

**DOUGLAS COUNTY SCHOOL DISTRICT**

***FINANCIAL STATEMENTS &  
SUPPLEMENTARY INFORMATION***

**Fiscal Year Ended**

**June 30, 2022**

# DOUGLAS COUNTY SCHOOL DISTRICT

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## **INDEPENDENT AUDITORS' REPORT**

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

### **Report on the Audit of the Financial Statements**

#### **Opinions**

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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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, 2022, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

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

#### **Responsibilities of Management for the Financial Statements**

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

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and the schedules related to the District's net pension liability and net other postemployment benefit liability 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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the 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, 2021, and have issued our report thereon dated November 30, 2021 which expressed an unmodified opinion on the respective financial statements of the governmental activities and each major fund. The summarized comparative information presented in the basic financial statements as of and for the year ended June 30, 2021 is consistent with the audited financial statements from which it is derived.

The individual fund financial statements and schedules related to the 2021 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 2021 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2021 basic financial statements and certain other additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. The individual fund financial statements and schedules are consistent in relation to the basic financial statements from which they have been derived.



## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2022, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Silva Scirene & Assoc, LLC*

Reno, Nevada  
November 30, 2022





# DOUGLAS COUNTY SCHOOL DISTRICT

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## MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2022

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, 2022. 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) of \$(8,916,746) as of June 30, 2022, represents an increase in net position of \$13,797,051 in FY22, which followed a net increase of \$7,475,375 in FY21.
- The District's governmental funds increased by \$4,868,562 in FY22, compared to an increase of \$3,194,388 in FY21.

### 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, 2022

### **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, 2022

The focus of the governmental fund statements is on major funds. The determination of a major fund is primarily dependent on criteria established by the Governmental Accounting Standards Board (GASB). Each fund is assessed on an annual basis and its classification as major or nonmajor can change. The District has ten individual governmental funds. For the year ended June 30, 2022, the following are considered major funds:

- General Fund
- Special Education Fund
- Grants Fund
- Debt Service 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 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.

### 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.

### 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.

# DOUGLAS COUNTY SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2022

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 \$83.7 million at year end.

The table below presents a comparison of the District's net position (deficit) as of June 30, 2022 compared to the prior year.

<b>DISTRICT'S NET POSITION</b>				
	<u>2022</u>	<u>2021</u>	<u>Change</u>	
	<i>(In Millions)</i>			
<b>Assets</b>				
Current assets	\$ 34.6	\$ 33.1	\$ 1.5	4.5%
Net capital assets	79.5	82.1	(2.6)	-3.2%
Total Assets	<u>114.1</u>	<u>115.2</u>	<u>(1.1)</u>	-1.0%
<b>Deferred Outflows of Resources</b>	<u>26.5</u>	<u>10.4</u>	<u>16.1</u>	154.8%
<b>Liabilities</b>				
Current liabilities	10.2	12.4	(2.2)	-17.7%
Long-term liabilities	93.3	123.9	(30.6)	-24.7%
Total Liabilities	<u>103.5</u>	<u>136.3</u>	<u>(32.8)</u>	-24.1%
<b>Deferred Inflows of Resources</b>	<u>46.1</u>	<u>12.0</u>	<u>34.1</u>	284.2%
<b>Net Position (Deficit)</b>				
Net Investment in Capital Assets	48.1	48.4	(0.3)	-0.6%
Restricted	15.0	14.2	0.8	5.6%
Unrestricted	<u>(72.0)</u>	<u>(85.3)</u>	<u>13.3</u>	15.6%
Total Net Position (Deficit)	<u>\$ (8.9)</u>	<u>\$ (22.7)</u>	<u>\$ 13.8</u>	60.8%

A case could be made that the largest impact on the District's financial statement in 2022 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 \$63.4 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

# DOUGLAS COUNTY SCHOOL DISTRICT

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## MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2022

GASB 75, the pension and OPEB liability equals the District's proportionate share of each plan's collective present value of estimated future pension and OPEB benefits attributable to active and inactive employees' past service, less plan assets available to pay benefits.

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

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

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

# DOUGLAS COUNTY SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2022

<b>DISTRICT'S CHANGES IN NET POSITION</b>				
	<b>Governmental Activities</b>		<b>Change</b>	
	<b>2022</b>	<b>2021</b>		
	<i>(In Millions)</i>			
<b>Revenues</b>				
Program revenues:				
Charges for services	\$ 2.0	\$ 0.5	\$ 1.5	300.0%
Operating grants and contributions	13.5	14.0	(0.5)	-3.6%
Capital grants and contributions	0.1	0.1	-	0.0%
General revenues:				
Property taxes	3.3	27.3	(24.0)	-87.9%
Local school support taxes	-	18.1	(18.1)	-100.0%
Government service taxes	1.7	5.7	(4.0)	-70.2%
State aid, unrestricted	59.5	7.9	51.6	653.2%
Other revenues	0.9	1.1	(0.2)	-18.2%
Total Revenues	<u>81.0</u>	<u>74.7</u>	<u>6.3</u>	<u>8.4%</u>
<b>Expenses</b>				
Instruction	35.8	38.8	(3.0)	-7.7%
Support services	23.0	22.4	0.6	2.7%
Food service	1.9	1.5	0.4	26.7%
Facilities acq/constr/imprvmt	5.5	4.5	1.0	22.2%
Interest on long-term debt	1.0	1.1	(0.1)	-9.1%
Total Expenses	<u>67.2</u>	<u>68.3</u>	<u>(1.1)</u>	<u>-1.6%</u>
<b>Change in Net Position (Deficit)</b>	<u>\$ 13.8</u>	<u>\$ 6.4</u>	<u>\$ 7.4</u>	<u>115.6%</u>

### Governmental Activities:

- ◇ The largest and main revenue source for the District is the Pupil-Centered Funding Plan for the State of Nevada, representing 74% of total revenues and is reported as General Revenues on the Statement of Activities in this report.

# DOUGLAS COUNTY SCHOOL DISTRICT

## MANAGEMENT’S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2022

### FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS

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

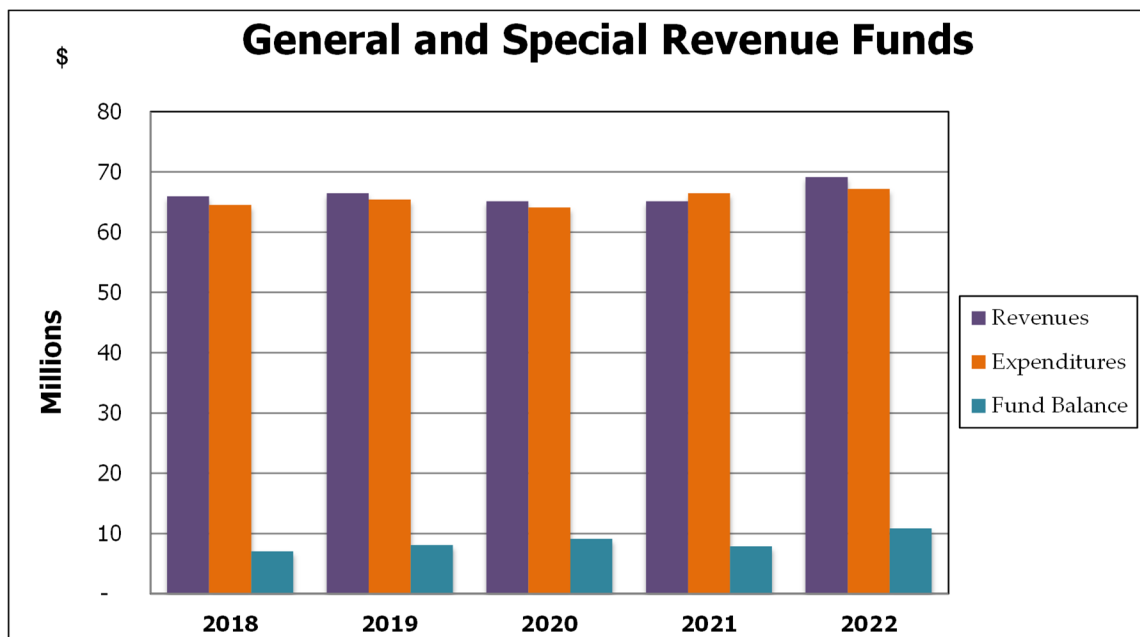
The focus of the District’s governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the District’s current funding requirements. Specifically, unassigned fund balance can be a useful measure of a government’s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

As of June 30, 2022, the District’s governmental funds reported a combined fund balance of \$25.3 million, an increase of \$4.9 million or 24% from 2021.

Of the total fund balance as of June 30, 2022 of \$25.3 million, approximately \$13.9 million is nonspendable, restricted or assigned fund balance. The remaining \$11.4 million, or 45%, 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*

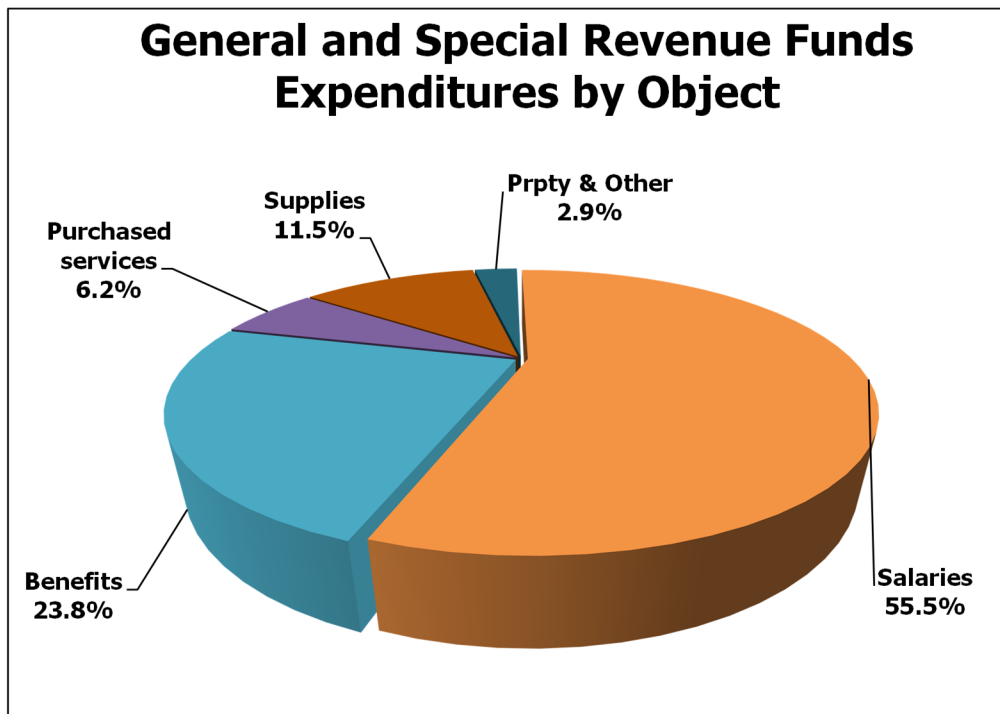
The General Fund and the special revenue funds (Special Education; Federal / State/ Local Grants; Food Service; and Student Activities funds) are often referred to as the District’s “operating funds.” The following chart compares the revenues to expenditures and fund balance for these funds for the last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



# DOUGLAS COUNTY SCHOOL DISTRICT

## MANAGEMENT’S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2022

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, 2022 fund balance of the Debt Service Fund is \$3.5 million, which together with the 2022-23 budgeted revenues exceeds the 2022-23 anticipated debt service requirements of \$3.6 million on the District’s general obligation debt.

### *Capital Projects Funds*

The District has two capital projects funds – the Building and Sites Fund and the Capital Projects Fund. These funds had a combined ending fund balance as of June 30, 2022 of \$6.7 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, 2022, these funds had a combined net position of \$1.9 million, which represents a decrease slightly over \$1.0 million from the prior year.



# DOUGLAS COUNTY SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2022

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### *Capital Assets*

The District's capital assets as of June 30, 2022 and 2021 are as follows.

<b>Capital Assets (Net of Depreciation)</b>		
	<u>2022</u>	<u>2021</u>
	<i>(In Millions)</i>	
Land	\$ 1.3	\$ 1.3
Construction in progress	0.9	0.9
Buildings and improvements	71.5	74.6
Equipment and vehicles	<u>5.8</u>	<u>5.3</u>
	<u>\$ 79.5</u>	<u>\$ 82.1</u>

#### *Debt Administration*

The District's debt general obligation debt was comprised of the following as of June 30, 2022 and 2021:

<b>Outstanding GO Bonds / Installment Note</b>		
	<u>2022</u>	<u>2021</u>
	<i>(In Millions)</i>	
GO bonds, net of premiums and discounts	\$ 30.9	\$ 32.8
Installment note	<u>0.8</u>	<u>1.3</u>
	<u>\$ 31.7</u>	<u>\$ 34.1</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 2022-23 fiscal year are scheduled to total \$3.6 million, less an expected interest subsidy of slightly over \$100 thousand on

# DOUGLAS COUNTY SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2022

the Build America bonds for a net cash outlay requirement of \$3.5 million. Additional detail on the District's debt can be found in the notes to the financial statements.

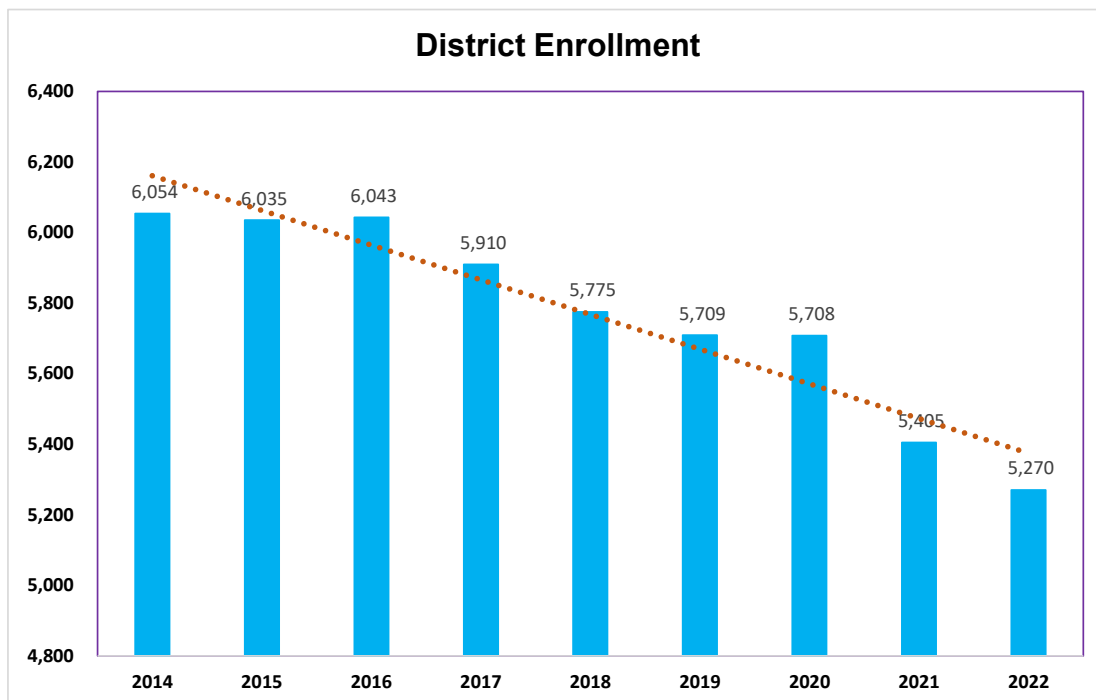
The District is limited by state statutes as to the amount of general obligation debt it can have outstanding. The limit is equal to 15% of the District's total assessed property valuation. Based on the District's most current assessed value, the District's statutory general obligation debt limit is \$564 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.

### 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 at the end of the first school month. State statutes require all school districts to amend their general fund budgets after "count day" enrollment is known. 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 enrollment for the current 2022-23 school year showed a large decrease from the prior year moving from 5,405 students to 5,270, and has declined 8.7%, or 784 students from 2014-15.



# DOUGLAS COUNTY SCHOOL DISTRICT

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## MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2022

Nevada's school districts are highly dependent on the economic condition of the State. PCFP funding (Pupil Centered Funding Plan) was implemented on 7-1-21. This funding allows the State to take all local taxes that are normally submitted to each County and create a base amount that also includes several State grants and Class-Size Reduction. This base amount is determined by a fixed per pupil amount and distributed to each county based on the average enrollment for each school district. The State has determined categorical funding for ELL, GT, At-Risk, transportation and local special education. This revenue is outside of the base PCFP funding and added to the General Fund.

The first concern is the already noted trend of declining weighted enrollment. The methodology for enrollment that changed to an average daily attendance (ADE), allows the State to true-up the actual base for the PCFP funding for each year. In FY21-22 the actual true-up was (\$80,572), which was returned to the State. Decreasing enrollment has been a significant concern due to the high cost of real estate in the District. It has also been an area that many retirees have moved into without generating any students for the District.

In 2021-22 special education enrollment was 705, which was 13.0% of total enrollment. This allowed for full funding in special education. Special Education funding increased by \$81,553. The District is projecting 13.4% special education enrollment in 2022-23, which is slightly higher than 2021-2022, so will continue to receive full funding for each student. PCFP funding for local special education is now being filtered into the General Fund. This required changing the funding for half of the special education teachers and aides to the General Fund. Total expenditures did not meet MOE from the prior year, and a letter was submitted to the State requesting a variance. Due to the increase in funding, reduction in enrollment and decrease in expenditures, the transfer from the General Fund was reduced.

Local Sources - The approval of SB543 went into effect on 7-1-2021. Revenue projections went to the Pupil Centered Funding Plan (PCFP). All local taxes received in Douglas County, which includes property tax (ad valorem), LSST (sales tax) and GST (Governmental Services Tax are submitted to the State Education Fund. All revenue collected from the counties is combined in a fund and redistributed to each school district based on the State calculated per student amount generated from total revenue from each county. The State committed to distributing to each school district the amount that was received in 2019-2020, including any State grant funding that was provided in that year. Currently, the revenue projection is held harmless from the revenue received in 2019-2020. If we continue to be held harmless, this could affect total revenue received in subsequent years.

Due to the change in revenue projections the budget will be shown in the December amendment as State revenue as opposed to local tax revenues.

State Sources of Funding - State revenue consists of the PCFP funding and limited State funding for grants not built into the base funding.

# DOUGLAS COUNTY SCHOOL DISTRICT

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## MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2022

### *Proprietary Funds:*

The District operates two proprietary funds: one for Workers' Compensation and the other for Health Insurance. Both funds are "self-funded" meaning the District, not an outside entity, assumes the financial risk for funding the plans. In practicality, this means the District pays for each workers' compensation or health insurance out-of-pocket claim as they are incurred rather than paying a fixed premium to an insurance carrier. The District purchases "Stop Loss" insurance for both plans to help minimize its risk. "Stop Loss" insurance is a mechanism that limits the amount of money the District would have to pay on catastrophic claims exceeding predetermined levels.

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

Each year, an actuarial review is conducted of the District's plan to evaluate the funding taking into account historical and trend data as well as projected claims. Actuarial and accounting guidance indicates that the funds should have sufficient reserves to accommodate claims costs with margin for unexpected adverse loss experience. The District's long-term funding policy is to maintain the fund at the 85% confidence level. The most recent actuarial review indicated the funding to be above the 85% confidence level in 2021-2022, and showed an increased ending fund balance of \$7,371. With projected costs, the District will continue with the rate of \$.090/100 for 2022-2023 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 \$705 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.

Over the past two years, the fund has shown a substantial decrease in the ending fund balance due to high claims cost. The Board of Trustees approved a transfer from the General Fund to the Insurance Fund of \$1,000,000 due to the high claims costs in FY21-22. Claims increased by \$1,536,009 from FY20-21 to FY21-22. This was an increase of 21.2%. Prior to FY21-22, the Committee 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. Due to the increased claims costs, the Committee determined that plan changes affecting out-of-pocket expenses need to be revised. The committee

# DOUGLAS COUNTY SCHOOL DISTRICT

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## MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2022

has proposed changes to the plan that should have some impact on the total claims costs. This will take affect 1-1-23. As a result of increased ending fund balance in the General Fund, the Board of Trustees has also determined that a transfer would be appropriate for FY22-23. The Committee will again re-evaluate the fund balance at the end of FY22-23 to determine whether additional changes are necessary in order for the fund to remain at the level the Committee has established.

### *Capital Projects Funding:*

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

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

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

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

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

# **DOUGLAS COUNTY SCHOOL DISTRICT**

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2022**

### **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, 2022

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and investments	\$ 27,587,954
Receivables	6,864,940
Inventories	182,023
Capital assets not being depreciated	2,152,781
Capital assets, net of accumulated depreciation	77,352,709
Total Assets	<u>114,140,407</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	26,142,345
Deferred amount on refunding	376,500
	<u>26,518,845</u>
Total Assets and Deferred Outflows	<u>140,659,252</u>
<b>LIABILITIES</b>	
Accounts payable and accrued expenses	6,417,770
Unearned revenues	958,238
Noncurrent liabilities:	
Due within one year	2,834,508
Due in more than one year	29,568,959
Obligation for other postemployment benefits (OPEB)	16,808,491
Net pension liability	46,897,874
Total Liabilities	<u>103,485,840</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pensions and OPEB	46,090,158
	<u>46,090,158</u>
Total Liabilities and Deferred Inflows	<u>149,575,998</u>
<b>NET POSITION (DEFICIT)</b>	
Net investment in capital assets	48,104,089
Restricted for:	
Debt service	3,529,997
Self-insurance activities	1,904,110
Capital projects	6,726,485
Education and nutrition services	2,800,720
Unrestricted	(71,982,147)
Total Net Position (Deficit)	<u>\$ (8,916,746)</u>

See accompanying notes.

# DOUGLAS COUNTY SCHOOL DISTRICT

## STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2022

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	\$ (35,693,236)	\$ 1,571,245	\$ 8,014,999	\$ -	\$ (26,106,992)
Support Services	(23,035,923)	180,126	2,070,072	-	(20,785,725)
Facilities Acquisition and Construction	(5,542,830)	-	455,530	103,081	(4,984,219)
Food Service	(1,922,478)	214,662	2,912,800	-	1,204,984
Interest and charges on long-term debt	(961,032)	-	-	-	(961,032)
Total School District	(67,155,499)	1,966,033	13,453,401	103,081	(51,632,984)
<b>General Revenues:</b>					
Property taxes					3,330,684
Other taxes and fees					2,194,125
Investment earnings					60,840
Other local sources					274,408
State aid not restricted to specific purposes					59,545,018
Gain on sales of property					24,960
Total General Revenues					65,430,035
Change in Net Position					13,797,051
<b>NET POSITION (DEFICIT), July 1, 2021</b>					(22,713,797)
<b>NET POSITION (DEFICIT), June 30, 2022</b>					\$ (8,916,746)

See accompanying notes.



# DOUGLAS COUNTY SCHOOL DISTRICT

## GOVERNMENTAL FUNDS BALANCE SHEET JUNE 30, 2022

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2021)

	GENERAL	SPECIAL	GRANTS	DEBT	BUILDING	NON-MAJOR	TOTALS	
	FUND	EDUCATION	FUND	SERVICE	AND SITES	GOV'T	GOVERNMENTAL FUNDS	
		FUND		FUND	FUND	FUNDS	2022	2021
<b>ASSETS</b>								
Cash and investments	\$ 10,146,527	\$ 960,305	\$ -	\$ 3,523,672	\$ 1,894,513	\$ 7,728,791	\$ 24,253,808	\$ 22,688,212
Receivables	5,207,333	692	1,284,056	37,988	946	247,781	6,778,796	6,101,407
Due from other funds	474,702	-	-	-	-	-	474,702	-
Inventories	123,280	-	-	-	-	58,743	182,023	166,392
Total Assets	<u>\$ 15,951,842</u>	<u>\$ 960,997</u>	<u>\$ 1,284,056</u>	<u>\$ 3,561,660</u>	<u>\$ 1,895,459</u>	<u>\$ 8,035,315</u>	<u>\$ 31,689,329</u>	<u>\$ 28,956,011</u>
<b>LIABILITIES</b>								
Accounts payable and accrued liabilities	\$ 3,724,960	\$ 327,286	\$ 296,368	\$ -	\$ 5,481	\$ 294,639	\$ 4,648,734	\$ 6,933,947
Retainage payable	-	-	-	-	5,500	27,448	32,948	12,774
Due to other funds	466,184	-	473,522	-	-	1,180	940,886	453,468
Unearned revenues	-	-	514,166	-	-	-	514,166	891,963
Total Liabilities	<u>4,191,144</u>	<u>327,286</u>	<u>1,284,056</u>	<u>-</u>	<u>10,981</u>	<u>323,267</u>	<u>6,136,734</u>	<u>8,292,152</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenues	201,846	-	-	31,663	-	-	233,509	228,966
<b>FUND BALANCES</b>								
Nonspendable	123,280	-	-	-	-	58,743	182,023	166,392
Restricted	-	-	-	3,529,997	1,884,478	7,653,305	13,067,780	11,195,104
Assigned	-	633,711	-	-	-	-	633,711	3,181,082
Unassigned	11,435,572	-	-	-	-	-	11,435,572	5,892,315
Total Fund Balance	<u>11,558,852</u>	<u>633,711</u>	<u>-</u>	<u>3,529,997</u>	<u>1,884,478</u>	<u>7,712,048</u>	<u>25,319,086</u>	<u>20,434,893</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 15,951,842</u>	<u>\$ 960,997</u>	<u>\$ 1,284,056</u>	<u>\$ 3,561,660</u>	<u>\$ 1,895,459</u>	<u>\$ 8,035,315</u>	<u>\$ 31,689,329</u>	<u>\$ 28,956,011</u>

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, 2022

**Fund Balance - Governmental Funds** \$ 25,319,086

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	174,364,440	
Less accumulated depreciation	(94,858,950)	79,505,490

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	(155,500)	376,500

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. 233,510

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	(30,820,000)	
Bond premium	(98,953)	
Accrued interest payable	(197,797)	
Note payable	(826,000)	
Compensated absences	(658,514)	
Net pension liability	(46,897,874)	
Net OPEB liability	(16,808,491)	(96,307,629)

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	26,142,345	
Deferred inflows of resources related to pensions	(42,685,531)	
Deferred inflows of resources related to OPEB	(3,404,627)	(19,947,813)

# DOUGLAS COUNTY SCHOOL DISTRICT

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## RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION (DEFICIT) JUNE 30, 2022

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.

\$ 1,904,110

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

\$ (8,916,746)

*See accompanying notes.*

# DOUGLAS COUNTY SCHOOL DISTRICT

GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2022  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021)

	GENERAL FUND	SPECIAL EDUCATION FUND	GRANTS FUND	DEBT SERVICE FUND	BUILDING AND SITES FUND	NON-MAJOR GOV'T FUNDS	TOTALS GOVERNMENTAL FUNDS	
							2022	2021
<b>REVENUES</b>								
Local sources	\$ 582,494	\$ 3,465	\$ 404,612	\$ 3,339,650	\$ 29,817	\$ 3,870,663	\$ 8,230,701	\$ 53,719,777
State sources	58,888,252	4,062,193	185,000	-	-	754,169	63,889,614	15,244,996
Federal sources	-	-	5,888,797	103,081	-	2,815,397	8,807,275	5,694,107
Total Revenues	59,470,746	4,065,658	6,478,409	3,442,731	29,817	7,440,229	80,927,590	74,658,880
<b>EXPENDITURES</b>								
Regular programs	24,043,897	-	2,337,749	-	-	1,183,382	27,565,028	27,499,783
Special programs	3,610,338	4,573,477	1,327,791	-	-	69,837	9,581,443	9,454,030
Vocational programs	680,474	-	236,214	-	-	-	916,688	1,067,014
Adult education	-	-	24,507	-	-	-	24,507	27,161
Extra and Co-Curricular	540,868	-	-	-	-	-	540,868	433,684
Other instructional programs	1,559,521	317	25,510	-	-	525,578	2,110,926	2,268,045
Community service programs	-	-	1,035	-	-	-	1,035	1,197
Undistributed Expenditures:								
Student support	2,938,044	-	633,760	-	-	180,126	3,751,930	3,245,061
Instructional staff support	1,151,545	-	66,455	-	-	-	1,218,000	1,281,353
General administration	559,549	-	-	-	-	-	559,549	520,113
School administration	4,702,143	-	-	-	-	-	4,702,143	4,571,372
Central services	2,219,839	-	-	-	-	-	2,219,839	1,957,897
Operation and maintenance	7,404,702	-	313,908	-	12,375	-	7,730,985	7,096,878
Student transportation	3,835,158	-	-	-	-	-	3,835,158	3,557,877
Other support	913,250	-	1,055,950	-	-	616,572	2,585,772	1,440,163
Food service	-	-	-	-	-	2,086,936	2,086,936	1,560,842
Facilities construction/ acquisition/improvements	321,344	-	455,530	-	252,002	1,074,849	2,103,725	3,050,323

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, 2022  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021)

	GENERAL FUND	SPECIAL EDUCATION FUND	GRANTS FUND	DEBT SERVICE FUND	BUILDING AND SITES FUND	NON-MAJOR GOV'T FUNDS	TOTALS GOVERNMENTAL FUNDS	
							2022	2021
Debt Service:								
Principal	\$ 496,000	\$ -	\$ -	\$ 2,159,000	\$ -	\$ -	\$ 2,655,000	\$ 2,521,000
Interest	26,966	-	-	800,618	-	-	827,584	1,036,633
Bond issuance costs	-	-	-	99,001	-	-	99,001	75,705
Fiscal agent charges	-	-	-	5,200	-	-	5,200	3,000
Total Expenditures	55,003,638	4,573,794	6,478,409	3,063,819	264,377	5,737,280	75,121,317	72,669,131
Revenues Over (Under) Expenditures	4,467,108	(508,136)	-	378,912	(234,560)	1,702,949	5,806,273	1,989,749
<b>OTHER FINANCING SOURCES (USES)</b>								
Proceeds from sale of property	32,870	-	-	-	-	-	32,870	59,646
Transfers (to) from other funds	(1,395,956)	400,000	-	(100,000)	-	95,956	(1,000,000)	-
Proceeds from refunding bonds	-	-	-	7,516,000	-	-	7,516,000	11,858,000
Payment to refunded bond agent	-	-	-	(7,486,581)	-	-	(7,486,581)	(11,726,000)
	(1,363,086)	400,000	-	(70,581)	-	95,956	(937,711)	191,646
Net Change in Fund Balances	3,104,022	(108,136)	-	308,331	(234,560)	1,798,905	4,868,562	2,181,395
<b>FUND BALANCES, July 1, as originally stated</b>	8,463,919	741,847	-	3,221,666	2,119,038	5,888,423	20,434,893	17,240,505
Prior period adjustment	-	-	-	-	-	-	-	1,033,706
<b>FUND BALANCES, July 1, as restated</b>	8,463,919	741,847	-	3,221,666	2,119,038	5,888,423	20,434,893	18,274,211
Increase (decrease) in reserve for inventories	(9,089)	-	-	-	-	24,720	15,631	(20,713)
<b>FUND BALANCES, June 30</b>	\$ 11,558,852	\$ 633,711	\$ -	\$ 3,529,997	\$ 1,884,478	\$ 7,712,048	\$ 25,319,086	\$ 20,434,893

*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, 2022

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 4,884,193</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.	(2,642,675)
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.	35,756
Certain revenues are recorded in the fund statements when received. In the Statement of Activities, these revenues are recognized when earned.	4,543
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.	2,635,581
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.	(65,003)
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.	96,664
Change in pension expense related to deferred items.	7,940,272
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.	1,953,963
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net income (expense) of the internal service funds is reported with governmental activities.	<u>(1,046,243)</u>
<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ 13,797,051</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, 2022  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)

	2022 BUDGET		2022		2021
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local Sources:					
Ad valorem taxes	\$ 24,656,106	\$ -	\$ -	\$ -	\$ 24,041,207
Local school support tax	18,258,171	-	-	-	18,096,558
Governmental services tax	4,182,484	-	-	-	4,027,042
Franchise tax	85,000	-	-	-	203,558
Out-of-state tuition	290,000	290,000	302,959	12,959	327,395
Earnings on investments	25,000	25,000	30,296	5,296	28,791
Other	183,000	180,000	249,239	69,239	266,833
Total Local Sources	47,679,761	495,000	582,494	87,494	46,991,384
State Sources:					
Distributive school account	7,723,777	-	-	-	7,930,203
Pupil-Centered Funding Plan	-	56,897,067	58,888,252	1,991,185	-
Total State Sources	7,723,777	56,897,067	58,888,252	1,991,185	7,930,203
Total Revenues	55,403,538	57,392,067	59,470,746	2,078,679	54,921,587
<b>EXPENDITURES</b>					
Regular Programs:					
Salaries	16,490,143	17,186,571	15,898,021	1,288,550	15,883,254
Benefits	7,321,816	7,326,546	7,062,605	263,941	6,956,932
Purchased services	137,995	150,859	135,563	15,296	106,060
Supplies	981,031	1,013,041	913,200	99,841	776,234
Property	61,000	34,000	33,863	137	43,833
Other	4,920	1,110	645	465	4,550
	24,996,905	25,712,127	24,043,897	1,668,230	23,770,863
Special Programs:					
Salaries	-	2,442,349	2,378,017	64,332	-
Benefits	-	1,271,751	1,232,321	39,430	-
	-	3,714,100	3,610,338	103,762	-
Vocational Programs:					
Salaries	566,231	459,500	425,099	34,401	555,690
Benefits	264,165	229,379	203,439	25,940	261,998
Purchased services	8,340	3,518	1,449	2,069	1,132
Supplies	36,787	39,745	46,017	(6,272)	24,201
Other	2,440	4,150	4,470	(320)	5,330
	877,963	736,292	680,474	55,818	848,351

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, 2022  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)

	2022 BUDGET		2022		2021
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Extra and Co-Curricular Activities:					
Co-Curricular Activities:					
Salaries	\$ 142,000	\$ 142,000	\$ 132,644	\$ 9,356	\$ 102,197
Benefits	4,225	4,225	3,400	825	2,709
Purchased services	10,300	1,255	1,639	(384)	320
Supplies	8,640	12,800	12,978	(178)	18,975
Other	4,780	2,935	2,890	45	-
	<u>169,945</u>	<u>163,215</u>	<u>153,551</u>	<u>9,664</u>	<u>124,201</u>
Athletics:					
Salaries	269,315	269,315	257,555	11,760	221,743
Benefits	12,600	13,825	13,014	811	10,569
Purchased services	80,488	70,539	57,624	12,915	12,357
Supplies	28,095	46,298	43,522	2,776	45,306
Other	17,810	20,628	15,602	5,026	19,508
	<u>408,308</u>	<u>420,605</u>	<u>387,317</u>	<u>33,288</u>	<u>309,483</u>
Total Extra-and Co-Curricular Activities	<u>578,253</u>	<u>583,820</u>	<u>540,868</u>	<u>42,952</u>	<u>433,684</u>
Other Instructional Programs:					
Salaries	1,242,465	1,026,243	979,036	47,207	1,152,223
Benefits	520,762	463,707	433,380	30,327	495,511
Purchased services	129,640	130,600	121,986	8,614	120,142
Supplies	62,665	59,135	24,076	35,059	26,061
Other	2,600	2,100	1,043	1,057	2,251
	<u>1,958,132</u>	<u>1,681,785</u>	<u>1,559,521</u>	<u>122,264</u>	<u>1,796,188</u>
Undistributed Expenditures:					
Student Support:					
Salaries	1,973,704	2,168,447	2,016,463	151,984	1,864,388
Benefits	871,662	980,874	874,275	106,599	804,283
Purchased services	24,188	43,320	13,126	30,194	14,442
Supplies	35,954	36,733	25,759	10,974	21,324
Property	7,500	7,500	7,500	-	7,500
Other	2,452	1,860	921	939	1,756
	<u>2,915,460</u>	<u>3,238,734</u>	<u>2,938,044</u>	<u>300,690</u>	<u>2,713,693</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, 2022  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)

	2022 BUDGET		2022		2021
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>Instructional Staff Support:</b>					
Salaries	\$ 840,683	\$ 883,875	\$ 754,745	\$ 129,130	\$ 817,229
Benefits	366,430	390,534	336,067	54,467	351,550
Purchased services	20,535	37,955	24,797	13,158	6,316
Supplies	67,733	41,841	34,557	7,284	42,781
Other	700	1,924	1,379	545	784
	<u>1,296,081</u>	<u>1,356,129</u>	<u>1,151,545</u>	<u>204,584</u>	<u>1,218,660</u>
<b>General Administration:</b>					
Salaries	243,089	247,589	241,345	6,244	242,876
Benefits	123,351	126,746	113,221	13,525	111,604
Purchased services	215,550	216,300	162,035	54,265	123,238
Supplies	31,300	30,550	23,765	6,785	18,365
Property	7,500	7,500	-	7,500	-
Other	25,000	25,000	19,183	5,817	24,030
	<u>645,790</u>	<u>653,685</u>	<u>559,549</u>	<u>94,136</u>	<u>520,113</u>
<b>School Administration:</b>					
Salaries	3,362,425	3,431,346	3,189,900	241,446	3,136,886
Benefits	1,364,635	1,466,560	1,376,509	90,051	1,304,554
Purchased services	142,610	100,157	67,345	32,812	78,990
Supplies	51,240	71,040	60,672	10,368	49,039
Other	3,250	6,478	7,717	(1,239)	1,903
	<u>4,924,160</u>	<u>5,075,581</u>	<u>4,702,143</u>	<u>373,438</u>	<u>4,571,372</u>
<b>Central Services:</b>					
Salaries	1,066,459	1,091,890	1,062,768	29,122	1,029,827
Benefits	415,319	436,994	428,327	8,667	402,671
Purchased services	281,730	300,475	281,045	19,430	202,819
Supplies	258,650	362,728	301,891	60,837	201,428
Property	124,000	140,000	139,062	938	119,787
Other	5,150	7,405	6,746	659	1,365
	<u>2,151,308</u>	<u>2,339,492</u>	<u>2,219,839</u>	<u>119,653</u>	<u>1,957,897</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, 2022  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)

	2022 BUDGET		2022		2021
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Operation and Maintenance:					
Salaries	\$ 2,768,662	\$ 2,831,681	\$ 2,675,332	\$ 156,349	\$ 2,646,659
Benefits	1,133,326	1,172,036	1,114,173	57,863	1,093,372
Purchased services	2,086,378	1,883,171	1,815,424	67,747	1,779,405
Supplies	1,579,765	1,836,653	1,642,956	193,697	1,437,151
Property	128,500	155,460	155,140	320	139,000
Other	1,100	1,732	1,677	55	1,291
	<u>7,697,731</u>	<u>7,880,733</u>	<u>7,404,702</u>	<u>476,031</u>	<u>7,096,878</u>
Student Transportation:					
Salaries	1,773,115	1,908,605	1,720,859	187,746	1,623,308
Benefits	806,880	830,868	810,823	20,045	789,133
Purchased services	128,928	129,780	111,080	18,700	97,963
Supplies	470,201	653,934	556,808	97,126	414,607
Property	637,465	638,880	635,582	3,298	632,748
Other	400	400	6	394	118
	<u>3,816,989</u>	<u>4,162,467</u>	<u>3,835,158</u>	<u>327,309</u>	<u>3,557,877</u>
Other Support:					
Salaries	105,000	1,105,000	888,914	216,086	111,839
Benefits	37,050	73,450	23,534	49,916	490
Purchased services	40,000	40,000	-	40,000	-
Supplies	10,000	10,000	443	9,557	-
Other	14,600	14,600	359	14,241	-
	<u>206,650</u>	<u>1,243,050</u>	<u>913,250</u>	<u>329,800</u>	<u>112,329</u>
Total Undistributed Expenditures	<u>23,654,169</u>	<u>25,949,871</u>	<u>23,724,230</u>	<u>2,225,641</u>	<u>21,748,819</u>
Site Improvement:					
Purchased services	<u>10,000</u>	<u>100,000</u>	<u>821</u>	<u>99,179</u>	<u>121,995</u>
Building Improvements:					
Purchased services	<u>324,000</u>	<u>296,800</u>	<u>320,523</u>	<u>(23,723)</u>	<u>387,255</u>
Debt Service:					
Principal	496,000	496,000	496,000	-	485,000
Interest	26,967	26,967	26,966	1	37,946
	<u>522,967</u>	<u>522,967</u>	<u>522,966</u>	<u>1</u>	<u>522,946</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, 2022  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)

	2022 BUDGET		2022	2021
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET
Contingency	\$ 528,384	\$ 540,000	\$ -	\$ 540,000
Total Expenditures	53,450,773	59,837,762	55,003,638	4,834,124
Revenues Over (Under) Expenditures	1,952,765	(2,445,695)	4,467,108	6,912,803
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	8,000	8,000	32,870	24,870
Transfers from other funds	-	-	4,044	4,044
Transfers from (to) other funds	(4,400,000)	(1,400,000)	(1,400,000)	-
	(4,392,000)	(1,392,000)	(1,363,086)	28,914
Net Change in Fund Balance	(2,439,235)	(3,837,695)	3,104,022	6,941,717
<b>FUND BALANCE, July 1</b>	4,833,356	8,427,298	8,463,919	36,621
Increase (Decrease) in Reserve for Inventories	-	-	(9,089)	(9,089)
<b>FUND BALANCE, June 30</b>	<u>\$ 2,394,121</u>	<u>\$ 4,589,603</u>	<u>\$ 11,558,852</u>	<u>\$ 6,969,249</u>
				<u>\$ 8,463,919</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, 2022  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)

	2022 BUDGET		2022		2021
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local Sources:					
Earnings on investments	\$ 2,000	\$ 2,000	\$ 3,465	\$ 1,465	\$ 2,070
State Sources:					
State appropriation	3,923,489	4,046,773	4,062,193	15,420	3,980,640
Total Revenues	3,925,489	4,048,773	4,065,658	16,885	3,982,710
<b>EXPENDITURES</b>					
Special Programs:					
Instruction:					
Salaries	4,362,860	2,054,834	1,996,772	58,062	4,053,166
Benefits	2,039,651	952,227	913,880	38,347	1,924,685
Purchased services	-	-	-	-	7,074
Supplies	12,890	31,442	25,216	6,226	-
	6,415,401	3,038,503	2,935,868	102,635	5,984,925
Other Direct Support:					
Salaries	791,000	760,100	711,865	48,235	661,455
Benefits	292,525	273,525	254,066	19,459	235,867
Purchased services	273,250	256,350	234,610	21,740	325,351
Supplies	35,550	32,450	32,446	4	38,487
Other	1,000	1,000	700	300	552
	1,393,325	1,323,425	1,233,687	89,738	1,261,712
Student Transportation:					
Salaries	322,000	317,000	280,610	36,390	268,435
Benefits	93,408	92,684	82,658	10,026	88,297
Supplies	40,654	40,654	40,654	-	40,626
	456,062	450,338	403,922	46,416	397,358
Total Special Programs	8,264,788	4,812,266	4,573,477	238,789	7,643,995

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, 2022

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)

	2022 BUDGET		2022		2021
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Other Instructional Programs:					
Gifted and Talented:					
Salaries	\$ 61,000	\$ -	\$ -	\$ -	\$ 26,764
Benefits	12,622	-	-	-	17,102
Supplies	900	425	317	108	48
Total Other Instructional	74,522	425	317	108	43,914
Contingency	83,393	48,127	-	48,127	-
Total Expenditures	8,422,703	4,860,818	4,573,794	287,024	7,687,909
Revenues Over (Under)					
Expenditures	(4,497,214)	(812,045)	(508,136)	303,909	(3,705,199)
<b>OTHER FINANCING SOURCES</b>					
Transfers from other funds	4,400,000	400,000	400,000	-	4,000,000
Net Change in Fund Balance	(97,214)	(412,045)	(108,136)	303,909	294,801
<b>FUND BALANCE, July 1</b>	499,476	741,847	741,847	-	447,046
<b>FUND BALANCE, June 30</b>	\$ 402,262	\$ 329,802	\$ 633,711	\$ 303,909	\$ 741,847

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, 2022  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)

	2022 BUDGET		2022		2021
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local sources	\$ 725,217	\$ 1,682,723	\$ 404,612	\$ (1,278,111)	\$ 269,429
State sources	860,889	379,445	185,000	(194,445)	1,788,427
Federal sources	3,866,391	8,632,227	5,888,797	(2,743,430)	3,782,921
Total Revenues	5,452,497	10,694,395	6,478,409	(4,215,986)	5,840,777
<b>EXPENDITURES</b>					
Regular Programs:					
Salaries	485,638	2,204,569	1,058,713	1,145,856	447,645
Benefits	210,226	859,927	423,172	436,755	198,554
Purchased services	27,423	46,290	27,451	18,839	15,059
Supplies	143,572	1,694,117	722,334	971,783	770,026
Property	-	26,510	26,510	-	-
Other	29,988	152,259	79,569	72,690	28,296
	896,847	4,983,672	2,337,749	2,645,923	1,459,580
Special Programs:					
Salaries	1,017,955	900,354	786,350	114,004	943,638
Benefits	475,491	397,203	346,488	50,715	451,694
Purchased services	241,205	154,624	18,709	135,915	4,099
Supplies	486,239	182,181	139,779	42,402	358,459
Other	65,757	45,897	36,465	9,432	52,145
	2,286,647	1,680,259	1,327,791	352,468	1,810,035
Vocational Programs:					
Salaries	-	1,938	1,734	204	-
Benefits	-	166	148	18	-
Purchased services	45,015	21,659	24,893	(3,234)	10,065
Supplies	172,290	220,644	184,466	36,178	177,491
Property	6,799	17,750	19,725	(1,975)	25,621
Other	5,486	6,096	5,248	848	5,486
	229,590	268,253	236,214	32,039	218,663

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, 2022  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)

	2022 BUDGET		2022		2021
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Adult Education:					
Salaries	\$ 58,395	\$ 64,233	\$ 22,965	\$ 41,268	\$ 24,796
Benefits	4,992	5,492	1,362	4,130	1,479
Purchased services	2,304	1,447	59	1,388	51
Supplies	10,418	3,182	121	3,061	835
	<u>76,109</u>	<u>74,354</u>	<u>24,507</u>	<u>49,847</u>	<u>27,161</u>
Other Instructional Programs:					
Salaries	110,317	18,782	17,252	1,530	106,599
Benefits	47,755	7,606	7,568	38	47,135
Purchased services	72,218	-	-	-	41,760
Supplies	3,328	-	-	-	2,677
Other	603	734	690	44	512
	<u>234,221</u>	<u>27,122</u>	<u>25,510</u>	<u>1,612</u>	<u>198,683</u>
Community Service Programs:					
Salaries	1,303	1,558	63	1,495	496
Benefits	111	133	2	131	1
Supplies	5,500	5,500	970	4,530	700
	<u>6,914</u>	<u>7,191</u>	<u>1,035</u>	<u>6,156</u>	<u>1,197</u>
Undistributed Expenditures:					
Student Support:					
Salaries	291,002	137,942	30,382	107,560	271,234
Benefits	77,544	26,148	5,964	20,184	76,688
Purchased services	-	858,830	393,962	464,868	-
Supplies	1,000	234,000	202,891	31,109	1,000
Other	906	32,503	561	31,942	-
	<u>370,452</u>	<u>1,289,423</u>	<u>633,760</u>	<u>655,663</u>	<u>348,922</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, 2022  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)

	2022 BUDGET		2022		2021
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Instructional Staff Support:					
Salaries	\$ -	\$ 8,000	\$ 16,474	\$ (8,474)	\$ 16,003
Benefits	-	225	523	(298)	510
Purchased services	45,748	48,657	40,835	7,822	42,850
Supplies	-	8	7,071	(7,063)	349
Other	2,259	1,554	1,552	2	2,981
	<u>48,007</u>	<u>58,444</u>	<u>66,455</u>	<u>(8,011)</u>	<u>62,693</u>
General Administration:					
Salaries	14,049	14,049	-	14,049	-
Operations and Maintenance:					
Supplies	-	209,141	206,057	3,084	-
Property	-	149,800	107,851	41,949	-
	<u>-</u>	<u>358,941</u>	<u>313,908</u>	<u>45,033</u>	<u>-</u>
Other Support:					
Salaries	16,791	15,791	-	15,791	16,259
Benefits	86	-	-	-	24
Purchased services	32,289	165,619	28,000	137,619	24,000
Supplies	704,827	378,620	352,989	25,631	1,053,374
Property	-	674,961	674,961	-	26,249
Other	14,594	-	-	-	14,594
	<u>768,587</u>	<u>1,234,991</u>	<u>1,055,950</u>	<u>179,041</u>	<u>1,134,500</u>
Total Undistributed Expenditures	<u>1,201,095</u>	<u>2,955,848</u>	<u>2,070,073</u>	<u>885,775</u>	<u>1,546,115</u>
Food Services Operations:					
Supplies	-	5,011	-	5,011	-
Facilities Acquisition and Construction:					
Site Improvement:					
Purchased services	14,653	14,453	-	14,453	401,978

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, 2022  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)

	2022 BUDGET		2022		2021
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Facilities Acquisition and Construction (Cont'd.)					
Building Improvements:					
Purchased services	\$ 420,948	\$ 661,232	\$ 455,530	\$ 205,702	\$ 73,892
Supplies	17,000	17,000	-	17,000	-
	<u>437,948</u>	<u>678,232</u>	<u>455,530</u>	<u>222,702</u>	<u>73,892</u>
Other Facilities Construction:					
Purchased services	11,875	-	-	-	11,875
Supplies	56,598	-	-	-	35,000
Property	-	-	-	-	56,598
	<u>68,473</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>103,473</u>
Total Facilities Acquisition and Construction	<u>521,074</u>	<u>692,685</u>	<u>455,530</u>	<u>237,155</u>	<u>579,343</u>
Total Expenditures	<u>5,452,497</u>	<u>10,694,395</u>	<u>6,478,409</u>	<u>4,215,986</u>	<u>5,840,777</u>
Net Change in Fund Balance	-	-	-	-	-
<b>FUND BALANCE, July 1</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*See accompanying notes.*

# DOUGLAS COUNTY SCHOOL DISTRICT

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PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
JUNE 30, 2022

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2021)

	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS	
	2022	2021
<b>ASSETS</b>		
Current Assets:		
Cash and investments	\$ 3,334,145	\$ 4,097,927
Receivables	86,144	67,092
Due from other funds	466,184	453,468
Total Assets	<u>3,886,473</u>	<u>4,618,487</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable and accrued expenses	41,266	18,522
Unearned revenue	444,072	430,711
Pending claims	1,497,025	1,218,901
Total Current Liabilities	<u>1,982,363</u>	<u>1,668,134</u>
<b>NET POSITION</b>		
Restricted	<u>\$ 1,904,110</u>	<u>\$ 2,950,353</u>

See accompanying notes.

# DOUGLAS COUNTY SCHOOL DISTRICT

PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
YEAR ENDED JUNE 30, 2022

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021)

	<b>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS</b>	
	<b>2022</b>	<b>2021</b>
<b>OPERATING REVENUES</b>		
Insurance premiums	\$ 8,358,499	\$ 7,909,094
Insurance proceeds and other	7,789	657,098
Other	-	13,053
Total Operating Revenues	8,366,288	8,579,245
<b>OPERATING EXPENSES</b>		
Claims expense	9,315,006	8,558,938
Purchased services	1,100,381	1,100,822
Other	3,845	3,955
Total Operating Expenses	10,419,232	9,663,715
Operating Income (Loss)	(2,052,944)	(1,084,470)
<b>NONOPERATING REVENUES</b>		
Earnings on investments	6,701	13,909
Income (Loss) Before Transfers	(2,046,243)	(1,070,561)
<b>TRANSFERS</b>		
Transfers in	1,000,000	-
Change in Net Position	(1,046,243)	(1,070,561)
<b>NET POSITION, July 1</b>	2,950,353	4,020,914
<b>NET POSITION, June 30</b>	\$ 1,904,110	\$ 2,950,353

*See accompanying notes.*

# DOUGLAS COUNTY SCHOOL DISTRICT

## PROPRIETARY FUNDS STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2022

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021)

	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS	
	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from insurance premiums	\$ 8,340,092	\$ 8,454,708
Cash received from insurance proceeds and other	7,789	986,502
Cash paid for claims expense	(9,037,201)	(8,629,648)
Cash paid for services and supplies	(1,081,163)	(1,210,091)
Net cash provided (used) by operating activities	(1,770,483)	(398,529)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Transfers from other funds	1,000,000	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on investments	6,701	13,909
Net Increase (Decrease) in Cash and Investments	(763,782)	(384,620)
<b>CASH AND INVESTMENTS, July 1</b>	4,097,927	4,482,547
<b>CASH AND INVESTMENTS, June 30</b>	\$ 3,334,145	\$ 4,097,927

Continued on next page.

See accompanying notes.

# DOUGLAS COUNTY SCHOOL DISTRICT

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PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS (Cont'd.)  
YEAR ENDED JUNE 30, 2022

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021)

	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS	
	2022	2021
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ (2,052,944)	\$ (1,084,470)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Change in assets and liabilities:		
Receivables	(19,052)	316,351
Premiums due from other funds	(12,716)	530,378
Accounts payable	22,745	(105,314)
Unearned revenues	13,361	15,236
Pending claims	278,124	(70,710)
Total Adjustments	282,462	685,941
Net cash provided (used) by operating activities	\$ (1,770,482)	\$ (398,529)

See accompanying notes.

# DOUGLAS COUNTY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

### 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, 2022

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, 2022

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.

### *Building and Sites Fund*

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

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

### **Proprietary Funds:**

#### *Internal Service Funds*

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



# DOUGLAS COUNTY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

### **Special Revenue Funds (Nonmajor):**

Special Revenue funds account for proceeds of specific revenue sources (other than private purpose trust or major capital projects) that are legally restricted to expenditures for specified purposes. The District reports the following nonmajor Special Revenue funds: Food Service Fund, Student Activities Fund, and the three funds receiving Pupil-Centered Funding Plan allocations for restricted purposes.

### **Capital Projects Fund (Nonmajor):**

The Capital Projects Fund accounts for financial resources to be used for major improvements to the District's existing facilities.

### **Measurement Focus**

#### *District-Wide Financial Statements*

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

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

#### *Fund Financial Statements*

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

### **Basis of Accounting**

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

# DOUGLAS COUNTY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

### *Revenues*

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

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

### *Deferred Outflows/Inflows of Resources*

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

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

### *Expenses/Expenditures*

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

# DOUGLAS COUNTY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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.
3. On or before the following January 1, the Board of Trustees adopts an amended final budget to reflect any adjustments necessary as a result of the complete count of students.
4. The Superintendent of Schools is authorized to transfer appropriations between accounts within departments and funds, if amounts do not exceed the original budget, subject to subsequent approval by the Board of Trustees. Augmentations in excess of the original budget require approval from the Board of Trustees.

# DOUGLAS COUNTY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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

### **Cash and Investments**

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

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

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

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

# DOUGLAS COUNTY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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

### Statements of Cash Flows

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

### Inventories

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

### Capital Assets

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

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

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

### Allowance for Uncollectible Receivables

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

# DOUGLAS COUNTY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

### Accrued Liabilities

Accrued liabilities consist principally of teacher, administrator, and other District employee salaries and benefits for the school program year ended June 30, 2022, but not yet paid.

### Expenditures

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

A brief description of these program classifications follows:

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

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

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

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

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

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

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

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

### Compensated Absences

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

# DOUGLAS COUNTY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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, 2021, from which summarized information was derived. Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation. Such reclassifications relate primarily to the determination of major and nonmajor funds, as previously discussed.

### **NOTE 2 – COMPLIANCE WITH NEVADA REVISED STATUTES**

The District conformed to all significant statutory constraints on its financial administration during the year with the possible exception of an overexpenditure in the Student Activities Fund (a special revenue fund), regular programs of \$426,849. This is a potential violation of NRS 354.626.

### **NOTE 3 – CASH AND INVESTMENTS**

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

As of June 30, 2022, the District had the following amounts reported as cash and investments:

# DOUGLAS COUNTY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

### District-Wide Balances:

Pooled cash	\$ 9,940,415
Food services	12,465
Self-insurance claims accounts	1,131,196
Cash held by Student Activity Funds	1,031,252
	<hr/>
	12,115,328
Deposits held with Douglas County, Nevada	92,626
Local Government Investment Pool	15,380,000
	<hr/>
Total Cash and Investments	<u>\$ 27,587,954</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.

As of June 30, 2022, the District had \$15,380,000 invested with Nevada's Local Government Investment Pool. The investment is stated at fair value with a maturity date of less than one year.

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

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

*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.



# DOUGLAS COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

### NOTE 4 – RECEIVABLES

The District had the following receivables as of June 30, 2022:

	Taxes Receivable	Due from Other Gov't.	Other	Total Receivables
<b><i>Major Governmental Funds:</i></b>				
General	\$ 247,716	\$ 4,826,233	\$ 133,384	\$ 5,207,333
Special Education	-	-	692	692
Federal and State Grants	-	1,284,056	-	1,284,056
Debt Service	36,049	-	1,939	37,988
Building and Sites	-	-	946	946
<b><i>Other Governmental Funds</i></b>	-	247,781	-	247,781
Total Governmental Funds	283,765	6,358,070	136,961	6,778,796
<b><i>Internal Service Funds</i></b>				
	-	-	86,144	86,144
Total Receivables	<u>\$ 283,765</u>	<u>\$ 6,358,070</u>	<u>\$ 223,105</u>	<u>\$ 6,864,940</u>

### 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, 2022 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 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.

Interfund receivable and payable balances as of June 30, 2022 are as follows:

# DOUGLAS COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Governmental Fund:		
General Fund	\$ 474,702	\$ 466,184
Grants Fund	-	473,522
Nonmajor Governmental Fund:		
PCFP At-Risk Fund	-	1,180
Internal Service Funds:		
Self Insurance Health Fund	444,072	-
Workers' Comp. Self-Insurance Fund	22,112	-
	<u>\$ 940,886</u>	<u>\$ 940,886</u>

Transfers made during the year ended June 30, 2022 were as follows:

	Transfers	
	<u>To</u>	<u>From</u>
General Fund	\$ 4,004	\$ 1,400,000
Special Education Fund	400,000	-
Class Size Reduction	-	4,004
Debt Service Fund	-	100,000
Capital Projects Fund	100,000	-
Health Insurance Fund	1,000,000	-
	<u>\$ 1,504,004</u>	<u>\$ 1,504,004</u>

# DOUGLAS COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

### NOTE 6 – CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2022 is shown below:

	<u>Balance July 1, 2021</u>	<u>Additions / Transfers</u>	<u>Deletions / Transfers</u>	<u>Balance June 30, 2022</u>
<b>Nondepreciable Capital Assets</b>				
Land	\$ 1,273,439	\$ -	\$ -	\$ 1,273,439
Construction in progress	901,377	2,123,983	(2,146,018)	879,342
	<u>2,174,816</u>	<u>2,123,983</u>	<u>(2,146,018)</u>	<u>2,152,781</u>
<b>Depreciable Capital Assets</b>				
Buildings and improvements	155,113,069	2,146,018	-	157,259,087
Equipment and vehicles	14,164,754	1,181,714	(393,896)	14,952,572
	<u>169,277,823</u>	<u>3,327,732</u>	<u>(393,896)</u>	<u>172,211,659</u>
<b>Total Capital Assets</b>	<u>171,452,639</u>	<u>5,451,715</u>	<u>(2,539,914)</u>	<u>174,364,440</u>
Less accumulated depreciation for:				
Buildings and improvements	80,496,894	5,215,463	-	85,712,357
Equipment and vehicles	8,807,581	724,998	(385,986)	9,146,593
	<u>89,304,475</u>	<u>5,940,461</u>	<u>(385,986)</u>	<u>94,858,950</u>
<b>Governmental Activities, Capital Assets, net</b>	<u>\$ 82,148,164</u>	<u>\$ (488,746)</u>	<u>\$ (2,153,928)</u>	<u>\$ 79,505,490</u>

Depreciation expense was allocated to the following functions/programs:

<i>Instruction</i>	<u>\$ 229,122</u>
<i>Support Services</i>	
Student	6,336
Central services	131,768
Operations and maintenance	155,039
Student transportation	331,718
Facilities construction and improvement	5,086,479
	<u>5,711,340</u>
<b>Total Depreciation Expense</b>	<u>\$ 5,940,462</u>

# DOUGLAS COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

### NOTE 7 – LONG-TERM DEBT

#### Bonds Issued

On December 8, 2021 the District issued \$7,516,000 in General Obligation Refunding Bonds Series 2021. The bonds have an interest rate of 2.29% and mature in April 2034. Principal payments begin in April 2023. The proceeds were used to refund existing general obligation bonds, the District's 2019 Refunding Bonds. The refunding was undertaken to realize a present value savings in debt service payments of \$672,577 over the term of the Series 2021 refunding.

#### Changes in Long-Term Debt

The following is a summary of the changes in the District's long-term obligations during the fiscal year ended June 30, 2022:

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

Total interest expense for the year ended June 30, 2022 was \$961,032.

The District was, in accordance with NRS 387.400, within the legal debt limit at June 30, 2022.

General Obligation Bonds payable consist of the following as of June 30, 2022:

# DOUGLAS COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Issue	Date Issued	Date of Final Maturity	Original Interest Rate %	Amount Issued	Balance June 30, 2022
Improvement Bonds (QSCBs), Series 2010C	5/13/2010	4/1/2027	4.5 - 6.4	\$ 2,305,000	\$ 2,000,000
Improvement Bonds, Series 2012	12/19/2012	4/1/2042	2.0 - 3.25	9,000,000	6,055,000
Improvement Bonds, Series 2013	10/16/2013	4/1/2034	3.0 - 4.0	8,500,000	765,000
Improvement Bonds, Series 2015	2/19/2015	4/1/2035	2.0 - 3.25	5,000,000	4,075,000
Refunding Bonds, Series 2020	12/3/2020	4/1/2030	1.340	11,858,000	10,409,000
Taxable/Tax-Exempt Refunding, Series 2021	12/8/2021	4/1/2034	2.290	7,516,000	7,516,000
					<u>\$30,820,000</u>

The annual requirements to amortize all General Obligation Debt outstanding as of June 30, 2022 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Expected Interest Subsidy	Total Requirements
2023	\$ 2,321,000	\$ 753,615	\$ (113,200)	\$ 2,961,415
2024	2,385,000	712,770	(113,200)	2,984,570
2025	2,393,000	669,863	(113,200)	2,949,663
2026	2,431,000	628,709	(113,200)	2,946,509
2027	2,507,000	586,835	(113,200)	2,980,635
2028 - 2032	10,545,000	1,809,019	-	12,354,019
2033 - 2037	5,263,000	831,779	-	6,094,779
2038 - 2042	2,975,000	283,025	-	3,258,025
	<u>\$ 30,820,000</u>	<u>\$ 6,275,615</u>	<u>\$ (566,000)</u>	<u>\$ 36,529,615</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, 2022 follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Payment
2023	\$ 507,000	\$ 15,750	\$ 522,750
2024	319,000	3,589	322,589
	<u>\$ 826,000</u>	<u>\$ 19,339</u>	<u>\$ 845,339</u>

# DOUGLAS COUNTY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

### 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, 2022

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, 2022:

	Major Funds					Total Governmental Funds
	General Fund	Special Education Fund	Debt Service Fund	Building and Sites Fund	Other Gov't Funds	
Nonspendable:						
Inventories	\$ 123,280	\$ -	\$ -	\$ -	\$ 58,743	\$ 182,023
Restricted for:						
Debt service	-	-	3,529,997	-	-	3,529,997
Property renovations/upgrades	-	-	-	1,884,478	4,842,007	6,726,485
Child nutrition services	-	-	-	-	1,710,725	1,710,725
Education services	-	-	-	-	69,321	69,321
Student activities	-	-	-	-	1,031,252	1,031,252
Assigned to:						
Education services	-	633,711	-	-	-	633,711
Unassigned	11,435,572	-	-	-	-	11,435,572
Governmental Fund Balances	<u>\$11,558,852</u>	<u>\$633,711</u>	<u>\$3,529,997</u>	<u>\$1,884,478</u>	<u>\$7,712,048</u>	<u>\$ 25,319,086</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, 2022

special provisions for members entering the System on or after January 1, 2010, and on or after July 1, 2015. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

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

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

### **Vesting**

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

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

### **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

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

The required contribution rates for the year ended June 30, 2022 were 15.50% for the EE/ER plan and 29.75% for the EPC plan. The required contribution rates for the year ended June 30, 2021 were 15.25% for the EE/ER plan and 29.25% for the EPC plan. The District's contributions to the Plan were \$5,376,583 and \$5,378,816 for the years ended June 30, 2022 and 2021, 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, 2021:

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, 2022, the District reported a liability of \$46,897,874 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021 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, 2021, the District's proportion of the regular plan was .51427%, which was a decrease of .00355 from its .51782% proportion measured as of June 30, 2020.

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

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

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
Net Pension Liability	<u>\$ 93,372,164</u>	<u>\$ 46,897,874</u>	<u>\$ 8,560,388</u>

# DOUGLAS COUNTY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

### 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, 2021, 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	7.25% per year.
Salary increases	4.20% to 9.10% depending on service.
Inflation rate	2.50% per year.
Productivity pay increase	0.50%
Consumer Price Index	2.50%
Other assumptions	Same as those used in the June 30, 2021 funding actuarial valuation.

Actuarial assumptions used in the June 30, 2021 valuation were based on the results of the experience study for the period July 1, 2016 through June 30, 2020.

The discount rate used to measure the total pension liability was 7.25%. 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, 2022

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

For the year ended June 30, 2022, the District recognized pension (income) of \$(2,559,817). As of June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 5,194,860	\$ 330,050
Changes in assumptions	15,570,902	-
Net difference between projected and actual earnings on pension plan assets	-	38,267,171
Changes in proportion	-	4,088,310
The School's contributions subsequent to the measurement date	5,376,583	-
	<u>\$ 26,142,345</u>	<u>\$ 42,685,531</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, 2023. 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
2023	\$ (7,098,364)
2024	(6,613,062)
2025	(6,052,496)
2026	(6,047,412)
2027	3,412,712
2028	478,854
	<u>\$ (21,919,768)</u>

# DOUGLAS COUNTY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

### 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, 2022, \$660 thousand 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 \$673,756 during the year on behalf of 251 participating retirees.

##### *Douglas County School District Healthcare Plan*

The District administers a single-employer defined benefit healthcare plan. This plan provides postemployment healthcare benefits to retirees of the District. Any retiree who participates in the Nevada Public Employees' Retirement System (PERS) may purchase coverage for themselves and dependents at the same premium rate which is charged to the District's active employees. Because retirees pay the same premium as active employees rather than a higher rate that would result from rating retirees as a separate insured group, the District incurs the cost of an implicit premium subsidy. A separate report has not been issued for this plan. The District has elected to pay the implicit cost of postemployment benefits on the *pay-as-you-go* basis. District contributions were \$248,142 for FY 22.

# DOUGLAS COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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

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

### Actuarial Methods and Assumptions

The District's net OPEB liability for each plan was measured as of June 30, 2022, and the total OPEB liabilities used to calculate their respective net OPEB liability were determined by actuarial valuations for each plan as of September 1, 2020.

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

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

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

The following presents the net OPEB liabilities of the District's plan and PEBP, as well as what the liabilities would be if they were calculated using a discount rate that is 1% lower (2.54%) or 1% higher (4.54%).

	1% Decrease in Discount Rate to	Current Discount Rate	1% Increase in Discount Rate to
<u>Net OPEB Liability</u>	<u>2.54%</u>	<u>3.54%</u>	<u>4.54%</u>
District	\$ 7,163,195	\$ 6,407,923	\$ 5,767,446
PEBP	11,542,693	10,400,568	9,436,700
	<u>\$ 18,705,888</u>	<u>\$ 16,808,491</u>	<u>\$ 15,204,146</u>

# DOUGLAS COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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

<u>Net OPEB Liability</u>	<u>1% Decrease in Current Trend</u>	<u>Current Trend</u>	<u>1% Increase in Current Trend</u>
District	\$ 5,508,023	\$ 6,407,923	\$ 7,526,078
PEBP	9,284,129	10,400,568	11,708,346
	<u>\$ 14,792,152</u>	<u>\$ 16,808,491</u>	<u>\$ 19,234,424</u>

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

For the year ended June 30, 2022, the District recognized OPEB expense of \$100,154 for the District Plan and \$(1,368,793) for PEBP. As of June 30, 2022, the District reported deferred inflows of \$3,404,627 and \$-0- for the District Plan and PEBP, respectively, and deferred outflows of \$-0- for both plans.

The deferred inflows of \$3,404,627 for the District Plan will be recognized as a component of OPEB expense, at annual amounts ranging from \$476,762 to \$499,215 year through 2029.

### Change in Net OPEB Liability

The following table depicts the District's changes in the net OPEB liability for the year ended June 30, 2022:

	<u>District</u>	<u>PEBP</u>	<u>Combined</u>
Balance, July 1, 2021	\$ 7,133,858	\$ 12,443,117	\$ 19,576,975
Changes for the Year:			
Service cost	438,487	-	438,487
Interest cost	160,882	261,495	422,377
Changes of assumptions	(1,077,162)	(1,630,288)	(2,707,450)
Plan experience	-	-	-
Benefit payments	(248,142)	(673,756)	(921,898)
Net Changes	<u>(725,935)</u>	<u>(2,042,549)</u>	<u>(2,768,484)</u>
Balance, June 30, 2022	<u>\$ 6,407,923</u>	<u>\$ 10,400,568</u>	<u>\$ 16,808,491</u>

### NOTE 11 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; and natural disasters. These risks are provided for through participation in the Nevada Public Agency Insurance Pool (the Pool), a public entity risk pool. The District pays an annual premium and specific

# DOUGLAS COUNTY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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 \$705 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, 2021 and 2022 are as follows:

# DOUGLAS COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

	Self-Insurance Funds		
	Health Fund	Workers' Compensation	Total
Claims liability, July 1, 2020	\$ 876,611	\$ 413,000	\$ 1,289,611
Current year claims and changes in estimates	8,519,318	17,728	8,537,046
Claim payments	(8,479,028)	(128,728)	(8,607,756)
Claims liability, June 30, 2021	916,901	302,000	1,218,901
Current year claims and changes in estimates	9,067,860	247,645	9,315,505
Claim payments	(8,860,556)	(176,645)	(9,037,201)
Claims liability, June 30, 2022	<u>\$ 1,124,205</u>	<u>\$ 373,000</u>	<u>\$ 1,497,205</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, 2022 which are being financed primarily by available cash in the District's two capital projects funds. No additional financing is required to complete these projects.

### NOTE 13 – NEW ACCOUNTING PRONOUNCEMENTS

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement defines a SBITA; establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding



# DOUGLAS COUNTY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA. The requirements of this statement are effective for the District's fiscal year ending June 30, 2023. Management has not yet determined the impact of this statement on the District's financial statement.

### **NOTE 14 – PUPIL-CENTERED FUNDING PLAN FOR FINANCING EDUCATION**

During the 2019 State legislative session, Senate Bill 543 created the new Pupil-Centered Funding Plan (PCFP), effective July 1, 2021. The PCFP replaces the Nevada Plan formula, which had been in existence since the late 1960's. Under the PCFP all state and local funding for education flow through the newly created State Education Fund (SEF), a special revenue fund of the State of Nevada. Accordingly, taxes generated locally in support of education are now remitted to the State and then distributed to the districts through the PCFP funding formula. As such, local source tax revenue previously included in the districts' General Fund (primarily, the local school support taxes; ad valorem taxes, and the governmental services tax) are now remitted to the State and included in the PCFP funding formula. These formerly local sources of revenue come to the districts as State source revenue.

In addition to the SEF, an Education Stabilization Account (ESA) was established. The purpose of this fund is to receive school district surplus funds. Transfers by school districts to this fund are required if a district's fund balances exceeds 16.6% of total budgeted expenditures compared with the same calculation for FY20.

The PCFP is comprised of a statewide base per pupil funding amount, determined for the biennium during its respective legislative session. Certain cost adjustment factors are then applied to equitably adjust the per pupil funding for each school district and charter schools, resulting in an adjusted base per pupil funding. This per pupil amount may then be increased for certain auxiliary services provided to pupils, such as transportation and food services. This component of the PCFP funding is unrestricted General Fund revenue.

Additional weighted funding included in the PCFP are restricted amounts for certain student groups, including English learners, at-risk, and gifted and talented students.

Special education funding is not currently part of the PCFP. The funding is based on the number of special education students in each district, not to exceed 13% of the district's total student population. Certain provisions are available in those cases where a district's special education student count exceeds the aforementioned 13%.

Finally, pursuant to NRS 387.1246, the Commission on School Funding was created. The Commission's duties include providing guidance to the school districts and the Nevada Department Education as the PCFP is being implemented. The Commission will also monitor the impact of the implementation and provide recommendations for improvement.

# 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							
	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the Net Pension Liability	0.51427%	0.51782%	0.52206%	0.53453%	0.57247%	0.58846%	0.60910%	0.57980%
District's proportionate share of the Net Pension Liability	\$ 46,897,874	\$ 72,123,743	\$ 71,188,494	\$ 72,898,330	\$ 76,137,260	\$ 79,189,924	\$ 69,799,991	\$ 60,291,529
District's covered employee payroll	\$ 35,776,138	\$ 36,405,291	\$ 36,654,122	\$ 35,646,119	\$ 35,305,799	\$ 35,363,059	\$ 35,561,565	\$ 32,383,611
District's proportionate share of the Net Pension Liability as a percentage of its covered employee payroll	131.09%	198.11%	194.22%	204.51%	215.65%	223.93%	196.28%	186.18%
Plan fiduciary net position as a percentage of the Total Pension Liability	86.51%	77.00%	76.46%	75.23%	74.42%	72.20%	75.10%	76.30%

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

# DOUGLAS COUNTY SCHOOL DISTRICT

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

	Determined for the Year Ended June 30,							
	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 5,376,583	\$ 5,378,816	\$ 5,415,208	\$ 5,025,730	\$ 4,983,219	\$ 4,989,279	\$ 8,912,739	\$ 8,393,174
Contributions in relation to the statutorily required contribution	<u>5,376,583</u>	<u>5,378,816</u>	<u>5,415,208</u>	<u>5,025,730</u>	<u>4,983,219</u>	<u>4,989,279</u>	<u>8,912,739</u>	<u>8,393,174</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered employee payroll	\$ 35,776,138	\$ 36,405,291	\$ 36,654,122	\$ 35,646,119	\$ 35,305,799	\$ 35,363,059	\$ 35,561,565	\$ 32,383,611
Contributions as a percentage of covered employee payroll	15.03%	14.77%	14.77%	14.10%	14.11%	14.11%	25.06%	25.92%

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

# DOUGLAS COUNTY SCHOOL DISTRICT

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

	2022			2021			2020		
	District	PEBP	Total	District	PEBP	Total	District	PEBP	Total
<b>Total OPEB Liability</b>									
Service cost	\$ 438,487	\$ -	\$ 438,487	\$ 413,849	\$ -	\$ 413,849	\$ 308,442	\$ -	\$ 308,442
Interest	160,882	261,495	422,377	170,448	339,258	509,706	221,063	473,506	694,569
Expected versus actual experience	-	-	-	(1,965,138)	(2,900,406)	(4,865,544)	-	-	-
Changes in assumptions	(1,077,162)	(1,630,288)	(2,707,450)	1,325,871	(2,472)	1,323,399	1,023,019	2,120,778	3,143,797
Benefit payments	(248,142)	(673,756)	(921,898)	(219,786)	(688,599)	(908,385)	(267,079)	(778,304)	(1,045,383)
Net change in Total OPEB Liability	(725,935)	(2,042,549)	(2,768,484)	(274,756)	(3,252,219)	(3,526,975)	1,285,445	1,815,980	3,101,425
Total OPEB Liability, beginning	7,133,858	12,443,117	19,576,975	7,408,614	15,695,336	23,103,950	6,123,169	13,879,356	20,002,525
Total OPEB Liability, ending	6,407,923	10,400,568	16,808,491	7,133,858	12,443,117	19,576,975	7,408,614	15,695,336	23,103,950
<b>Plan Fiduciary Net Position</b>									
Employer contributions	248,142	673,756	921,898	219,786	688,599	908,385	267,079	778,304	1,045,383
Net investment income	-	-	-	-	-	-	-	-	-
Benefit payments	(248,142)	(673,756)	(921,898)	(219,786)	(688,599)	(908,385)	(267,079)	(778,304)	(1,045,383)
Net change in Plan Fiduciary Net Position	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position, beginning	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position, ending	-	-	-	-	-	-	-	-	-
District's Net OPEB Liability	\$ 6,407,923	\$ 10,400,568	\$ 16,808,491	\$ 7,133,858	\$ 12,443,117	\$ 19,576,975	\$ 7,408,614	\$ 15,695,336	\$ 23,103,950
Covered payroll	\$ 37,977,332	N/A	N/A	\$ 38,199,000	N/A	N/A	\$ 37,443,397	N/A	N/A
District's net OPEB liability as a percentage of covered payroll	16.87%	N/A	N/A	18.68%	N/A	N/A	19.79%	N/A	N/A

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

Continued on next page.

# DOUGLAS COUNTY SCHOOL DISTRICT

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

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

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# DOUGLAS COUNTY SCHOOL DISTRICT

DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2022  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)

	2022 BUDGET		2022		2021
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local Sources:					
Ad valorem taxes	\$ 3,332,231	\$ 3,332,231	\$ 3,330,684	\$ (1,547)	\$ 3,203,522
Earnings on investments	10,000	6,000	8,966	2,966	10,365
Total Local Sources	3,342,231	3,338,231	3,339,650	1,419	3,213,887
Federal Sources:					
In lieu of tax	275	275	-	(275)	-
Bond interest subsidy	113,200	53,374	103,081	49,707	107,108
Total Federal sources	113,475	53,649	103,081	49,432	107,108
Total Revenues	3,455,706	3,391,880	3,442,731	50,851	3,320,995
<b>EXPENDITURES</b>					
Debt Service:					
Principal	2,159,000	2,159,000	2,159,000	-	2,036,000
Interest	874,721	874,721	800,618	74,103	998,687
Bond issue costs	-	-	99,001	(99,001)	75,705
Fiscal agent charges	6,000	6,000	5,200	800	3,000
Total Expenditures	3,039,721	3,039,721	3,063,819	(24,098)	3,113,392
Revenues Over (Under) Expenditures	415,985	352,159	378,912	26,753	207,603
<b>OTHER FINANCING SOURCES (USES)</b>					
Refunding bond proceeds	-	-	7,516,000	7,516,000	11,858,000
Payment to refunding escrow agent	-	-	(7,486,581)	7,486,581	(11,726,000)
Transfer to other funds	(100,000)	(100,000)	(100,000)	-	(100,000)
Total Other Financing Sources (Uses)	(100,000)	(100,000)	(70,581)	15,002,581	32,000
Net Change in Fund Balance	315,985	252,159	308,331	56,172	239,603
<b>FUND BALANCE, July 1</b>	3,198,048	3,221,666	3,221,666	-	2,982,063
<b>FUND BALANCE, June 30</b>	\$ 3,514,033	\$ 3,473,825	\$ 3,529,997	\$ 56,172	\$ 3,221,666

# DOUGLAS COUNTY SCHOOL DISTRICT

BUILDING AND SITES FUND  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 YEAR ENDED JUNE 30, 2022  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)

	2022 BUDGET		2022		2021
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local Sources:					
Earnings on investments	\$ 2,000	\$ 2,000	\$ 4,648	\$ 2,648	\$ 10,128
Other	14,030	14,030	25,169	11,139	885
Total Revenues	16,030	16,030	29,817	13,787	11,013
<b>EXPENDITURES</b>					
Operations and Maintenance:					
Purchased services	-	-	12,375	(12,375)	12,375
Property	-	-	-	-	205,864
	-	-	12,375	(12,375)	218,239
Other Support					
Purchased services	-	20,000	-	20,000	-
Total Undistributed Expenditures	-	20,000	12,375	7,625	218,239
Facilities Acquisition and Construction:					
Site Improvement:					
Purchased services	750,000	77,900	76,782	1,118	102,258
Building Improvement:					
Purchased services	-	-	175,220	(175,220)	959,533
Supplies	750,000	1,402,300	-	1,402,300	-
	750,000	1,402,300	175,220	1,227,080	959,533
Total Facilities Acquisition and Construction	1,500,000	1,480,200	252,002	1,228,198	1,061,791
Total Expenditures	1,500,000	1,500,200	264,377	1,235,823	1,280,030
Net Change in Fund Balance	(1,483,970)	(1,484,170)	(234,560)	1,249,610	(1,269,017)
FUND BALANCE, July 1	1,788,715	2,119,038	2,119,038	-	3,388,055
FUND BALANCE, June 30	\$ 304,745	\$ 634,868	\$ 1,884,478	\$ 1,249,610	\$ 2,119,038



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# DOUGLAS COUNTY SCHOOL DISTRICT

NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING BALANCE SHEET  
 JUNE 30, 2022  
 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2021)

	SPECIAL REVENUE FUNDS						TOTAL NONMAJOR GOVERNMENTAL FUNDS			
	FOOD SERVICE	CLASS SIZE REDUCTION	STUDENT ACTIVITIES	PCFP ENGLISH LEARNERS	PCFP AT-RISK	PCFP GIFTED & TALENTED	TOTALS	CAPITAL PROJECTS	2022	2021
	<b>ASSETS</b>									
Cash and investments	\$ 1,744,153	\$ -	\$ 1,031,252	\$ 9,570	\$ -	\$ 48,243	\$ 2,833,218	\$ 4,895,573	\$ 7,728,791	\$ 6,017,186
Receivables	40,250	-	-	30,937	13,059	10,734	94,980	152,801	247,781	211,678
Inventories	58,743	-	-	-	-	-	58,743	-	58,743	34,023
Total Assets	<u>\$ 1,843,146</u>	<u>\$ -</u>	<u>\$ 1,031,252</u>	<u>\$ 40,507</u>	<u>\$ 13,059</u>	<u>\$ 58,977</u>	<u>\$ 2,986,941</u>	<u>\$ 5,048,374</u>	<u>\$ 8,035,315</u>	<u>\$ 6,262,887</u>
<b>LIABILITIES</b>										
Accounts payable and accrued liabilities	\$ 73,678	\$ -	\$ -	\$ 30,163	\$ 11,879	\$ -	\$ 115,720	\$ 178,919	\$ 294,639	\$ 374,047
Retainage payable	-	-	-	-	-	-	-	27,448	27,448	417
Due to other funds	-	-	-	-	1,180	-	1,180	-	1,180	-
	<u>73,678</u>	<u>-</u>	<u>-</u>	<u>30,163</u>	<u>13,059</u>	<u>-</u>	<u>116,900</u>	<u>206,367</u>	<u>323,267</u>	<u>374,464</u>
<b>FUND BALANCES</b>										
Nonspendable	58,743	-	-	-	-	-	58,743	-	58,743	34,023
Restricted	1,710,725	-	1,031,252	10,344	-	58,977	2,811,298	4,842,007	7,653,305	5,854,400
Total Fund Balances	<u>1,769,468</u>	<u>-</u>	<u>1,031,252</u>	<u>10,344</u>	<u>-</u>	<u>58,977</u>	<u>2,870,041</u>	<u>4,842,007</u>	<u>7,712,048</u>	<u>5,888,423</u>
Total Liabilities and Fund Balances	<u>\$ 1,843,146</u>	<u>\$ -</u>	<u>\$ 1,031,252</u>	<u>\$ 40,507</u>	<u>\$ 13,059</u>	<u>\$ 58,977</u>	<u>\$ 2,986,941</u>	<u>\$ 5,048,374</u>	<u>\$ 8,035,315</u>	<u>\$ 6,262,887</u>

# DOUGLAS COUNTY SCHOOL DISTRICT

NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE  
 YEAR ENDED JUNE 30, 2022  
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021)

	SPECIAL REVENUE FUNDS						TOTAL NONMAJOR GOVERNMENTAL FUNDS			
	FOOD SERVICE	CLASS SIZE REDUCTION	STUDENT ACTIVITIES	PCFP ENGLISH LEARNERS	PCFP AT- RISK	PCFP GIFTED & TALENTED	SUB- TOTALS	CAPITAL PROJECTS	2022	2021
<b>REVENUES</b>										
Local sources	\$ 216,716	\$ -	\$ 1,448,411	\$ -	\$ -	\$ -	\$ 1,665,127	\$ 2,205,536	\$ 3,870,663	\$ 3,231,994
State sources	97,403	-	-	371,244	156,708	128,814	754,169	-	754,169	1,545,726
Federal sources	2,815,397	-	-	-	-	-	2,815,397	-	2,815,397	1,804,078
Total Revenues	<u>3,129,516</u>	<u>-</u>	<u>1,448,411</u>	<u>371,244</u>	<u>156,708</u>	<u>128,814</u>	<u>5,234,693</u>	<u>2,205,536</u>	<u>7,440,229</u>	<u>6,581,798</u>
<b>EXPENDITURES</b>										
Regular programs	-	-	1,183,382	-	-	-	1,183,382	-	1,183,382	2,269,340
Special programs	-	-	-	-	-	69,837	69,837	-	69,837	-
Other instructional programs	-	-	7,970	360,900	156,708	-	525,578	-	525,578	11,021
Undistributed Expenditures:										
Student support	-	-	180,126	-	-	-	180,126	-	180,126	182,446
Other support	-	-	-	-	-	-	-	616,572	616,572	193,334
Total Undistributed	<u>-</u>	<u>-</u>	<u>180,126</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>180,126</u>	<u>616,572</u>	<u>796,698</u>	<u>375,780</u>
Noninstructional:										
Food service	2,086,936	-	-	-	-	-	2,086,936	-	2,086,936	1,560,842
Facilities Acquisition and Construction	-	-	-	-	-	-	-	1,074,849	1,074,849	899,939
Total Expenditures	<u>2,086,936</u>	<u>-</u>	<u>1,371,478</u>	<u>360,900</u>	<u>156,708</u>	<u>69,837</u>	<u>4,045,859</u>	<u>1,691,421</u>	<u>5,737,280</u>	<u>5,116,922</u>
Revenues Over (Under) Expenditures	1,042,580	-	76,933	10,344	-	58,977	1,188,834	514,115	1,702,949	1,464,876
<b>OTHER FINANCING SOURCES</b>										
Transfer from (to) other funds	-	(4,044)	-	-	-	-	(4,044)	100,000	95,956	100,000

Continued on next page.

# DOUGLAS COUNTY SCHOOL DISTRICT

NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE  
 YEAR ENDED JUNE 30, 2022  
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021)

	SPECIAL REVENUE FUNDS						SUB-TOTALS	CAPITAL PROJECTS	TOTAL NONMAJOR GOVERNMENTAL FUNDS	
	FOOD SERVICE	CLASS SIZE REDUCTION	STUDENT ACTIVITIES	PCFP ENGLISH LEARNERS	PCFP AT-RISK	PCFP GIFTED & TALENTED			2022	2021
Net Change in Fund Balances	\$ 1,042,580	\$ (4,044)	\$ 76,933	\$ 10,344	\$ -	\$ 58,977	\$ 1,184,790	\$ 614,115	\$ 1,798,905	\$ 1,564,876
<b>FUND BALANCES, July 1,</b>	702,168	4,044	954,319	-	-	-	1,660,531	4,227,892	5,888,423	4,375,176
Increase (decrease) in reserve for inventories	24,720	-	-	-	-	-	24,720	-	24,720	(51,629)
<b>FUND BALANCES, June 30</b>	<u>\$ 1,769,468</u>	<u>\$ -</u>	<u>\$ 1,031,252</u>	<u>\$ 10,344</u>	<u>\$ -</u>	<u>\$ 58,977</u>	<u>\$ 2,870,041</u>	<u>\$ 4,842,007</u>	<u>\$ 7,712,048</u>	<u>\$ 5,888,423</u>

# DOUGLAS COUNTY SCHOOL DISTRICT

FOOD SERVICE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 YEAR ENDED JUNE 30, 2022  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)

	2022 BUDGET		2022		2021
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local Sources:					
Earnings on investments	\$ 1,200	\$ 1,200	\$ 2,054	\$ 854	\$ 705
Daily sales	590,808	232,778	214,662	(18,116)	135,151
Total Local Sources	592,008	233,978	216,716	(17,262)	135,856
State Sources - Grants	4,000	-	97,403	97,403	13,323
Federal Sources - Grants	948,500	2,815,397	2,815,397	-	1,804,078
Total Revenues	1,544,508	3,049,375	3,129,516	80,141	1,953,257
<b>EXPENDITURES</b>					
Salaries	688,105	712,562	693,394	19,168	661,766
Benefits	309,390	342,928	330,679	12,249	299,079
Purchased services	10,500	3,650	4,944	(1,294)	6,493
Supplies	645,480	2,149,806	1,055,145	1,094,661	587,503
Property	-	-	-	-	3,537
Other	3,300	3,300	2,774	526	2,464
Total Food Service	1,656,775	3,212,246	2,086,936	1,125,310	1,560,842
Contingency	25,000	25,000	-	25,000	-
Total Expenditures	1,681,775	3,237,246	2,086,936	1,150,310	1,560,842
Net Change in Fund Balance	(137,267)	(187,871)	1,042,580	1,230,451	392,415
<b>FUND BALANCE, July 1</b>	316,615	702,168	702,168	-	361,382
Increase (decrease) in reserve for inventories	-	-	24,720	24,720	(51,629)
<b>FUND BALANCE, June 30</b>	<u>\$ 179,348</u>	<u>\$ 514,297</u>	<u>\$ 1,769,468</u>	<u>\$ 1,255,171</u>	<u>\$ 702,168</u>

# DOUGLAS COUNTY SCHOOL DISTRICT

CLASS SIZE REDUCTION FUND  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 YEAR ENDED JUNE 30, 2022  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)

	2022 BUDGET		2022		2021
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local Sources:					
Earnings on investments	\$ 1,000	\$ -	\$ -	\$ -	\$ 540
State Sources:					
Special appropriations	1,416,000	-	-	-	1,532,403
Total Revenues	1,417,000	-	-	-	1,532,943
<b>EXPENDITURES</b>					
Regular Programs:					
Salaries	954,342	-	-	-	1,044,978
Benefits	461,658	-	-	-	486,512
Total Expenditures	1,416,000	-	-	-	1,531,490
Revenues Over (Under) Expenditures	1,000	-	-	-	1,453
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers to other funds	-	-	(4,044)	(4,044)	-
Net Change in Fund Balance	1,000	-	(4,044)	(4,044)	1,453
<b>FUND BALANCE, July 1</b>	4,504	4,044	4,044	-	2,591
<b>FUND BALANCE, June 30</b>	\$ 5,504	\$ 4,044	\$ -	\$ (4,044)	\$ 4,044

# DOUGLAS COUNTY SCHOOL DISTRICT

## STUDENT ACTIVITIES FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2022

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)

	2022 BUDGET		2022		2021
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local Sources:					
Student activities	\$ -	\$ 900,000	\$ 1,448,411	\$ 548,411	\$ 851,930
<b>EXPENDITURES</b>					
Regular Programs:					
Supplies	-	756,533	1,183,382	(426,849)	737,850
Other Instructional Programs:					
Supplies	-	11,021	7,970	3,051	11,021
Undistributed Expenditures:					
Student Support:					
Supplies	-	182,446	180,126	2,320	182,446
Total Expenditures	-	950,000	1,371,478	(421,478)	931,317
Revenues Over (Under) Expenditures	-	(50,000)	76,933	126,933	(79,387)
<b>FUND BALANCE, July 1,</b>	-	954,319	954,319	-	1,033,706
<b>FUND BALANCE, June 30</b>	\$ -	\$ 904,319	\$ 1,031,252	\$ 126,933	\$ 954,319

# DOUGLAS COUNTY SCHOOL DISTRICT

PCFP-ENGLISH LEARNER  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2022

	2022 BUDGET		2022	
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET
<b>REVENUES</b>				
State Sources:				
State appropriation	\$ -	\$ 371,245	\$ 371,244	\$ (1)
<b>EXPENDITURES</b>				
Other Instructional Programs:				
Salaries	-	258,118	247,897	10,221
Benefits	-	113,127	113,003	124
Total Expenditures	-	371,245	360,900	10,345
Net Change in Fund Balance	-	-	10,344	(10,346)
<b>FUND BALANCE, July 1</b>	-	-	-	-
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ 10,344	\$ (10,346)



# DOUGLAS COUNTY SCHOOL DISTRICT

PCFP-AT RISK  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 YEAR ENDED JUNE 30, 2022

	2022 BUDGET		2022	
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET
<b>REVENUES</b>				
State Sources:				
State appropriation	\$ -	\$ 156,708	\$ 156,708	\$ -
<b>EXPENDITURES</b>				
Other Instructional Programs:				
Salaries	-	103,719	103,719	-
Benefits	-	52,989	52,989	-
Total Expenditures	-	156,708	156,708	-
Net Change in Fund Balance	-	-	-	-
<b>FUND BALANCE, July 1</b>			-	-
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ -	\$ -

# DOUGLAS COUNTY SCHOOL DISTRICT

## PCFP-GIFTED & TALENTED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2022

	2022 BUDGET		2022	
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET
<b>REVENUES</b>				
State Sources:				
State appropriation	\$ -	\$ 128,814	\$ 128,814	\$ -
<b>EXPENDITURES</b>				
Special Programs:				
Salaries	-	93,142	51,032	42,110
Benefits	-	35,272	18,805	16,467
Purchased services	-	200	-	200
Other	-	200	-	200
Total Expenditures	-	128,814	69,837	58,977
Net Change in Fund Balance	-	-	58,977	(58,977)
<b>FUND BALANCE, July 1</b>	-	-	-	-
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ 58,977	\$ (58,977)

# DOUGLAS COUNTY SCHOOL DISTRICT

CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 YEAR ENDED JUNE 30, 2022  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)

	2022 BUDGET		2022		2021
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local Sources:					
Governmental services tax	\$ 1,728,760	\$ 1,728,760	\$ 1,690,386	\$ (38,374)	\$ 1,671,501
Residential construction tax	408,098	470,532	503,739	33,207	562,320
Earnings on investments	4,000	4,000	11,411	7,411	9,847
<b>Total Revenues</b>	<b>2,140,858</b>	<b>2,203,292</b>	<b>2,205,536</b>	<b>2,244</b>	<b>2,243,668</b>
<b>EXPENDITURES</b>					
Other Support:					
Purchased services	-	3,500	2,741	759	-
Supplies	585,000	594,500	601,385	(6,885)	193,334
Property	-	13,000	12,446	554	-
	<b>585,000</b>	<b>611,000</b>	<b>616,572</b>	<b>(5,572)</b>	<b>193,334</b>
Facilities Acquisition and Construction:					
Building Improvements:					
Purchased services	2,200,000	2,574,000	1,050,121	1,523,879	899,939
Site Improvements:					
Purchased services	-	-	24,728	(24,728)	-
<b>Total Facilities Acquisition and Construction</b>	<b>2,200,000</b>	<b>2,574,000</b>	<b>1,074,849</b>	<b>1,499,151</b>	<b>899,939</b>
<b>Total Expenditures</b>	<b>2,785,000</b>	<b>3,185,000</b>	<b>1,691,421</b>	<b>1,493,579</b>	<b>1,093,273</b>
Revenues Over (Under) Expenditures	(644,142)	(981,708)	514,115	1,495,823	1,150,395
<b>OTHER FINANCING SOURCES</b>					
Transfer from other funds	100,000	100,000	100,000	-	100,000
<b>Net Change in Fund Balance</b>	<b>(544,142)</b>	<b>(881,708)</b>	<b>614,115</b>	<b>1,495,823</b>	<b>1,250,395</b>
<b>FUND BALANCE, July 1</b>	<b>3,623,442</b>	<b>4,227,892</b>	<b>4,227,892</b>	<b>-</b>	<b>2,977,497</b>
<b>FUND BALANCE, June 30</b>	<b>\$ 3,079,300</b>	<b>\$ 3,346,184</b>	<b>\$ 4,842,007</b>	<b>\$ 1,495,823</b>	<b>\$ 4,227,892</b>

# DOUGLAS COUNTY SCHOOL DISTRICT

**PROPRIETARY FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
**JUNE 30, 2022**  
 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2021)

	<b>SELF- INSURANCE HEALTH FUND</b>	<b>WORKERS' COMP SELF INSURANCE FUND</b>	<b>TOTALS GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS</b>	
			<b>2022</b>	<b>2021</b>
<b>ASSETS</b>				
Current Assets:				
Cash and investments	\$ 1,710,605	\$ 1,623,540	\$ 3,334,145	\$ 4,097,927
Receivables	78,103	8,041	86,144	67,092
Due from other funds	444,072	22,112	466,184	453,468
Total Assets	2,232,780	1,653,693	3,886,473	4,618,487
 <b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable and accrued expenses	4,774	36,492	41,266	18,522
Unearned revenue	444,072	-	444,072	430,711
Pending claims	1,124,025	373,000	1,497,025	1,218,901
Total Current Liabilities	1,572,871	409,492	1,982,363	1,668,134
 <b>NET POSITION</b>				
Restricted	\$ 659,909	\$ 1,244,201	\$ 1,904,110	\$ 2,950,353

# DOUGLAS COUNTY SCHOOL DISTRICT

PROPRIETARY FUNDS  
COMBINING STATEMENT OF  
REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEAR ENDED JUNE 30, 2022  
*(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021)*

	SELF - INSURANCE HEALTH FUND	WORKERS' COMP SELF INSURANCE FUND	TOTALS	
			GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS	
			2022	2021
<b>OPERATING REVENUES</b>				
Insurance premiums	\$ 8,007,604	\$ 350,895	\$ 8,358,499	\$ 7,909,094
Insurance proceeds	1,979	5,810	7,789	657,098
Other	-	-	-	13,053
Total Operating Revenues	<u>8,009,583</u>	<u>356,705</u>	<u>8,366,288</u>	<u>8,579,245</u>
<b>OPERATING EXPENSES</b>				
Claims expense	9,067,362	247,644	9,315,006	8,558,938
Purchased services	994,998	105,383	1,100,381	1,100,822
Other	3,845	-	3,845	3,955
Total Operating Expenses	<u>10,066,205</u>	<u>353,027</u>	<u>10,419,232</u>	<u>9,663,715</u>
Operating Income (Loss)	(2,056,622)	3,678	(2,052,944)	(1,084,470)
<b>NONOPERATING REVENUES</b>				
Earnings on investments	<u>3,008</u>	<u>3,693</u>	<u>6,701</u>	<u>13,909</u>
Income (loss) before transfers	(2,053,614)	7,371	(2,046,243)	(1,070,561)
<b>TRANSFERS</b>				
Transfers in	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>	<u>-</u>
Change in Net Position	(1,053,614)	7,371	(1,046,243)	(1,070,561)
<b>NET POSITION, July 1</b>	<u>1,713,523</u>	<u>1,236,830</u>	<u>2,950,353</u>	<u>4,020,914</u>
<b>NET POSITION, June 30</b>	<u>\$ 659,909</u>	<u>\$ 1,244,201</u>	<u>\$ 1,904,110</u>	<u>\$ 2,950,353</u>

# DOUGLAS COUNTY SCHOOL DISTRICT

## PROPRIETARY FUNDS COMBINING STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2022

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021)

	SELF - INSURANCE HEALTH FUND	WORKERS' COMP SELF INSURANCE FUND	TOTALS	
			GOVERNMENTAL INTERNAL SERVICE FUNDS 2022	ACTIVITIES INTERNAL SERVICE FUNDS 2021
<b>CASH FROM OPERATING ACTIVITIES</b>				
Cash received from insurance premiums	\$ 7,996,383	\$ 343,709	\$ 8,340,092	\$ 8,454,708
Cash received from insurance and other	1,979	5,810	7,789	986,502
Cash paid for claims	(8,860,556)	(176,645)	(9,037,201)	(8,629,648)
Cash paid for services and supplies	(998,843)	(82,320)	(1,081,163)	(1,210,091)
Net cash provided (used) by operating activities	(1,861,037)	90,554	(1,770,483)	(398,529)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Transfer from other funds	1,000,000	-	1,000,000	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on investments	3,008	3,693	6,701	13,909
Net Increase (Decrease) in Cash and Investments	(858,029)	94,247	(763,782)	(384,620)
<b>CASH AND INVESTMENTS, July 1</b>	<u>2,568,634</u>	<u>1,529,293</u>	<u>4,097,927</u>	<u>4,482,547</u>
<b>CASH AND INVESTMENTS, June 30</b>	<u>\$ 1,710,605</u>	<u>\$ 1,623,540</u>	<u>\$ 3,334,145</u>	<u>\$ 4,097,927</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (2,056,622)	\$ 3,677	\$ (2,052,945)	\$ (1,084,470)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Change in assets and liabilities:				
Receivables	(11,221)	(7,831)	(19,052)	316,351
Premiums due from other funds	(13,361)	645	(12,716)	530,378
Accounts payable and accrued expenses	(318)	23,063	22,745	(105,314)
Unearned revenue	13,361	-	13,361	15,236
Pending claims	207,124	71,000	278,124	(70,710)
Total Adjustments	<u>195,585</u>	<u>86,877</u>	<u>282,462</u>	<u>685,941</u>
Net cash provided (used) by operating activities	<u>\$ (1,861,037)</u>	<u>\$ 90,554</u>	<u>\$ (1,770,483)</u>	<u>\$ (398,529)</u>

# DOUGLAS COUNTY SCHOOL DISTRICT

SELF-INSURANCE HEALTH FUND  
SCHEDULE OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2022  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)

	2022 BUDGET		2022		2021
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>OPERATING REVENUES</b>					
Insurance premiums	\$ 7,288,920	\$ 7,888,920	\$ 8,007,604	\$ 118,684	\$ 7,564,729
Insurance proceeds	-	-	1,979	1,979	657,098
Total Operating Revenues	7,288,920	7,888,920	8,009,583	120,663	8,221,827
<b>OPERATING EXPENSES</b>					
Claims expense	7,250,000	9,050,000	9,067,362	(17,362)	8,541,210
Purchased services	970,000	1,123,000	994,998	128,002	1,027,633
Other	31,030	31,030	3,845	27,185	3,955
Total Operating Expenses	8,251,030	10,204,030	10,066,205	137,825	9,572,798
Operating Income (Loss)	(962,110)	(2,315,110)	(2,056,622)	258,488	(1,350,971)
<b>NONOPERATING REVENUES</b>					
Earnings on investments	10,000	5,000	3,008	(1,992)	9,387
Income (Loss) Before Transfers	(952,110)	(2,310,110)	(2,053,614)	256,496	(1,341,584)
<b>TRANSFERS</b>					
Transfers in	-	1,000,000	1,000,000	-	-
Change in Net Position	(952,110)	(1,310,110)	(1,053,614)	256,496	(1,341,584)
<b>NET POSITION, July 1</b>	2,107,997	1,713,523	1,713,523	-	3,055,107
<b>NET POSITION, June 30</b>	\$ 1,155,887	\$ 403,413	\$ 659,909	\$ 256,496	\$ 1,713,523

# DOUGLAS COUNTY SCHOOL DISTRICT

SELF-INSURANCE HEALTH FUND  
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2022  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)

	2022 BUDGET		2022		2021
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from insurance premiums	\$ 7,288,920	\$ 7,888,920	\$ 7,996,383	\$ 107,463	\$ 8,080,722
Cash received from insurance and other	-	-	1,979	1,979	972,839
Cash paid for claims	(7,250,000)	(9,050,000)	(8,860,556)	189,444	(8,500,920)
Cash paid for services and supplies	(1,001,030)	(1,154,030)	(998,843)	155,187	(1,033,190)
Net cash provided (used) by operating activities	(962,110)	(2,315,110)	(1,861,037)	454,073	(480,549)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>					
Transfers from other funds	-	1,000,000	1,000,000	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on investments	10,000	5,000	3,008	(1,992)	9,387
Net Increase (Decrease) in Cash	(952,110)	(1,310,110)	(858,029)	452,081	(471,162)
<b>CASH AND INVESTMENTS, July 1</b>	<u>2,092,686</u>	<u>2,159,952</u>	<u>2,568,634</u>	<u>408,682</u>	<u>3,039,796</u>
<b>CASH AND INVESTMENTS, June 30</b>	<u>\$ 1,140,576</u>	<u>\$ 849,842</u>	<u>\$ 1,710,605</u>	<u>\$ 860,763</u>	<u>\$ 2,568,634</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ -	\$ (2,315,110)	\$ (2,056,622)	\$ 258,488	\$ (1,350,971)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Change in assets and liabilities:					
Receivables	-	-	(11,221)	(11,221)	315,741
Premiums due from other funds	-	-	(13,361)	(13,361)	500,757
Accounts payable and accrued exp.	-	-	(318)	(318)	(1,602)
Unearned revenues	-	-	13,361	13,361	15,236
Pending claims	-	-	207,124	207,124	40,290
Total Adjustments	-	-	195,585	195,585	870,422
Net cash provided (used) by operating activities	<u>\$ -</u>	<u>\$ (2,315,110)</u>	<u>\$ (1,861,037)</u>	<u>\$ 454,073</u>	<u>\$ (480,549)</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, 2022  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)

	2022 BUDGET		2022		2021
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>OPERATING REVENUES</b>					
Insurance premiums	\$ 335,000	\$ 335,000	\$ 350,895	\$ 15,895	\$ 344,365
Other	10,000	10,000	5,810	(4,190)	13,053
Total Operating Revenues	345,000	345,000	356,705	11,705	357,418
<b>OPERATING EXPENSES</b>					
Claims expense	-	-	247,644	(247,644)	17,728
Purchased services	393,397	393,397	105,383	288,014	73,189
Total Operating Expenses	393,397	393,397	353,027	40,370	90,917
Operating Income (Loss)	(48,397)	(48,397)	3,678	52,075	266,501
<b>NONOPERATING REVENUES</b>					
Earnings on investments	5,000	5,000	3,693	(1,307)	4,522
Change in Net Position	(43,397)	(43,397)	7,371	50,768	271,023
<b>NET POSITION, July 1</b>	927,410	1,236,830	1,236,830	-	965,807
<b>NET POSITION, June 30</b>	\$ 884,013	\$ 1,193,433	\$ 1,244,201	\$ 50,768	\$ 1,236,830

# DOUGLAS COUNTY SCHOOL DISTRICT

## WORKERS' COMPENSATION SELF-INSURANCE FUND SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2022

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)

	2022 BUDGET		2022		2021
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from insurance premiums	\$ 335,000	\$ 335,000	\$ 343,709	\$ 8,709	\$ 373,986
Cash received from other sources	10,000	10,000	5,810	(4,190)	13,663
Cash paid for claims	-	-	(176,645)	(176,645)	(128,728)
Cash paid for services and supplies	(393,397)	(393,397)	(82,320)	311,077	(176,901)
Net cash provided (used) by operating activities	(48,397)	(48,397)	90,554	138,951	82,020
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on investments	5,000	5,000	3,693	(1,307)	4,522
Net Increase (Decrease) in Cash	(43,397)	(43,397)	94,247	137,644	86,542
<b>CASH AND INVESTMENTS, July 1</b>	<u>1,404,354</u>	<u>1,360,957</u>	<u>1,529,293</u>	<u>168,336</u>	<u>1,442,751</u>
<b>CASH AND INVESTMENTS, June 30</b>	<u>\$ 1,360,957</u>	<u>\$ 1,317,560</u>	<u>\$ 1,623,540</u>	<u>\$ 305,980</u>	<u>\$ 1,529,293</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ (48,397)	\$ (48,397)	\$ 3,678	\$ 52,075	\$ 266,501
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Change in assets and liabilities:					
Receivables	-	-	(7,831)	(7,831)	1,646
Premiums due from other funds	-	-	645	645	(30,085)
Accounts payable and accrued exp.	-	-	23,063	23,063	114,073
Pending claims	-	-	71,000	71,000	(31,000)
Total Adjustments	-	-	86,877	86,877	54,634
Net cash provided (used) by operating activities	<u>\$ (48,397)</u>	<u>\$ (48,397)</u>	<u>\$ 90,555</u>	<u>\$ 138,952</u>	<u>\$ 321,135</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 and each major fund of the Douglas County School District (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 30, 2022.

**Report on 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) as a basis for designing 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.

## Report on Compliance and Other Matters

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

## Purpose of this Report

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

*Silva, Scerifone & Assoc, LLC*

Reno, Nevada

November 30, 2022





**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**

**Opinion on Each Major Federal Program**

We have audited the Douglas County School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

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, 2022.

**Basis for Opinion on Each Major Federal Program**

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

**Responsibilities of Management for Compliance**

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

## Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

## Report on Internal Control Over Compliance

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



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

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, Scirone & Assoc, LLC*

Reno, Nevada

November 30, 2022



# DOUGLAS COUNTY SCHOOL DISTRICT

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2022

(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, IDEA Local Plan	84.027	22-639-03000	\$ 1,265,552
IDEA - District Improvement Grant	84.027	22-641-03000	20,758
IDEA - Preschool	84.173	22-665-03000	62,239
Total Special Education Cluster			<u>1,348,549</u>
Title I, Part A - Grants to Local Educational Agencies	84.010	22-633-03000	<u>586,445</u>
Title I, Part D - Neglected and Delinquent Children	84.013	22-650-03000	<u>19,706</u>
Career and Technical Education (Perkins IV)	84.048	22-631-03000	75,427
Corrections (Perkins)	84.048	22-635-03000	292
			<u>75,719</u>
McKinney-Vento Homeless Assistance	84.196A	22-688-03000	<u>28,328</u>
Title III, Part A - English Language Acquisition	84.365A	22-658-03000	<u>25,509</u>
Title II, Part A - Teacher/Principal Training & Recruiting	84.367	22-709-03000	<u>127,407</u>
Title IV-A - Student Support and Academic Achievement	84.424A	22-715-03000	<u>41,738</u>
Governor's Emergency Education Relief Fund (GEER)	84.425C	21-749-03000	20,634
Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425	21-741-03000	1,163,037
Elementary and Secondary School Emergency Relief Fund (ESSER III)	84.425U	21-742-03000	745,860
			<u>1,929,531</u>
<b>Total U.S. Department of Education</b>			<u><b>4,182,932</b></u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<i>Passed through State of Nevada Health and Human Services / Division of Public and Behavioral Health</i>			
Reopening Schools Grant	93.323	N/A	<u>618,015</u>
<b>Total U.S. Department of Health and Human Services</b>			<u><b>618,015</b></u>

Continued on next page.

See accompanying notes.



# DOUGLAS COUNTY SCHOOL DISTRICT

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2022

(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 AGRICULTURE</b>			
<i>Passed through the State of Nevada Department of Agriculture:</i>			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	\$ 574,744
National School Lunch Program	10.555	N/A	1,980,409
National School Lunch Program - Commodities	10.555	N/A	177,468
Total Child Nutrition Cluster			<u>2,732,621</u>
Supply Chain Assistance Funds	unk	N/A	97,403
NSLP Emergency Operating Assistance	unk	N/A	82,778
<b>Total U.S. Department of Agriculture</b>			<u>2,912,802</u>
<b>FEDERAL COMMUNICATIONS COMMISSION</b>			
<i>Direct Program:</i>			
Emergency Connectivity Fund (ECF) Program	32.009	N/A	985,185
<b>Total Federal Communications Commission</b>			<u>985,185</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 8,698,934</u></u>

See accompanying notes.

# DOUGLAS COUNTY SCHOOL DISTRICT

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## NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS JUNE 30, 2022

### 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, 2022. 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, 2022.

### NOTE 3 – INDIRECT COST RATE

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

# DOUGLAS COUNTY SCHOOL DISTRICT

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2022

### 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 were:

<u>Name of Federal Program/Cluster</u>	<u>CFDA</u>	<u>Expenditures</u>
Child Nutrition Cluster	10.553/10.555	\$ 2,732,621
Education Stabilization Fund Programs	84.425C/84.425U	1,929,531
Emergency Connectivity Fund (ECF)	32.009	985,185

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, 2022**

### **CURRENT YEAR STATUTE COMPLIANCE**

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

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

There was one potential statute or regulation violation noted in the 2021 audit. This potential violation was due to an overexpenditure.

### **CURRENT YEAR AUDIT RECOMMENDATIONS**

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

### **STATUS OF PRIOR YEAR AUDIT RECOMMENDATIONS**

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