

LYON COUNTY SCHOOL DISTRICT

***FINANCIAL STATEMENTS &
SUPPLEMENTARY INFORMATION***

**Fiscal Year Ended
June 30, 2022**



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

LYON COUNTY SCHOOL DISTRICT

TABLE OF CONTENTS JUNE 30, 2022

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS	
District-Wide Financial Statements	
Statement of Net Position	15
Statement of Activities	16
Fund Financial Statements	
Balance Sheet – Governmental Funds	17
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	19
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	20
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities	22
Statements of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
General Fund	23
Special Education Fund	28
Statement of Net Position – Proprietary Funds	30
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	31
Statement of Cash Flows – Proprietary Funds	32
Statement of Fiduciary Net Position - Fiduciary Funds	33
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	34
Notes to the Financial Statements	35
REQUIRED SUPPLEMENTAL INFORMATION	
Schedule of Changes in Net Other Postemployment Benefits Liability	67
Schedule of the District's Proportionate Share of the Net Pension Liability	69
Schedule of District's Contributions to Nevada PERS	70

Continued on next page.

LYON COUNTY SCHOOL DISTRICT

TABLE OF CONTENTS JUNE 30, 2022

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Major Governmental Funds

Schedule of Revenues, Expenditures and Changes in Fund Balances –

Budget and Actual:

Debt Service Fund	71
Bond Projects Fund	72

Nonmajor Governmental Funds

Combining Balance Sheet	74
-------------------------	----

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	77
---	----

Schedules of Revenues, Expenditures, and Changes in Fund Balances –

Budget and Actual:

Federal Grants Fund	80
Insurance Loss Fund	83
Federal School Lunch Fund	84
Adult Diploma Fund	85
Class Size Reduction Fund	86
Private Donations and Grants Fund	87
State Grants Fund	88
Medicaid Fund	90
Student Accounts	91
Capital Projects Fund	92
Building and Sites Fund	93
Residential Construction Tax Fund	94

Proprietary Funds – Internal Service Funds

Combining Statement of Net Position	95
-------------------------------------	----

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	96
---	----

Combining Statement of Cash Flows	97
-----------------------------------	----

Workers' Compensation Insurance Fund

Schedule of Revenues, Expenses, and Changes in Fund Net Position –

Budget and Actual	98
-------------------	----

Schedule of Cash Flows – Budget and Actual	99
--	----

Continued on next page.

LYON COUNTY SCHOOL DISTRICT

TABLE OF CONTENTS

JUNE 30, 2022

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (*Cont'd.*)

Proprietary Funds – Internal Service Funds (*Cont'd.*)

Unemployment Insurance Fund

Schedule of Revenues, Expenses, and Changes in Fund Net Position – Budget and Actual	100
Schedule of Cash Flows – Budget and Actual	101

Group Insurance Fund

Schedule of Revenues, Expenses, and Changes in Fund Net Position – Budget and Actual	102
Schedule of Cash Flows – Budget and Actual	103

COMPLIANCE SECTION

Report on Internal Control over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	104
Schedule of Finding	106
District's Response to Finding	108
Summary Schedule of Prior Audit Finding	109
Independent Auditors' Comments	110



INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Lyon County School District
Yerington, 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 Lyon County School District, Yerington, 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 Lyon 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.

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 January 23, 2022 which expressed a qualified opinion on the financial statements of the governmental activities; an unmodified opinion for each major fund, and a qualified opinion on the aggregate remaining fund information. 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 January 23, 2023, 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, Scivine & Assoc, LLC

Reno, Nevada
January 23, 2023



LYON COUNTY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

This section of the Lyon County School District's annual financial report presents a discussion and analysis of the District's financial performance for the fiscal year ended June 30, 2022. We encourage readers to read it in conjunction with the financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- The District's net position increased by \$19.8 million for FY22, which followed an increase of \$6.1 million in FY21 and \$2.5 million in FY20.
- The District's governmental funds increased by \$41.2 million, due primarily to unspent bond proceeds of \$40.6 million as of June 30, 2022. Proceeds from bonds issued in FY22 were \$41.7 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Lyon County School District's basic financial statements. The basic financial statements are comprised of the district-wide (sometimes referred to as "government-wide") financial statements, fund financial statements and schedules, and notes to the financial statements.

District-Wide Financial Statements

The *district-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the District's assets and liabilities, 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 most recent fiscal 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 related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

In many government entities, the government-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. Because the District has no functions in this category, the entire statement represents governmental activities.

LYON COUNTY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

Fund Financial Statements

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 District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements described above. However, unlike the district-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. To provide a better understanding of the relationship between the fund statements and district-wide statements, both the governmental fund balance sheet and governmental fund statement of revenues, expenditures and changes in fund balances provide reconciliations between the two statement types.

The focus of the governmental fund statements is on major funds. The District has fifteen individual governmental funds of which the General, Special Education, Debt Service and Bond Projects funds are considered major. These funds are disclosed separately in the fund balance sheet and fund statement of revenues, expenditures and changes in fund balances. The remaining eleven funds are reported in combining statements in the supplementary information section of this report.

The District adopts an annual budget for all its governmental funds. Budgetary comparison statements for the General and Special Education funds have been included in the basic financial statements to demonstrate compliance with the adopted budgets.

Proprietary Funds – Proprietary funds are comprised of enterprise funds and internal service funds. As reported previously, the District has no business-type activities to be accounted for in enterprise funds. Internal service funds are used to accumulate and allocate costs internally among the District's various programs and functions. The District uses three internal service funds to account for the residual costs of self-insuring employees' health care; industrial injuries; and unemployment benefits. Because these services benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide statements.

The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the combining statements in the supplementary information section of this report.

LYON COUNTY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

Fiduciary Funds – Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others and are not reflected in the district-wide financial statements. The District's two fiduciary funds are the Student Scholarship Fund, a private-purpose trust fund, and the Student Activity Accounts, an agency fund. Effective July 1, 2021, the District implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, as it relates to its student activity funds (aka Student Accounts Fund).

Notes to Financial Statements

The notes provide additional information that is necessary for a full understanding of the data provided in the district-wide and fund financial statements.

Supplementary Information

Supplementary information includes *required supplementary information* pertaining to the District's participation in Nevada PERS and information related to postemployment benefits (OPEB). In addition, the District provides combining and individual fund statements and schedules, and budget to actual comparisons, which comprise its supplementary information which is other than required.

DISTRICT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position (deficit) may serve over time as one useful indicator of a government's financial condition. The net position (deficit) includes the District's investment in capital assets less related outstanding debt that was issued to acquire the capital assets. As the District uses these capital assets to provide services to students, they are not available for future spending. As of June 30, 2022, the District's net investment in capital assets was \$78 million. Total net position includes \$10.4 million restricted for servicing long-term debt; \$4.3 million restricted for capital projects that will not be paid through the use of the bond proceeds in the Bond Projects Fund, and \$3.6 million for employee benefit (insurance) programs.

Following is a summary of the District's net position (deficit) as of June 30, 2022 and 2021:

LYON COUNTY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

DISTRICT'S NET POSITION (DEFICIT)				
	2022	2021	Change	
			\$	%
	<i>(In Millions)</i>			
Assets				
Current and other assets	\$ 90.0	\$ 45.0	\$ 45.0	100.0%
Net capital assets	125.8	121.6	4.2	3.5%
Total Assets	215.8	166.6	49.2	29.5%
Deferred Outflows	49.5	27.5	22.0	80.0%
Liabilities				
Current liabilities	19.9	16.3	3.6	22.1%
Long-term liabilities	170.5	177.5	(7.0)	-3.9%
Total Liabilities	190.4	193.8	(3.4)	-1.8%
Deferred Inflows	61.4	7.4	54.0	729.7%
Net Position (Deficit)				
Net investment in capital assets	78.0	72.5	5.5	7.6%
Restricted	18.4	16.8	1.6	9.5%
Unrestricted	(82.9)	(96.4)	13.5	14.0%
Total Net Position (Deficit)	\$ 13.5	\$ (7.1)	20.6	290.1%

Users of this financial statement may gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB and the net pension and OPEB liabilities to the reported net position and subtracting deferred outflows related to pension and OPEB. The resulting net position would be \$112.6 million.

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

GASB noted that the unfunded portion of the pension and OPEB benefit promise is a present obligation of the government – part of a bargained-for-benefit to the employee, and should accordingly be reported by

LYON COUNTY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

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. 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 payments upon employees' termination from service. There is no repayment schedule for the pension and OPEB liabilities. Changes in pension and OPEB, contribution rates, and return on investments affect the balance of the pension and OPEB liability, but are outside the control of the participating 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 government-wide statements prepared on the 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.

For the eighth consecutive year, revenues increased – this year by over \$16.5 million, or 14.5%. This increase was lead primarily by a nearly 60% increase in grant funding. Importantly, significant portions of grant funding are not a guaranteed source.

To further understand what makes up the changes in net position for the current and previous years, the following table provides details of the District's activities.

LYON COUNTY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

DISTRICT'S CHANGES IN NET POSITION		
	Governmental Activities	
	2022	2021
	<i>(In Millions)</i>	
Revenues		
Program Revenues:		
Charges for services	\$ -	\$ -
Grants and contributions	36.6	22.7
General Revenues:		
Property taxes	10.0	21.5
Local school support taxes	-	13.6
Government service taxes	1.1	3.6
Unrestricted State aid	80.3	50.8
Other revenues	2.1	1.4
Total Revenues	130.1	113.6
Expenses		
Instructional services	55.5	56.5
Support services	44.4	40.1
Food service and other	4.1	3.8
Facilities acquisitions and construction	4.0	5.2
Interest on long-term debt	2.3	1.9
Total Expenses	110.3	107.5
Change in Net Position *	\$ 19.8	\$ 6.1

* Before prior-period adjustment for GASB 84 implementation.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The governmental funds (General Fund, special revenue funds, the Debt Service Fund, and the capital projects funds) reported a June 30, 2022 fund balance of \$74.2 million, an increase of \$42 million from the June 30, 2021 fund balance of \$32.2 million. This increase is primarily attributable to unspent bond proceeds of \$40.6 million at June 30, 2022, compared to \$6.7 million in the prior year. However, significant gains were seen in other governmental funds. The General Fund increased by \$4.0 million, compared to the prior year increase of \$2.0 million. The governmental fund balance includes \$10.4 million which is considered restricted for debt service and \$4.3 million restricted for capital projects. In addition, \$295 thousand in inventories are deemed to be the nonspendable component of fund balance. The remaining governmental fund balance is either assigned (\$3.1 million) or unassigned (\$15.1 million).

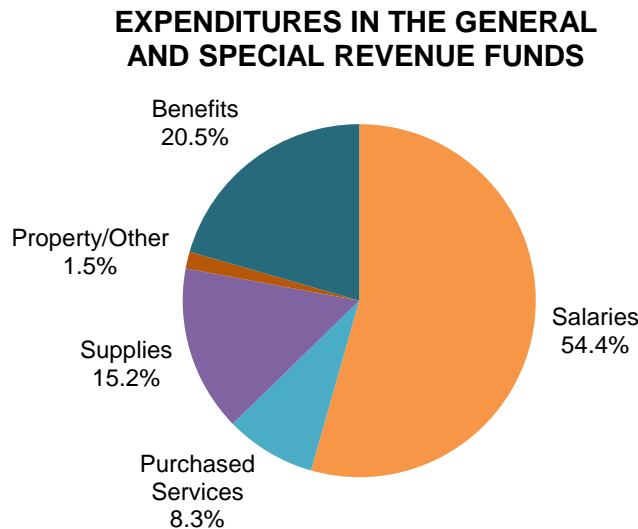
LYON COUNTY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

The General Fund and the nine special revenue funds account for Lyon County School District's current operating revenues and expenditures. They include all governmental funds (except debt service and capital projects funds.)

Education is labor intensive as evidenced by the following graphic of expenditures by object group. Salaries and benefits for the General Fund and the special revenue funds approximated 75% of the funds' total expenditures for the fiscal year ended June 30, 2022, compared to 80% for FY 21. The chart below shows the composition of expenditures in the General Fund and the special revenue funds for FY21:



The Debt Service Fund's balance of \$10.4 million as of June 30, 2022 is approximately 107% of the debt service requirement for the FY ending June 30, 2023, compared to 104% last year. The fund's balance of \$10.4 million in addition to the budgeted revenues for FY23 are sufficient to cover the FY23 debt service requirement (principal and interest payments) of \$9.6 million.

The District has four capital projects funds, including the Bond Projects Fund, a major fund, which is used to account for proceeds of bond sales; related interest earnings and capital expenditures. During the year, \$5.5 million was spent from this fund in accordance with the District's Capital Improvement Plan. As previously mentioned, the June 30, 2022 fund balance of \$40 million is restricted for future capital expenditures.

The other three capital projects funds are used to accumulate resources, primarily Governmental Services Tax and the Residential Construction Tax for major capital acquisitions and improvements not part of the capital budgets related to bond issues.

LYON COUNTY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

The capital projects funds' (exclusive of the Bond Projects Fund) had expenditures of \$2.8 million during the year, leaving a combined fund balance of \$4.3 million as of June 30, 2022, compared to \$5.1 million at the end of the previous year.

BUDGETARY HIGHLIGHTS

School districts in Nevada are funded in large part by state support derived from student enrollment at the end of the first school month. (However, see *Economic Factors and Next Year's Budget* for changes.) State statutes allow all school districts to amend their budgets throughout the year. Lyon County School District takes this opportunity to incorporate various adjustments into its budget, such as revising the fund balance carryover. The Business and Finance Office is authorized to transfer appropriations between accounts and funds, subject to subsequent approval by the Board of Trustees.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

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

Capital Assets (Net of Depreciation)		
	2022	2021
	(In Millions)	
Land	\$ 8.8	\$ 8.8
Construction in progress	3.5	7.9
Buildings and improvements	93.7	84.9
Infrastructure	11.1	11.6
Equipment and vehicles	8.7	8.4
	<u>\$ 125.8</u>	<u>\$ 121.6</u>

Long-term Debt

As of June 30, 2022, the District had \$79.4 million of general obligation bonded debt outstanding, plus \$10 million in unamortized bond premiums which are being amortized over the lives of the applicable bond issues.

Currently, the District has authorization from the Lyon County Debt Management Commission to issue general obligation bonds. The District reserves the right to issue additional bonds at any time legal requirements are met. As of June 30, 2022, the District had \$283.3 million of statutory debt limit available. However, other factors such as overlapping tax rates, available revenues, market conditions and project specifications could reduce the availability.

LYON COUNTY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

In addition to the District's general obligation bonded debt, the District's other debt includes \$1.8 million for compensated absences; \$66.8 million in net pension liability, and \$19.5 million for other postemployment benefits (OPEB).

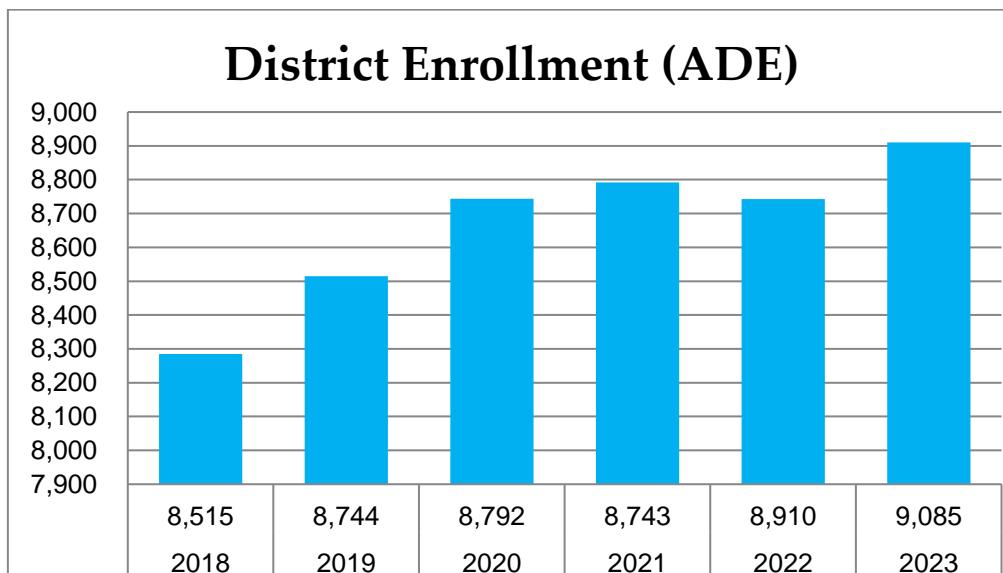
ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Enrollment and Funding

The State implemented the Pupil-Centered Funding Plan (PCFP), effective July 1, 2021. The PCFP combines money raised pursuant to state law at the local level with state money to provide a certain basic level of support to each pupil in the State. Adjustments to this basic level of support are made in consideration of the variances in local costs and for pupils with additional educational needs, so as to ensure that each Nevada school district provides a reasonably equal education opportunity to its pupils.

One of the factors determining the amount of PCFP funding received is the weighted student enrollment within the District. The State's funding model utilizes a quarterly average daily enrollment (ADE) number multiplied by the districts' per-pupil support amount to determine the districts' adjusted base payments.

The following chart presents the District's pupil enrollment (ADE) for 2018 through 2023:



In previous years, the "hold harmless" provisions of the DSA formula protected districts during times of declining enrollment, by providing that the guaranteed level of funding was based on the higher of the current or the previous year's enrollment (unless the decline in enrollment was more than 5%, in which case the funding was based on the higher of the current or the previous two year's enrollment). Now, Districts will only qualify for "hold-harmless" status if their enrollment decreased by more than 5%, and it will only then look to the previous year's ADE. We do not anticipate that the District will qualify for "hold-harmless" status.

LYON COUNTY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Lyon County School District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business and Finance Office, 25 East Goldfield Avenue, Yerington, Nevada, 89447.

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LYON COUNTY SCHOOL DISTRICT

STATEMENT OF NET POSITION JUNE 30, 2022

	Governmental Activities
ASSETS	
Cash and investments	\$ 72,319,836
Receivables	16,815,436
Inventories	294,495
Restricted cash	573,000
Capital assets not being depreciated	12,357,217
Capital assets, net of accumulated depreciation	113,405,863
Total Assets	215,765,847
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	975,807
Deferred outflows related to pensions and OPEB	48,567,139
	49,542,946
Total Assets and Deferred Outflows of Resources	265,308,793
LIABILITIES	
Accounts and claims payable	5,978,033
Accrued liabilities	5,943,750
Incurred but unreported claims	862,000
Unearned revenues	259,238
Noncurrent liabilities:	
Due within one year	6,882,272
Due in more than one year	84,252,175
Obligation for other postemployment benefits	19,461,211
Net pension liability	66,766,497
Total Liabilities	190,405,176
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions and OPEB	61,386,210
Total Liabilities and Deferred Inflows of Resources	251,791,386
NET POSITION	
Net investment in capital assets	77,992,776
Restricted for:	
Debt service	10,392,351
Employee benefit programs	3,635,584
Capital projects	4,341,111
Unrestricted	(82,844,415)
Total Net Position	\$ 13,517,407

See accompanying notes.

LYON COUNTY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2022

PROGRAMS / FUNCTIONS	EXPENSES	PROGRAM REVENUES		REVENUE AND CHANGES IN NET POSITION	
		CHARGES FOR SERVICES	GRANTS AND CONTRIBUTIONS		
		OPERATING	CAPITAL		
Instruction	\$ (55,501,701)	\$ -	\$ 16,519,603	\$ -	\$ (38,982,098)
Support Services	(44,436,794)	-	13,226,228	833,398	(30,377,168)
Facilities Acquisition and Construction	(3,940,091)	-	-	-	(3,940,091)
Food Service and Community Services	(4,077,163)	22,392	5,992,426	-	1,937,655
Interest and other costs of long-term debt	(2,316,543)	-	-	-	(2,316,543)
	<u>\$ (110,272,292)</u>	<u>\$ 22,392</u>	<u>\$ 35,738,257</u>	<u>\$ 833,398</u>	<u>(73,678,245)</u>
General Revenues:					
	Property taxes				10,044,786
	Pupil-Centered Funding Plan				80,271,823
	Residential Construction taxes				996,235
	Governmental services taxes				1,080,480
	Earnings (loss) on investments				(220,310)
	Other local sources				1,335,835
	Total General Revenues				<u>93,508,849</u>
	Change in Net Position				<u>19,830,604</u>
NET POSITION (DEFICIT), July 1, 2021, as originally stated					
	Prior period adjustment				<u>833,101</u>
NET POSITION (DEFICIT), July 1, 2021, as restated					
					<u>(6,313,197)</u>
NET POSITION, June 30, 2022					
					<u>\$ 13,517,407</u>

See accompanying notes.

LYON COUNTY SCHOOL DISTRICT

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2022

(WITH COMPARATIVE ACTUAL AMOUNTS AS OF JUNE 30, 2021)

Page 1 of 2

	GENERAL FUND	SPECIAL EDUCATION FUND	DEBT SERVICE FUND	BOND PROJECTS FUND
ASSETS				
Cash and investments	\$ 6,386,225	\$ 1,245,681	\$ 10,451,747	\$ 40,623,447
Receivables	6,715,708	682,413	25,571	455
Due from other funds	8,217,239	-	-	-
Inventories	269,141	-	-	-
Total Assets	<u>\$ 21,588,313</u>	<u>\$ 1,928,094</u>	<u>\$ 10,477,318</u>	<u>\$ 40,623,902</u>
LIABILITIES				
Accounts payable	\$ 2,624,866	\$ 551	\$ -	\$ 635,510
Accrued payroll	4,316,852	1,210,505	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	84,967	-
Total Liabilities	<u>6,941,718</u>	<u>1,211,056</u>	<u>84,967</u>	<u>635,510</u>
FUND BALANCES				
Nonspendable	269,141	-	-	-
Restricted	-	-	10,392,351	39,988,392
Assigned	-	717,038	-	-
Unassigned	14,377,454	-	-	-
Total Fund Balances	<u>14,646,595</u>	<u>717,038</u>	<u>10,392,351</u>	<u>39,988,392</u>
Total Liabilities and Fund Balances	<u>\$ 21,588,313</u>	<u>\$ 1,928,094</u>	<u>\$ 10,477,318</u>	<u>\$ 40,623,902</u>

See accompanying notes.

LYON COUNTY SCHOOL DISTRICT

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2022

(WITH COMPARATIVE ACTUAL AMOUNTS AS OF JUNE 30, 2021)

Page 2 of 2

	OTHER GOVERNMENTAL FUNDS	TOTALS 2022	2021
ASSETS			
Cash and investments	\$ 9,645,947	\$ 68,353,047	\$ 30,756,219
Receivables	9,380,003	16,804,150	9,730,903
Due from other funds	-	8,217,239	5,000,330
Inventories	25,354	294,495	244,614
Total Assets	<u>\$ 19,051,304</u>	<u>\$ 93,668,931</u>	<u>\$ 45,732,066</u>
LIABILITIES			
Accounts payable	\$ 1,765,856	\$ 5,026,783	\$ 3,254,944
Accrued payroll	416,393	5,943,750	5,018,998
Due to other funds	8,217,239	8,217,239	5,000,330
Unearned revenue	174,331	259,298	258,831
Total Liabilities	<u>10,573,819</u>	<u>19,447,070</u>	<u>13,533,103</u>
FUND BALANCES			
Nonspendable	25,354	294,495	244,614
Restricted	5,338,763	55,719,506	20,232,009
Assigned	3,113,368	3,830,406	8,240,126
Unassigned	-	14,377,454	3,482,214
Total Fund Balances	<u>8,477,485</u>	<u>74,221,861</u>	<u>32,198,963</u>
Total Liabilities and Fund Balances	<u>\$ 19,051,304</u>	<u>\$ 93,668,931</u>	<u>\$ 45,732,066</u>

See accompanying notes.

LYON COUNTY SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2022

Total Fund Balance - Governmental Funds	\$ 74,221,861
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental funds are not current financial resources and therefore not reported as governmental fund assets.	125,763,080
General obligation bonds are not reported as fund liabilities since they will not be paid with current resources.	(79,360,000)
Premiums related to long-term debt are not capitalized and amortized in the fund statements since they do not represent available resources.	(10,009,558)
Unamortized amounts on refundings are not recognized in the funds.	975,807
The liability for interest on general obligation bonds is reported in the fund statements when due and as accrued in the Statement of Activities.	(897,759)
The liabilities for estimated future payments of benefits to be provided to current and future retirees and the liability for compensated absences are not due and payable in the current period; therefore, the liabilities and related deferred amounts are not reported in the funds.	(14,564,937)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred amounts are not reported in the funds.	(86,246,671)
Internal service funds are used to account for various employee benefit programs. The assets and liabilities of the internal service funds are included with governmental activities.	<u>3,635,584</u>
Total Net Position - Governmental Activities	<u><u>\$ 13,517,407</u></u>

See accompanying notes.

LYON COUNTY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2022

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

Page 1 of 2

	GENERAL FUND	SPECIAL EDUCATION FUND	DEBT SERVICE FUND	BOND PROJECTS FUND
REVENUES				
Local sources	\$ (188,070)	\$ -	\$ 10,068,232	\$ 6,732
State sources	80,271,823	12,655,661	-	-
Federal sources	943,132	-	-	-
Total Revenues	<u>81,026,885</u>	<u>12,655,661</u>	<u>10,068,232</u>	<u>6,732</u>
EXPENDITURES				
Regular programs	36,154,579	-	-	-
Special programs	307,302	9,470,383	-	-
Vocational programs	1,714,768	-	-	-
Adult instruction	2,913	-	-	-
Other instructional programs	671,974	-	-	-
Extra-curricular activities	1,298,799	-	-	-
Support services:				
Student support	3,207,119	2,909,832	-	-
Instructional staff support	1,708,899	-	-	-
General administration	2,188,913	264,743	-	211,130
School administration	8,053,619	-	-	-
Central services	6,534,331	-	-	-
Operations and maintenance	9,952,007	2,505	-	-
Student transportation	4,005,594	702,270	-	-
Noninstructional services:				
Food service	-	-	-	-
Community service	-	-	-	-
Facilities acquisition and construction	-	-	-	5,503,780
Debt service:				
Principal	-	-	5,880,000	2,730,000
Interest	-	-	2,229,345	-
Other	-	-	2,350	-
Total Expenditures	<u>75,800,817</u>	<u>13,349,733</u>	<u>8,111,695</u>	<u>8,444,910</u>
Revenues Over (Under) Expenditures	<u>5,226,068</u>	<u>(694,072)</u>	<u>1,956,537</u>	<u>(8,438,178)</u>
OTHER FINANCING SOURCES (USES)				
Sales of capital assets	38,405	-	-	-
Proceeds from refunding bonds	-	-	-	-
Proceeds from bond sales	-	-	-	37,365,000
Bond premium	-	-	-	4,362,247
Payments to refunded bond escrow agent	-	-	-	-
Transfers (to) from other funds	(1,290,865)	1,400,000	-	-
Total Other Financing Sources (Uses)	<u>(1,252,460)</u>	<u>1,400,000</u>	<u>-</u>	<u>41,727,247</u>
Net Change in Fund Balances	<u>3,973,608</u>	<u>705,928</u>	<u>1,956,537</u>	<u>33,289,069</u>
FUND BALANCES, July 1, as originally stated	10,672,987	11,110	8,435,814	6,699,323
Prior period adjustment	-	-	-	-
FUND BALANCES, July 1, as restated	<u>10,672,987</u>	<u>11,110</u>	<u>8,435,814</u>	<u>6,699,323</u>
FUND BALANCES, June 30	<u>\$ 14,646,595</u>	<u>\$ 717,038</u>	<u>\$ 10,392,351</u>	<u>\$ 39,988,392</u>

See accompanying notes.

LYON COUNTY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2022

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

Page 2 of 2

	OTHER GOVERNMENTAL FUNDS	TOTALS	
		2022	2021
REVENUES			
Local sources	\$ 3,334,687	\$ 13,221,581	\$ 44,021,385
State sources	2,689,279	95,616,763	57,795,124
Federal sources	20,283,583	21,226,715	11,766,620
Total Revenues	26,307,549	130,065,059	113,583,129
EXPENDITURES			
Regular programs	6,345,736	42,500,315	37,795,017
Special programs	2,101,230	11,878,915	11,421,973
Vocational programs	417,843	2,132,611	1,920,412
Adult instruction	329,728	332,641	259,231
Other instructional programs	838,163	1,510,137	2,680,326
Extra-curricular activities	1,073,302	2,372,101	1,067,523
Support services:			
Student support	3,652,174	9,769,125	8,947,165
Instructional staff support	1,138,137	2,847,036	2,132,104
General administration	446,925	3,111,711	2,478,530
School administration	245,568	8,299,187	7,896,042
Central services	410,190	6,944,521	6,073,454
Operations and maintenance	643,896	10,598,408	8,639,091
Student transportation	272,000	4,979,864	4,820,622
Noninstructional services:			
Food service	4,105,529	4,105,529	3,656,438
Community service	73,104	73,104	59,713
Facilities acquisition and construction	2,840,234	8,344,014	8,057,487
Debt service:			
Principal	-	8,610,000	5,065,000
Interest	-	2,229,345	2,026,265
Other	-	2,350	196,758
Total Expenditures	24,933,759	130,640,914	115,193,151
Revenues Over (Under) Expenditures	1,373,790	(575,855)	(1,610,022)
OTHER FINANCING SOURCES (USES)			
Sales of capital assets		38,405	5,330
Proceeds from refunding bonds	-	-	14,925,000
Proceeds from bond sales	-	37,365,000	-
Bond premium	-	4,362,247	2,643,487
Payments to refunded bond escrow agent	-	-	(18,503,000)
Transfers (to) from other funds	(109,135)	-	-
Total Other Financing Sources (Uses)	(109,135)	41,765,652	(929,183)
Net Change in Fund Balances	1,264,655	41,189,797	(2,539,205)
FUND BALANCES, July 1, as originally stated	6,379,729	32,198,963	34,378,168
Prior period adjustment	833,101	833,101	-
FUND BALANCES, July 1, as restated	7,212,830	33,032,064	34,738,168
FUND BALANCES, June 30	\$ 8,477,485	\$ 74,221,861	\$ 32,198,963

See accompanying notes.

LYON COUNTY SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2022

Net Change in Fund Balances - Governmental Funds \$ 41,189,797

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are reported in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expense in the Statement of Activities. 4,190,603

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (604,512)

Issuance of new debt is a resource in the governmental funds, but increases long-term liabilities in the Statement of Net Position. (37,365,000)

Bond premiums realized when debt is incurred are recognized in the funds; however, they are deferred in the district-wide statements and recognized over the term of the associated debt. (3,635,985)

Change in pension expense related to deferred items. 9,312,227

Any gain or loss on certain advance refundings of long-term debt are recognized currently in the fund statements. The gain or loss is deferred in the Statement of Net Position and amortized as interest expense over the life of the debt in the Statement of Activities. (206,597)

Repayment of bond 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. 8,610,000

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. (81,421)

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. (1,924,163)

Internal service funds are used by the District to charge the costs of employee benefit programs to the individual funds. The net income (loss) of the internal service funds are reported with governmental activities. 345,655

Change in Net Position \$ 19,830,604

See accompanying notes.

LYON 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
REVENUES					
Local Sources:					
Property taxes	\$ 11,376,036	\$ -	\$ -	\$ -	\$ 12,088,291
Sales taxes	12,854,689	-	-	-	13,626,218
Franchise fees	150,000	150,000	-	(150,000)	386,475
Government services tax	2,473,393	-	-	-	2,568,084
Earnings on investments	15,000	15,000	-	(15,000)	1,376
Other local revenue	46,000	26,000	(188,070)	(214,070)	83,247
	<u>26,915,118</u>	<u>191,000</u>	<u>(188,070)</u>	<u>(379,070)</u>	<u>28,753,691</u>
State Sources:					
Pupil-Centered Funding Plan	-	79,962,658	80,271,823	309,165	-
Distributive School Fund	58,269,032	-	-	-	50,767,222
	<u>58,269,032</u>	<u>79,962,658</u>	<u>80,271,823</u>	<u>309,165</u>	<u>50,767,222</u>
Federal Sources:					
E-Rate funds	250,000	250,000	833,398	583,398	531,054
Forest Service	25,000	25,000	109,734	84,734	96,175
	<u>275,000</u>	<u>275,000</u>	<u>943,132</u>	<u>668,132</u>	<u>627,229</u>
Total Revenue	<u>85,459,150</u>	<u>80,428,658</u>	<u>81,026,885</u>	<u>598,227</u>	<u>80,148,142</u>
EXPENDITURES					
Regular Programs:					
Instruction:					
Salaries	23,838,495	27,025,420	23,594,417	3,431,003	21,861,937
Benefits	9,958,964	11,296,912	9,894,618	1,402,294	9,878,539
Purchased services	212,577	223,206	160,144	63,062	76,987
Supplies	1,883,834	2,260,601	2,495,953	(235,352)	732,980
Other	6,835	6,835	9,447	(2,612)	2,645
Total Regular Programs	<u>35,900,705</u>	<u>40,812,974</u>	<u>36,154,579</u>	<u>4,658,395</u>	<u>32,553,088</u>
Special Programs:					
Gifted and Talented:					
Salaries	224,891	224,891	194,891	30,000	180,792
Benefits	89,772	89,772	112,411	(22,639)	78,078
Total Special Programs	<u>314,663</u>	<u>314,663</u>	<u>307,302</u>	<u>7,361</u>	<u>258,870</u>

Continued on next page.

See accompanying notes.

LYON 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
Vocational Programs:					
Salaries	\$ 1,179,768	\$ 1,203,363	\$ 1,057,445	\$ 145,918	\$ 1,053,084
Benefits	486,906	496,644	450,592	46,052	440,449
Purchased services	35,076	35,076	89,223	(54,147)	24,331
Supplies	77,138	93,138	116,016	(22,878)	70,660
Other	1,149	1,149	1,492	(343)	781
Total Vocational Programs	1,780,037	1,829,370	1,714,768	114,602	1,589,305
Other Instructional Programs:					
Salaries	1,499,897	1,529,466	467,044	1,062,422	1,395,733
Benefits	617,480	629,811	201,815	427,996	591,129
Purchased services	29,387	29,387	-	29,387	-
Supplies	16,921	17,259	3,115	14,144	12,658
Total Other Instructional Programs	2,163,685	2,205,923	671,974	1,533,949	1,999,520
Adult Education:					
Salaries	25,751	25,751	500	25,251	1,266
Benefits	5,759	5,759	208	5,551	227
Purchased services	11,376	11,376	1,765	9,611	1,625
Supplies	11,376	17,064	440	16,624	6,087
Total Adult Education	54,262	59,950	2,913	57,037	9,205
Extra-Curricular Activities:					
Co-Curricular:					
Salaries	334,396	341,084	246,575	94,509	183,320
Benefits	12,842	13,099	7,141	5,958	25,524
Purchased services	11,471	11,700	6,943	4,757	-
Supplies	5,688	5,802	3,587	2,215	498
Other	58,075	58,075	679	57,396	1,095
	422,472	429,760	264,925	164,835	210,437

Continued on next page.

See accompanying notes.

LYON 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
Athletics:					
Salaries	\$ 772,536	\$ 787,987	\$ 653,666	\$ 134,321	\$ 623,337
Benefits	77,170	78,713	58,184	20,529	59,190
Purchased services	165,898	169,216	183,360	(14,144)	61,164
Supplies	111,863	114,100	122,250	(8,150)	104,633
Property	-	-	6,300	(6,300)	-
Other	373,447	380,670	10,114	370,556	8,762
	<u>1,500,914</u>	<u>1,530,686</u>	<u>1,033,874</u>	<u>496,812</u>	<u>857,086</u>
Total Extra-Curricular					
Activities	<u>1,923,386</u>	<u>1,960,446</u>	<u>1,298,799</u>	<u>661,647</u>	<u>1,067,523</u>
Undistributed Expenditures:					
Student Support:					
Salaries	2,377,435	2,615,179	2,284,116	331,063	2,247,006
Benefits	946,553	1,041,208	907,825	133,383	927,455
Purchased services	120,394	126,414	1,192	125,222	324
Supplies	16,834	17,676	13,986	3,690	82,795
Other	427	448	-	448	-
	<u>3,461,643</u>	<u>3,800,925</u>	<u>3,207,119</u>	<u>593,806</u>	<u>3,257,580</u>
Instructional Staff Support:					
Salaries	1,223,066	1,345,373	1,066,304	279,069	964,922
Benefits	431,345	474,480	337,739	136,741	311,761
Purchased services	126,153	132,461	133,841	(1,380)	17,520
Supplies	296,312	311,128	152,727	158,401	108,773
Other	3,317	3,481	18,288	(14,807)	(8,591)
	<u>2,080,193</u>	<u>2,266,923</u>	<u>1,708,899</u>	<u>558,024</u>	<u>1,394,385</u>
General Administration:					
Salaries	864,552	951,007	868,098	82,909	852,920
Benefits	563,117	619,429	675,467	(56,038)	620,885
Purchased services	359,155	577,113	578,107	(994)	445,189
Supplies	25,541	28,095	31,117	(3,022)	21,363
Property	-	-	19,734	(19,734)	-
Other	104,965	304,965	16,390	288,575	99,473
	<u>1,917,330</u>	<u>2,480,609</u>	<u>2,188,913</u>	<u>291,696</u>	<u>2,039,830</u>

Continued on next page.

See accompanying notes.

LYON 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
School Administration:					
Salaries	\$ 5,855,991	\$ 6,441,590	\$ 5,537,086	\$ 904,504	\$ 5,425,904
Benefits	2,193,551	2,412,906	2,087,734	325,172	2,042,040
Purchased services	182,954	392,102	223,854	168,248	229,974
Supplies	185,084	203,592	189,574	14,018	186,898
Property	29,576	31,055	5,500	25,555	-
Other	10,427	10,949	9,871	1,078	11,226
	<u>8,457,583</u>	<u>9,492,194</u>	<u>8,053,619</u>	<u>1,438,575</u>	<u>7,896,042</u>
Central Services:					
Salaries	2,064,310	2,270,741	1,968,541	302,200	1,847,355
Benefits	681,539	749,693	627,486	122,207	543,399
Purchased services	950,721	1,395,257	1,447,276	(52,019)	1,238,729
Supplies	1,377,500	1,515,250	2,351,681	(836,431)	1,516,026
Property	423,632	444,814	125,571	319,243	32,175
Other	26,206	27,516	13,776	13,740	7,783
	<u>5,523,908</u>	<u>6,403,271</u>	<u>6,534,331</u>	<u>(131,060)</u>	<u>5,185,467</u>
Operation and Maintenance:					
Salaries	3,686,130	3,870,437	3,433,392	437,045	3,320,277
Benefits	1,328,771	1,395,210	1,181,350	213,860	1,143,221
Purchased services	1,365,274	1,433,538	1,696,944	(263,406)	1,658,571
Supplies	2,117,262	2,540,714	2,589,585	(48,871)	2,105,004
Property	23,700	24,885	1,037,390	(1,012,505)	-
Other	9,859	10,351	13,346	(2,995)	12,975
	<u>8,530,996</u>	<u>9,275,135</u>	<u>9,952,007</u>	<u>(676,872)</u>	<u>8,240,048</u>
Student Transportation:					
Salaries	2,242,005	2,354,105	1,994,861	359,244	1,959,419
Benefits	869,392	912,862	719,588	193,274	718,726
Purchased services	326,649	342,981	275,636	67,345	259,471
Supplies	452,975	652,975	884,002	(231,027)	549,161
Property	100,000	750,000	129,387	620,613	393,584
Other	(306,000)	(306,000)	2,120	(308,120)	39,802
	<u>3,685,021</u>	<u>4,706,923</u>	<u>4,005,594</u>	<u>701,329</u>	<u>3,920,163</u>

Continued on next page.

See accompanying notes.

LYON 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
Total Undistributed Expenditures	\$ 33,656,674	\$ 38,425,980	\$ 35,650,482	\$ 2,775,498	\$ 31,933,515
Total Expenditures	75,793,412	85,609,306	75,800,817	9,808,489	69,411,026
Revenues Over Expenditures	9,665,738	(5,180,648)	5,226,068	10,406,716	10,737,116
OTHER FINANCING SOURCES (USES)					
Sales of capital assets	-	-	38,405	38,405	5,330
Transfers from other funds	109,135	109,135	109,135	-	-
Transfers (to) other funds	(10,000,000)	(1,400,000)	(1,400,000)	-	(8,750,000)
Contingency	-	(500,000)	-	500,000	-
Total Other Financing (Uses)	(9,890,865)	(1,790,865)	(1,252,460)	538,405	(8,744,670)
Net Change in Fund Balance	(225,127)	(6,971,513)	3,973,608	10,945,121	1,992,446
FUND BALANCE, July 1	10,672,987	10,672,987	10,672,987	-	8,680,541
FUND BALANCE, June 30	<u>\$ 10,447,860</u>	<u>\$ 3,701,474</u>	<u>\$ 14,646,595</u>	<u>\$ 10,945,121</u>	<u>\$ 10,672,987</u>

See accompanying notes.

LYON COUNTY SCHOOL DISTRICT

SPECIAL EDUCATION 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
REVENUES					
State Sources:					
Pupil-Centered Funding Plan	\$ -	\$ 12,659,164	\$ 12,655,661	\$ (3,503)	\$ -
Distributive School Fund	4,012,938	-	-	-	4,318,747
	<u>4,012,938</u>	<u>12,659,164</u>	<u>12,655,661</u>	<u>(3,503)</u>	<u>4,318,747</u>
EXPENDITURES					
Special Programs:					
Instruction:					
Salaries	6,962,798	6,992,798	6,557,927	434,871	6,466,827
Benefits	2,904,280	2,904,280	2,889,035	15,245	2,859,481
Purchased services	104,583	104,583	168	104,415	311
Supplies	30,692	30,692	23,253	7,439	11,761
	<u>10,002,353</u>	<u>10,032,353</u>	<u>9,470,383</u>	<u>561,970</u>	<u>9,338,380</u>
Undistributed Expenditures:					
Student Support:					
Salaries	1,892,918	1,892,918	1,494,656	398,262	1,678,362
Benefits	826,325	826,325	611,816	214,509	660,897
Purchased services	266,165	266,165	803,188	(537,023)	410,103
Supplies	1,104	1,104	172	932	9
	<u>2,986,512</u>	<u>2,986,512</u>	<u>2,909,832</u>	<u>76,680</u>	<u>2,749,371</u>
Instructional Staff Support:					
Salaries	5,851	5,851	-	5,851	-
Benefits	1,178	1,178	-	1,178	-
Purchased services	552	552	-	552	1,267
Supplies	828	828	-	828	-
	<u>8,409</u>	<u>8,409</u>	<u>-</u>	<u>8,409</u>	<u>1,267</u>
General Administration:					
Salaries	184,193	184,193	188,831	(4,638)	167,645
Benefits	69,862	69,862	67,014	2,848	59,130
Purchased services	9,145	9,145	7,065	2,080	38,177
Supplies	11,036	11,036	1,833	9,203	2,776
Other	-	-	-	-	9,780
	<u>274,236</u>	<u>274,236</u>	<u>264,743</u>	<u>9,493</u>	<u>277,508</u>

Continued on next page.

See accompanying notes.

LYON COUNTY SCHOOL DISTRICT

SPECIAL EDUCATION 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
Operations and Maintenance:					
Supplies	\$ -	\$ -	\$ 2,505	\$ (2,505)	\$ 15,835
Student Transportation:					
Salaries	471,602	511,602	497,680	13,922	496,415
Benefits	206,094	206,094	204,590	1,504	195,993
Purchased services	16,886	16,886	-	16,886	-
	<u>694,582</u>	<u>734,582</u>	<u>702,270</u>	<u>32,312</u>	<u>692,408</u>
Total Undistributed Expenditures	<u>3,963,739</u>	<u>4,003,739</u>	<u>3,879,350</u>	<u>124,389</u>	<u>3,736,389</u>
Total Expenditures	<u>13,966,092</u>	<u>14,036,092</u>	<u>13,349,733</u>	<u>686,359</u>	<u>13,074,769</u>
Revenues Over (Under)					
Expenditures	(9,953,154)	(1,376,928)	(694,072)	682,856	(8,756,022)
OTHER FINANCING SOURCES					
Transfers from other funds	<u>10,000,000</u>	<u>1,400,000</u>	<u>1,400,000</u>	<u>-</u>	<u>8,750,000</u>
Net Change in Fund Balance	46,846	23,072	705,928	682,856	(6,022)
FUND BALANCE, July 1	<u>11,110</u>	<u>11,110</u>	<u>11,110</u>	<u>-</u>	<u>17,132</u>
FUND BALANCE, June 30	<u>\$ 57,956</u>	<u>\$ 34,182</u>	<u>\$ 717,038</u>	<u>\$ 682,856</u>	<u>\$ 11,110</u>

See accompanying notes.

LYON COUNTY SCHOOL DISTRICT

PROPRIETARY FUNDS STATEMENT OF NET POSITION JUNE 30, 2022

(WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2021)

	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS	
	2022	2021
ASSETS		
Cash and investments	\$ 3,966,789	\$ 3,428,668
Cash with fiscal agent	-	283,195
Accounts receivable	11,286	21,276
Restricted cash	<u>573,000</u>	<u>585,000</u>
Total Assets	<u>4,551,075</u>	<u>4,318,139</u>
LIABILITIES		
Accounts and claims payable	53,491	127,210
Incurred but unreported claims	<u>862,000</u>	<u>901,000</u>
Total Liabilities	<u>915,491</u>	<u>1,028,210</u>
NET POSITION		
Restricted for employee benefits program	<u><u>\$ 3,635,584</u></u>	<u><u>\$ 3,289,929</u></u>

See accompanying notes.

LYON COUNTY SCHOOL DISTRICT

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

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

	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS	
	2022	2021
OPERATING REVENUES		
Charges for services	\$ 826,255	\$ 7,379,496
Refunds and rebates	<u>252,416</u>	<u>844,077</u>
	<u>1,078,671</u>	<u>8,223,573</u>
OPERATING EXPENSES		
Benefit claims	562,052	5,827,234
Purchased services	170,186	1,194,661
Other	<u>1,205</u>	<u>(18,294)</u>
Total Operating Expenses	<u>733,443</u>	<u>7,003,601</u>
Operating Income (Loss)	345,228	1,219,972
NONOPERATING REVENUES		
Earnings on investments	<u>427</u>	<u>1,548</u>
Change in Net Position	345,655	1,221,520
NET POSITION, July 1	<u>3,289,929</u>	<u>2,068,409</u>
NET POSITION, June 30	<u>\$ 3,635,584</u>	<u>\$ 3,289,929</u>

See accompanying notes.

LYON COUNTY SCHOOL DISTRICT

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

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

GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS

2022

2021

CASH FLOWS FROM OPERATING ACTIVITIES

Premiums received from other funds	\$ 836,245	\$ 7,378,194
Refunds and rebates received	252,416	844,077
Payments of benefits	(621,937)	(7,111,462)
Insurance premiums and other payments	(224,225)	(1,135,039)
Net Cash Provided (Used) by Operating Activities	242,499	(24,230)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received on investments	427	1,548
Net Increase (Decrease) in Cash and Cash Equivalents	242,926	(22,682)

CASH AND CASH EQUIVALENTS, July 1

4,296,863 4,319,545

CASH AND CASH EQUIVALENTS, June 30

\$ 4,539,789 \$ 4,296,863

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

Operating income (loss)	\$ 345,228	\$ 1,219,972
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Changes in assets and liabilities:		
Accounts receivable	9,990	(6,550)
Accounts and claims payable	(73,719)	112,348
Incurred but unreported claims	(39,000)	(1,350,000)
Total Adjustments	(102,729)	(1,244,202)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 242,499	\$ (24,230)

See accompanying notes.

LYON COUNTY SCHOOL DISTRICT

FIDUCIARY FUND
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2022
(WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2021)

	PRIVATE PURPOSE TRUST STUDENT SCHOLARSHIPS	
	2022	2021
ASSETS		
Cash and investments	\$ 941,202	\$ 962,714
Total Assets	<u>941,202</u>	<u>962,714</u>
LIABILITIES	-	-
Total Liabilities	<u>-</u>	<u>-</u>
NET POSITION		
Held in trust for student scholarships:		
Expendable	<u>941,202</u>	<u>962,714</u>
Total Net Position	<u>\$ 941,202</u>	<u>\$ 962,714</u>

See accompanying notes.

LYON COUNTY SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION YEAR ENDED JUNE 30, 2022 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)

	PRIVATE-PURPOSE TRUST STUDENT SCHOLARSHIPS	
	2022	2021
ADDITIONS		
Earnings on investments	\$ 3,484	\$ 11,562
DEDUCTIONS		
Scholarships paid	<u>24,996</u>	<u>38,440</u>
Change in Net Position	(21,512)	(26,878)
NET POSITION, July 1	<u>962,714</u>	<u>989,592</u>
NET POSITION, June 30	<u><u>\$ 941,202</u></u>	<u><u>\$ 962,714</u></u>

See accompanying notes.

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Lyon County School District (District) conform to generally accepted accounting principles as applicable to governments. 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 governed by a separately elected seven member board. The Board is legally separate and fiscally independent from other governing bodies with decision making authority, authority to levy taxes, the power to designate management, the ability to significantly influence operations and is accountable for fiscal matters. Therefore, the District is a primary government and is not reported as a component unit by any other entity, nor is the Board accountable for any other entity required to be included in the District's comprehensive annual financial report.

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 (sometimes referred to as 'government-wide') financial statements, the Statement of Net Position and 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. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Since the District currently has no business-type activities, all activities are reported as governmental.

In the 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 Statement of Activities demonstrates the degree to which the direct expenses of a given program or function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program or function. Program revenues include charges paid by the recipient of the goods or services offered by the program. Grants and contributions are restricted to meeting the operational or capital requirements of a particular program or function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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.

The District's fiduciary funds are presented in the fiduciary fund financial statement by their type. Since, by definition, these assets are held for the benefit of a third party and cannot be used to address activities or obligations of the District, these funds are not incorporated into the district-wide statements. As of July 1, 2021 and for the year then ended, the District adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*. Accordingly, the Student Accounts special revenue fund was established. A prior period adjustment (Note 16) has been recording to restate beginning fund balance as of July 1, 2021.

LYON COUNTY SCHOOL DISTRICT

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. It is used to account for all financial resources except those required to be accounted for in other funds.

Special Education Fund

The Special Education Fund accounts for all costs, other than those paid by grants, directly related to providing instructional and support services to students with special needs.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Bond Projects Fund

The Bond Projects Fund is used to account for all proceeds, interest earnings, and expenditures related to general obligation bonds sold for the purpose of acquiring or constructing major capital facilities.

The District reports the following *nonmajor* governmental funds:

Federal Grants Fund	Medicaid Fund
Insurance Loss Fund	New Nevada Plan Fund
Federal School Lunch Fund	Capital Projects Fund
Adult Diploma Fund	Building and Sites Fund
Class Size Reduction Fund	Residential Construction Tax Fund
Private Donations and Grants Fund	Student Accounts Fund
State Grants Fund	

Additionally, the District reports the following fund types:

Internal service funds are used to account for the charges to other funds and employees for the cost of various employee benefit programs on a cost reimbursement basis:

- Workers Compensation Insurance Fund
- Unemployment Insurance Fund
- Group Insurance Fund

The **private-purpose trust fund** is used to account for the resources legally held in trust for the purpose of awarding future student scholarships.

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

Measurement Focus

District-Wide Financial Statements

The district-wide statements, as well as the proprietary fund financial statements, are prepared using the economic resources measurement focus. The agency funds (student activity funds) have no measurement focus.

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

Fund Financial Statements

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

Basis of Accounting

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

Revenues

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

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include taxes, grants, entitlements and donations for which the revenue is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose;

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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 Inflows/Outflows 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. The District's governmental funds do not have any items that qualify for reporting in this category. However, the Statement of Net Position reports deferred debt retirement charges in this category and the amount is being amortized over the required periods through the applicable bond maturities. In addition, deferred outflows of resources have been reported for items related to the District's net pension and net other postemployment benefits (OPEB) liabilities.

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. The District has only one item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. 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.

The District also reports a deferred inflow of resources related to its pension and OPEB liabilities. These deferred inflows of resources are only reported in the government-wide statement of net position.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds. Debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

Cash and Investments

Cash balances from all funds are combined and, invested to the extent practicable. The District invests as permitted by NRS 355.170 and has not adopted additional investment policies. The District's investments are stated at cost, which approximates market value.

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

- United States bonds and debentures maturing within ten (10) years from the date of purchase.
- Certain farm loan bonds.
- Securities of the United States Treasury, United States Postal Service or the Federal National Mortgage Association maturing within ten (10) years from the date of purchase.
- Negotiable certificates of deposit from commercial banks and insured savings and loan associations within the State of Nevada.
- Certain securities issued by local governments of the State of Nevada.
- Other securities expressly provided by other statutes, including repurchase agreements.
- Certain short-term commercial paper issued by U.S. Corporations.
- Certain "AAA" rated mutual funds that invest in Federal securities.

Inventories and Prepaid Items

Inventories are recorded at cost using the first-in/first-out (FIFO) method, except for commodities, which are stated at their fair value. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Restricted Assets

State law prohibits any money paid into a fund created for the purpose of providing self-funded health insurance from being used for any other purpose. Prohibited transactions include loaning money to other funds or governmental entities.

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of at least \$5,000 (\$15,000 for infrastructure), and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are stated at their acquisition value as of the date of donation.

Property, plant and equipment are being depreciated using the straight line method over the following estimated useful lives:

	<u>Years</u>
Buildings	50
Infrastructure	20
Site and building improvements	20
Vehicles	8
Computer and related equipment	5
Other equipment	5-15

Long-term Obligations

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the proportionate-to-stated-interest-requirements method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as current expenditures of the fund receiving the proceeds.

Vacation Time and Sick Leave Benefits

The costs of vacation time and sick leave benefits are not accrued as earned but are recorded as payroll costs only when the time is actually used in the governmental fund statements. The full cost of accrued vacation for those classified and administrative employees who earn vacation time is recorded in the district-wide financial statements.

The majority of the employees of the District are teachers and classified staff who accumulate sick leave up to 250 days with no vacation time provided. Although sick leave may be accumulated, the amount paid to an employee upon termination, retirement or death is based on a predetermined daily dollar amount that is based on the length of service and number of sick leave days accumulated. An employee's compensation is

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

limited to \$15,000 and subject further to an annual aggregate limitation. Such payments are made each September to qualifying employees who terminated employment during the previous year. Any current liability that may exist at year-end is recorded in the General Fund. The estimated liability to employees separating from service in future years is recorded in the district-wide financial statements.

Postemployment Benefits Other than Pensions

Postemployment expenditures are comprised of monthly payments to the Nevada Public Employees' Benefit Program (PEBP) for the District's subsidy of retiree insurance premiums and the portion of insurance premiums paid to private insurers on behalf of active employees that represents the implicit cost of retiree coverage. The payments to PEBP are charged to the General Fund while the employee insurance premiums are charged to the respective fund to which the employees' payroll costs are charged. The District has elected to fund postemployment benefits using the pay-as-you-go basis. Postemployment benefits other than pensions are discussed in further detail in Note 10.

Property Taxes

All real property in Lyon County is assigned a parcel number in accordance with state law, with each parcel being subject to physical reappraisal every five years. A factoring system is used to adjust the appraised value during the years between physical appraisals. The valuation of the property and its improvements is being assessed at 35 percent of "taxable value" as defined by statute. The amount of tax levied is developed by multiplying the assessed value by the tax rate applicable to the area in which the property is located. The maximum tax rate was established in the State Constitution at \$5 per \$100 of assessed valuation; however, as a result of legislative action the tax rate has been further limited to \$3.64 per \$100 of assessed value except in cases of severe financial emergency as defined in NRS 354.705.

Taxes on real property are a lien on the property and attach on July 1 (the levy date) of the year for which the taxes are levied.

Taxes may be paid in four installments payable on the third Monday in August and the first Mondays in October, January, and March to the Lyon County Treasurer. Penalties are assessed if a taxpayer fails to pay an installment within ten days of the installment due date. After a two-year waiting period, if taxes remain unpaid, a tax deed is issued conveying the property to the County with a lien for back taxes and accumulated charges. Redemption may be made by the owner and such persons as described by statute by paying all back taxes and accumulated penalties, interest, and costs before sale.

Statement of Cash Flows

For purposes of the statement of cash flows, the District considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Comparative Data

Comparative data shown for the prior year has been extracted from the 2021 financial statements. It has been provided to add comparability, but is not considered full disclosure of transactions for 2021. Such information can only be obtained by referring to the financial report for that year. Certain amounts in the prior year data have been reclassified in order to be consistent with the current year's presentation.

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING

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

1. On or before April 15, the Lyon County School District Board of Trustees files a tentative budget with the Nevada Department of Taxation and the Nevada Department of Education for all funds other than Trust and Agency Funds, which are not required to be budgeted. Although not required, management has elected to adopt annual budgets to improve fiscal accountability for private-purpose trust funds.
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 members of the Board. The final budget is then forwarded to the Nevada Tax Commission to approve the requested ad valorem tax rate.
3. Prior to January 1, each school district must adopt an amendment to its final budget to reflect the change in revenue to be received from actual student enrollment.
4. Formal budgetary integration in the financial records is employed to enhance management control during the year for all funds.
5. Budgets for funds are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP). Appropriations lapse at year-end.
6. Budgeted amounts within funds, and between funds, may be transferred if amounts

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

do not exceed the amounts originally budgeted. Such transfers are to be approved by the Budget Officer and/or the Board of Trustees, depending on established criteria. Budget augmentations in excess of original budgetary amounts may be made only with prior approval of the Lyon County School District Board of Trustees, following a scheduled and noticed public hearing.

In accordance with state statute, actual expenditures may not exceed budgetary appropriations at the program level for governmental funds, except for bond repayments, short-term financing repayment and any other long-term contract expressly authorized by law or payments for the construction of public works from funds provided by the proceeds of a sale of bonds or short-term financing. Internal service funds' level of budgetary control is the sum of operating and non-operating expenses.

NOTE 3 – COMPLIANCE WITH APPLICABLE NEVADA REVISED STATUTES (NRS)

The following possible violations of NRS and the Nevada Administrative Code (NAC) were noted for the year ended June 30, 2022:

- The District did not include budgeted revenues or expenditures for its Federal Grants or State Grants funds (special revenue funds) in its tentative or final budgets for June 30, 2022. The Department of Taxation's Form 4405LGF states in its General Instructions that "Budgets must be prepared for all funds except agency and non-expendable trust funds that do not receive property tax."
- NRS 354.624(2)(a) requires that the audit be completed and submitted to the Board of Trustees not later than October 31st (four months after the end of the fiscal year). As provided for by NRS 354.624(1), the District requested an extension for filing. The date of the auditors' report on the June 30, 2022 financial statements is January 23, 2023.
- NRS 387.12445 requires that funding distributed to school districts be accounted for separately; i.e. separate funds. No such funds were established.
- NRS 354.626 generally precludes the expenditure of money or incurring a liability in excess of the amount appropriated. The following overexpenditures appear to be potential violations:

Fund	Program	Expenditures in Excess of Appropriations
Private Donations and Grants	Undistributed Expenditures	\$ 7,626
Medicaid	Special Programs	60,048

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 4 – CASH EQUIVALENTS AND INVESTMENTS

Cash includes not only currency on hand but demand deposits with banks or other financial institutions. Cash also includes other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty. Cash equivalents are short-term, highly liquid investments that (a) are readily convertible to known amounts of cash and (b) are so near to their maturity that they present insignificant risk of changes in value because of changes in interest rates.

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

Government-Wide Balances:	
Pooled cash	\$ 47,968,581
Investments	<u>24,351,255</u>
	72,319,836
Fiduciary Fund:	
Student Scholarship Fund investments	<u>941,202</u>
Total Cash and Investments	<u><u>\$ 73,261,038</u></u>

A portion of the District's cash and investments is restricted by Nevada Statutes. The amount restricted at June 30, 2022, is \$573,000, which is held in a restricted bank account to secure future workers' compensation claims.

Except for financial reporting purposes, the cash and investments balances in the Fiduciary funds are not normally considered part of the District's pooled cash and investments. These amounts represent cash and investments held in an agency capacity by the District and cannot be used in its normal operations.

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District does not have any investments that are measured using Level 2 or 3 inputs.

As of June 30, 2022, the District had recurring fair value measurements, as presented on the following page.

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

The recurring fair value measurements as of June 30, 2022 were:

	Fair Value	Investment Maturities (In Years)		
		< 1	1-3	>3
Corporate Bonds	\$ 2,529,049	\$ 334,727	\$ 1,450,993	\$ 743,329
U.S. Treasury Notes	1,492,862	-	1,492,862	-
Corporate Asset Backed Securities	1,100,108	-	313,957	786,151
Government Mortgage Pool	1,461,547	879,376	582,171	-
Mortgage Backed Securities	2,191,072	576,136	294,617	1,320,319
Money Market	663,569	663,569	-	-
State of NV Local Government Investment Pool	15,823,431	15,823,431	-	-
	25,261,638	<u>\$ 18,277,239</u>	<u>\$ 4,134,600</u>	<u>\$ 2,849,799</u>
Accrued interest	30,819			
Total Investments	<u>\$ 25,292,457</u>			

Except for the investment identified as the State of Nevada Local Government Investment Pool (LGIP), Principal Bank is the District's custodian for the investments and Buckhead Capital Management is the District's investment advisor and portfolio manager. Securities purchased in the District's portfolio are held in a separate safekeeping account at Principal Bank and registered in the name of the District. Specific investment guidelines, originally established by the State of Nevada's NVest program, are in place to address the various types of investment risk.

The District is a voluntary participant in the State of Nevada Local Government Investment Pool (LGIP), which 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. The fair value of the District's position in the pool equals the value of the pool shares, as determined daily. The \$15,788,792 investment in LGIP is carried at fair value. The Pool is an unrated external investment pool with an average weighted maturity of less than a year.

As of June 30, 2022, the District's investments had the following maturities (please see following page):

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

	Fair Value	Investment Maturities (In Years)		
		< 1	1-3	>3
Corporate Bonds	\$ 2,529,049	\$ 334,727	\$ 1,450,993	\$ 743,329
U.S. Treasury Notes	1,492,862	-	1,492,862	-
Corporate Asset Backed Securities	1,100,108	-	313,957	786,151
Government Mortgage Pool	1,461,547	879,376	582,171	-
Mortgage Backed Securities	2,191,072	576,136	294,617	1,320,319
Money Market	663,569	663,569	-	-
State of NV Local Government Investment Pool	15,823,431	15,823,431	-	-
	25,261,638	\$ 18,277,239	\$ 4,134,600	\$ 2,849,799
Accrued interest	30,819			
Total Investments	\$ 25,292,457			

Interest Rate Risk

Interest rate risk is the risk of possible reduction in the value of a security, especially a bond, resulting from a rise in interest rates. To limit exposure to interest rate risk, Nevada Statutes limits banker's 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 maturities. The District's investment in U.S. Agency mortgage backed securities consists of securities issued by the Federal National Mortgage Association, Federal Farm Credit Bank, and Federal Home Loans Bank. Since investments in these agencies are in many cases backed by assets such as mortgages they are subject to prepayment risk.

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. Nevada Statutes limit investment in money market mutual funds and asset-backed securities to the "AAA" rating (or equivalent) by a nationally recognized statistical rating organization. The District's corporate securities are in most cases rated by both Standard & Poor's and Moody's rating agencies as indicated above. The U.S. Agency pools and mortgage-backed securities are backed by the U.S. government and unrated.

Concentration Risk

To limit exposure to concentrations of credit risk, the District's investment guidelines limit investment in asset backed securities, bankers' acceptances, non-U.S. agency collateralized mortgage obligations, commercial paper, corporate notes, negotiable certificates of deposit and U.S. Treasuries to 20% of total par

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

value of the portfolio on the date of purchase. The District has less than 5% of total investments in any single issuer, excluding U.S. government obligations and pooled investments.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank 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.

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The costs of group health insurance, workers' compensation and unemployment benefits are accounted for in the respective internal service fund. All funds from which salaries are paid are charged a percent of gross payroll to recover the cost of benefits.

Some federal and state grants and programs had cash deficits at year end due to outstanding cash requests.

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

	Interfund Receivables	Interfund Payables
General Fund	\$ 8,217,239	\$ -
Nonmajor Governmental Funds:		
Federal Grants	-	7,764,946
State Grants Fund	-	162,221
Adult Diploma Fund	-	290,072
	<u>\$ 8,217,239</u>	<u>\$ 8,217,239</u>

During the year, the General Fund transferred \$1,400,000 to the Special Education Fund to cover operating costs not sufficiently covered by state revenues. The Insurance Loss Fund transferred its remaining fund balance of \$109,135 to the General Fund.

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

NOTE 6 – CAPITAL ASSETS

A summary of the District's capital asset balance and activity as of and for the year ended June 30, 2022:

	Balance June 30, 2022	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2022
Nondepreciable Capital Assets				
Land	\$ 8,830,484	\$ -	\$ -	\$ 8,830,484
Construction in progress	7,895,354	8,102,312	(12,470,933)	3,526,733
	<u>16,725,838</u>	<u>8,102,312</u>	<u>(12,470,933)</u>	<u>12,357,217</u>
Depreciable Capital Assets				
Buildings and improvements	148,908,731	12,470,933	-	161,379,664
Infrastructure	20,829,275	-	-	20,829,275
Equipment and vehicles	32,063,987	1,719,516	-	33,783,503
	<u>201,801,993</u>	<u>14,190,449</u>	<u>-</u>	<u>215,992,442</u>
Less accumulated depreciation:				
Buildings and improvements	(64,011,531)	(3,706,501)	-	(67,718,032)
Infrastructure	(9,232,648)	(534,604)	-	(9,767,252)
Equipment and vehicles	(23,711,175)	(1,390,120)	-	(25,101,295)
	<u>(96,955,354)</u>	<u>(5,631,225)</u>	<u>-</u>	<u>(102,586,579)</u>
Depreciable assets, net	<u>104,846,639</u>	<u>8,559,224</u>	<u>-</u>	<u>113,405,863</u>
Governmental Activities				
Capital Assets, net	<u>\$ 121,572,477</u>	<u>\$ 16,661,536</u>	<u>\$ (12,470,933)</u>	<u>\$ 125,763,080</u>

Depreciation expense was charged to programs and functions as follows:

Instruction	\$ 150,126
Student Support	215,326
Instructional Staff Support	9,387
General Administration	5,523
School Administration	14,779
Central Services	525,801
Operations and Maintenance	362,098
Transportation	618,580
Other Support Services	31,216
Facilities	3,698,389
	<u>\$ 5,631,225</u>

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

NOTE 7 – LONG-TERM DEBT

The District's long-term liability activity is summarized as follows:

Changes in Long-Term Debt

	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022	Due Within One Year
General obligation bonds	\$ 50,605,000	\$ 37,365,000	\$ (8,610,000)	\$ 79,360,000	\$ 6,080,000
Deferred amounts for issuance of premiums	6,373,573	4,362,246	(726,261)	10,009,558	802,272
Compensated absences	1,684,038	80,851	-	1,764,889	-
	58,662,611	41,808,097	(9,336,261)	91,134,447	6,882,272
Net pension liability	108,145,312	-	(41,378,815)	66,766,497	-
Obligation for OPEB	17,186,731	2,274,480	-	19,461,211	-
	<u>\$ 183,994,654</u>	<u>\$ 44,082,577</u>	<u>\$(50,715,076)</u>	<u>\$ 177,362,155</u>	<u>\$ 6,882,272</u>

The District's liability related to its participation in the State of Nevada Public Employees Retirement System (PERS) is discussed at Note 9 and its liability related to other postemployment benefits is discussed at Note 10. The liability for compensated absences is generally extinguished through General Fund resources.

General Obligation Bonds

In March 2022, the District issued School Improvement Bonds and Refunding Funds, Series 2022A with a par amount of \$27,660,000 and a premium of \$2,517,740 and were used to refund \$2,730,000 in 2012 issues. The new bonds bear interest at the rate of 5.00% through June 2032; 4.00% through June 2034; 2.40%-2.50% through June 2037, and 3.00% through maturity in June 2042. The refunding was undertaken to realize a present value savings in debt service of \$167,135.

Also in March 2022, the District issued School Improvement Bonds, Series 2022B with a par amount of \$9,705,000 and a premium of \$1,844,506. The new bonds bear interest at the rate of 5.00% through maturity in June 2032.

Bonds payable at June 30, 2022 are comprised of the following general obligation issues and are serviced by property tax revenues received by the Debt Service Fund:

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Series	Date Issued	Date of Final Maturity	Interest Rate	Original Amount Issued	Balance on June 30, 2022	Principal Due Within One Year
2013	3/13/13	4/1/25	1.25% - 2.50%	\$ 9,765,000	\$ 1,960,000	\$ 635,000
2016A	6/21/16	4/1/36	3.00%	6,400,000	5,785,000	325,000
2017A	8/8/17	6/1/30	3.00% - 5.00%	17,900,000	13,400,000	3,080,000
2019	10/9/19	4/1/28	5.00%	7,055,000	6,410,000	100,000
2021	3/11/21	6/1/41	2.29%	14,925,000	14,440,000	800,000
2022A	3/10/22	6/1/42	3.00% - 5.00%	27,660,000	27,660,000	640,000
2022B	3/10/22	6/1/42	5.00%	9,705,000	9,705,000	500,000
					<u>\$ 79,360,000</u>	<u>\$ 6,080,000</u>

At June 30, 2022, the District's limit of bonded indebtedness as defined by NRS 387.400 was \$362,698,847. The District had \$79,360,000 in bonded debt outstanding, leaving an unused bonding capacity of \$283,338,847. However, there are other factors which could limit the District's bonding capacity, such as overlapping tax rates, available revenues, market conditions, and project specifications.

The annual requirements to amortize the general obligation bonds outstanding as of June 30, 2022 are as follows:

Fiscal Year	Principal	Interest	Total Requirements
2023	\$ 6,080,000	\$ 3,556,481	\$ 9,636,481
2024	6,265,000	2,945,313	9,210,313
2025	6,575,000	2,655,038	9,230,038
2026	6,025,000	2,349,738	8,374,738
2027	5,710,000	2,055,388	7,765,388
2028-2032	22,730,000	6,591,665	29,321,665
2033-2037	15,070,000	2,739,362	17,809,362
2038-2042	10,905,000	1,000,650	11,905,650
	<u>\$ 79,360,000</u>	<u>\$ 23,893,635</u>	<u>\$ 103,253,635</u>

The principal amounts shown above exclude unamortized bond premiums of \$10,009,558 as of June 30, 2022, of which \$802,272 will be amortized in FY 23.

Interest expense reported in the Statement of Activities for FY22 was \$2,316,543.

Advance Refundings

For bond refundings resulting in the defeasance of the debt reported in the district-wide financial statements, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

amortized as a component of interest expense. The accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter. The unamortized amount is presented as a deferred outflow of resources. As of June 30, 2022, this deferred outflow of resources was \$975,807 and the amortization in 2022 was \$206,597 which was included with interest expense in the Statement of Activities.

NOTE 8 – RISK FINANCING

Self-Insured Workers Compensation Benefits

Effective July 1, 2003, the District adopted a self-insured program for providing workers compensation benefits paid due to work related injuries. The program is accounted for in the Workers Compensation Insurance Fund. Under the self-insured program, the District contracts with a third-party administrator to process claims and purchased reinsurance to cover individual claims that exceed \$250,000. The liability for incurred but unreported claims as of June 30, 2022 is \$862,000 as determined by an independent actuary. Interfund premiums are based on rates expected to meet current expenditures and fund the liability for incurred but unreported claims.

Self-Insured Health Care Insurance (Group Insurance Fund)

From December 2018 through December 2020, the District was self-insured for its group health, dental and vision care coverage, pursuant to NRS 287.010(1). The District was contracted with a third-party to provide administration and payment of the claims. The Group Insurance Fund collected interfund charges from the operating funds of the District, based on rates established by the District's Insurance Committee. Claims were paid by the District upon receipt of a monthly invoice from the third-party administrator.

The changes to the claims liability as of June 30, 2022 and 2021 for these self-insurance programs is as follows:

	Self-Insurance Funds		
	Group Insurance	Workers' Compensation	Total
Claims liability, June 30, 2020	\$ 1,051,000	\$ 1,200,000	\$ 2,251,000
Current year claims and changes in estimates	6,071,685	(208,764)	5,862,921
Claim payments	(7,016,360)	(90,236)	(7,106,596)
Claims liability, June 30, 2021	106,325	901,000	1,007,325
Current year claims and changes in estimates	-	523,052	523,052
Claim payments	(106,325)	(562,052)	(668,377)
Claims liability, June 30, 2022	\$ -	\$ 862,000	\$ 862,000

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

Property and Liability Claims

The District's property and liability insurance policy includes a self-insured retention provision whereby the District is responsible for claims up to \$25,000 per occurrence. Claims are paid from the General Fund. Settlement amounts have not exceeded insurance coverage for the current or the three prior years.

NOTE 9 – DEFINED BENEFIT PENSION PLAN

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 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

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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

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

Contributions

Contribution provisions are specified by state statute and may be amended only by action of the State legislature. Contribution rates are based on biennial actuarial valuations and are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance a portion of the unfunded accrued liability. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. One plan provides for matching employee and employer contributions, while the other plan provides for employer-pay contributions only. Under the matching Employee/Employer Contribution 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 plan.

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 District's contributions to the Plan were \$7,801,603 for the year ended June 30, 2022.

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%
	100%	

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

Net Pension Liability

At June 30, 2022, the District reported a liability of \$66,766,497 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 .73215%, which was an increase of .04429 from its .77644% 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 7.25%. 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 (6.25%) or 1.00 percentage point higher (8.25%) than the current discount rate of 7.25%.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
Net Pension Liability	\$ 132,929,956	\$ 66,766,497	\$ 12,187,058

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:

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

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.

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

For the year ended June 30, 2021, the District recognized pension income of \$1,514,212. 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	\$ 7,395,700	\$ 469,878
Changes in assumptions	22,167,627	-
Net difference between projected and actual earnings on pension plan assets	-	54,479,334
Changes in proportion	4,054,585	5,950,477
The School's contributions subsequent to the measurement date	7,801,603	-
	<u>\$ 41,419,515</u>	<u>\$ 60,899,689</u>

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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	\$ (7,962,862)
2024	(7,761,098)
2025	(7,871,935)
2026	(8,360,010)
2027	4,115,976
2028	558,152
	<u>\$ (27,281,777)</u>

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

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

Plan Descriptions

Nevada Public Employees' Benefits Program

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

PEBP is administered by the State of Nevada and is not considered a "plan" for purposes of Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. However, to enhance the understanding of this footnote, this PEBP program may be referred to as a "plan." Any assets accumulated for OPEB purposes are to be reported as assets of the employer.

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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 \$331,488 during the year on behalf of 162 participating retirees.

Lyon 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.

Plan membership consisted of 946 active plan members, 126 retirees receiving benefits, and 26 retirees entitled to but not receiving benefits as of June 30, 2020, the date of the latest actuarial valuation. The District contributed \$217,611 on their behalf during the year ended June 30, 2022.

NRS 288.150 specifies that insurance benefits are subject to mandatory bargaining. The amount employees contribute towards their insurance premium is negotiated with each association.

Actuarial Methods and Assumptions

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

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

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

	<u>District</u>	<u>PEBP</u>
Valuation Date	6/30/20	6/30/20
Actuarial cost method	Entry Age Normal	Entry Age Normal
Salary increases	3%	N/A
Discount rate		
As of June 30, 2019	2.79%	2.79%
As of June 30, 2020	2.66%	2.66%
Healthcare inflation	5.7% effective January 2022, grading down to 4.0% by 2076	<i>Pre-Medicare:</i> 5.7% effective July 2022, grading down to 4%. <i>Post-Medicare:</i> 4.5%
Retirement age	Ages 45 to 75	N/A
Mortality	NV PERS 2019 Study	NV PERS 2019 Study
Mortality Improvement	MW Scale 2020 Generationally	MW Scale 2020 Generationally

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

The following presents the net OPEB liabilities of the District's plan and PEBP, as well as what the liabilities would be if they were calculated using a discount rate that is 1% lower (1.18%) or 1% higher (3.18%) than the current discount rate of 2.18%.

<u>Net OPEB Liability</u>	<u>1% Decrease in Discount Rate to 1.18%</u>	<u>Current Discount Rate 2.18%</u>	<u>1% Increase in Discount Rate to 3.18%</u>
District	\$ 15,892,379	\$ 13,340,879	\$ 11,324,925
PEBP	6,914,757	6,120,332	5,458,337
	<u>\$ 22,807,136</u>	<u>\$ 19,461,211</u>	<u>\$ 16,783,262</u>

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

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

<u>Net OPEB Liability</u>	<u>1% Decrease in Current Trend</u>	<u>Current Trend</u>	<u>1% Increase in Current Trend</u>
District	\$ 11,218,616	\$ 13,340,879	\$ 16,132,443
PEBP	5,494,062	6,120,332	6,855,603
	<u>\$ 16,712,678</u>	<u>\$ 19,461,211</u>	<u>\$ 22,988,046</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 \$2,019,488 for the District Plan and \$487,011 for PEBP, for a total of \$2,506,499. As of June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Plan</u>	<u>PEBP</u>	<u>Total</u>
Deferred Outflows of Resources			
Changes of assumptions	\$ 6,128,675	\$ -	\$ 6,128,675
Differences between expected and actual experience	436,613	-	436,613
Contributions made subsequent to the measurement date	<u>250,848</u>	<u>331,488</u>	<u>582,336</u>
	<u>\$ 6,816,136</u>	<u>\$ 331,488</u>	<u>\$ 7,147,624</u>
Deferred Inflows of Resources			
Changes of assumptions	\$ 124,132	\$ -	\$ 124,132
Differences between expected and actual experience	<u>362,389</u>	<u>-</u>	<u>362,389</u>
	<u>\$ 486,521</u>	<u>\$ -</u>	<u>\$ 486,521</u>

The District will recognize the contributions made subsequent to the measurement date in the fiscal year ending June 30, 2023. In addition, future recognition of the other deferred amounts presented above will be recognized in OPEB expense as follows:

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Year Ending June 30,	Recognized Net Deferred Outflows (Inflows) of Resources		
	District Plan	PEBP	Total
2023	\$ 702,115	-	\$ 702,115
2024	702,115	-	702,115
2025	702,115	-	702,115
2026	702,115	-	702,115
2027	702,115	-	702,115
Thereafter	2,568,192	-	2,568,192
	<u>\$6,078,767</u>	<u>\$ -</u>	<u>\$6,078,767</u>

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:

	District	PEBP	Combined
Balance, July 1, 2021	\$ 11,215,153	\$ 5,971,578	\$17,186,731
Changes for the Year:			
Service cost	995,465	-	995,465
Interest cost	321,908	154,345	476,253
Changes of assumptions	1,025,964	332,666	1,358,630
Plan experience	-	-	-
Benefit payments	(217,611)	(338,257)	(555,868)
Net Changes	<u>2,125,726</u>	<u>148,754</u>	<u>2,274,480</u>
Balance, June 30, 2022	<u>\$ 13,340,879</u>	<u>\$ 6,120,332</u>	<u>\$19,461,211</u>

NOTE 11 – FUND BALANCE, NET ASSETS, RESTRICTIONS AND RESERVATIONS

District-Wide Financial Statements

The district-wide Statement of Net Position utilizes a net position presentation. Net position is categorized as invested in capital assets-net of related debt, restricted and unrestricted. Related debt is the debt outstanding that relates to the acquisition, construction or improvement of capital assets.

Restricted net position is comprised of net assets which have third-party limitation on their use, whether statutory or imposed by a bond covenant or granting agency. Restricted net position is classified either by

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

function, debt service, project, or claims. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as needed.

The restriction for debt service represents 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 available financial resources of the District.

Fund Financial Statements

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes standards for fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The District reports the following classifications:

Non-spendable – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

The General Fund reports non-spendable fund balance for the carrying amount of inventories held at year-end.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

The Debt Service Fund reports restricted fund balance for amounts that are legally restricted to the payment of long-term debt principal and interest maturing in future years.

The Bond Projects Fund and the Capital Projects funds report restricted fund balance for amounts related to construction contracts for which the District is committed, but the capital project is not yet complete.

Committed – amounts that can be used only for specific purposes determined by a formal action of the Board. The Board is the highest level of decision making authority for the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

Assigned fund balance in the General Fund represents 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.

Assigned fund balance in the Special Education Fund represents amounts intended to be used for special education and related services.

Unassigned – the residual classification for the General Fund.

When both restricted and unrestricted resources are available for use, it is the Board's policy to use externally restricted resources first, then unrestricted resources – committed, assigned, and unassigned – as needed, unless the Board has provided for otherwise in its commitment or assignment actions.

The following table is a summary of the District's fund balances at June 30, 2022:

	Major Funds				Other Governmental Funds	Total Governmental Funds
	General Fund	Special Education Fund	Debt Service Fund	Bond Projects Fund		
Fund Balances						
Nonspendable inventories	\$ 269,141	\$ -	\$ -	\$ -	\$ 25,354	\$ 294,495
Restricted for:						
Debt service	-	-	10,392,351	-	-	10,392,351
Capital projects	-	-	-	39,988,392	4,341,111	44,329,503
Donation and private grants					22,917	22,917
Student activities	-	-	-	-	974,735	974,735
Assigned to:						
Education services	-	717,038	-	-	110,276	827,314
Food service	-	-	-	-	3,003,092	3,003,092
Unassigned	14,377,454	-	-	-	-	14,377,454
Total Fund Balance	<u>\$ 14,646,595</u>	<u>\$ 717,038</u>	<u>\$ 10,392,351</u>	<u>\$ 39,988,392</u>	<u>\$ 8,477,485</u>	<u>\$ 74,221,861</u>

NOTE 12 – NEW ACCOUNTING PRONOUNCEMENTS

In June 2017, the Governmental Accounting Standards Board issued GASB Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

deferred inflow of resources. The District's evaluation of this standard for the year ended June 30, 2022 determined that the existing leases subject to the standard's provisions were not material to the financial statements.

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

NOTE 13 – CONSTRUCTION COMMITMENTS

The project total for the Fernley High School (FHS) Gym Expansion project has been estimated at \$30.1 million, of which approximately \$1.65 million was incurred in FY22, leaving approximately \$28.5 million to be incurred through FY24.

During FY22, the District commenced major renovations to its high school stadiums, incurring costs of approximately \$4.2 million, with and estimated \$900,000 to be incurred in FY23.

Costs on these projects will be financed from resources in the Bond Projects Fund, which are comprised primarily of the proceeds from the FY22 bond issues (Note 7). Construction is currently in process on these projects.

NOTE 14 – SUBSEQUENT EVENTS

The District has received \$5.1 million in ESSER II federal stimulus funding (available for expenditure until Sept 30, 2023) and \$11.4 million in ESSER III federal stimulus funding (available for expenditure until September 30, 2024). These funds are being utilized to continue providing a safe learning environment for students and staff, to help combat learning loss in students as a result of the pandemic impact, to maintain operations at pre-COVID levels.

The District determined that it underpaid the Internal Revenue Service (IRS) \$1,903,455 in employer payroll taxes and employee withholding taxes from July 2021 through September 2022. As of the date of the auditors' report, this amount has been paid to the IRS. Penalties and interest of \$351,775 have been assessed on the deficiency but the District's management is actively pursuing abatements from the IRS.

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 15 – 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 of Education as the PCFP is being implemented. The Commission will also monitor the impact of the implementation and provide recommendations for improvement.

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 16 – PRIOR PERIOD ADJUSTMENT

In connection with the District's initial implementation of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, a prior period adjustment of \$833,101 for the fund reclassification of the Student Accounts Fund. The fund was previously classified as an agency fund and as of July 1, 2021 was deemed to be a special revenue fund, as required by GASB Statement No. 84. The effect of this adjustment was to increase both fund balance and net position as of July 1, 2021 by \$833,101 and to eliminate the agency funds.

LYON 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
Total OPEB Liability									
Service cost	\$ 995,465	\$ -	\$ -	\$ 378,133	\$ -	\$ -	\$ 352,610	\$ -	\$ -
Interest	321,908	154,345	476,253	133,954	158,805	292,759	131,222	171,702	302,924
Changes in benefit terms	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	-	-	-	539,831	251,220	791,051	-	-	-
Changes in assumptions	1,025,964	332,666	1,358,630	5,838,342	74,047	5,912,389	67,671	126,526	194,197
Benefit payments	(217,611)	(338,257)	(555,868)	(196,167)	(393,576)	(589,743)	(162,296)	(357,887)	(520,183)
Net change in Total OPEB Liability	2,125,726	148,754	1,279,015	6,694,093	90,496	6,406,456	389,207	(59,659)	(23,062)
Total OPEB Liability, beginning	11,215,153	5,971,578	17,186,731	4,521,060	5,881,082	10,402,142	4,131,853	5,940,741	10,072,594
Total OPEB Liability, ending	13,340,879	6,120,332	18,465,746	11,215,153	5,971,578	16,808,598	4,521,060	5,881,082	10,049,532
Plan Fiduciary Net Position									
Net change in Plan Fiduciary Net Position	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position, beginning	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position, ending	-	-	-	-	-	-	-	-	-
District's Net OPEB Liability	\$ 13,340,879	\$ 6,120,332	\$ 18,465,746	\$ 11,215,153	\$ 5,971,578	\$ 16,808,598	\$ 4,521,060	\$ 5,881,082	\$ 10,049,532
Covered payroll	\$ 53,593,966	N/A	N/A	\$ 52,286,110	N/A	N/A	\$ 50,275,106	N/A	N/A
District's Net OPEB Liability as a percentage of covered payroll	24.89%	N/A	N/A	21.45%	N/A	N/A	8.99%	N/A	N/A

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

Continued on next page.

LYON COUNTY SCHOOL DISTRICT

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

	2019			2018		
	District	PEBP	Total	District	PEBP	Total
Total OPEB Liability						
Service cost	\$ 353,881	\$ -	\$ 353,881	\$ 374,429	\$ -	\$ 374,429
Interest	123,565	175,619	299,184	101,987	164,403	266,390
Changes in benefit terms	-	24,182	24,182	-	-	-
Differences between expected and actual experience	(568,389)	(180,891)	(749,280)	-	-	-
Changes in assumptions	673,647	501,406	1,175,053	(231,142)	(300,228)	(531,370)
Benefit payments	(89,480)	(380,812)	(470,292)	(75,389)	(394,781)	(470,170)
Net change in Total OPEB Liability	493,224	139,504	632,728	169,885	(530,606)	(360,721)
Total OPEB Liability, beginning	3,638,629	5,801,237	9,439,866	3,468,744	6,331,843	9,800,587
Total OPEB Liability, ending	4,131,853	5,940,741	10,072,594	3,638,629	5,801,237	9,439,866
Plan Fiduciary Net Position						
Net change in Plan Fiduciary Net Position	-	-	-	-	-	-
Plan Fiduciary Net Position, beginning	-	-	-	-	-	-
Plan Fiduciary Net Position, ending	-	-	-	-	-	-
District's Net OPEB Liability	\$ 4,131,853	\$ 5,940,741	\$ 10,072,594	\$ 3,638,629	\$ 5,801,237	\$ 9,439,866
Covered payroll	\$ 47,121,055	N/A	N/A	\$ 45,228,239	N/A	N/A
District's Net OPEB Liability as a percentage of covered payroll	8.77%	N/A	N/A	8.05%	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.

LYON 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*

	2021	2020	2019	Plan Year Ended		2016	2015	2014
				2018	2017			
District's proportion of the Net Pension Liability	0.7322%	0.7764%	0.73405%	0.73765%	0.73864%	0.75753%	0.74096%	0.74190%
District's proportionate share of the Net Pension Liability	\$ 66,766,497	\$ 108,145,312	\$ 100,095,295	\$ 100,599,130	\$ 98,237,626	\$101,942,119	\$ 84,909,369	\$ 77,321,756
District's covered employee payroll	\$ 51,748,482	\$ 51,883,601	\$ 51,858,445	\$ 50,453,598	\$ 48,705,600	\$ 46,963,783	\$ 45,566,218	\$ 44,186,238
District's proportionate share of the Net Pension Liability as a percentage of its covered employee payroll	129.02%	208.44%	193.02%	199.39%	201.70%	217.07%	186.34%	174.99%
Plan fiduciary net position as a percentage of the Total Pension Liability	86.51%	77.04%	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.

LYON COUNTY SCHOOL DISTRICT

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

	2022	2021	2020	Determined for the Year Ended		2017	2016	2015
				2019	2018			
Statutorily required contribution	\$ 7,801,603	\$ 7,667,322	\$ 7,658,540	\$ 7,162,970	\$ 6,875,462	\$ 6,422,758	\$ 11,410,032	\$ 11,377,956
Contributions in relation to the statutorily required contribution	<u>7,801,603</u>	<u>7,667,322</u>	<u>7,658,540</u>	<u>7,162,970</u>	<u>6,875,462</u>	<u>6,422,758</u>	<u>11,410,032</u>	<u>11,377,956</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	\$ 51,748,482	\$ 51,883,601	\$ 51,858,445	\$ 50,453,598	\$ 48,705,600	\$ 46,963,783	\$ 45,566,218	\$ 44,186,238
Contributions as a percentage of covered employee payroll	15.08%	14.78%	14.77%	14.20%	14.12%	13.68%	25.04%	25.75%

*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.

LYON 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
REVENUES					
Local Sources:					
Ad valorem taxes	\$ 9,788,850	\$ 9,788,850	\$ 10,044,786	\$ 255,936	\$ 9,456,260
Earnings on investments	20,000	20,000	23,446	3,446	77,626
Total Revenue	9,808,850	9,808,850	10,068,232	259,382	9,533,886
EXPENDITURES					
Debt Service:					
Principal retirement	6,227,000	6,227,000	5,880,000	347,000	5,065,000
Interest	1,889,886	1,889,886	2,229,345	(339,459)	2,026,265
Other	-	-	2,350	(2,350)	196,758
	8,116,886	8,116,886	8,111,695	5,191	7,288,023
Revenues Over (Under)					
Expenditures	1,691,964	1,691,964	1,956,537	264,573	2,245,863
OTHER FINANCING SOURCES (USES)					
Proceeds from refunding bonds	-	-	-	-	14,925,000
Bond premium	-	-	-	-	2,643,487
Payment to refunded bonds escrow agent	-	-	-	-	(18,503,000)
	-	-	-	-	(934,513)
Net Change in Fund Balance	1,691,964	1,691,964	1,956,537	264,573	1,311,350
FUND BALANCE, July 1	7,802,991	7,802,991	8,435,814	632,823	7,124,464
FUND BALANCE, June 30	\$ 9,494,955	\$ 9,494,955	\$ 10,392,351	\$ 897,396	\$ 8,435,814

LYON COUNTY SCHOOL DISTRICT

BOND 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
REVENUES					
Local Sources:					
Earnings on investments	\$ -	\$ -	\$ 6,732	\$ 6,732	\$ 17,390
EXPENDITURES					
Undistributed Expenditures:					
General Administration:					
Purchased services	-	175,000	211,130	(36,130)	-
Facilities Acquisition and Construction:					
Architectural and Engineering Services:					
Purchased services	1,850,050	925,025	1,688,669	(763,644)	230,362
Other	-	-	135,654	(135,654)	42,489
	1,850,050	925,025	1,824,323	(899,298)	272,851
Building Acquisition and Construction:					
Purchased services	18,200,000	807,747	972,013	(164,266)	5,615,417
Site Improvements:					
Purchased services	324,800	2,853,748	1,930,753	922,995	171,590
Other	-	-	-	-	4,785
	324,800	2,853,748	1,930,753	922,995	176,375
Building Improvements:					
Purchased services	2,126,250	1,448,086	776,691	671,395	737,723
Total Facilities Acquisition and Construction	22,501,100	6,034,606	5,503,780	530,826	6,802,366
Debt Service:					
Bond principal	-	-	2,730,000	(2,730,000)	-
Total Expenditures	22,501,100	6,209,606	8,444,910	(2,235,304)	6,802,366
Revenues Over (Under) Expenditures	(22,501,100)	(6,209,606)	(8,438,178)	(2,228,572)	(6,784,976)

Continued on next page.

LYON COUNTY SCHOOL DISTRICT

BOND 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)

	<u>2022 BUDGET</u>		<u>2022</u>		<u>2021</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>ACTUAL</u>
OTHER FINANCING SOURCES					
Proceeds from bond sale	\$ 18,000,000	\$ 37,660,000	\$ 37,365,000	\$ (295,000)	\$ -
Bond premium	-	-	4,362,247	4,362,247	-
	<u>18,000,000</u>	<u>37,660,000</u>	<u>41,727,247</u>	<u>4,067,247</u>	<u>-</u>
Net Change in Fund Balance	(4,501,100)	31,450,394	33,289,069	1,838,675	(6,784,976)
FUND BALANCE, July 1	<u>6,681,932</u>	<u>13,484,299</u>	<u>6,699,323</u>	<u>(6,784,976)</u>	<u>13,484,299</u>
FUND BALANCE, June 30	<u>\$ 2,180,832</u>	<u>\$ 44,934,693</u>	<u>\$ 39,988,392</u>	<u>\$ (4,946,301)</u>	<u>\$ 6,699,323</u>

LYON COUNTY SCHOOL DISTRICT

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2022

(WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2021)

Page 1 of 3

	SPECIAL REVENUE FUNDS					
	FEDERAL GRANTS	INSURANCE LOSS	FEDERAL SCHOOL LUNCH	ADULT DIPLOMA	CLASS SIZE REDUCTION	PRIVATE DONATIONS & GRANTS
ASSETS						
Cash and investments	\$ -	\$ -	\$ 3,958,558	\$ -	\$ 10	\$ 22,917
Receivables	8,498,204	-	3,591	329,728	-	-
Inventories	-	-	25,354	-	-	-
Total Assets	<u>\$ 8,498,204</u>	<u>\$ -</u>	<u>\$ 3,987,503</u>	<u>\$ 329,728</u>	<u>\$ 10</u>	<u>\$ 22,917</u>
LIABILITIES						
Accounts payable	\$ 438,298	\$ -	\$ 873,772	\$ 1,740	\$ -	\$ -
Accrued payroll	269,617	-	66,647	32,392	-	-
Due to other funds	7,764,946	-	-	290,072	-	-
Unearned revenues	25,343	-	18,638	-	-	-
Total Liabilities	<u>8,498,204</u>	<u>-</u>	<u>959,057</u>	<u>324,204</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	25,354	-	-	-
Restricted	-	-	-	-	-	22,917
Assigned	-	-	3,003,092	5,524	10	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>3,028,446</u>	<u>5,524</u>	<u>10</u>	<u>22,917</u>
Total Liabilities and Fund Balances	<u>\$ 8,498,204</u>	<u>\$ -</u>	<u>\$ 3,987,503</u>	<u>\$ 329,728</u>	<u>\$ 10</u>	<u>\$ 22,917</u>

LYON COUNTY SCHOOL DISTRICT

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2022

(WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2021)

Page 2 of 3

	SPECIAL REVENUE FUNDS				
	STATE GRANTS	MEDICAID	NEW NEVADA PLAN	STUDENT ACCOUNTS	TOTAL
ASSETS					
Cash and investments	\$ -	\$ 131,843	\$ 13,685	\$ 974,735	\$ 5,101,748
Receivables	421,922	-	-	-	9,253,445
Inventories	-	-	-	-	25,354
Total Assets	<u>\$ 421,922</u>	<u>\$ 131,843</u>	<u>\$ 13,685</u>	<u>\$ 974,735</u>	<u>\$ 14,380,547</u>
LIABILITIES					
Accounts payable	\$ 107,867	\$ 848	\$ 13,685	\$ -	\$ 1,436,210
Accrued payroll	21,484	26,253	-	-	416,393
Due to other funds	162,221	-	-	-	8,217,239
Unearned revenues	130,350	-	-	-	174,331
Total Liabilities	<u>421,922</u>	<u>27,101</u>	<u>13,685</u>	<u>-</u>	<u>10,244,173</u>
FUND BALANCES					
Nonspendable	-	-	-	-	25,354
Restricted	-	-	-	974,735	997,652
Assigned	-	104,742	-	-	3,113,368
Total Fund Balances	<u>-</u>	<u>104,742</u>	<u>-</u>	<u>974,735</u>	<u>4,136,374</u>
Total Liabilities and Fund Balances	<u>\$ 421,922</u>	<u>\$ 131,843</u>	<u>\$ 13,685</u>	<u>\$ 974,735</u>	<u>\$ 14,380,547</u>

LYON COUNTY SCHOOL DISTRICT

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2022

(WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2021)

Page 3 of 3

	CAPITAL PROJECTS FUNDS				TOTAL NONMAJOR GOVERNMENTAL FUNDS	
	CAPITAL PROJECTS	BUILDING AND SITES	RES. CONSTR. TAX	TOTAL	2022	2021
ASSETS						
Cash and investments	\$ 1,911,813	\$ 227,186	\$ 2,405,200	\$ 4,544,199	\$ 9,645,947	\$ 7,453,109
Receivables	87,774	800	37,984	126,558	9,380,003	6,696,531
Inventories	-	-	-	-	25,354	25,354
Total Assets	<u>\$ 1,999,587</u>	<u>\$ 227,986</u>	<u>\$ 2,443,184</u>	<u>\$ 4,670,757</u>	<u>\$ 19,051,304</u>	<u>\$ 14,174,994</u>
LIABILITIES						
Accounts payable	\$ 25,640	\$ 1,971	\$ 302,035	\$ 329,646	\$ 1,765,856	\$ 1,621,742
Accrued payroll	-	-	-	-	416,393	999,329
Due to other funds	-	-	-	-	8,217,239	5,000,330
Unearned revenues	-	-	-	-	174,331	173,864
Total Liabilities	<u>25,640</u>	<u>1,971</u>	<u>302,035</u>	<u>329,646</u>	<u>10,573,819</u>	<u>7,795,265</u>
FUND BALANCES						
Nonspendable	-	-	-	-	25,354	25,354
Restricted	1,973,947	226,015	2,141,149	4,341,111	5,338,763	5,096,872
Assigned	-	-	-	-	3,113,368	1,257,503
Total Fund Balances	<u>1,973,947</u>	<u>226,015</u>	<u>2,141,149</u>	<u>4,341,111</u>	<u>8,477,485</u>	<u>6,379,729</u>
Total Liabilities and Fund Balances	<u>\$ 1,999,587</u>	<u>\$ 227,986</u>	<u>\$ 2,443,184</u>	<u>\$ 4,670,757</u>	<u>\$ 19,051,304</u>	<u>\$ 14,174,994</u>

LYON COUNTY SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2022

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

Page 1 of 3

	SPECIAL REVENUE FUNDS					
	FEDERAL GRANTS	INSURANCE LOSS	FEDERAL SCHOOL LUNCH	ADULT DIPLOMA	CLASS SIZE REDUCTION	PRIVATE DONATIONS & GRANTS
REVENUES						
Local sources	\$ -	\$ -	\$ 22,392	\$ 2,046	\$ -	\$ 7,394
State sources	-	-	-	329,729	-	-
Federal sources	13,934,406	-	5,992,426	-	-	-
Total Revenues	13,934,406	-	6,014,818	331,775	-	7,394
EXPENDITURES						
Regular programs	4,816,416	-	-	-	-	-
Special programs	2,099,010	-	-	-	-	2,220
Vocational programs	144,372	-	-	-	-	-
Adult instruction	-	-	-	329,728	-	-
Other instructional programs	838,163	-	-	-	-	-
Co-curricular activities	-	-	-	-	-	-
Support Services:						
Student support	3,253,170	-	-	-	-	-
Instructional staff support	1,135,358	-	-	-	-	-
General administration	358,723	-	-	-	-	-
School administration	245,568	-	-	-	-	-
Central services	410,190	-	-	-	-	-
Operations and maintenance	288,332	-	-	-	-	12,800
Student transportation	272,000	-	-	-	-	-
Noninstructional services:						
Food service	-	-	4,105,529	-	-	-
Community service	73,104	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Total Expenditures	13,934,406	-	4,105,529	329,728	-	15,020
Revenues Over (Under) Expenditures	-	-	1,909,289	2,047	-	(7,626)
OTHER FINANCING (USES)						
Transfer (to) other funds	-	(109,135)	-	-	-	-
Net Change in Fund Balances	-	(109,135)	1,909,289	2,047	-	(7,626)
FUND BALANCES, July 1, as originally stated	-	109,135	1,119,157	3,477	10	30,543
Prior period adjustment	-	-	-	-	-	-
FUND BALANCES, July 1, as restated	-	109,135	1,119,157	3,477	10	30,543
FUND BALANCES, June 30	\$ -	\$ -	\$ 3,028,446	\$ 5,524	\$ 10	\$ 22,917

LYON COUNTY SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2022

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

Page 2 of 3

	SPECIAL REVENUE FUNDS				CAPITAL PROJECTS FUNDS	
	STATE GRANTS	MEDICAID	STUDENT ACCOUNTS	TOTAL	CAPITAL PROJECTS	BUILDING AND SITES
REVENUES						
Local sources	\$ -	\$ -	\$ 1,214,936	\$ 1,246,768	\$ 996,235	\$ 10,900
State sources	2,359,550	-	-	2,689,279	-	-
Federal sources	43,559	313,192	-	20,283,583	-	-
Total Revenues	2,403,109	313,192	1,214,936	24,219,630	996,235	10,900
EXPENDITURES						
Regular programs	1,529,320	-	-	6,345,736	-	-
Special programs	-	-	-	2,101,230	-	-
Vocational programs	273,471	-	-	417,843	-	-
Adult instruction	-	-	-	329,728	-	-
Other instructional programs	-	-	-	838,163	-	-
Co-curricular activities	-	-	1,073,302	1,073,302	-	-
Support Services:						
Student support	258,319	140,685	-	3,652,174	-	-
Instructional staff support	2,681	98	-	1,138,137	-	-
General administration	-	88,202	-	446,925	-	-
School administration	-	-	-	245,568	-	-
Central services	-	-	-	410,190	-	-
Operations and maintenance	339,318	-	-	640,450	430	3,016
Student transportation	-	-	-	272,000	-	-
Noninstructional services:						
Food service	-	-	-	4,105,529	-	-
Community service	-	-	-	73,104	-	-
Facilities acquisition and construction	-	-	-	-	1,682,151	-
Total Expenditures	2,403,109	228,985	1,073,302	22,090,079	1,682,581	3,016
Revenues Over (Under) Expenditures	-	84,207	141,634	2,129,551	(686,346)	7,884
OTHER FINANCING (USES)						
Transfer (to) other funds	-	-	-	(109,135)	-	-
Net Change in Fund Balances	-	84,207	141,634	2,020,416	(686,346)	7,884
FUND BALANCES, July 1, as originally stated	-	20,535	-	1,282,857	2,660,293	218,131
Prior period adjustment	-	-	833,101	833,101	-	-
FUND BALANCES, July 1, as restated	-	20,535	833,101	2,115,958	2,660,293	218,131
FUND BALANCES, June 30	\$ -	\$ 104,742	\$ 974,735	\$ 4,136,374	\$ 1,973,947	\$ 226,015

LYON COUNTY SCHOOL DISTRICT

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

Page 3 of 3

	CAPITAL PROJECTS FUNDS		TOTALS	
	RES. CONSTR. TAX	TOTAL CAPITAL PROJECTS	2022	2021
REVENUES				
Local sources	\$ 1,080,784	\$ 2,087,919	\$ 3,334,687	\$ 5,716,418
State sources	-	-	2,689,279	2,709,155
Federal sources	-	-	20,283,583	11,139,391
Total Revenues	<u>1,080,784</u>	<u>2,087,919</u>	<u>26,307,549</u>	<u>19,564,964</u>
EXPENDITURES				
Regular programs	-	-	6,345,736	5,241,929
Special programs	-	-	2,101,230	1,824,723
Vocational programs	-	-	417,843	331,107
Adult instruction	-	-	329,728	250,026
Other instructional programs	-	-	838,163	680,806
Co-curricular activities	-	-	1,073,302	-
Support Services:				
Student support	-	-	3,652,174	2,940,214
Instructional staff support	-	-	1,138,137	736,452
General administration	-	-	446,925	161,192
School administration	-	-	245,568	-
Central services	-	-	410,190	887,987
Operations and maintenance	-	3,446	643,896	383,208
Student transportation	-	-	272,000	208,051
Noninstructional services:				
Food service	-	-	4,105,529	3,656,438
Community service	-	-	73,104	59,713
Facilities acquisition and construction	<u>1,158,083</u>	<u>2,840,234</u>	<u>2,840,234</u>	<u>1,255,121</u>
Total Expenditures	<u>1,158,083</u>	<u>2,843,680</u>	<u>24,933,759</u>	<u>18,616,967</u>
Revenues Over (Under) Expenditures	(77,299)	(755,761)	1,373,790	947,997
OTHER FINANCING (USES)				
Transfer (to) other funds	-	-	(109,135)	-
Net Change in Fund Balances	<u>(77,299)</u>	<u>(755,761)</u>	<u>1,264,655</u>	<u>947,997</u>
FUND BALANCES, July 1, as originally stated	2,218,448	5,096,872	6,379,729	5,431,732
Prior period adjustment	-	-	833,101	-
FUND BALANCES, July 1, as restated	<u>2,218,448</u>	<u>5,096,872</u>	<u>7,212,830</u>	<u>5,431,732</u>
FUND BALANCES, June 30	<u>\$ 2,141,149</u>	<u>\$ 4,341,111</u>	<u>\$ 8,477,485</u>	<u>\$ 6,379,729</u>

LYON COUNTY SCHOOL DISTRICT

FEDERAL GRANTS 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
REVENUES					
Federal Sources	\$ -	\$ 13,934,406	\$ 13,934,406	\$ -	\$ 6,881,200
EXPENDITURES					
Regular Programs:					
Salaries	-	2,016,868	2,016,868	-	489,087
Benefits	-	164,977	164,977	-	913,700
Purchased services	-	113,706	113,706	-	194,729
Supplies	-	2,499,315	2,499,315	-	49,603
Property	-	21,550	21,550	-	-
Total Regular Programs	-	4,816,416	4,816,416	-	1,647,119
Special Programs:					
Salaries	-	1,073,200	1,073,200	-	698,205
Benefits	-	344,847	344,847	-	260,346
Purchased services	-	453,598	453,598	-	446,427
Supplies	-	227,365	227,365	-	258,291
Property	-	-	-	-	158,454
Total Special Programs	-	2,099,010	2,099,010	-	1,821,723
Vocational Programs:					
Purchased services	-	5,668	5,668	-	1,000
Supplies	-	72,842	72,842	-	56,391
Property	-	65,862	65,862	-	63,572
Total Vocational Programs	-	144,372	144,372	-	120,963
Other Instructional Programs:					
Salaries	-	697,226	697,226	-	431,234
Benefits	-	23,682	23,682	-	13,626
Purchased services	-	-	-	-	8,074
Supplies	-	117,255	117,255	-	227,872
Total Other Instructional Programs	-	838,163	838,163	-	680,806

Continued on next page.

LYON COUNTY SCHOOL DISTRICT

FEDERAL GRANTS 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
Undistributed Expenditures					
Student Support:					
Salaries	\$ -	\$ 365,663	\$ 365,663	\$ -	\$ 278,654
Benefits	-	36,164	36,164	-	69,359
Purchased services	-	1,581,593	1,581,593	-	472,707
Supplies	-	1,269,416	1,269,416	-	894,065
Property	-	-	-	-	17,191
Other	-	334	334	-	392
	-	3,253,170	3,253,170	-	1,732,368
Instructional Staff Support:					
Salaries	-	680,937	680,937	-	232,322
Benefits	-	96,589	96,589	-	82,514
Purchased services	-	231,127	231,127	-	172,109
Supplies	-	126,705	126,705	-	40,468
	-	1,135,358	1,135,358	-	527,413
General Administration:					
Salaries	-	80,073	80,073	-	-
Benefits	-	2,150	2,150	-	64,688
Purchased services	-	276,500	276,500	-	-
	-	358,723	358,723	-	64,688
Central Services:					
Salaries	-	253,179	253,179	-	138,556
Benefits	-	59,158	59,158	-	47,976
Purchased services	-	175	175	-	1,173
Supplies	-	97,678	97,678	-	20,118
	-	410,190	410,190	-	207,823
School Administration					
Salaries	-	234,171	234,171	-	-
Benefits	-	11,397	11,397	-	-
	-	245,568	245,568	-	-

Continued on next page.

LYON COUNTY SCHOOL DISTRICT

FEDERAL GRANTS 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
Operations and Maintenance:					
Salaries	\$ -	\$ 195,293	\$ 195,293	\$ -	\$ -
Benefits	-	5,456	5,456	-	-
Supplies	-	72,679	72,679	-	4,956
Property	-	14,904	14,904	-	-
	-	288,332	288,332	-	4,956
Student Transportation:					
Salaries	-	200,830	200,830	-	2,616
Benefits	-	5,027	5,027	-	962
Purchased services	-	12,886	12,886	-	10,050
Property	-	53,257	53,257	-	-
	-	272,000	272,000	-	13,628
Other Support Services:					
Community Service:					
Supplies	-	73,104	73,104	-	59,713
Total Undistributed Expenditures	-	6,036,445	6,036,445	-	2,610,589
Total Expenditures	-	13,934,406	13,934,406	-	6,881,200
Revenue Over (Under)					
Expenditures	-	-	-	-	-
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

LYON COUNTY SCHOOL DISTRICT

INSURANCE LOSS 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
REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES	-	-	-	-	-
Revenues Over (Under) Expenditures	-	-	-	-	-
OTHER FINANCING SOURCES (USES)					
Transfer (to) other funds	-	(109,135)	(109,135)	-	-
Net Change in Fund Balance	-	(109,135)	(109,135)	-	-
FUND BALANCE, July 1	-	109,135	109,135	-	109,135
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ 109,135

LYON COUNTY SCHOOL DISTRICT

FEDERAL SCHOOL LUNCH 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
REVENUES					
Local Sources:					
Daily sales	\$ 600,000	\$ 600,000	\$ 17,450	\$ (582,550)	\$ 32,611
Other local	25,000	25,000	4,942	(20,058)	7,783
	625,000	625,000	22,392	(602,608)	40,394
State Sources:					
State Match	30,000	30,000	-	(30,000)	10,728
Federal Sources:					
School Nutrition Programs	3,050,000	3,050,000	5,992,426	2,942,426	4,112,573
Total Revenue	3,705,000	3,705,000	6,014,818	2,309,818	4,163,695
EXPENDITURES					
Undistributed Expenditures:					
Central Services:					
Salaries	100,000	120,000	-	120,000	-
Benefits	33,000	33,000	-	33,000	-
	133,000	153,000	-	153,000	-
Food Service Operations:					
Salaries	1,000,000	1,000,000	703,347	296,653	1,002,712
Benefits	367,230	367,230	215,809	151,421	312,714
Purchased services	250,000	250,000	638,645	(388,645)	286,793
Supplies	1,638,750	1,638,750	2,545,178	(906,428)	1,987,991
Property	500,000	920,000	-	920,000	-
Other	67,553	70,000	2,550	67,450	66,228
	3,823,533	4,245,980	4,105,529	140,451	3,656,438
Total Expenditures	3,956,533	4,398,980	4,105,529	293,451	3,656,438
Net Change in Fund Balance	(251,533)	(693,980)	1,909,289	2,603,269	507,257
FUND BALANCE, July 1	1,119,157	1,119,157	1,119,157	-	611,900
FUND BALANCE, June 30	\$ 867,624	\$ 425,177	\$ 3,028,446	\$ 2,603,269	\$ 1,119,157

LYON COUNTY SCHOOL DISTRICT

ADULT DIPLOMA 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
REVENUES					
Local Sources:					
Tuition	\$ -	\$ -	\$ 2,046	\$ 2,046	1,510
State Sources:					
State funding	-	362,228	329,729	(32,499)	250,026
Total Revenue	-	362,228	331,775	(30,453)	251,536
EXPENDITURES					
Salaries	-	218,606	203,448	15,158	154,804
Benefits	-	89,610	87,224	2,386	67,251
Purchased services	-	13,788	12,698	1,090	13,119
Supplies	-	40,224	26,358	13,866	14,852
Total Expenditures	-	362,228	329,728	32,500	250,026
Net Change in Fund Balance	-	-	2,047	2,047	1,510
FUND BALANCE, July 1	-	-	3,477	3,477	1,967
FUND BALANCE, June 30	\$ -	\$ -	\$ 5,524	\$ 5,524	\$ 3,477

LYON 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
REVENUES					
State Sources:					
State funding	\$ -	\$ -	\$ -	\$ -	\$ 2,312,801
EXPENDITURES					
Regular Programs:					
Salaries	-	-	-	-	1,613,699
Benefits	-	-	-	-	699,102
Total Expenditures	-	-	-	-	2,312,801
Net Change in Fund Balance	-	-	-	-	-
FUND BALANCE, July 1	-	-	10	10	10
FUND BALANCE, June 30	\$ -	\$ -	\$ 10	\$ 10	\$ 10

LYON COUNTY SCHOOL DISTRICT

PRIVATE DONATIONS AND GRANTS 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
REVENUES					
Local Sources:					
Private donations and grants	\$ -	\$ 7,394	\$ 7,394	\$ -	\$ 406,191
EXPENDITURES					
Regular Programs:					
Salaries	-	-	-	-	413
Benefits	-	-	-	-	38
Supplies	-	-	-	-	2,538
	-	-	-	-	2,989
Special Programs:					
Supplies	-	2,220	2,220	-	-
Undistributed Expenditures:					
Instructional Staff Support:					
Supplies	-	-	-	-	3,004
Operations and Maintenance:					
Supplies	-	5,174	12,800	(7,626)	369,655
Total Undistributed Expenditures	-	5,174	12,800	(7,626)	372,659
Total Expenditures	-	7,394	15,020	(7,626)	375,648
Net Change in Fund Balance	-	-	(7,626)	(7,626)	30,543
FUND BALANCE, July 1	-	-	30,543	30,543	-
FUND BALANCE, June 30	\$ -	\$ -	\$ 22,917	\$ 22,917	\$ 30,543

LYON COUNTY SCHOOL DISTRICT

STATE GRANTS 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
REVENUES					
State Sources	\$ -	\$ 2,649,410	\$ 2,359,550	\$ (289,860)	\$ 3,543,120
Federal sources	-	-	43,559	43,559	-
	-	2,649,410	2,403,109	(246,301)	3,543,120
EXPENDITURES					
Regular Programs:					
Salaries	-	734,522	1,053,445	(318,923)	176,659
Benefits	-	285,084	463,049	(177,965)	82,754
Purchased services	-	193,274	-	193,274	491,564
Supplies	-	566,660	12,826	553,834	430,026
Total Regular Programs	-	1,779,540	1,529,320	250,220	1,181,003
Special Programs:					
Salaries	-	100,593	-	100,593	-
Benefits	-	14,929	-	14,929	-
Purchased services	-	8,820	-	8,820	-
Supplies	-	36,503	-	36,503	3,000
Total Special Programs	-	160,845	-	160,845	3,000
Vocational Programs:					
Purchased services	-	-	11,650	(11,650)	2,725
Supplies	-	-	242,458	(242,458)	193,470
Property	-	-	19,335	(19,335)	13,949
Other	-	-	28	(28)	-
Total Vocational Programs	-	-	273,471	(273,471)	210,144
Undistributed Expenditures:					
Student Support:					
Salaries	-	94,621	63,804	30,817	150
Benefits	-	2,754	21,190	(18,436)	3
Purchased services	-	340,810	29,845	310,965	291,822
Supplies	-	48,829	38,774	10,055	805,755
Property	-	-	104,706	(104,706)	-
	-	487,014	258,319	228,695	1,097,730

Continued on next page.

LYON COUNTY SCHOOL DISTRICT

STATE GRANTS 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
Instructional Staff Support:					
Salaries	\$ -	\$ 13,852	\$ -	\$ 13,852	\$ 102,829
Benefits	-	1,113	-	1,113	41,806
Purchased services	-	41,255	250	41,005	-
Supplies	-	-	2,431	(2,431)	25,400
	-	56,220	2,681	53,539	170,035
General Administration:					
Purchased services	-	78,979	-	78,979	-
Student Transportation:					
Purchased services	-	86,812	-	86,812	-
Supplies	-	-	-	-	194,423
	-	86,812	-	86,812	194,423
Central Services:					
Purchased services	-	-	-	-	15,000
Supplies	-	-	-	-	665,164
	-	-	-	-	680,164
Operations and Maintenance:					
Purchased services	-	-	-	-	1,110
Supplies	-	-	339,318	(339,318)	5,511
	-	-	339,318	(339,318)	6,621
Total Undistributed Expenditures	-	709,025	600,318	108,707	2,148,973
Total Expenditures	-	2,649,410	2,403,109	246,301	3,543,120
Net Change in Fund Balance	-	-	-	-	-
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

LYON COUNTY SCHOOL DISTRICT

MEDICAID 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
REVENUES					
Federal Sources:					
Medicaid Program	\$ 500,000	\$ 150,000	\$ 313,192	\$ 163,192	\$ 145,618
EXPENDITURES					
Special Programs:					
Student Support:					
Salaries	234,429	-	-	-	519
Benefits	6,451	-	-	-	6,173
Purchased services	150,625	50,000	133,099	(83,099)	96,594
Supplies	15,000	15,000	7,586	7,414	4,836
	<u>406,505</u>	<u>65,000</u>	<u>140,685</u>	<u>(75,685)</u>	<u>108,122</u>
Instructional Staff Support					
Purchased services	-	-	98	(98)	-
General Administration:					
Salaries	50,108	50,108	37,296	12,812	47,950
Benefits	20,413	22,318	13,252	9,066	19,534
Purchased services	28,702	30,000	37,291	(7,291)	27,466
Supplies	1,511	1,511	363	1,148	1,554
	<u>100,734</u>	<u>103,937</u>	<u>88,202</u>	<u>15,735</u>	<u>96,504</u>
Total Expenditures	<u>507,239</u>	<u>168,937</u>	<u>228,985</u>	<u>(60,048)</u>	<u>204,626</u>
Net Change in Fund Balance	(7,239)	(18,937)	84,207	103,144	(59,008)
FUND BALANCE, July 1	<u>20,535</u>	<u>20,535</u>	<u>20,535</u>	<u>-</u>	<u>79,543</u>
FUND BALANCE, June 30	<u>\$ 13,296</u>	<u>\$ 1,598</u>	<u>\$ 104,742</u>	<u>\$ 103,144</u>	<u>\$ 20,535</u>

LYON COUNTY SCHOOL DISTRICT

STUDENT ACCOUNTS FUND 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
REVENUES				
Local Sources:				
Student activities	\$ -	\$ 1,100,000	\$ 1,214,936	\$ 114,936
EXPENDITURES				
Co-curricular Activities:				
Purchased services	-	400,000	536,651	(136,651)
Supplies	-	300,000	-	300,000
	-	700,000	536,651	163,349
Athletics:				
Purchased services	-	400,000	536,651	(136,651)
Supplies	-	300,000	-	300,000
	-	700,000	536,651	163,349
Total Expenditures	-	1,400,000	1,073,302	326,698
Revenues Over (Under) Expenditures	-	(300,000)	141,634	441,634
FUND BALANCE, July 1, as originally stated	-	-	-	-
Prior period adjustment	-	833,258	833,101	(157)
FUND BALANCE, July 1, as restated	-	833,258	833,101	(157)
FUND BALANCE, June 30	\$ -	\$ 533,258	\$ 974,735	\$ 441,477

LYON 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
REVENUES					
Local Sources:					
Government Services Tax	\$ 939,060	\$ 934,978	\$ 996,235	\$ 61,257	\$ 1,003,382
EXPENDITURES					
Operations and Maintenance:					
Supplies	-	-	430	(430)	-
Facilities Acquisition and Construction:					
Building Acquisition and Construction:					
Purchased services	-	-	94,406	(94,406)	84,988
Supplies	-	-	26,094	(26,094)	40,153
Property	-	567,073	-	567,073	-
	-	567,073	120,500	446,573	125,141
Site Improvement:					
Purchased services	1,000,000	1,262,065	1,174,160	87,905	805,681
Other	-	-	9,947	(9,947)	-
	1,000,000	1,262,065	1,184,107	77,958	805,681
Building Improvements:					
Purchased services	-	1,538,094	377,544	1,160,550	95,790
Property	500,000	-	-	-	-
Other	-	-	-	-	5,012
	500,000	1,538,094	377,544	1,160,550	100,802
Total Facilities Acquisition and Construction	1,500,000	3,367,232	1,682,151	1,685,081	1,031,624
Total Expenditures	1,500,000	3,367,232	1,682,581	1,684,651	1,031,624
Net Change in Fund Balance	(560,940)	(2,432,254)	(686,346)	1,745,908	(28,242)
FUND BALANCE, July 1	2,660,293	2,660,293	2,660,293	-	2,688,535
FUND BALANCE, June 30	\$ 2,099,353	\$ 228,039	\$ 1,973,947	\$ 1,745,908	\$ 2,660,293

LYON 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
REVENUES					
Local Sources:					
Rents	\$ 9,600	\$ 9,600	\$ 9,600	\$ -	\$ 10,000
Earnings on investments	-	-	1,300	1,300	4,303
	<u>9,600</u>	<u>9,600</u>	<u>10,900</u>	<u>1,300</u>	<u>14,303</u>
EXPENDITURES					
Undistributed Expenditures:					
Operations and Maintenance:					
Purchased services	-	-	-	-	1,976
Supplies	<u>175,000</u>	<u>175,000</u>	<u>3,016</u>	<u>171,984</u>	<u>-</u>
Total Expenditures	<u>175,000</u>	<u>175,000</u>	<u>3,016</u>	<u>171,984</u>	<u>1,976</u>
Net Change in Fund Balance	(165,400)	(165,400)	7,884	170,684	12,327
FUND BALANCE, July 1	<u>213,828</u>	<u>213,828</u>	<u>218,131</u>	<u>4,303</u>	<u>205,804</u>
FUND BALANCE, June 30	<u>\$ 48,428</u>	<u>\$ 48,428</u>	<u>\$ 226,015</u>	<u>\$ 174,987</u>	<u>\$ 218,131</u>

LYON COUNTY SCHOOL DISTRICT

RESIDENTIAL CONSTRUCTION TAX 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
REVENUES					
Local Sources:					
Residential Construction Tax	\$ 670,000	\$ 670,000	\$ 1,080,480	\$ 410,480	\$ 706,512
Earnings on investments	-	-	304	304	1,006
Total Revenue	670,000	670,000	1,080,784	410,784	707,518
EXPENDITURES					
Facilities Acquisition and Construction:					
Architectural and Engineering Services:					
Purchased services	-	-	267,595	(267,595)	153,363
Building Acquisition/Construction:					
Other	-	-	9,745	(9,745)	-
Site Improvement:					
Purchased services	1,825,000	2,493,388	813,949	1,679,439	-
Building Improvement:					
Purchased services	241,333	150,000	66,794	83,206	-
Supplies	-	-	-	-	70,134
	241,333	150,000	66,794	83,206	70,134
Total Facilities Acquisition and Construction	2,066,333	2,643,388	1,158,083	1,485,305	223,497
Net Change in Fund Balance	(1,396,333)	(1,973,388)	(77,299)	1,896,089	484,021
FUND BALANCE, July 1	2,217,442	2,217,442	2,218,448	1,006	1,734,427
FUND BALANCE, June 30	\$ 821,109	\$ 244,054	\$ 2,141,149	\$ 1,897,095	\$ 2,218,448

LYON COUNTY SCHOOL DISTRICT

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF NET POSITION JUNE 30, 2022

(WITH COMPARATIVE ACTUAL AMOUNTS AS OF JUNE 30, 2021)

	WORKERS COMPENSATION INSURANCE FUND	UNEMPLOY- MENT INSURANCE FUND	GROUP INSURANCE FUND	TOTALS	
				2022	2021
ASSETS					
Cash and cash equivalents	\$ 1,934,256	\$ 1,327,527	\$ 705,006	\$ 3,966,789	\$ 3,428,668
Cash with fiscal agent	-	-	-	-	283,195
Accounts receivable	4,542	6,744	-	11,286	21,276
	<u>1,938,798</u>	<u>1,334,271</u>	<u>705,006</u>	<u>3,978,075</u>	<u>3,733,139</u>
Restricted cash	<u>573,000</u>	<u>-</u>	<u>-</u>	<u>573,000</u>	<u>585,000</u>
Total Assets	<u>2,511,798</u>	<u>1,334,271</u>	<u>705,006</u>	<u>4,551,075</u>	<u>4,318,139</u>
LIABILITIES					
Accounts and claims payable	-	-	53,491	53,491	127,210
Incurred but unreported claims	<u>862,000</u>	<u>-</u>	<u>-</u>	<u>862,000</u>	<u>901,000</u>
Total Liabilities	<u>862,000</u>	<u>-</u>	<u>53,491</u>	<u>915,491</u>	<u>1,028,210</u>
NET POSITION					
Restricted for employee benefits program	<u>\$ 1,649,798</u>	<u>\$ 1,334,271</u>	<u>\$ 651,515</u>	<u>\$ 3,635,584</u>	<u>\$ 3,289,929</u>

LYON COUNTY SCHOOL DISTRICT

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION YEAR ENDED JUNE 30, 2022

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

	WORKERS COMPENSATION INSURANCE FUND	UNEMPLOY- MENT INSURANCE FUND	GROUP INSURANCE FUND	TOTALS	
				2022	2021
OPERATING REVENUES					
Charges for services	\$ 662,338	\$ 163,917	\$ -	\$ 826,255	\$ 7,379,496
Refunds and rebates	-	-	252,416	252,416	844,077
	<u>662,338</u>	<u>163,917</u>	<u>252,416</u>	<u>1,078,671</u>	<u>8,223,573</u>
OPERATING EXPENSES					
Benefit claims	562,052	-	-	562,052	5,827,234
Purchased services	60,662	-	109,524	170,186	1,194,661
Other	1,205	-	-	1,205	(18,294)
	<u>623,919</u>	<u>-</u>	<u>109,524</u>	<u>733,443</u>	<u>7,003,601</u>
Total Operating Expenses					
	<u>623,919</u>	<u>-</u>	<u>109,524</u>	<u>733,443</u>	<u>7,003,601</u>
Operating Income (Loss)	38,419	163,917	142,892	345,228	1,219,972
NONOPERATING REVENUES					
Earnings on investments	364	-	63	427	1,548
	<u>364</u>	<u>-</u>	<u>63</u>	<u>427</u>	<u>1,548</u>
Change in Net Position	38,783	163,917	142,955	345,655	1,221,520
	<u>38,783</u>	<u>163,917</u>	<u>142,955</u>	<u>345,655</u>	<u>1,221,520</u>
NET POSITION, July 1	1,611,015	1,170,354	508,560	3,289,929	2,068,409
	<u>1,611,015</u>	<u>1,170,354</u>	<u>508,560</u>	<u>3,289,929</u>	<u>2,068,409</u>
NET POSITION, June 30	\$ 1,649,798	\$ 1,334,271	\$ 651,515	\$ 3,635,584	\$ 3,289,929
	<u>\$ 1,649,798</u>	<u>\$ 1,334,271</u>	<u>\$ 651,515</u>	<u>\$ 3,635,584</u>	<u>\$ 3,289,929</u>

LYON COUNTY SCHOOL DISTRICT

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2022

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

	WORKERS COMPENSATION INSURANCE FUND	UNEMPLOY- MENT INSURANCE FUND	GROUP INSURANCE FUND	TOTALS	
				2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES					
Premiums received from other funds	\$ 663,044	\$ 173,201	\$ -	\$ 836,245	\$ 7,378,194
Refunds and rebates received	-	-	252,416	252,416	844,077
Payment of benefits	(621,937)	-	-	(621,937)	(7,111,462)
Insurance premiums and other	(61,867)	-	(162,358)	(224,225)	(1,135,039)
Net Cash Provided (Used) by Operating Activities	(20,760)	173,201	90,058	242,499	(24,230)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received on investments	364	-	63	427	1,548
Net Increase (Decrease) in Cash and Cash Equivalents	(20,396)	173,201	90,121	242,926	(22,682)
CASH AND CASH EQUIVALENTS, July 1					
	2,527,652	1,154,326	614,885	4,296,863	4,319,545
CASH AND CASH EQUIVALENTS, June 30					
	\$ 2,507,256	\$ 1,327,527	\$ 705,006	\$ 4,539,789	\$ 4,296,863
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ 38,419	\$ 163,917	\$ 142,892	\$ 345,228	\$ 1,219,972
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Changes in assets and liabilities:					
Accounts receivable	706	9,284	-	9,990	(6,550)
Accounts payable	(20,885)	-	(52,834)	(73,719)	112,348
Incurred but not reported claims	(39,000)	-	-	(39,000)	(1,350,000)
Total Adjustments	(59,179)	9,284	(52,834)	(102,729)	(1,244,202)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (20,760)	\$ 173,201	\$ 90,058	\$ 242,499	\$ (24,230)

LYON COUNTY SCHOOL DISTRICT

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

	<u>2021 BUDGET</u>		<u>2022</u>		<u>2021</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>ACTUAL</u>
OPERATING REVENUES					
Charges for services	\$ 580,000	\$ 580,000	\$ 662,338	\$ 82,338	\$ 581,928
OPERATING EXPENSES					
Benefits	580,000	580,000	562,052	17,948	(208,764)
Purchased services	135,000	135,000	60,662	74,338	238,490
Other	50,000	50,000	1,205	48,795	(18,294)
	<u>765,000</u>	<u>765,000</u>	<u>623,919</u>	<u>141,081</u>	<u>11,432</u>
Operating Income (Loss)	(185,000)	(185,000)	38,419	223,419	570,496
NONOPERATING REVENUES					
Earnings on investments	<u>10,000</u>	<u>10,000</u>	<u>364</u>	<u>(9,636)</u>	<u>1,206</u>
Change in Net Position	(175,000)	(175,000)	38,783	213,783	571,702
NET POSITION, July 1	<u>864,313</u>	<u>864,313</u>	<u>1,611,015</u>	<u>746,702</u>	<u>1,039,313</u>
NET POSITION, June 30	<u>\$ 689,313</u>	<u>\$ 689,313</u>	<u>\$ 1,649,798</u>	<u>\$ 960,485</u>	<u>\$ 1,611,015</u>

LYON COUNTY SCHOOL DISTRICT

WORKERS COMPENSATION 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)

	<u>2022 BUDGET</u>		<u>2022</u>		<u>2021</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>ACTUAL</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Charges for services	\$ 600,000	\$ 600,000	\$ 663,044	\$ 63,044	\$ 581,928
Payment of benefits	(500,000)	(500,000)	(621,937)	(121,937)	(90,236)
Insurance premiums paid, other payments	<u>(145,000)</u>	<u>(145,000)</u>	<u>(61,867)</u>	<u>83,133</u>	<u>(219,421)</u>
Net Cash Provided (Used) By Operating Activities	(45,000)	(45,000)	(20,760)	24,240	272,271
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received on investments	<u>10,000</u>	<u>10,000</u>	<u>364</u>	<u>(9,636)</u>	<u>1,206</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(35,000)	(35,000)	(20,396)	14,604	273,477
CASH AND					
CASH EQUIVALENTS, July 1	<u>2,244,175</u>	<u>2,244,175</u>	<u>2,527,652</u>	<u>283,477</u>	<u>2,254,175</u>
CASH AND					
CASH EQUIVALENTS, June 30	<u>\$ 2,209,175</u>	<u>\$ 2,209,175</u>	<u>\$ 2,507,256</u>	<u>\$ 298,081</u>	<u>\$ 2,527,652</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,419</u>	<u>\$ 38,419</u>	<u>\$ 570,496</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Changes in assets and liabilities:					
Accounts receivable	-	-	706	706	(5,248)
Accounts payable	-	-	(20,885)	(20,885)	6,023
Incurred but unreported claims	<u>-</u>	<u>-</u>	<u>(39,000)</u>	<u>(39,000)</u>	<u>(299,000)</u>
Total Adjustments	<u>-</u>	<u>-</u>	<u>(59,179)</u>	<u>(59,179)</u>	<u>(298,225)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (20,760)</u>	<u>\$ (20,760)</u>	<u>\$ 272,271</u>

LYON COUNTY SCHOOL DISTRICT

UNEMPLOYMENT 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)

	<u>2022 BUDGET</u>		<u>2022</u>		<u>2021</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>ACTUAL</u>
OPERATING REVENUES					
Charges for services	\$ 155,000	\$ 155,000	\$ 163,917	\$ 8,917	\$ 160,041
OPERATING EXPENSES					
Benefits	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>	<u>4,866</u>
Change in Net Position	135,000	135,000	163,917	28,917	155,175
NET POSITION, July 1	<u>1,150,179</u>	<u>1,150,179</u>	<u>1,170,354</u>	<u>20,175</u>	<u>1,015,179</u>
NET POSITION, June 30	<u>\$ 1,285,179</u>	<u>\$ 1,285,179</u>	<u>\$ 1,334,271</u>	<u>\$ 49,092</u>	<u>\$ 1,170,354</u>

LYON COUNTY SCHOOL DISTRICT

UNEMPLOYMENT 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)

	<u>2022 BUDGET</u>		<u>2022</u>		<u>2021</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>ACTUAL</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Charges for services	\$ 155,000	\$ 155,000	\$ 173,201	\$ 18,201	\$ 158,739
Payment of benefits	<u>(35,000)</u>	<u>(35,000)</u>	<u>-</u>	<u>35,000</u>	<u>(4,866)</u>
Net Cash Provided By Operating Activities	120,000	120,000	173,201	53,201	153,873
CASH AND					
CASH EQUIVALENTS, July 1	<u>1,120,453</u>	<u>1,120,453</u>	<u>1,154,326</u>	<u>33,873</u>	<u>1,000,453</u>
CASH AND					
CASH EQUIVALENTS, June 30	<u>\$ 1,240,453</u>	<u>\$ 1,240,453</u>	<u>\$ 1,327,527</u>	<u>\$ 87,074</u>	<u>\$ 1,154,326</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating income	\$ -	\$ -	\$ 163,917	\$ 163,917	\$ 155,175
Adjustments to reconcile operating income to net cash provided by operating activities:					
Changes in assets and liabilities:					
Accounts receivable	<u>-</u>	<u>-</u>	<u>9,284</u>	<u>9,284</u>	<u>(1,302)</u>
Total Adjustments	<u>-</u>	<u>-</u>	<u>9,284</u>	<u>9,284</u>	<u>(1,302)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 173,201</u>	<u>\$ 173,201</u>	<u>\$ 153,873</u>

LYON COUNTY SCHOOL DISTRICT

GROUP INSURANCE FUND
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND 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
OPERATING REVENUES					
Charges for services	\$ -	\$ 75,000	\$ -	\$ (75,000)	\$ 6,637,527
Refunds and rebates	-	-	252,416	252,416	844,077
	-	75,000	252,416	177,416	7,481,604
OPERATING EXPENSES					
Benefits	-	-	-	-	6,031,132
Purchased services	-	-	109,524	(109,524)	956,171
	-	-	109,524	(109,524)	6,987,303
Operating Income (Loss)	-	75,000	142,892	67,892	494,301
NONOPERATING REVENUES					
Earnings on investments	-	-	63	63	342
Change in Net Position	-	75,000	142,955	67,955	494,643
NET POSITION, July 1	13,917	13,917	508,560	494,643	13,917
NET POSITION, June 30	\$ 13,917	\$ 88,917	\$ 651,515	\$ 562,598	\$ 508,560

LYON COUNTY SCHOOL DISTRICT

GROUP 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)

	<u>2022 BUDGET</u>		<u>2022</u>		<u>2021</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>ACTUAL</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Charges for services received	\$ -	\$ 75,000	\$ -	\$ (75,000)	\$ 6,637,527
Refunds and rebates received	-	-	252,416	252,416	844,077
Payment of benefits	-	-	-	-	(7,016,360)
Payment for services and other	-	-	(162,358)	(162,358)	(915,618)
Net Cash Provided (Used) By Operating Activities	-	75,000	90,058	15,058	(450,374)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Cash transferred to other funds	-	(35,000)	-	35,000	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Earnings on investments	-	-	63	-	342
Net Increase (Decrease) in Cash and Cash Equivalents	-	40,000	90,121	50,058	(450,032)
CASH AND CASH EQUIVALENTS, July 1	-	1,104,647	614,885	(489,762)	1,064,917
CASH AND CASH EQUIVALENTS, June 30	<u>\$ -</u>	<u>\$ 1,144,647</u>	<u>\$ 705,006</u>	<u>\$ (439,704)</u>	<u>\$ 614,885</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ -	\$ -	\$ 142,892	\$ 142,892	\$ 494,301
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Changes in assets and liabilities:					
Accounts and claims payable	-	-	(52,834)	(52,834)	106,325
Claims incurred but not reported	-	-	-	-	(1,051,000)
Total Adjustments	-	-	(52,834)	(52,834)	(944,675)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90,058</u>	<u>\$ 90,058</u>	<u>\$ (450,374)</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
Lyon County School District
Yerington, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lyon 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 January 23, 2023.

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 the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item #2022-1 that we consider to be a material weakness.

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*.

District's Response to Findings

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Shiva, Scivine & Assoc, LLC

Reno, Nevada
January 23, 2023



LYON COUNTY SCHOOL DISTRICT

SCHEDULE OF FINDING RELATED TO THE FINANCIAL STATEMENT AUDIT YEAR ENDED JUNE 30, 2022

FINDING – FINANCIAL STATEMENT AUDIT

Finding #2022-1 - Material Weakness

This is a partial repeat of Finding #2021-1. (Refer to the Schedule of Prior Year Finding.)

Description:

The District did not follow established accounting procedures to provide adequate internal controls over numerous control categories.

Criteria:

The District's management is responsible for designing and maintaining an adequate system of internal controls which provides reasonable assurance that transactions are processed according to established procedures.

Conditions:

Certain accounting tasks were not being completed routinely, timely or accurately. While not intending to be a complete listing of such tasks, the following were deemed to be most significant:

- Monthly bank reconciliations were not consistently prepared on a timely basis. In addition, the reconciliations were not agreed to the general ledger sub-accounts for cash and investments.
- The transactions related to the District's medical self-insurance (group health insurance) were not recorded in the District's general ledger until the year-end financial audit. The District discontinued its self-insurance program as of December 31, 2020; however, transactions relative to the self-insurance continued into the current fiscal year. These transactions should have been recorded in the District's general ledger throughout the year as opposed to being recorded during the conduct of the annual financial audit.
- In accordance with the Nevada Revised Statutes and District policy, the District prepared its official Original Budget for the fiscal year ended June 30, 2022. The Original Budget was later augmented (amended) in January 2022. The augmented budget amounts were not properly entered into the District's automated accounting program, thereby compromising the integrity of the internal controls afforded by robust budgetary management.
- Employer federal payroll taxes and federal taxes withheld from employee paychecks were not properly deposited in accordance with Internal Revenue Service (IRS) requirements. Underpayments (or no payments) were noted for several months of FY22 as well as FY23, resulting in a deficiency of approximately \$2 million. In addition to the deficiency of taxes withheld, the District has been assessed penalties and interest of approximately \$352 thousand, which they are actively seeking relief from. Any relief or abatement will be subject to applicable law and/or discretion of the IRS.

LYON COUNTY SCHOOL DISTRICT

SCHEDULE OF FINDING RELATED TO THE FINANCIAL STATEMENT AUDIT YEAR ENDED JUNE 30, 2022

- The Business and Finance office and the Grant office oversee accounting for federal and state grants. Routine analysis of grant revenue and expenditures would ensure that reimbursement requests are being completed accurately and submitted to the grantor or pass-through entity (primarily the Nevada Department of Education) timely, thereby assisting in maintaining proper levels of cash flow. During FY 22, reimbursement requests were not submitted timely, resulting in approximately \$9 million due to the District as of June 30, 2022.

Cause:

In discussing these deficiencies with District management, they indicated the errors occurred due to turnover of personnel in key financial and grant management positions.

Effect:

When accounting tasks such as those described above are not routinely, timely, or accurately completed, certain risks to the District may be increased beyond an acceptable level. Those risks typically include: failure to properly safeguard District assets, potentially resulting in the misappropriation of District assets; noncompliance with regulation, contracts and grants; failure to adequately prepare for the annual audit; failure to meet reporting deadlines; and material misstatement of financial reports.

Recommendation:

District management should review and ensure that sound accounting procedures are in place and are being consistently followed. It is likely that the District's review will reveal areas where either modification of existing procedures is necessary, or new procedures must be implemented in order to effectively strengthen internal controls. Additional consideration should be given to the proper allocation of human resources in and for the Business and Finance Office to ensure that staffing is adequate for the successful implementation of the existing and new procedures.

District's Response to the Finding: Please see following page.



Lyon County School District

Portrait of a Learner

Board of Trustees

President Holly Villines | Clerk Phil Cowee
Darin Farr | Tom Hendrix | Michael Hogan
Sherry Parsons | Bridget Peterson

Superintendent

Wayne Workman

Deputy Superintendent

Tim Logan

January 24, 2023

Evelyn Barragan
Nevada Dept of Taxation
15550 E College Parkway Ste 115
Carson City, NV 89706

Ms. Barragan:

The following is Lyon County School District's Response to possible violations of Nevada Revised Statutes (NRS) and the Nevada Administrative Code (NAC) identified during the Fiscal Year 2022 Financial Audit. We include each potential violation listed in the "Schedule of Findings" as well as our response. All findings have been addressed and resolved.

- Monthly bank reconciliations were not consistently prepared on a timely basis. In addition, the reconciliations were not agreed to the general ledger sub-accounts for cash and investments.

Response: District has made improvements to its current bank reconciliation process and all cash transactions are currently being reconciled by the end of the subsequent month.

- The transactions related to the District's medical self-insurance (group health insurance) were not recorded in the District's general ledger until the year-end financial audit. The District discontinued its self-insurance program as of December 31, 2020; however, transactions relative to the self-insurance continued into the current fiscal year. These transactions should have been recorded in the District's general ledger throughout the year as opposed to being recorded during the conduct of the annual financial audit.

Response: Districts Business and Risk Management offices have developed and implemented a reconciliation process to improve tracking transactions to the district's previous self-insurance bank account. Reconciliation will be sustained for this bank account until the account has been dissolved to ensure transactions are posted timely and accurately.

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- In accordance with the Nevada Revised Statutes and District policy, the District prepared its official Original Budget for the fiscal year ended June 30, 2022. The Original Budget was later augmented (amended) in January 2022. The augmented budget amounts were not properly entered into the District's automated accounting program, thereby compromising the integrity of the internal controls afforded by robust budgetary management.

Response: The District has implemented the process of immediately updating fiscal year budget in the automated accounting program as it is approved by the Board of Trustees. Fiscal year 2023 budget is currently updated with the approved December 2022 augmentation.

- Federal taxes withheld from employee paychecks were not properly deposited in accordance with Internal Revenue Service (IRS) requirements. Underpayments (or no payments) were noted for several months of FY22 as well as FY23, resulting in a deficiency of approximately \$2 million. In addition to the deficiency of taxes withheld, the District will be assessed penalties and interest, which they will request relief from. Any relief or abatement will be subject to applicable law and/or discretion of the IRS.

Response: The District identified this issue prior to the FY22 Audit. District Business Office has been in communication with the IRS, has also developed and implemented a process to properly reconcile taxes, has paid all outstanding payments, and has started the process of transitioning to the Electronic Federal Tax Payment System (EFTPS). District plan to have completed this transition to EFTPS by the end of February 2023.

- The Business and Finance office and the Grant office oversee accounting for federal and state grants. Routine analysis of grant revenue and expenditures would ensure that reimbursement requests are being completed accurately and submitted to the grantor or pass-through entity (primarily the Nevada Department of Education) timely, thereby assisting in maintaining proper levels of cash flow. During FY 22, reimbursement requests were not submitted timely, resulting in approximately \$9 million due to the District as of June 30, 2022.

Response: District Grants Department was unprepared for the unprecedented increase in grant funding due to the COVID-19 Pandemic. To improve this process the district, in collaboration with Nevada Department of Education, has created and implemented a Request for Reimbursement plan with Lyon CSD.

Thank you,

Kyle Rodriguez
Fiscal Services Officer
Lyon County School District

FINDINGS – FINANCIAL STATEMENT AUDIT

Finding #2020-1 - Material Weakness

This is a partial repeat of Finding #2020-1. While progress was made, these findings are again noted as of June 30, 2021 and for the year then ended.

Certain accounting tasks were not being completed routinely, timely or accurately. While not intending to be a complete listing of such tasks, the following were deemed to be most significant:

- Monthly bank reconciliations were not being consistently agreed to the general ledger sub-accounts for cash and investments. (Partial repeat of Finding #2020-1.)
- Procedures for analysis and reconciliation of federal and state grant revenues and expenditures could be strengthened through better coordination between the Business office and the Grants office. (Repeat of Finding #2020-1.)
- The transactions related to the District's medical self-insurance (group health insurance) were not recorded in the District's general ledger until the year-end financial audit. (Repeat of Finding #2020-1.)
- The procedures necessary to properly implement the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, for the District's student activity funds were not completed prior to June 30, 2021.

A complete bank reconciliation compares the bank statement balance to the respective balances in the general ledger accounts. Bank reconciliations reduce the risk that errors on the part of the bank or District will remain undetected.

The Business and Finance office oversees accounting for federal and state grants. Routine analysis of grant revenue and expenditures ensures that reimbursement requests are being completed accurately and timely, thereby assisting in maintaining proper levels of cash flow.

The District contracted with a third-party provider for the payment of health claims and the administration of the group health insurance program. Nevertheless, transactions should have been recorded in the District's general ledger throughout the year as opposed to being recorded during the conduct of the annual financial audit. It should be noted that the District discontinued its self-insurance program as of December 31, 2020.

GASB Statement No. 84, *Fiduciary Activities*, regarding the District's student activity funds became effective as of July 1, 2020. Because all steps necessary for the proper implementation of this statement could not be completed as of June 30, 2021, the financial statement reporting of the student activity funds is not in accordance with the provisions of GASB Statement No. 84. As such, the Independent Auditors' Report has been modified to reflect an opinion qualification due to this departure from generally accepted accounting principles.

LYON COUNTY SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDING YEAR ENDED JUNE 30, 2022

When accounting tasks such as those described above are not routinely, timely, or accurately completed, certain risks to the District may be increased beyond an acceptable level. Those risks typically include: failure to properly safeguard District assets; noncompliance with contracts and grants; failure to adequately prepare for the annual audit; failure to meet reporting deadlines; and material misstatement of financial reports.

Status as of June 30, 2022:

This finding has been repeated in the June 30, 2022 audit, as *Finding #2022-1*.

LYON COUNTY SCHOOL DISTRICT

INDEPENDENT AUDITORS' COMMENTS

JUNE 30, 2022

STATUTE COMPLIANCE

Current Year

The required disclosure on compliance with applicable Nevada Revised Statutes and the Nevada Administrative Code is included in Note 3 to the financial statements.

Prior Year

Potential violations were reported in Note 3 of the June 30, 2021 audit. Two of the three potential violations have been repeated in the current year.

AUDIT RECOMMENDATIONS

Current Year

Finding #2022-1 has been reported in the Schedule of Finding.

Prior Year

Finding #2021-1 Material Weakness was reported in the Schedule of Finding, within the audit report for the year ended June 30, 2021. The *District's Response to the Finding* was also included in the report. In connection with the June 30, 2022 audit, this finding has been repeated as *Finding #2022-1*.