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, 2020:

	Balance July 1, 2019	Additions of New Debt	Retirements, Repayments and Reductions	Balance June 30, 2020	Due Within One Year	Due After One Year
General Obligation Bonds	\$ 36,292,000	\$ -	\$ (1,795,000)	\$ 34,497,000	\$ 1,929,000	\$ 32,568,000
Plus: Bond Premiums	243,058	-	(15,001)	228,057	15,001	213,056
Less: Bond Discounts	(9,652)	-	9,652	-	-	-
Total Bonds Payable	<u>36,525,406</u>	<u>-</u>	<u>(1,800,349)</u>	<u>34,725,057</u>	<u>1,944,001</u>	<u>32,781,056</u>
Compensated Absences	642,317	77,625	-	719,942	-	719,942
Installment Note Payable	<u>2,281,000</u>	<u>-</u>	<u>(474,000)</u>	<u>1,807,000</u>	<u>485,000</u>	<u>1,322,000</u>
	39,448,723	77,625	(2,274,349)	37,251,999	2,429,001	34,822,998
OPEB	20,002,525	3,101,425	-	23,103,950	-	23,103,950
Pension liability	<u>72,898,330</u>	<u>-</u>	<u>(1,709,836)</u>	<u>71,188,494</u>	<u>-</u>	<u>71,188,494</u>
	<u>\$132,349,578</u>	<u>\$ 3,179,050</u>	<u>\$ (3,984,185)</u>	<u>\$131,544,443</u>	<u>\$ 2,429,001</u>	<u>\$129,115,442</u>

Total interest expense for the year ended June 30, 2020 was \$1,064,282.

The District was, in accordance with NRS 387.400, within the legal debt limit at June 30, 2020.

General Obligation Bonds payable consist of the following at June 30, 2020:

Issue	Date Issued	Date of Final Maturity	Original Interest Rate %	Amount Issued	Balance June 30, 2020
Improvement Bonds (QSCBs)	5/13/2010	4/1/2027	4.5 - 6.4	\$ 2,305,000	\$ 2,000,000
Improvement Bonds	12/19/2012	4/1/2042	2.0 - 3.25	9,000,000	7,990,000
Improvement Bonds	10/16/2013	4/1/2034	3.0 - 4.0	8,500,000	6,870,000
Improvement Bonds	2/19/2015	4/1/2035	2.0 - 3.25	5,000,000	4,515,000
Refunding Bonds	5/14/2019	4/1/2030	2.0 - 3.25	13,667,000	13,122,000
					<u>\$ 34,497,000</u>

# DOUGLAS COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

The annual requirements to amortize all General Obligation Debt outstanding as of June 30, 2020 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Expected Interest Subsidy	Total Requirements
2021	\$ 1,929,000	\$ 1,051,551	\$ (113,200)	\$ 2,867,351
2022	2,030,000	1,004,549	(113,200)	2,921,349
2023	2,140,000	954,791	(113,200)	2,981,591
2024	2,229,000	902,301	(113,200)	3,018,101
2025	2,287,000	847,222	(113,200)	3,021,022
2026 - 2030	12,367,000	3,069,322	(226,400)	15,209,922
2031 - 2035	7,480,000	1,352,404	-	8,832,404
2036- 2040	2,785,000	459,230	-	3,244,230
2041 - 2042	1,250,000	58,907	-	1,308,907
	<u>\$ 34,497,000</u>	<u>\$ 9,700,277</u>	<u>\$ (792,400)</u>	<u>\$ 43,404,877</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, 2020 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Payment
2021	\$ 485,000	\$ 37,947	\$ 522,947
2022	496,000	26,967	522,967
2023	507,000	15,751	522,751
2024	319,000	3,587	322,587
	<u>\$ 1,807,000</u>	<u>\$ 84,252</u>	<u>\$ 1,891,252</u>

# DOUGLAS COUNTY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

### 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.

*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.

# DOUGLAS COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

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, 2020:

	Major Funds				Other Gov't Funds	Total Governmental Funds
	General Fund	Special Education Fund	Debt Service Fund	Capital Projects Fund		
Nonspendable:						
Inventories	\$ 101,453	\$ -	\$ -	\$ -	\$ 85,652	\$ 187,105
Restricted for:						
Debt service	-	-	2,982,063	-	-	2,982,063
Property renovations/upgrades	-	-	-	2,977,497	3,388,055	6,365,552
Child nutrition services	-	-	-	-	275,730	275,730
Education services	-	-	-	-	2,591	2,591
Assigned to:						
Education services	2,598,281	447,046	-	-	-	3,045,327
Unassigned	4,382,137	-	-	-	-	4,382,137
Governmental Fund Balances	<u>\$7,081,871</u>	<u>\$447,046</u>	<u>\$2,982,063</u>	<u>\$2,977,497</u>	<u>\$3,752,028</u>	<u>\$ 17,240,505</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 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

# DOUGLAS COUNTY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

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 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.

### **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.

# DOUGLAS COUNTY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

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 required contribution rates for the year ended June 30, 2019 were 14.50% for the EE/ER plan and 28.00% for the EPC plan. The District's contributions to the Plan were \$5,415,208 and \$5,046,939 for the years ended June 30, 2020 and 2019, 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, 2019:

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, 2020, the District reported a liability of \$71,188,494 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019 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 30, 2019, the District's proportion of the regular plan was .52206%, which was a decrease of .01247 from its .53453% proportion measured as of June 30, 2018.

### 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%.



# DOUGLAS COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

	1% Decrease in Discount Rate (6.50%)	Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
Net Pension Liability	<u>\$110,226,767</u>	<u>\$ 71,188,494</u>	<u>\$ 38,737,783</u>

### 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, 2019, 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, 2019 funding actuarial valuation.

Actuarial assumptions used in the June 30, 2019 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.

# DOUGLAS COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

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

For the year ended June 30, 2020, the District recognized pension expense of \$6,183,641. As of June 30, 2020, 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
	<u>                    </u>	<u>                    </u>
Difference between expected and actual experience	\$ 2,669,487	\$ 2,053,342
Changes in assumptions	2,897,077	
Net difference between projected and actual earnings on pension plan assets	-	3,541,372
Changes in proportion and differences between the District's contributions and proportionate share of contributions	949,344	6,911,419
District's contributions subsequent to the measurement date	5,415,208	-
	<u>\$ 11,931,116</u>	<u>\$ 12,506,133</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, 2020. Other amounts reported as deferred outflows of resources and (deferred inflows) of resources related to pensions will be recognized in pension expense as follows:

Years Ending June 30	Amount
<u>                    </u>	<u>                    </u>
2021	\$ (998,797)
2022	(2,825,679)
2023	(1,226,268)
2024	(739,643)
2025	(182,039)
2026	(17,799)
	<u>\$ (5,990,225)</u>

# DOUGLAS COUNTY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

### 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](http://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.

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 \$778,304 during the year on behalf of 265 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

# DOUGLAS COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

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 \$267,079 for FY 20.

Plan membership consisted of 694 active plan members and 56 retirees as of September 1, 2018, 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, 2020, 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, 2018, with the amounts rolled forward to June 30, 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:

	District	PEBP
Inflation	2.75%	2.75%
Salary increases	4%	N/A
Discount rate	2.21%	2.21%
Healthcare cost trend rate		
Eff July 1,		
2019	Actual	Actual
Jan 2024 and later	5.00%	5.00%

Mortality rates used were those based on the June 30, 2017 report of Nevada PERS and were adjusted by applying the MacLeod Watts Scale 2018 on a generational basis from 2018 forward.

### 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 (1.21) or 1% higher (3.21%).

<u>Net OPEB Liability</u>	<u>1% Decrease in Discount Rate to 1.21%</u>	<u>Current Discount Rate 2.21%</u>	<u>1% Increase in Discount Rate to 3.21%</u>
District	\$ 8,376,595	\$ 7,408,614	\$ 6,601,110
PEBP	17,693,446	15,695,336	14,022,165
	<u>\$ 26,070,041</u>	<u>\$ 23,103,950</u>	<u>\$ 20,623,275</u>

# DOUGLAS COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

The following presents the net OPEB liabilities of the District's Plan and PEBC, 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	\$ 6,443,796	\$ 7,408,614	\$ 8,602,415
PEBC	14,062,856	15,695,336	17,606,789
	<u>\$ 20,506,652</u>	<u>\$ 23,103,950</u>	<u>\$ 26,209,204</u>

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

For the year ended June 30, 2020, the District recognized OPEB expense of \$594,871 for the District Plan and \$2,594,284 for PEBC. As of June 30, 2020, the District reported deferred inflows of \$2,570,927 and \$-0- for the District Plan and PEBC, respectively, and deferred outflows of \$-0- for both plans.

The deferred inflows of \$2,570,927 for the District Plan will be recognized as a component of OPEB expense, ratably at the rate of approximately \$(314,850) per year through 2028.

### Change in Net OPEB Liability

The following table depicts the District's changes in the net OPEB liability for the year ended June 30, 2020:

	<u>District</u>	<u>PEBC</u>	<u>Combined</u>
Balance, July 1, 2019	\$ 6,123,169	\$ 13,879,356	\$ 20,002,525
Changes for the Year:			
Service cost	308,442	-	308,442
Interest cost	221,063	473,506	694,569
Changes of assumptions	1,023,019	2,120,778	3,143,797
Plan experience	-	-	-
Benefit payments	(267,079)	(778,304)	(1,045,383)
Net Changes	<u>1,285,445</u>	<u>1,815,980</u>	<u>3,101,425</u>
Balance, June 30, 2020	<u>\$ 7,408,614</u>	<u>\$ 15,695,336</u>	<u>\$ 23,103,950</u>

# DOUGLAS COUNTY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

### 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 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, 2019 and 2020 are shown on the following page.

# DOUGLAS COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

	<b>Self-Insurance Funds</b>		
	<b>Health Fund</b>	<b>Workers' Compensation</b>	<b>Total</b>
Claims liability, July 1, 2018	\$ 744,401	\$ 506,000	\$ 1,250,401
Current year claims and changes in estimates	6,966,774	236,468	7,203,242
Claim payments	(6,906,729)	(298,468)	(7,205,197)
Claims liability, June 30, 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	<u>\$ 876,611</u>	<u>\$ 413,000</u>	<u>\$ 1,289,611</u>

### 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, 2020 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.

# DOUGLAS COUNTY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

### NOTE 13 – NEW ACCOUNTING PRONOUNCEMENTS

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. 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, 2021.

In June 2017, the Governmental Accounting Standards Board 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.

### NOTE 14 – COVID-19 PANDEMIC

In March 2020, the World Health Organization declared COVID-19 a global pandemic, resulting in far-reaching effects, including economic implications of a global reach. Closer to home, state-wide and local measures were enacted to contain the virus, including quarantines and closures of school campuses and the transition to alternative learning models, including part-time and full-time distance learning.

The District's future operations and business activities could be materially adversely affected by reductions in the level of funding and impacts to the timing of cash flows. Measures which may be taken to limit the spread of COVID-19 could also materially adversely affect significant estimates made by the District and future debt ratings.

For the 2021 school year, the District is providing instructional formats that comply with state and local guidelines. Since March 2020, the District's response to the pandemic has included various safety measures designed to protect its students, employees, and community. Revisions and enhancements will continue to be made as the pandemic situation warrants.



# 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					
	2019	2018	2017	2016	2015	2014
District's proportion of the Net Pension Liability	0.52206%	0.53453%	0.57247%	0.58846%	0.60910%	0.57980%
District's proportionate share of the Net Pension Liability	\$ 71,188,494	\$ 72,898,330	\$ 76,137,260	\$ 79,189,924	\$ 69,799,991	\$ 60,291,529
District's covered employee payroll	\$ 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	194.22%	204.51%	215.65%	223.93%	196.28%	186.18%
Plan fiduciary net position as a percentage of the Total Pension Liability	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,					
	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 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>5,415,208</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>
District's covered employee payroll	\$ 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%	14.10%	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\*

	2020			2019			2018		
	District	PEBP	Total	District	PEBP	Total	District	PEBP	Total
<b>Total OPEB Liability</b>									
Service cost	\$ 308,442	\$ -	\$ 308,442	\$ 470,590	\$ -	\$ 470,590	\$ 487,581	\$ -	\$ 487,581
Interest	221,063	473,506	694,569	352,961	531,373	884,334	315,670	512,486	828,156
Differences between expected and actual experience	-	-	-	(2,182,159)	(1,222,963)	(3,405,122)	-	-	-
Changes in assumptions	1,023,019	2,120,778	3,143,797	(995,379)	1,322,789	327,410	(398,244)	(575,379)	(973,623)
Benefit payments	(267,079)	(778,304)	(1,045,383)	(251,622)	(823,650)	(1,075,272)	(262,271)	(766,650)	(1,028,921)
Net change in Total OPEB Liability	1,285,445	1,815,980	3,101,425	(2,605,609)	(192,451)	(2,798,060)	142,736	(829,543)	(686,807)
Total OPEB Liability, beginning	6,123,169	13,879,356	20,002,525	8,728,778	14,071,807	22,800,585	8,586,042	14,901,350	23,487,392
<b>Total OPEB Liability, ending</b>	<b>7,408,614</b>	<b>15,695,336</b>	<b>23,103,950</b>	<b>6,123,169</b>	<b>13,879,356</b>	<b>20,002,525</b>	<b>8,728,778</b>	<b>14,071,807</b>	<b>22,800,585</b>
<b>Plan Fiduciary Net Position</b>									
Employer contributions	267,079	778,304	1,045,383	251,622	823,650	1,075,272	262,271	766,650	1,028,921
Net investment income	-	-	-	-	-	-	-	-	-
Benefit payments	(267,079)	(778,304)	(1,045,383)	(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	-	-	-	-	-	-	-	-	-
<b>Plan Fiduciary Net Position, ending</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>District's Net OPEB Liability</b>	<b>\$ 7,408,614</b>	<b>\$ 15,695,336</b>	<b>\$ 23,103,950</b>	<b>\$ 6,123,169</b>	<b>\$ 13,879,356</b>	<b>\$ 20,002,525</b>	<b>\$ 8,728,778</b>	<b>\$ 14,071,807</b>	<b>\$ 22,800,585</b>
Covered payroll	\$ 37,443,397	N/A	N/A	\$ 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	19.79%	N/A	N/A	19.43%	N/A	N/A	24.70%	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.

# DOUGLAS COUNTY SCHOOL DISTRICT

DEBT SERVICE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 YEAR ENDED JUNE 30, 2020  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020 BUDGET		2020		2019
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local Sources:					
Ad valorem taxes	\$ 3,022,308	\$ 3,022,308	\$ 3,035,166	\$ 12,858	\$ 2,865,362
Earnings on investments	15,000	15,000	40,831	25,831	44,722
Total Local Sources	3,037,308	3,037,308	3,075,997	38,689	2,910,084
Federal Sources:					
In lieu of tax	275	275	-	(275)	-
Bond interest subsidy	358,984	358,984	337,265	(21,719)	416,518
Total Federal sources	359,259	359,259	337,265	(21,994)	416,518
Total Revenues	3,396,567	3,396,567	3,413,262	16,695	3,326,602
<b>EXPENDITURES</b>					
Debt Service:					
Principal	1,430,000	1,795,000	1,795,000	-	1,415,000
Interest	1,524,921	1,166,829	1,144,867	21,962	1,574,356
Fiscal agent charges	6,000	6,000	4,050	1,950	115,061
Total Expenditures	2,960,921	2,967,829	2,943,917	23,912	3,104,417
Revenues Over (Under) Expenditures	435,646	428,738	469,345	40,607	222,185
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from refunding bonds	-	-	-	-	13,667,000
Payment to refunded bond agent	-	-	-	-	(13,553,742)
Transfer to other funds	(100,000)	(100,000)	(100,000)	-	(100,000)
Total Other Financing Sources (Uses)	(100,000)	(100,000)	(100,000)	-	13,258
Net Change in Fund Balance	335,646	328,738	369,345	40,607	235,443
<b>FUND BALANCE, July 1</b>	2,512,947	2,612,718	2,612,718	-	2,377,275
<b>FUND BALANCE, June 30</b>	\$ 2,848,593	\$ 2,941,456	\$ 2,982,063	\$ 40,607	\$ 2,612,718

# DOUGLAS COUNTY SCHOOL DISTRICT

CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 YEAR ENDED JUNE 30, 2020  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020 BUDGET		2020	2019	
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local Sources:					
Governmental services tax	\$ 1,363,144	\$ 1,363,144	\$ 1,451,705	\$ 88,561	\$ 1,444,525
Residential construction tax	400,096	400,096	346,896	(53,200)	312,048
Earnings on investments	4,000	20,000	38,955	18,955	58,809
<b>Total Revenues</b>	<b>1,767,240</b>	<b>1,783,240</b>	<b>1,837,556</b>	<b>54,316</b>	<b>1,815,382</b>
<b>EXPENDITURES</b>					
Other Support:					
Purchased services	-	540,000	-	540,000	-
Supplies	528,000	-	778,546	(778,546)	610,539
Property	12,000	-	6,122	(6,122)	13,365
	540,000	540,000	784,668	(244,668)	623,904
Facilities Acquisition and Construction:					
Building Improvements:					
Purchased services	950,000	1,477,122	116,956	1,360,166	479,515
Site Improvements:					
Purchased services	-	117,941	1,443,614	(1,325,673)	2,525,228
<b>Total Facilities Acquisition and Construction</b>	<b>950,000</b>	<b>1,595,063</b>	<b>1,560,570</b>	<b>34,493</b>	<b>3,004,743</b>
<b>Total Expenditures</b>	<b>1,490,000</b>	<b>2,135,063</b>	<b>2,345,238</b>	<b>(210,175)</b>	<b>3,628,647</b>
Revenues Over (Under) Expenditures	277,240	(351,823)	(507,682)	(155,859)	(1,813,265)
<b>OTHER FINANCING SOURCES</b>					
Transfer from other funds	100,000	100,000	100,000	-	100,000

Continued on next page.

# DOUGLAS COUNTY SCHOOL DISTRICT

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CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 YEAR ENDED JUNE 30, 2020  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020 BUDGET		2020		2019
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Net Change in Fund Balance	\$ 377,240	\$ (251,823)	\$ (407,682)	\$ (155,859)	\$ (1,713,265)
<b>FUND BALANCE, July 1</b>	1,833,277	3,385,179	3,385,179	-	5,098,444
<b>FUND BALANCE, June 30</b>	\$ 2,210,517	\$ 3,133,356	\$ 2,977,497	\$ (155,859)	\$ 3,385,179

# DOUGLAS COUNTY SCHOOL DISTRICT

BUILDING AND SITES FUND  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 YEAR ENDED JUNE 30, 2020  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020 BUDGET		2020	2019	
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local Sources:					
Earnings on investments	\$ 763	\$ 20,000	\$ 44,775	\$ 24,775	\$ 54,039
Other	10,498	32,726	14,030	(18,696)	32,726
Total Revenues	11,261	52,726	58,805	6,079	86,765
<b>EXPENDITURES</b>					
Facilities Acquisition and Construction:					
Site Improvement:					
Purchased services	-	1,250,000	170,039	1,079,961	7,152
Building Improvement:					
Purchased services	-	2,016,406	170,969	1,845,437	226,442
Total Expenditures	-	3,266,406	341,008	2,925,398	233,594
Revenues Over (Under) Expenditures	11,261	(3,213,680)	(282,203)	2,931,477	(146,829)
<b>OTHER FINANCING SOURCES</b>					
Proceeds from property sale	-	-	-	-	186,250
Net Change in Fund Balance	11,261	(3,213,680)	(282,203)	2,931,477	39,421
<b>FUND BALANCE, July 1</b>	142,042	3,670,258	3,670,258	-	3,630,837
<b>FUND BALANCE, June 30</b>	\$ 153,303	\$ 456,578	\$ 3,388,055	\$ 2,931,477	\$ 3,670,258

# DOUGLAS COUNTY SCHOOL DISTRICT

## NONMAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET

JUNE 30, 2020

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)

	SPECIAL REVENUE FUNDS		TOTAL NONMAJOR GOVERNMENTAL FUNDS	
	FOOD SERVICE	CLASS SIZE	2020	2019
		REDUCTION		
<b>ASSETS</b>				
Cash and investments	\$ 324,385	\$ 85,286	\$ 409,671	\$ 551,853
Receivables	10,837	118	10,955	22,358
Inventories	85,652	-	85,652	47,077
Total Assets	<u>\$ 420,874</u>	<u>\$ 85,404</u>	<u>\$ 506,278</u>	<u>\$ 621,288</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 59,492	\$ 82,813	\$ 142,305	\$ 184,181
Total Liabilities	<u>59,492</u>	<u>82,813</u>	<u>142,305</u>	<u>184,181</u>
<b>FUND BALANCES</b>				
Nonspendable	85,652	-	85,652	47,077
Restricted	275,730	2,591	278,321	390,030
Total Fund Balances	<u>361,382</u>	<u>2,591</u>	<u>363,973</u>	<u>437,107</u>
Total Liabilities and Fund Balances	<u>\$ 420,874</u>	<u>\$ 85,404</u>	<u>\$ 506,278</u>	<u>\$ 621,288</u>

See accompanying notes.



# DOUGLAS COUNTY SCHOOL DISTRICT

NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE  
 YEAR ENDED JUNE 30, 2020  
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019)

	<u>SPECIAL REVENUE FUNDS</u>		<u>TOTAL</u>	
	<u>FOOD</u>	<u>CLASS</u>	<u>NONMAJOR</u>	
	<u>SERVICE</u>	<u>SIZE</u>	<u>GOVERNMENTAL FUNDS</u>	
		<u>REDUCTION</u>	<u>2020</u>	<u>2019</u>
<b>REVENUES</b>				
Local sources	\$ 520,922	\$ 1,902	\$ 522,824	\$ 631,058
State sources	3,952	1,442,344	1,446,296	927,846
Federal sources	1,032,370	-	1,032,370	1,061,545
Total Revenues	<u>1,557,244</u>	<u>1,444,246</u>	<u>3,001,490</u>	<u>2,620,449</u>
<b>EXPENDITURES</b>				
Regular programs	-	1,459,821	1,459,821	1,868,670
Undistributed Expenditures:				
Food service	1,653,378	-	1,653,378	1,616,897
Total Expenditures	<u>1,653,378</u>	<u>1,459,821</u>	<u>3,113,199</u>	<u>3,485,567</u>
Revenues Over (Under)				
Expenditures	(96,134)	(15,575)	(111,709)	(865,118)
<b>FUND BALANCES, July 1</b>	418,941	18,166	437,107	1,290,413
Increase (decrease) in reserve for inventories	38,575	-	38,575	11,812
<b>FUND BALANCES, June 30</b>	<u>\$ 361,382</u>	<u>\$ 2,591</u>	<u>\$ 363,973</u>	<u>\$ 437,107</u>

See accompanying notes.

# DOUGLAS COUNTY SCHOOL DISTRICT

FOOD SERVICE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 YEAR ENDED JUNE 30, 2020  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020 BUDGET		2020		2019
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local Sources:					
Earnings on investments	\$ 2,000	\$ 2,000	\$ 3,230	\$ 1,230	\$ 2,849
Daily sales	586,808	586,808	517,692	(69,116)	620,906
Total Local Sources	588,808	588,808	520,922	(67,886)	623,755
State Sources - Grants	4,400	4,400	3,952	(448)	3,710
Federal Sources - Grants	950,500	940,500	1,032,370	91,870	1,061,545
Total Revenues	1,543,708	1,533,708	1,557,244	23,536	1,689,010
<b>EXPENDITURES</b>					
Salaries	682,714	684,027	662,399	21,628	660,044
Benefits	282,459	299,314	289,399	9,915	273,244
Purchased services	12,955	8,600	6,952	1,648	11,599
Supplies	643,025	652,505	692,828	(40,323)	668,940
Other	3,300	3,300	1,800	1,500	3,070
Total Food Service	1,624,453	1,647,746	1,653,378	(5,632)	1,616,897
Contingency	25,000	25,000	-	25,000	-
Total Expenditures	1,649,453	1,672,746	1,653,378	19,368	1,616,897
Net Change in Fund Balance	(105,745)	(139,038)	(96,134)	42,904	72,113
<b>FUND BALANCE, July 1</b>	197,751	418,941	418,941	-	335,016
Increase (decrease) in reserve for inventories	-	-	38,575	38,575	11,812
<b>FUND BALANCE, June 30</b>	<b>\$ 92,006</b>	<b>\$ 279,903</b>	<b>\$ 361,382</b>	<b>\$ 81,479</b>	<b>\$ 418,941</b>

# DOUGLAS COUNTY SCHOOL DISTRICT

CLASS SIZE REDUCTION FUND  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2020  
*(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)*

	2020 BUDGET		2020		2019
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local Sources:					
Earnings on investments	\$ 5,000	\$ 5,000	\$ 1,902	\$ (3,098)	\$ 7,303
State Sources:					
Special appropriations	1,573,907	1,442,344	1,442,344	-	924,136
Total Revenues	<u>1,578,907</u>	<u>1,447,344</u>	<u>1,444,246</u>	<u>(3,098)</u>	<u>931,439</u>
<b>EXPENDITURES</b>					
Regular Programs:					
Salaries	1,096,263	992,479	992,478	1	1,286,341
Benefits	497,993	468,031	467,343	688	582,329
Total Expenditures	<u>1,594,256</u>	<u>1,460,510</u>	<u>1,459,821</u>	<u>689</u>	<u>1,868,670</u>
Net Change in Fund Balance	(15,349)	(13,166)	(15,575)	(3,787)	(937,231)
<b>FUND BALANCE, July 1</b>	<u>15,863</u>	<u>18,166</u>	<u>18,166</u>	<u>-</u>	<u>955,397</u>
<b>FUND BALANCE, June 30</b>	<u><u>\$ 514</u></u>	<u><u>\$ 5,000</u></u>	<u><u>\$ 2,591</u></u>	<u><u>\$ (3,787)</u></u>	<u><u>\$ 18,166</u></u>

# DOUGLAS COUNTY SCHOOL DISTRICT

**PROPRIETARY FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
**JUNE 30, 2020**  
*(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)*

	<b>SELF- INSURANCE HEALTH FUND</b>	<b>WORKERS' COMP SELF INSURANCE FUND</b>	<b>TOTALS</b>	
			<b>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS</b>	
			<b>2020</b>	<b>2019</b>
<b>ASSETS</b>				
Current Assets:				
Cash and investments	\$ 3,039,796	\$ 1,442,751	\$ 4,482,547	\$ 4,937,061
Receivables	382,623	820	383,443	65,984
Due from other funds	931,468	52,378	983,846	431,150
Total Assets	4,353,887	1,495,949	5,849,836	5,434,195
 <b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable and accrued expenses	6,694	117,142	123,836	6,876
Unearned revenue	415,475	-	415,475	408,857
Pending claims	876,611	413,000	1,289,611	1,248,446
Total Current Liabilities	1,298,780	530,142	1,828,922	1,664,179
 <b>NET POSITION</b>				
Restricted	\$ 3,055,107	\$ 965,807	\$ 4,020,914	\$ 3,770,016

*See accompanying notes.*

# DOUGLAS COUNTY SCHOOL DISTRICT

PROPRIETARY FUNDS  
COMBINING STATEMENT OF  
REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEAR ENDED JUNE 30, 2020  
*(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019)*

	SELF - INSURANCE HEALTH FUND	WORKERS' COMP SELF INSURANCE FUND	TOTALS	
			GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS 2020	2019
<b>OPERATING REVENUES</b>				
Insurance premiums	\$ 7,339,180	\$ 348,920	\$ 7,688,100	\$ 7,160,131
Insurance proceeds	452,484	-	452,484	491,801
Other	-	4,260	4,260	3,008
Total Operating Revenues	<u>7,791,664</u>	<u>353,180</u>	<u>8,144,844</u>	<u>7,654,940</u>
<b>OPERATING EXPENSES</b>				
Claims expense	6,731,736	185,445	6,917,181	7,143,712
Purchased services	941,231	88,322	1,029,553	1,078,266
Other	3,890	-	3,890	7,306
Total Operating Expenses	<u>7,676,857</u>	<u>273,767</u>	<u>7,950,624</u>	<u>8,229,284</u>
Operating Income (Loss)	114,807	79,413	194,220	(574,344)
<b>NONOPERATING REVENUES</b>				
Earnings on investments	<u>40,043</u>	<u>16,635</u>	<u>56,678</u>	<u>75,244</u>
Change in Net Position	154,850	96,048	250,898	(499,100)
<b>NET POSITION, July 1</b>	<u>2,900,257</u>	<u>869,759</u>	<u>3,770,016</u>	<u>4,269,116</u>
<b>NET POSITION, June 30</b>	<u>\$ 3,055,107</u>	<u>\$ 965,807</u>	<u>\$ 4,020,914</u>	<u>\$ 3,770,016</u>

*See accompanying notes.*

# DOUGLAS COUNTY SCHOOL DISTRICT

## PROPRIETARY FUNDS COMBINING STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2020

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019)

	SELF - INSURANCE HEALTH FUND	WORKERS' COMP SELF INSURANCE FUND	TOTALS	
			GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS 2020	2019
<b>CASH FROM OPERATING ACTIVITIES</b>				
Cash received from insurance premiums	\$ 6,823,187	\$ 318,835	\$ 7,142,022	\$ 7,103,539
Cash received from insurance and other	136,101	5,906	142,007	494,809
Cash paid for claims	(6,659,571)	(99,303)	(6,758,874)	(7,205,197)
Cash paid for services and supplies	(942,234)	(91,391)	(1,033,625)	(1,085,727)
Net cash provided (used) by operating activities	(642,517)	134,047	(508,470)	(692,576)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on investments	38,141	15,815	53,956	75,244
Net Increase (Decrease) in Cash and Investments	(604,376)	149,862	(454,514)	(617,332)
<b>CASH AND INVESTMENTS, July 1</b>	<u>3,644,172</u>	<u>1,292,889</u>	<u>4,937,061</u>	<u>5,554,393</u>
<b>CASH AND INVESTMENTS, June 30</b>	<u>\$ 3,039,796</u>	<u>\$ 1,442,751</u>	<u>\$ 4,482,547</u>	<u>\$ 4,937,061</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 114,807	\$ 79,413	\$ 194,220	\$ (574,344)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Change in assets and liabilities:				
Receivables	(316,383)	1,646	(314,737)	42,487
Premiums due from other funds	(522,611)	(30,085)	(552,696)	-
Accounts payable and accrued expenses	2,887	114,073	116,960	(59,685)
Unearned revenue	6,618	-	6,618	21,011
Pending claims	72,165	(31,000)	41,165	(122,045)
Total Adjustments	(757,324)	54,634	(702,690)	(118,232)
Net cash provided (used) by operating activities	<u>\$ (642,517)</u>	<u>\$ 134,047</u>	<u>\$ (508,470)</u>	<u>\$ (692,576)</u>

See accompanying notes.

# DOUGLAS COUNTY SCHOOL DISTRICT

SELF-INSURANCE HEALTH FUND  
 SCHEDULE OF REVENUES, EXPENSES,  
 AND CHANGES IN NET POSITION - BUDGET AND ACTUAL  
 YEAR ENDED JUNE 30, 2020  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020 BUDGET		2020		2019
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>OPERATING REVENUES</b>					
Insurance premiums	\$ 6,988,920	\$ 6,988,920	\$ 7,339,180	\$ 350,260	\$ 6,827,457
Insurance proceeds	-	300,000	452,484	152,484	491,801
Total Operating Revenues	6,988,920	7,288,920	7,791,664	502,744	7,319,258
<b>OPERATING EXPENSES</b>					
Claims expense	6,730,381	6,850,000	6,731,736	118,264	6,966,774
Purchased services	910,000	970,000	941,231	28,769	986,773
Other	31,030	31,030	3,890	27,140	7,306
Total Operating Expenses	7,671,411	7,851,030	7,676,857	174,173	7,960,853
Operating Income (Loss)	(682,491)	(562,110)	114,807	676,917	(641,595)
<b>NONOPERATING REVENUES</b>					
Earnings on investments	30,000	30,000	40,043	10,043	56,434
Change in Net Position	(652,491)	(532,110)	154,850	686,960	(585,161)
<b>NET POSITION, July 1</b>	2,825,856	2,900,257	2,900,257	-	3,485,418
<b>NET POSITION, June 30</b>	\$ 2,173,365	\$ 2,368,147	\$ 3,055,107	\$ 686,960	\$ 2,900,257

# DOUGLAS COUNTY SCHOOL DISTRICT

## SELF-INSURANCE HEALTH FUND SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2020

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020 BUDGET		2020	2019	
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from insurance premiums	\$ 6,988,920	\$ 6,988,920	\$ 6,823,187	\$ (165,733)	\$ 6,767,642
Cash received from insurance and other	-	300,000	136,101	(163,899)	491,801
Cash paid for claims	(6,730,381)	(6,850,000)	(6,659,571)	190,429	(6,906,729)
Cash paid for services and supplies	(941,030)	(1,001,030)	(942,234)	58,796	(994,234)
Net cash provided (used) by operating activities	(682,491)	(562,110)	(642,517)	(80,407)	(641,520)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on investments	30,000	30,000	38,141	8,141	56,434
Net Increase (Decrease) in Cash	(652,491)	(532,110)	(604,376)	(72,266)	(585,086)
<b>CASH AND INVESTMENTS, July 1</b>	<u>3,569,697</u>	<u>3,569,697</u>	<u>3,644,172</u>	<u>74,475</u>	<u>4,229,258</u>
<b>CASH AND INVESTMENTS, June 30</b>	<u>\$ 2,917,206</u>	<u>\$ 3,037,587</u>	<u>\$ 3,039,796</u>	<u>\$ 2,209</u>	<u>\$ 3,644,172</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ (682,491)	\$ (562,110)	\$ 114,807	\$ 676,917	\$ (641,595)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Change in assets and liabilities:					
Receivables	-	-	(316,383)	(316,383)	39,264
Premiums due from other funds	-	-	(522,611)	(522,611)	-
Accounts payable and accrued exp.	-	-	2,887	2,887	(155)
Deferred revenues	-	-	6,618	6,618	21,011
Pending claims	-	-	72,165	72,165	(60,045)
Total Adjustments	-	-	(757,324)	(757,324)	75
Net cash provided (used) by operating activities	<u>\$ (682,491)</u>	<u>\$ (562,110)</u>	<u>\$ (642,517)</u>	<u>\$ (80,407)</u>	<u>\$ (641,520)</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, 2020  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020 BUDGET		2020		2019
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>OPERATING REVENUES</b>					
Insurance premiums	\$ 335,000	\$ 335,000	\$ 348,920	\$ 13,920	\$ 332,674
Other	10,000	10,000	4,260	(5,740)	3,008
Total Operating Revenues	345,000	345,000	353,180	8,180	335,682
<b>OPERATING EXPENSES</b>					
Claims expense	-	-	185,445	(185,445)	176,938
Purchased services	440,000	443,397	88,322	355,075	91,493
Total Operating Expenses	440,000	443,397	273,767	169,630	268,431
Operating Income (Loss)	(95,000)	(98,397)	79,413	177,810	67,251
<b>NONOPERATING REVENUES</b>					
Earnings on investments	10,000	10,000	16,635	6,635	18,810
Change in Net Position	(85,000)	(88,397)	96,048	184,445	86,061
<b>NET POSITION, July 1</b>	721,198	869,759	869,759	-	783,698
<b>NET POSITION, June 30</b>	\$ 636,198	\$ 781,362	\$ 965,807	\$ 184,445	\$ 869,759

# DOUGLAS COUNTY SCHOOL DISTRICT

## WORKERS' COMPENSATION SELF-INSURANCE FUND SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2020

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020 BUDGET		2020	2019	
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from insurance premiums	\$ 335,000	\$ 335,000	\$ 318,835	\$ (16,165)	\$ 335,897
Cash received from other sources	10,000	10,000	5,906	(4,094)	3,008
Cash paid for claims	-	-	(99,303)	(99,303)	(298,468)
Cash paid for services and supplies	(440,000)	(443,397)	(91,391)	352,006	(91,493)
Net cash provided (used) by operating activities	(95,000)	(98,397)	134,047	232,444	(51,056)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on investments	10,000	10,000	15,815	5,815	18,810
Net Increase (Decrease) in Cash	(85,000)	(88,397)	149,862	238,259	(32,246)
<b>CASH AND INVESTMENTS, July 1</b>	<u>1,262,635</u>	<u>1,262,635</u>	<u>1,292,889</u>	<u>30,254</u>	<u>1,325,135</u>
<b>CASH AND INVESTMENTS, June 30</b>	<u>\$ 1,177,635</u>	<u>\$ 1,174,238</u>	<u>\$ 1,442,751</u>	<u>\$ 268,513</u>	<u>\$ 1,292,889</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ (95,000)	\$ (98,397)	\$ 79,413	\$ 177,810	\$ 67,251
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Change in assets and liabilities:					
Receivables	-	-	1,646	1,646	3,223
Premiums due from other funds	-	-	(30,085)	(30,085)	-
Accounts payable and accrued exp.	-	-	114,073	114,073	(59,530)
Pending claims	-	-	(31,000)	(31,000)	(62,000)
Total Adjustments	-	-	54,634	54,634	(118,307)
Net cash provided (used) by operating activities	<u>\$ (95,000)</u>	<u>\$ (98,397)</u>	<u>\$ 134,047</u>	<u>\$ 232,444</u>	<u>\$ (51,056)</u>

# DOUGLAS COUNTY SCHOOL DISTRICT

## STUDENT ACTIVITY AGENCY FUNDS SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - BY SCHOOL YEAR ENDED JUNE 30, 2020

	<u>BALANCE</u> <u>JULY 1, 2019</u>	<u>RECEIPTS</u>	<u>DISBURSE-</u> <u>MENTS</u>	<u>BALANCE</u> <u>JUNE 30, 2020</u>
<b>Student Activity Funds</b>				
Douglas High School (HS)	\$ 496,121	\$ 715,967	\$ 773,570	\$ 438,518
George Whittell HS	90,717	74,675	51,790	113,602
ASPIRE Academy HS	39,690	24,412	4,559	59,543
Carson Valley Middle School (MS)	78,520	91,118	68,657	100,981
Pau-Wa-Lu MS	44,571	67,214	64,366	47,419
Scarselli Elementary School (ES)	54,501	62,280	65,804	50,977
Minden ES	59,275	91,334	82,393	68,216
Piñon Hills ES	44,889	68,535	70,304	43,120
Jacks Valley ES	40,228	76,907	78,668	38,467
C.C. Meneley ES	41,254	58,403	61,822	37,835
Gardnerville ES	34,364	38,149	39,159	33,354
Zephyr Cove ES	1,761	13,628	13,716	1,673
	<u>\$ 1,025,891</u>	<u>\$ 1,382,622</u>	<u>\$ 1,374,808</u>	<u>\$ 1,033,705</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, 2020, 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 13, 2020.

**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.

A handwritten signature in black ink that reads "Silva Scerine & Assoc, LLC". The signature is written in a cursive style.

Reno, Nevada  
November 13, 2020



**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, 2020. 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, 2020.

## 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 13, 2020

# DOUGLAS COUNTY SCHOOL DISTRICT

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2020

(Page 1 of 2)

FEDERAL GRANTOR / PASS-THROUGH GRANTOR AND PROGRAM	FEDERAL CFDA NUMBER	PASS- THROUGH GRANTOR'S NUMBER	AMOUNT
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<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	84.027	20-639-03	\$ 899,279
IDEA - District Improvement Grant	84.027	20-641-03	20,423
IDEA - Preschool	84.173	20-665-03	57,222
Total Special Education Cluster			<u>976,924</u>
Title I, Part A - Grants to Local Educational Agencies	84.010	20-633-03	597,593
Title I, Part D - Neglected and Delinquent Children	84.010	20-650-03	38,387
			<u>635,980</u>
Career and Technical Education (Perkins IV)	84.048	20-631-03	39,804
Corrections (Perkins)	84.048	20-635-03	20,630
			<u>60,434</u>
McKinney-Vento Homeless Assistance	84.196A	20-688-03	33,373
Title III, Part A - English Language Acquisition	84.365A	20-658-03	26,093
Title II, Part A - Teacher/Principal Training & Recruiting	84.367	20-709-03	108,319
Title IV-A - Eduroam	84.424A	20-715-03	15,581
Title IV-A - Student Support and Academic Enrichment	84.424A	20-720-03	33,500
			<u>49,081</u>
CARES Act ESSER Funding	84.425	20-740-03	19,711
<b>Total U.S. Department of Education</b>			<u><b>1,909,915</b></u>

Continued on next page.

See accompanying notes.



# DOUGLAS COUNTY SCHOOL DISTRICT

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2020

(Page 2 of 2)

FEDERAL GRANTOR / PASS-THROUGH GRANTOR AND PROGRAM	FEDERAL CFDA NUMBER	PASS- THROUGH GRANTOR'S NUMBER	AMOUNT
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<i>Passed through the State of Nevada Department of Education</i>			
Project Aware	93.243	20-698-03	<u>\$ 8,211</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<i>Passed through the State of Nevada Department of Agriculture:</i>			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	192,130
National School Lunch Program	10.555	N/A	635,561
National School Lunch Program - Commodities	10.555	N/A	<u>204,679</u>
Total Child Nutrition Cluster			<u><u>1,032,370</u></u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 2,950,496</u></u>

See accompanying notes.

# DOUGLAS COUNTY SCHOOL DISTRICT

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## NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS JUNE 30, 2020

### 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, 2020. 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, 2020.

### NOTE 3 – INDIRECT COST RATE

The Douglas County School District has elected to use a 2.83% indirect cost rate approved by the Nevada Department of Education.

# DOUGLAS COUNTY SCHOOL DISTRICT

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## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2020

### 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, 2020 were:

    Special Education Cluster (CFDA 84.027; CFDA 84.173)

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**

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## **INDEPENDENT AUDITORS' COMMENTS**

**JUNE 30, 2020**

### **CURRENT YEAR STATUTE COMPLIANCE**

The required disclosure on compliance with Nevada Revised Statutes and the Nevada Administrative Code is contained in Note 2 to the financial statements.

### **STATUS OF PRIOR YEAR STATUTE VIOLATIONS**

There were no potential statute or regulation violation noted in the 2019 audit.

### **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.