

DOUGLAS COUNTY SCHOOL DISTRICT

***FINANCIAL STATEMENTS &
SUPPLEMENTARY INFORMATION***

**Fiscal Year Ended
June 30, 2023**



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

DOUGLAS COUNTY SCHOOL DISTRICT

TABLE OF CONTENTS JUNE 30, 2023

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
BASIC FINANCIAL STATEMENTS	
District-Wide Financial Statements	
Statement of Net Position (Deficit)	19
Statement of Activities	20
Fund Financial Statements	
Balance Sheet – Governmental Funds	21
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	22
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	24
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities	26
Statements of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
General Fund	27
<i>Major Special Revenue Funds:</i>	
Special Education Fund	32
Grants Fund	34
Statement of Net Position – Proprietary Funds	38
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	39
Statement of Cash Flows – Proprietary Funds	40
Notes to the Financial Statements	42
REQUIRED SUPPLEMENTAL INFORMATION	
Schedule of the District's Proportionate Share of the Net Pension Liability	68
Schedule of District's Contributions to Nevada PERS	69
Schedule of Changes in Net Other Postemployment Benefits Liability	70

Continued on next page.

DOUGLAS COUNTY SCHOOL DISTRICT

TABLE OF CONTENTS

JUNE 30, 2023

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

Buildings and Sites 72

Nonmajor Governmental Funds

Combining Balance Sheet 73

Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances 74

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

Budget and Actual:

Food Service Fund 76

Student Activities Fund 77

PCFP-English Learner 78

PCFP-At Risk 79

PCFP-Gifted & Talented 80

Capital Projects 81

Proprietary Funds – Internal Service Funds

Combining Statement of Net Position 82

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position 83

Combining Statement of Cash Flows 84

Self Insurance Health Fund

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

Budget and Actual 85

Schedule of Cash Flows – Budget and Actual 86

Workers' Compensation Self-Insurance Fund

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

Budget and Actual 87

Schedule of Cash Flows – Budget and Actual 88

Continued on next page.

DOUGLAS COUNTY SCHOOL DISTRICT

TABLE OF CONTENTS

JUNE 30, 2023

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>	89
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	91
Schedule of Expenditures of Federal Awards	94
Notes to the Schedule of Expenditures of Federal Awards	96
Schedule of Findings and Questioned Costs	97
Independent Auditors' Comments	98



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Douglas County School District, Minden, Nevada (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Douglas County School District as of June 30, 2023, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and the schedules related to the District's net pension liability and net other postemployment benefit liability be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards

generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Prior Year Partial Comparative Information

We have previously audited in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the District as of and for the year ended June 30, 2022, and have issued our report thereon dated November 30, 2022 which expressed an unmodified opinion on the respective financial statements of the governmental activities and each major fund. The summarized comparative information presented in the basic financial statements as of and for the year ended June 30, 2022 is consistent with the audited financial statements from which it is derived.

The individual fund financial statements and schedules related to the 2022 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 2022 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2022 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 December 6, 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, Scirena & Assoc, LLC

Reno, Nevada
December 6, 2023



DOUGLAS COUNTY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 202

Management's Discussion and Analysis of Douglas County School District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2023. We encourage readers to read the information presented here in conjunction with the District's financial statements, which follow this narrative.

Financial Highlights

- The District's net position (deficit) of \$(7,321,209) as of June 30, 2023, represents an increase in net position of \$1,595,537 in FY23, which followed a net increase of \$13,797,051 in FY22.
- The District's governmental funds increased by \$910,696 in FY23, compared to an increase of \$4,868,562 in FY22.

Overview of the Financial Statements

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

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

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

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

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

DOUGLAS COUNTY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2023

District-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

DOUGLAS COUNTY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2023

The focus of the governmental fund statements is on major funds. The determination of a major fund is primarily dependent on criteria established by the Governmental Accounting Standards Board (GASB). Each fund is assessed on an annual basis and its classification as major or nonmajor can change. The District has 12 individual governmental funds. For the year ended June 30, 2023, the following are considered major funds:

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

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

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

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements.

DISTRICT-WIDE FINANCIAL ANALYSIS

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

DOUGLAS COUNTY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2023

The negative net position can be attributed to GASB 68 and GASB 75 and the recording of a net pension and other postemployment benefits liability (net of the related deferred inflows and outflows) totaling \$82.7 million at year end.

The table below presents a comparison of the District's net position (deficit) as of June 30, 2023 compared to the prior year.

DISTRICT'S NET POSITION				
	<u>2023</u>	<u>2022</u>	<u>Change</u>	
	<i>(In Millions)</i>			
Assets				
Current assets	\$ 34.3	\$ 34.6	\$ (0.3)	-0.9%
Net capital assets	77.2	79.5	(2.3)	-2.9%
Total Assets	<u>111.5</u>	<u>114.1</u>	<u>(2.6)</u>	<u>-2.3%</u>
Deferred Outflows of Resources	<u>30.9</u>	<u>26.5</u>	<u>4.4</u>	<u>16.6%</u>
Liabilities				
Current liabilities	6.9	10.2	(3.3)	-32.4%
Long-term liabilities	130.6	93.3	37.3	40.0%
Total Liabilities	<u>137.5</u>	<u>103.5</u>	<u>34.0</u>	<u>32.9%</u>
Deferred Inflows of Resources	<u>12.2</u>	<u>46.1</u>	<u>(33.9)</u>	<u>-73.5%</u>
Net Position (Deficit)				
Net Investment in Capital Assets	48.5	48.1	0.4	0.8%
Restricted	16.2	15.0	1.2	8.0%
Unrestricted	<u>(72.0)</u>	<u>(72.0)</u>	<u>-</u>	<u>0.0%</u>
Total Net Position (Deficit)	<u>\$ (7.3)</u>	<u>\$ (8.9)</u>	<u>\$ 1.6</u>	<u>18.0%</u>

A case could be made that the largest impact on the District's financial statement in 2023 had no impact on the District's financial condition; GASB 75 and GASB 68 (as amended by GASB 82) require the District to recognize a net pension and OPEB liability (net of related deferred outflows/inflows) of \$82.7 million. As discussed below, users of this financial statement may gain a clearer understanding of the District's actual financial condition by adding this amount to the reported net position.

DOUGLAS COUNTY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2023

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

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

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

DOUGLAS COUNTY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2023

DISTRICT'S CHANGES IN NET POSITION				
	Governmental Activities		Change	
	2023	2022		
Revenues	<i>(In Millions)</i>			
Program revenues:				
Charges for services	\$ 2.4	\$ 2.0	\$ 0.4	20.0%
Operating grants and contributions	12.8	13.5	(0.7)	-5.2%
Capital grants and contributions	0.2	0.1	0.1	80.0%
General revenues:				
Property taxes	3.6	3.3	0.3	9.1%
Government service taxes	2.2	1.7	0.5	29.4%
State aid, unrestricted	55.2	59.5	(4.3)	-7.2%
Other revenues	0.7	0.9	(0.2)	-22.2%
Total Revenues	<u>77.1</u>	<u>81.0</u>	<u>(3.9)</u>	<u>-4.8%</u>
Expenses				
Instruction	41.8	35.8	6.0	16.8%
Support services	25.9	23.0	2.9	12.6%
Food service	2.3	1.9	0.4	21.1%
Facilities acq/constr/imprvmt	4.7	5.5	(0.8)	-14.5%
Interest on long-term debt	0.8	1.0	(0.2)	-20.0%
Total Expenses	<u>75.5</u>	<u>67.2</u>	<u>8.3</u>	<u>12.4%</u>
Change in Net Position (Deficit)	<u>\$ 1.6</u>	<u>\$ 13.8</u>	<u>\$(12.2)</u>	<u>-88.6%</u>

Governmental Activities:

- ◇ The largest and main revenue source for the District is the Pupil-Centered Funding Plan for the State of Nevada, representing 80% of total revenues and is reported as General Revenues on the Statement of Activities in this report.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

DOUGLAS COUNTY SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2023

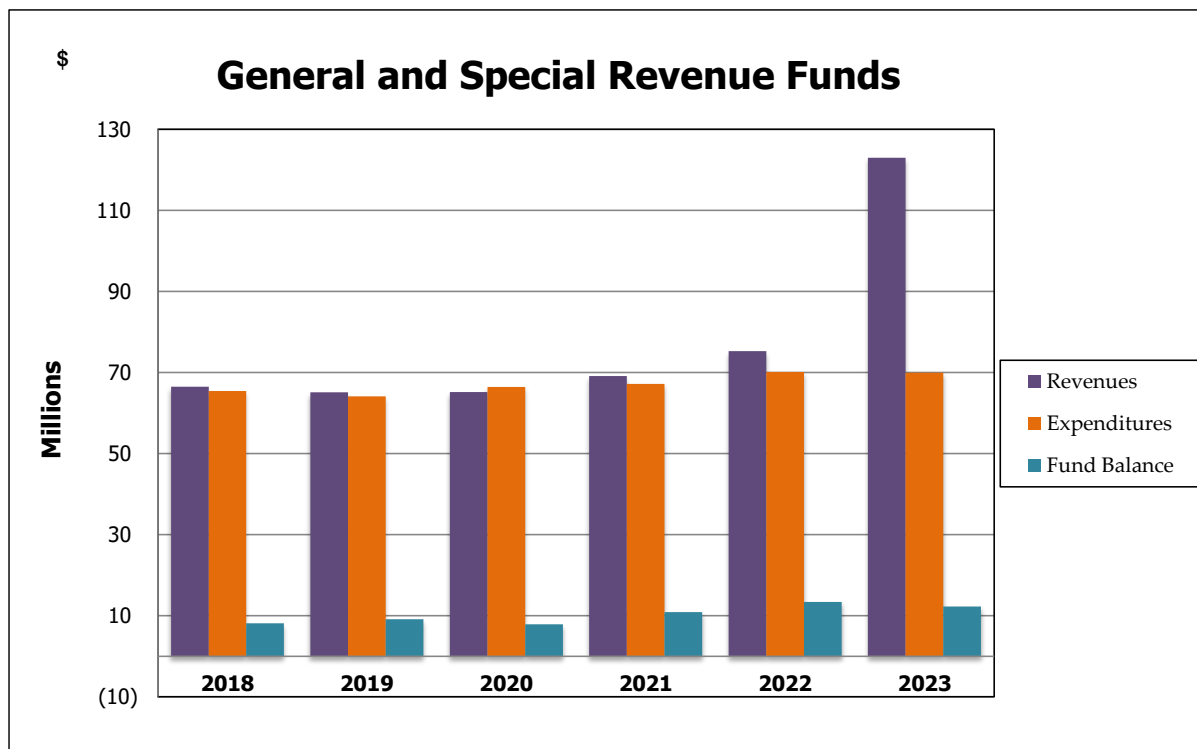
The focus of the District’s governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the District’s current funding requirements. Specifically, unassigned fund balance can be a useful measure of a government’s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

As of June 30, 2023, the District’s governmental funds reported a combined fund balance of \$26.2 million, an increase of \$0.9 million or 3.63% from 2022.

Of the total fund balance as of June 30, 2023 of \$26.2 million, approximately \$19.9 million is nonspendable, restricted or assigned fund balance. The remaining \$6.3 million, or 24%, constitutes unassigned fund balance, which is available for spending at the District’s discretion within the parameters of the respective fund as established by the legally-adopted budget.

General and Special Revenue Funds

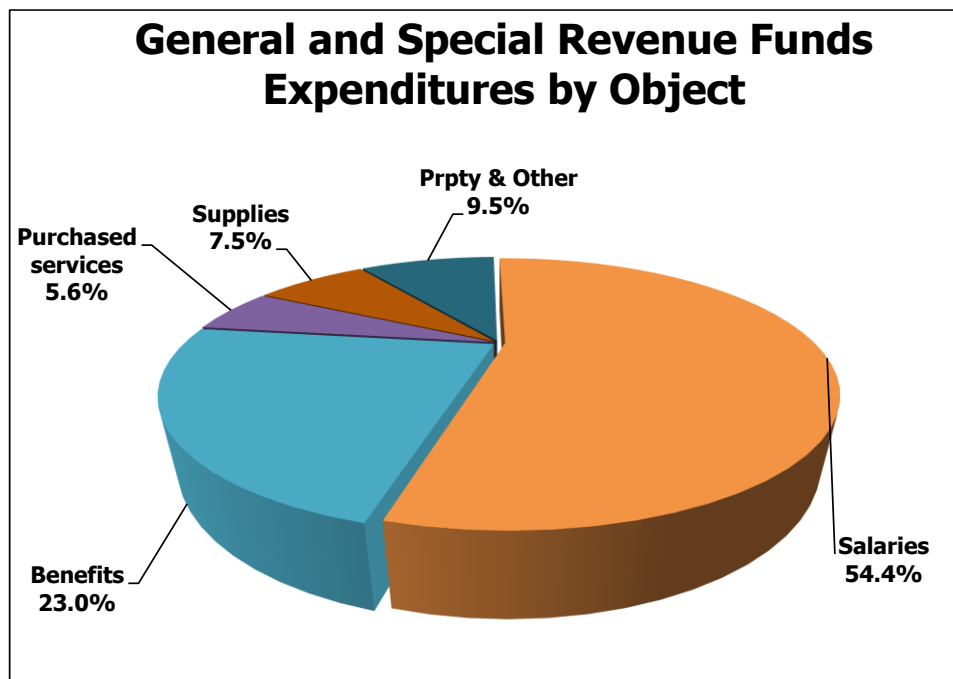
The General Fund and the special revenue funds (Special Education; Federal / State/ Local Grants; Food Service; and Student Activities funds) are often referred to as the District’s “operating funds.” The following chart compares the revenues to expenditures and fund balance for these funds for the last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



DOUGLAS COUNTY SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2023

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



Debt Service Fund

The June 30, 2023 fund balance of the Debt Service Fund is \$4.1 million, which together with the 2023-24 budgeted revenues exceeds the 2023-24 anticipated debt service requirements of \$3.3 million on the District’s general obligation debt.

Capital Projects Funds

The District has two capital projects funds – the Building and Sites Fund and the Capital Projects Fund. These funds had a combined ending fund balance as of June 30, 2023 of \$7 million, which is restricted by NRS 387.328 to be used for major capital acquisitions and improvements.

Internal Service Funds

The District has two internal service funds – the Self-Insurance Health Fund and the Workers’ Compensation Self-Insurance Fund. As of June 30, 2023, these funds had a combined net position of \$1.3 million, which represents a decrease \$0.6 million from the prior year.

DOUGLAS COUNTY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2023

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's capital assets as of June 30, 2023 and 2022 are as follows.

Capital Assets (Net of Depreciation)		
	<u>2023</u>	<u>2022</u>
	<i>(In Millions)</i>	
Land	\$ 1.3	\$ 1.9
Construction in progress	0.5	0.9
Buildings and improvements	69.6	71.5
Equipment and vehicles	<u>5.8</u>	<u>5.8</u>
	<u>\$ 77.2</u>	<u>\$ 80.1</u>

Debt Administration

The District's debt general obligation debt was comprised of the following as of June 30, 2023 and 2022:

Outstanding GO Bonds / Installment Note		
	<u>2023</u>	<u>2022</u>
	<i>(In Millions)</i>	
GO bonds, net of premiums and discounts	\$ 28.6	\$ 30.9
Installment note	<u>0.3</u>	<u>0.8</u>
	<u>\$ 28.9</u>	<u>\$ 31.7</u>

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

Principal and interest payments on the General Obligation Bonds and the note payable for the 2023-24 fiscal year are scheduled to total \$3.1 million, less an expected interest subsidy of slightly over \$100 thousand on

DOUGLAS COUNTY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2023

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

The District is limited by state statutes as to the amount of general obligation debt it can have outstanding. The limit is equal to 15% of the District's total assessed property valuation. Based on the District's most current assessed value, the District's statutory general obligation debt limit is \$616 million and its general obligation debt did not exceed this statutory limit; however, other factors also limit the amount of the debt the District can issue.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Enrollment and Funding

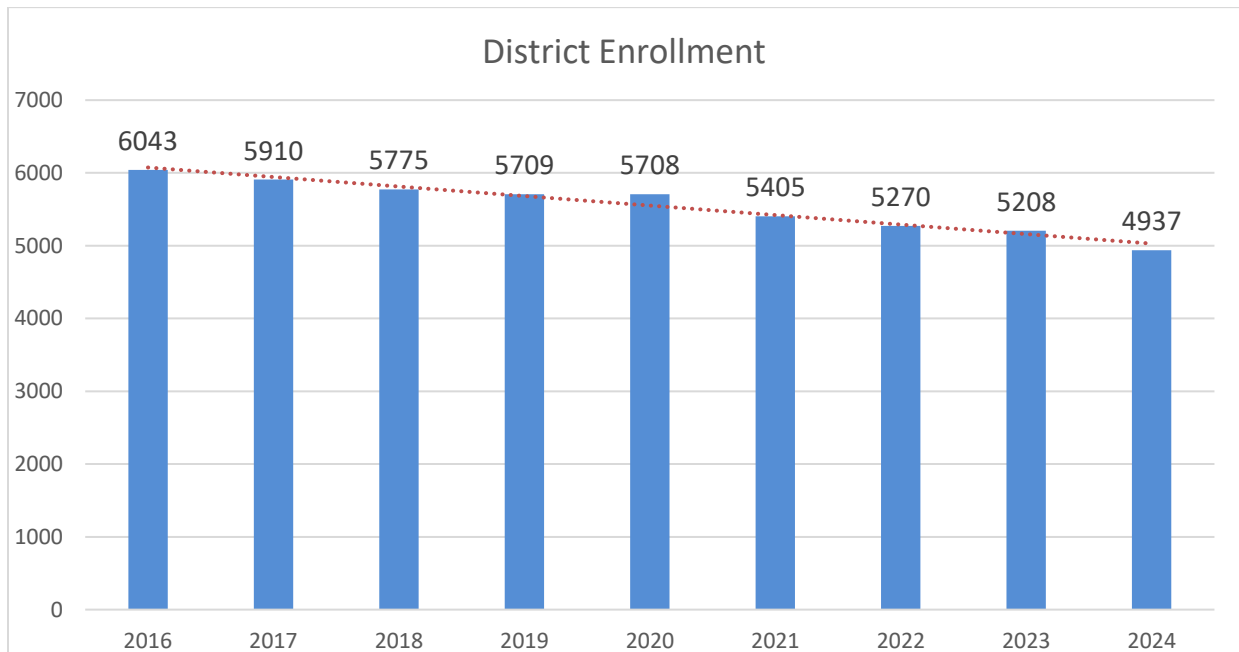
Nevada's school districts are budgeted and funded in large part based on student enrollment at the end of the first school month. State statutes require all school districts to amend their general fund budgets after "count day" enrollment is known. Throughout the year, the District also amends their budget for other known adjustments, such as opening fund balance amounts based on prior year audited numbers and approved grant funds.

Provided below is a chart which depicts a trend of declining student enrollment. The District's enrollment for the current 2023-24 school year showed a large decrease from the prior year moving from 5,208 students to 4,937, and has declined 18.3%, or 1,106 students from 2015-16.

DOUGLAS COUNTY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2023

District Enrollment



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

The first concern is the already noted trend of declining weighted enrollment. The methodology for enrollment that changed to an average daily attendance (ADE), allows the State to true-up the actual base for the PCFP funding for each year. In FY22-23 the actual true-up was (\$54,444), which was returned to the State. Decreasing enrollment has been a significant concern due to the high cost of real estate in the District. It has also been an area that many retirees have moved into without generating any students for the District.

In 2022-23 special education enrollment was 743, which was 14.3% of total enrollment. This allowed for full funding in special education. Special Education funding increased by \$153,231. The District is projecting 15.5% of total enrollment for special education in 2023-24. This is higher than 2022-2023, so will continue to receive full funding for each student. PCFP funding for local special education is filtered into the General Fund and transferred to the special education fund.

DOUGLAS COUNTY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2023

Local Sources - The approval of SB543 went into effect on 7-1-2021. Revenue projections went to the Pupil Centered Funding Plan (PCFP). All local taxes received in Douglas County, which includes property tax (ad valorem), LSST (sales tax) and GST (Governmental Services Tax are submitted to the State Education Fund. All revenue collected from the counties is combined in a fund and redistributed to each school district based on the State calculated per student amount generated from total revenue from each county.

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

Proprietary Funds:

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

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

Each year, an actuarial review is conducted of the District's plan to evaluate the funding taking into account historical and trend data as well as projected claims. Actuarial and accounting guidance indicates that the funds should have sufficient reserves to accommodate claims costs with margin for unexpected adverse loss experience. The District's long-term funding policy is to maintain the fund at the 85% confidence level. The most recent actuarial review indicated the funding to be above the 85% confidence level in 2022-2023, and showed a decrease in the ending fund balance of \$255,594. With projected costs, the District will continue with the rate of \$.090/100 for 2023-2024 to maintain a level recommended by our actuarial report.

Health Insurance Funding: For purposes of this discussion, health insurance includes medical, dental, optical, and life and AD&D insurances. Plan participants include employees, board members, retirees and spouses and/or dependents of any eligible member. Presently, the District pays 100% of the premium payment set at \$705 per month for each eligible employee. The committee has approved an increase in FY23-24 to \$825.00 per month for each eligible employee. This will take affect on 1-1-24.

The District's self-insurance fund is subject to negotiated contract language. Currently, all negotiated contracts provide for a monthly premium amount to be paid by the District for health insurance.

DOUGLAS COUNTY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2023

Additionally, a committee made up of various bargaining group representatives meets monthly to review claims data and the financial health of the self-insurance fund. The Committee makes recommendations to the Board of Trustees pertaining to premium holidays, plan benefits, third party administrator, and stop-loss insurance, among other factors.

Over the past two years, the fund has shown a substantial decrease in the ending fund balance due to high claims cost. The Board of Trustees approved a transfer from the General Fund to the Insurance Fund of \$1,000,000 due to the high claims costs from FY22-FY23. Claims increased by \$209,589 from FY21-22 to FY22-23. This was an increase of 2.3%. Prior to FY21-22, the Committee established that an average of 3 months of Incurred but not reported (IBNR) claims be maintained in the health insurance fund as an ending fund balance. Due to the increased claims costs, the Committee determined that plan changes affecting out-of-pocket expenses need to be revised. The committee has proposed changes to the plan that should have some impact on the total claims costs. As a result of increased ending fund balance in the General Fund, the Board of Trustees has also determined that a transfer would be appropriate for FY23-24. The Committee will again re-evaluate the fund balance at the end of FY23-24 to determine whether additional changes are necessary in order for the fund to remain at the level the Committee has established.

Capital Projects Funding:

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

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

RCT revenue that helps to sustain the District's Capital Projects Fund comes from a privilege tax on residential building permits. RCT is currently imposed in Douglas County at \$1,600 per new residential unit, the maximum authorized by NRS 387.331. The Douglas County Commission and Department of Taxation have approved the levy of this tax through June 2028 at which time the District will need to resubmit a request for continuation of the levy.

New and Proposed Capital Funding - Several new and proposed alternatives are available to the District for additional funding. Nevada Revised Statute 350.020(5) allows for the reserve level in the debt service fund to decrease from 100% to 50%. The debt service fund has provided approximately \$100,000 in one-time funds to be transferred to the Capital Projects Fund. Due to increased revenue and refinancing current bonds at substantially lower interest rates, the Board could approve a transfer to the capital

DOUGLAS COUNTY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2023

projects fund that would exceed the \$100,000 transfer now allocated. The Board of Trustees extended the authority of a rollover" question for an additional 10 year period after current authorization expired in 2018. This will continue until 2028. This option would provide approximately \$1 million over the course of the ten year extension in Pay- As-You-Go cash. Continued effort will be made to provide additional revenue from taxes for ongoing capital project needs.

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

REQUESTS FOR INFORMATION

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

DOUGLAS COUNTY SCHOOL DISTRICT

STATEMENT OF NET POSITION (DEFICIT)

JUNE 30, 2023

	Governmental Activities
ASSETS	
Cash and investments	\$ 31,812,284
Receivables	2,252,561
Inventories	222,377
Capital assets not being depreciated	1,762,494
Capital assets, net of accumulated depreciation	75,401,484
Total Assets	<u>111,451,200</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions and OPEB	30,662,080
Deferred amount on refunding	311,497
	<u>30,973,577</u>
Total Assets and Deferred Outflows	<u>142,424,777</u>
LIABILITIES	
Accounts payable and accrued expenses	5,884,521
Unearned revenues	1,033,518
Noncurrent liabilities:	
Due within one year	2,710,508
Due in more than one year	26,761,697
Obligation for other postemployment benefits (OPEB)	12,729,510
Net pension liability	88,369,704
Total Liabilities	<u>137,489,458</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions and OPEB	<u>12,256,528</u>
Total Liabilities and Deferred Inflows	<u>149,745,986</u>
NET POSITION (DEFICIT)	
Net investment in capital assets	48,542,487
Restricted for:	
Debt service	4,129,831
Self-insurance activities	1,310,708
Capital projects	6,924,536
Education and nutrition services	3,794,046
Unrestricted	<u>(72,022,817)</u>
Total Net Position (Deficit)	<u>\$ (7,321,209)</u>

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2023

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUES AND CHANGES IN NET POSITION	
		CHARGES FOR SERVICES	GRANTS AND CONTRIBUTIONS		
		OPERATING	CAPITAL		
GOVERNMENTAL ACTIVITIES					
Instruction	\$ (41,783,320)	\$ 1,811,026	\$ 8,358,591	\$ 132,312	\$ (31,481,391)
Support Services	(25,940,597)	355,616	1,460,774	48,796	(24,075,411)
Facilities Acquisition and Construction	(4,678,401)	-	-	-	(4,678,401)
Food Service	(2,321,772)	234,382	2,916,824	-	829,434
Interest and charges on long-term debt	(805,365)	-	108,411	-	(696,954)
Total School District	(75,529,455)	2,401,024	12,844,600	181,108	(60,102,723)
General Revenues:					
Property taxes					3,597,597
Other taxes and fees					2,235,232
Investment earnings					453,736
Other local sources					242,651
State aid not restricted to specific purposes					55,150,129
Gain on sales of property					18,915
Total General Revenues					61,698,260
Change in Net Position					1,595,537
NET POSITION (DEFICIT), July 1, 2022					(8,916,746)
NET POSITION (DEFICIT), June 30, 2023					\$ (7,321,209)

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

GOVERNMENTAL FUNDS BALANCE SHEET JUNE 30, 2023

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	GENERAL	SPECIAL	GRANTS	DEBT	BUILDING	NON-MAJOR	TOTALS	
	FUND	EDUCATION	FUND	SERVICE	AND SITES	GOV'T	GOVERNMENTAL FUNDS	
		FUND	FUND	FUND	FUND	FUNDS	2023	2022
ASSETS								
Cash and investments	\$ 12,940,272	1,197,835	\$ -	\$ 4,119,797	\$ 1,650,986	\$ 8,977,877	\$ 28,886,767	\$ 24,253,808
Receivables	41,333	3,637	1,693,112	47,854	10,867	352,464	2,149,267	6,778,796
Due from other funds	952,937	-	-	-	-	-	952,937	474,702
Inventories	142,366	-	-	-	-	80,011	222,377	182,023
Total Assets	<u>\$ 14,076,908</u>	<u>\$ 1,201,472</u>	<u>\$ 1,693,112</u>	<u>\$ 4,167,651</u>	<u>\$ 1,661,853</u>	<u>\$ 9,410,352</u>	<u>\$ 32,211,348</u>	<u>\$ 31,689,329</u>
LIABILITIES								
Accounts payable and accrued liabilities	\$ 2,995,880	\$ 648,686	\$ 206,478	\$ -	\$ -	\$ 121,525	\$ 3,972,569	\$ 4,648,734
Retainage payable	-	-	-	-	6,951	15,592	22,543	32,948
Due to other funds	462,001	-	952,937	-	-	-	1,414,938	940,886
Unearned revenues	-	-	533,697	37,820	-	-	571,517	514,166
Total Liabilities	<u>3,457,881</u>	<u>648,686</u>	<u>1,693,112</u>	<u>37,820</u>	<u>6,951</u>	<u>137,117</u>	<u>5,981,567</u>	<u>6,136,734</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenues	-	-	-	-	-	-	-	233,509
FUND BALANCES								
Nonspendable	142,366	-	-	-	-	80,011	222,377	182,023
Restricted	-	-	-	4,129,831	1,654,902	9,193,224	14,977,957	13,067,780
Assigned	4,129,501	552,786	-	-	-	-	4,682,287	633,711
Unassigned	6,347,160	-	-	-	-	-	6,347,160	11,435,572
Total Fund Balance	<u>10,619,027</u>	<u>552,786</u>	<u>-</u>	<u>4,129,831</u>	<u>1,654,902</u>	<u>9,273,235</u>	<u>26,229,781</u>	<u>25,319,086</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 14,076,908</u>	<u>\$ 1,201,472</u>	<u>\$ 1,693,112</u>	<u>\$ 4,167,651</u>	<u>\$ 1,661,853</u>	<u>\$ 9,410,352</u>	<u>\$ 32,211,348</u>	<u>\$ 31,689,329</u>

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION (DEFICIT) JUNE 30, 2023

Fund Balance - Governmental Funds \$ 26,229,782

Amounts reported for governmental activities in the Statement of Net Position (Deficit) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:

Governmental capital assets	177,354,078	
Less accumulated depreciation	<u>(100,190,100)</u>	77,163,978

Other deferred outflows of resources related to debt are not financial resources and therefore are not reported in the governmental funds.

Deferred debt charges	532,000	
Less accumulated amortization	<u>(220,503)</u>	311,497

Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds:

General obligation bonds payable	(28,499,000)	
Bond premium	(92,445)	
Accrued interest payable	(171,307)	
Note payable	(319,000)	
Compensated absences	(561,760)	
Net pension liability	(88,369,704)	
Net OPEB liability	<u>(12,729,510)</u>	(130,742,726)

Deferred inflows and outflows of resources related to pension and OPEB are applicable to future periods and, therefore are not reported in the governmental funds

Deferred outflows of resources related to pensions	29,363,740	
Deferred inflows of resources related to pensions	(4,955,790)	
Deferred outflows of resources related to OPEB	1,298,340	
Deferred inflows of resources related to OPEB	<u>(7,300,738)</u>	18,405,552

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION (DEFICIT) JUNE 30, 2023

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

1,310,708

Net Position (Deficit) - Governmental Activities

\$ (7,321,209)

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

	GENERAL FUND	SPECIAL EDUCATION FUND	GRANTS FUND	DEBT SERVICE FUND	BUILDING AND SITES FUND	NON-MAJOR GOV'T FUNDS	TOTALS GOVERNMENTAL FUNDS	
							2023	2022
REVENUES								
Local sources	\$ 755,952	\$ 31,941	\$ 163,348	\$ 3,670,033	\$ 34,534	\$ 4,446,974	\$ 9,102,782	\$ 8,230,701
State sources	54,492,791	4,215,423	155,072	-	-	665,235	59,528,521	63,889,614
Federal sources	-	-	5,458,733	108,411	-	2,916,824	8,483,968	8,807,275
Total Revenues	55,248,743	4,247,364	5,777,153	3,778,444	34,534	8,029,033	77,115,271	80,927,590
EXPENDITURES								
Regular programs	23,731,546	-	2,618,298	-	-	1,296,070	27,645,914	27,565,028
Special programs	-	8,528,241	1,465,465	-	-	-	9,993,706	9,581,443
Vocational programs	665,874	-	128,832	-	-	-	794,706	916,688
Adult education	-	-	76,767	-	-	-	76,767	24,507
Extra and Co-Curricular	583,832	-	27,017	-	-	-	610,849	540,868
Other instructional programs	1,651,616	48	-	-	-	632,729	2,284,393	2,110,926
Community service programs	-	-	-	-	-	-	-	1,035
Undistributed Expenditures:								
Student support	3,243,822	-	285,292	-	-	320,126	3,849,240	3,751,930
Instructional staff support	1,260,085	-	44,673	-	-	-	1,304,758	1,218,000
General administration	839,799	-	-	-	-	-	839,799	559,549
School administration	4,686,654	-	-	-	-	-	4,686,654	4,702,143
Central services	2,113,268	-	-	-	-	-	2,113,268	2,219,839
Operation and maintenance	7,933,611	-	42,789	-	-	-	7,976,400	7,730,985
Student transportation	3,247,471	-	113,154	-	-	-	3,360,625	3,835,158
Other support	247,232	-	974,502	-	-	260,702	1,482,436	2,585,772
Food service	-	-	-	-	-	2,355,331	2,355,331	2,086,936
Facilities construction/ acquisition/improvements	299,008	-	364	-	264,110	1,724,156	2,287,638	2,103,725

Continued on next page.

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

	GENERAL FUND	SPECIAL EDUCATION FUND	GRANTS FUND	DEBT SERVICE FUND	BUILDING AND SITES FUND	NON-MAJOR GOV'T FUNDS	TOTALS GOVERNMENTAL FUNDS	
							2023	2022
Debt Service:								
Principal	\$ 507,000	\$ -	\$ -	\$ 2,321,000	\$ -	\$ -	\$ 2,828,000	\$ 2,655,000
Interest	15,750	-	-	754,560	-	-	770,310	827,584
Bond issuance costs	-	-	-	-	-	-	-	99,001
Fiscal agent charges	-	-	-	3,050	-	-	3,050	5,200
Total Expenditures	51,026,568	8,528,289	5,777,153	3,078,610	264,110	6,589,114	75,263,844	75,121,317
Revenues Over (Under) Expenditures	4,222,175	(4,280,925)	-	699,834	(229,576)	1,439,919	1,851,427	5,806,273
OTHER FINANCING SOURCES (USES)								
Proceeds from sale of property	18,915	-	-	-	-	-	18,915	32,870
Transfers (to) from other funds	(5,200,000)	4,200,000	-	(100,000)	-	100,000	(1,000,000)	(1,000,000)
Proceeds from refunding bonds	-	-	-	-	-	-	-	7,516,000
Payment to refunded bond agent	-	-	-	-	-	-	-	(7,486,581)
	(5,181,085)	4,200,000	-	(100,000)	-	100,000	(981,085)	(937,711)
Net Change in Fund Balances	(958,910)	(80,925)	-	599,834	(229,576)	1,539,919	870,342	4,868,562
FUND BALANCES, July 1,	11,558,852	633,711	-	3,529,997	1,884,478	7,712,048	25,319,086	20,434,893
Increase (decrease) in reserve for inventories	19,086	-	-	-	-	21,268	40,354	15,631
FUND BALANCES, June 30	\$ 10,619,028	\$ 552,786	\$ -	\$ 4,129,831	\$ 1,654,902	\$ 9,273,235	\$ 26,229,782	\$ 25,319,086

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2023

Net Change in Fund Balances - Total Governmental Funds	\$ 910,696
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives.	(2,545,070)
Accrued interest on bonds is recorded in the Statement of Activities when incurred; it is not recorded in the governmental funds until it is paid.	26,490
Certain revenues are recorded in the fund statements when received. In the Statement of Activities, these revenues are recognized when earned.	(9,195)
Repayment of debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.	2,828,000
Governmental funds report the effect of discounts, premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities over the life of the debt.	(58,495)
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.	76,006
Change in pension expense related to deferred items.	(520,694)
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.	1,481,200
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net income (expense) of the internal service funds is reported with governmental activities.	<u>(593,402)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 1,595,536</u></u>

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)

	2023 BUDGET		2023		2022
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local Sources:					
Out-of-state tuition	\$ 290,000	\$ 290,000	\$ 294,979	\$ 4,979	\$ 302,959
Earnings on investments	25,000	40,000	215,189	175,189	30,296
Other	180,000	145,000	245,784	100,784	249,239
Total Local Sources	495,000	475,000	755,952	280,952	582,494
State Sources:					
Pupil-Centered Funding Plan	56,897,067	56,622,797	54,492,791	(2,130,006)	58,888,252
Total Revenues	57,392,067	57,097,797	55,248,743	(1,849,054)	59,470,746
EXPENDITURES					
Regular Programs:					
Salaries	17,387,504	16,964,629	15,814,009	1,150,620	15,898,021
Benefits	7,462,228	7,171,761	6,992,649	179,112	7,062,605
Purchased services	160,480	174,557	168,423	6,134	135,563
Supplies	1,044,148	965,174	687,561	277,613	913,200
Property	61,000	61,000	60,908	92	33,863
Other	4,150	7,193	7,996	(803)	645
	26,119,510	25,344,314	23,731,546	1,612,768	24,043,897
Special Programs:					
Salaries	2,484,551	-	-	-	2,378,017
Benefits	1,298,794	-	-	-	1,232,321
	3,783,345	-	-	-	3,610,338
Vocational Programs:					
Salaries	485,131	504,591	420,066	84,525	425,099
Benefits	222,134	212,901	198,137	14,764	203,439
Purchased services	3,200	3,475	2,010	1,465	1,449
Supplies	43,997	51,472	45,171	6,301	46,017
Other	4,150	4,250	490	3,760	4,470
	758,612	776,689	665,874	110,815	680,474

Continued on next page.

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)

	2023 BUDGET		2023		2022
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Extra and Co-Curricular Activities:					
Co-Curricular Activities:					
Salaries	\$ 142,000	\$ 170,975	\$ 156,138	\$ 14,837	\$ 132,644
Benefits	4,225	4,225	4,496	(271)	3,400
Purchased services	6,500	6,724	932	5,792	1,639
Supplies	10,500	7,676	8,253	(577)	12,978
Other	4,900	8,021	8,021	-	2,890
	<u>168,125</u>	<u>197,621</u>	<u>177,840</u>	<u>19,781</u>	<u>153,551</u>
Athletics:					
Salaries	269,315	269,315	261,748	7,567	257,555
Benefits	12,600	14,944	12,593	2,351	13,014
Purchased services	70,700	84,084	75,300	8,784	57,624
Supplies	53,375	40,818	34,553	6,265	43,522
Other	23,270	19,129	21,798	(2,669)	15,602
	<u>429,260</u>	<u>428,290</u>	<u>405,992</u>	<u>22,298</u>	<u>387,317</u>
Total Extra-and Co-Curricular Activities	<u>597,385</u>	<u>625,911</u>	<u>583,832</u>	<u>42,079</u>	<u>540,868</u>
Other Instructional Programs:					
Salaries	1,053,854	1,159,547	1,040,923	118,624	979,036
Benefits	482,089	468,615	456,418	12,197	433,380
Purchased services	126,100	130,496	127,205	3,291	121,986
Supplies	65,825	55,535	27,070	28,465	24,076
Other	2,600	100	-	100	1,043
	<u>1,730,468</u>	<u>1,814,293</u>	<u>1,651,616</u>	<u>162,677</u>	<u>1,559,521</u>
Undistributed Expenditures:					
Student Support:					
Salaries	2,174,001	2,271,508	2,185,320	86,188	2,016,463
Benefits	962,205	1,010,985	979,031	31,954	874,275
Purchased services	23,900	53,749	46,861	6,888	13,126
Supplies	36,442	33,533	24,349	9,184	25,759
Property	7,500	7,500	7,500	-	7,500
Other	2,760	2,659	761	1,898	921
	<u>3,206,808</u>	<u>3,379,934</u>	<u>3,243,822</u>	<u>136,112</u>	<u>2,938,044</u>

Continued on next page.

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)

	2023 BUDGET		2023		2022
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Instructional Staff Support:					
Salaries	\$ 872,789	\$ 839,424	\$ 823,745	\$ 15,679	\$ 754,745
Benefits	390,983	371,330	357,532	13,798	336,067
Purchased services	23,005	32,505	25,321	7,184	24,797
Supplies	65,809	52,759	50,701	2,058	34,557
Other	1,600	3,900	2,786	1,114	1,379
	<u>1,354,186</u>	<u>1,299,918</u>	<u>1,260,085</u>	<u>39,833</u>	<u>1,151,545</u>
General Administration:					
Salaries	351,032	366,915	343,869	23,046	241,345
Benefits	168,218	159,537	145,437	14,100	113,221
Purchased services	217,550	238,450	216,668	21,782	162,035
Supplies	29,300	48,500	44,978	3,522	23,765
Property	7,500	-	-	-	-
Other	25,000	94,368	88,847	5,521	19,183
	<u>798,600</u>	<u>907,770</u>	<u>839,799</u>	<u>67,971</u>	<u>559,549</u>
School Administration:					
Salaries	3,370,637	3,261,484	3,171,561	89,923	3,189,900
Benefits	1,465,457	1,403,529	1,347,787	55,742	1,376,509
Purchased services	121,727	113,182	76,269	36,913	67,345
Supplies	58,784	103,021	82,036	20,985	60,672
Other	6,270	9,582	9,001	581	7,717
	<u>5,022,875</u>	<u>4,890,798</u>	<u>4,686,654</u>	<u>204,144</u>	<u>4,702,143</u>
Central Services:					
Salaries	1,103,524	1,110,823	1,065,418	45,405	1,062,768
Benefits	439,374	429,999	414,243	15,756	428,327
Purchased services	297,005	293,505	247,520	45,985	281,045
Supplies	242,550	315,550	226,251	89,299	301,891
Property	140,000	160,000	147,779	12,221	139,062
Other	6,775	12,275	12,057	218	6,746
	<u>2,229,228</u>	<u>2,322,152</u>	<u>2,113,268</u>	<u>208,884</u>	<u>2,219,839</u>

Continued on next page.

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)

	2023 BUDGET		2023		2022
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Operations and Maintenance:					
Salaries	\$ 2,963,781	\$ 2,913,822	\$ 2,812,115	\$ 101,707	\$ 2,675,332
Benefits	1,196,719	1,123,962	1,100,213	23,749	1,114,173
Purchased services	2,005,056	2,004,603	1,753,770	250,833	1,815,424
Supplies	1,773,213	2,197,686	2,000,060	197,626	1,642,956
Property	163,500	266,077	267,155	(1,078)	155,140
Other	2,732	298	298	-	1,677
	<u>8,105,001</u>	<u>8,506,448</u>	<u>7,933,611</u>	<u>572,837</u>	<u>7,404,702</u>
Student Transportation:					
Salaries	2,099,849	1,953,749	1,732,906	220,843	1,720,859
Benefits	855,820	796,616	768,988	27,628	810,823
Purchased services	135,913	167,564	128,027	39,537	111,080
Supplies	770,191	757,406	617,526	139,880	556,808
Property	636,690	767,000	-	767,000	635,582
Other	400	24	24	-	6
	<u>4,498,863</u>	<u>4,442,359</u>	<u>3,247,471</u>	<u>1,194,888</u>	<u>3,835,158</u>
Other Support:					
Salaries	250,000	275,000	100,385	174,615	888,914
Benefits	52,000	47,000	40,040	6,960	23,534
Purchased services	40,000	40,000	90,401	(50,401)	-
Supplies	10,000	10,000	15,852	(5,852)	443
Other	14,600	14,600	554	14,046	359
	<u>366,600</u>	<u>386,600</u>	<u>247,232</u>	<u>139,368</u>	<u>913,250</u>
Total Support Services	<u>25,582,161</u>	<u>26,135,979</u>	<u>23,571,942</u>	<u>2,564,037</u>	<u>23,724,230</u>
Site Improvement:					
Purchased services	<u>100,000</u>	<u>160,500</u>	<u>139,753</u>	<u>20,747</u>	<u>821</u>
Building Improvements:					
Purchased services	<u>299,000</u>	<u>288,975</u>	<u>159,255</u>	<u>129,720</u>	<u>320,523</u>
Debt Service:					
Principal	507,000	507,000	507,000	-	496,000
Interest	15,750	15,750	15,750	-	26,966
	<u>522,750</u>	<u>522,750</u>	<u>522,750</u>	<u>-</u>	<u>522,966</u>
Total Undistributed Expenditures	<u>26,503,911</u>	<u>27,108,204</u>	<u>24,393,700</u>	<u>2,714,504</u>	<u>24,568,540</u>

Continued on next page.

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)

	2023 BUDGET		2023		2022
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Contingency	\$ 597,010	\$ 597,010	\$ -	\$ 597,010	\$ -
Total Expenditures	60,090,241	56,266,421	51,026,568	5,239,853	55,003,638
Revenues Over (Under) Expenditures	(2,698,174)	831,376	4,222,175	3,390,799	4,467,108
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	8,000	8,000	18,915	10,915	32,870
Transfers from other funds		-	-	-	4,044
Transfers from (to) other funds	(1,400,000)	(5,500,000)	(5,200,000)	300,000	(1,400,000)
	(1,392,000)	(5,492,000)	(5,181,085)	310,915	(1,363,086)
Net Change in Fund Balance	(4,090,174)	(4,660,624)	(958,910)	3,701,714	3,104,022
FUND BALANCE, July 1	6,621,223	11,553,851	11,558,852	5,001	8,463,919
Increase (Decrease) in Reserve for Inventories	-	-	19,086	19,086	(9,089)
FUND BALANCE, June 30	<u>\$ 2,531,049</u>	<u>\$ 6,893,227</u>	<u>\$ 10,619,028</u>	<u>\$ 3,725,801</u>	<u>\$ 11,558,852</u>

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

SPECIAL EDUCATION FUND - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2023
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)

	2023 BUDGET		2023		2022
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local Sources:					
Earnings on investments	\$ 2,000	\$ 10,000	\$ 31,941	\$ 21,941	\$ 3,465
State Sources:					
State appropriation	4,046,773	4,215,620	4,215,423	(197)	4,062,193
Total Revenues	4,048,773	4,225,620	4,247,364	21,744	4,065,658
EXPENDITURES					
Special Programs:					
Instruction:					
Salaries	2,116,883	4,914,435	4,535,914	378,521	1,996,772
Benefits	915,419	2,167,839	2,134,474	33,365	913,880
Supplies	12,925	40,242	29,473	10,769	25,216
	3,045,227	7,122,516	6,699,861	422,655	2,935,868
Other Direct Support:					
Salaries	749,637	896,110	897,303	(1,193)	711,865
Benefits	258,555	344,011	340,470	3,541	254,066
Purchased services	278,150	200,500	133,913	66,587	234,610
Supplies	31,150	78,950	36,422	42,528	32,446
Other	1,000	1,500	1,060	440	700
	1,318,492	1,521,071	1,409,168	111,903	1,233,687
Student Transportation:					
Salaries	275,000	290,000	289,360	640	280,610
Benefits	94,635	93,216	89,198	4,018	82,658
Supplies	40,654	40,654	40,654	-	40,654
	410,289	423,870	419,212	4,658	403,922
Total Special Programs	4,774,008	9,067,457	8,528,241	539,216	4,573,477

Continued on next page.

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

SPECIAL EDUCATION FUND - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)

	2023 BUDGET		2023		2022
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Other Instructional Programs:					
Gifted and Talented:					
Supplies	\$ 800	\$ 400	\$ 48	\$ 352	\$ 317
Total Other Instructional	800	400	48	352	317
Contingency	47,748	90,678	-	90,678	-
Total Expenditures	4,822,556	9,158,535	8,528,289	630,246	4,573,794
Revenues Over (Under)					
Expenditures	(773,783)	(4,932,915)	(4,280,925)	651,990	(508,136)
OTHER FINANCING SOURCES					
Transfers from other funds	400,000	4,500,000	4,200,000	(300,000)	400,000
Net Change in Fund Balance	(373,783)	(432,915)	(80,925)	351,990	(108,136)
FUND BALANCE, July 1	579,802	633,711	633,711	-	741,847
FUND BALANCE, June 30	\$ 206,019	\$ 200,796	\$ 552,786	\$ 351,990	\$ 633,711

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

GRANTS FUND - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)

	2023 BUDGET		2023		2022
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local sources	\$ 1,613,539	\$ 433,620	\$ 163,348	\$ (270,272)	\$ 404,612
State sources	936,913	463,562	155,072	(308,490)	185,000
Federal sources	8,602,833	12,001,331	5,458,733	(6,542,598)	5,888,797
Total Revenues	11,153,285	12,898,513	5,777,153	(7,121,360)	6,478,409
EXPENDITURES					
Regular Programs:					
Salaries	2,204,569	4,334,204	1,228,619	3,105,585	1,058,713
Benefits	859,927	1,441,105	556,095	885,010	423,172
Purchased services	45,290	1,191,363	66,570	1,124,793	27,451
Supplies	1,695,117	1,848,519	684,083	1,164,436	722,334
Property	26,510	26,510	-	26,510	26,510
Other	152,259	187,406	82,931	104,475	79,569
	4,983,672	9,029,107	2,618,298	6,410,809	2,337,749
Special Programs:					
Salaries	993,896	563,998	554,484	9,514	786,350
Benefits	432,475	257,197	256,117	1,080	346,488
Purchased services	154,624	345,035	263,395	81,640	18,709
Supplies	182,181	349,258	219,129	130,129	139,779
Property	-	133,425	132,312	1,113	
Other	45,897	42,522	40,028	2,494	36,465
	1,809,073	1,691,435	1,465,465	225,970	1,327,791
Vocational Programs:					
Salaries	1,938	3,490	2,104	1,386	1,734
Benefits	166	298	130	168	148
Purchased services	21,659	10,220	5,205	5,015	24,893
Supplies	196,842	142,608	118,554	24,054	184,466
Property	17,750	-	-	-	19,725
Other	5,516	13,271	2,839	10,432	5,248
	243,871	169,887	128,832	41,055	236,214

Continued on next page.

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

GRANTS FUND - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)

	2023 BUDGET		2023		2022
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Adult Education:					
Salaries	\$ 64,234	\$ 80,111	\$ 25,619	\$ 54,492	\$ 22,965
Benefits	5,492	6,849	1,586	5,263	1,362
Purchased services	1,447	3,324	1,703	1,621	59
Supplies	3,182	43,589	39,518	4,071	121
Property	-	6,847	6,847	-	-
Other	-	1,500	1,494	6	-
	<u>74,355</u>	<u>142,220</u>	<u>76,767</u>	<u>65,453</u>	<u>24,507</u>
Other Instructional Programs:					
Salaries	377,793	18,320	18,045	275	17,252
Benefits	176,547	7,744	7,744	-	7,568
Supplies	-	1,325	500	825	-
Other	734	759	728	31	690
	<u>555,074</u>	<u>28,148</u>	<u>27,017</u>	<u>1,131</u>	<u>25,510</u>
Community Service Programs:					
Salaries	1,558	2,391	-	2,391	63
Benefits	133	204	-	204	2
Supplies	5,500	4,653	-	4,653	970
	<u>7,191</u>	<u>7,248</u>	<u>-</u>	<u>7,248</u>	<u>1,035</u>
Undistributed Expenditures:					
Student Support:					
Salaries	137,942	159,909	17,000	142,909	30,382
Benefits	26,148	43,639	2,096	41,543	5,964
Purchased services	858,830	69,993	18,480	51,513	393,962
Supplies	234,000	380,000	247,716	132,284	202,891
Property	-	80,000	-	80,000	-
Other	32,503	19,276	-	19,276	561
	<u>1,289,423</u>	<u>752,817</u>	<u>285,292</u>	<u>467,525</u>	<u>633,760</u>

Continued on next page.

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

GRANTS FUND - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)

	2023 BUDGET		2023		2022
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Instructional Staff Support:					
Salaries	\$ 8,000	\$ 5,000	\$ 5,000	\$ -	\$ 16,474
Benefits	225	3,000	103	2,897	523
Purchased services	48,657	44,425	37,054	7,371	40,835
Supplies	8	1,180	1,073	107	7,071
Other	1,553	1,620	1,443	177	1,552
	<u>58,443</u>	<u>55,225</u>	<u>44,673</u>	<u>10,552</u>	<u>66,455</u>
General Administration:					
Salaries	14,049	-	-	-	-
Student Transportation:					
Purchased services	-	147,554	113,154	34,400	-
Operations and Maintenance:					
Supplies	209,141	209,141	840	208,301	206,057
Property	149,800	149,800	41,949	107,851	107,851
	<u>358,941</u>	<u>358,941</u>	<u>42,789</u>	<u>316,152</u>	<u>313,908</u>
Other Support:					
Salaries	15,791	-	897,334	(897,334)	-
Purchased services	165,619	104,579	70,945	33,634	28,000
Supplies	309,436	46,432	6,223	40,209	352,989
Property	674,961	-	-	-	674,961
	<u>1,165,807</u>	<u>151,011</u>	<u>974,502</u>	<u>(823,491)</u>	<u>1,055,950</u>
Total Undistributed					
Expenditures	<u>2,886,663</u>	<u>1,465,548</u>	<u>1,460,410</u>	<u>5,138</u>	<u>2,070,073</u>
Facilities Acquisition and Construction:					
Site Improvement:					
Purchased services	14,453	59,453	-	59,453	-
Building Improvements:					
Purchased services	561,933	305,467	364	305,103	455,530
Supplies	17,000	-	-	-	-
	<u>578,933</u>	<u>305,467</u>	<u>364</u>	<u>305,103</u>	<u>455,530</u>

Continued on next page.

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

GRANTS FUND - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2023
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)

	2023 BUDGET		2023		2022
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Total Facilities Acquisition and Construction	\$ 593,386	\$ 364,920	\$ 364	\$ 364,556	\$ 455,530
Total Expenditures	11,153,285	12,898,513	5,777,153	7,121,360	6,478,409
Net Change in Fund Balance	-	-	-	-	-
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2023

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS	
	2023	2022
ASSETS		
Current Assets:		
Cash and investments	\$ 2,925,517	\$ 3,334,145
Receivables	103,294	86,144
Due from other funds	462,001	466,184
Total Assets	<u>3,490,812</u>	<u>3,886,473</u>
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued expenses	28,155	41,266
Unearned revenue	462,001	444,072
Pending claims	1,689,948	1,497,025
Total Current Liabilities	<u>2,180,104</u>	<u>1,982,363</u>
NET POSITION		
Restricted	<u>\$ 1,310,708</u>	<u>\$ 1,904,110</u>

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2023

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

	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS	
	2023	2022
OPERATING REVENUES		
Insurance premiums	\$ 8,272,643	\$ 8,358,499
Insurance proceeds and other	926,934	7,789
Other	23,050	-
Total Operating Revenues	9,222,627	8,366,288
OPERATING EXPENSES		
Claims expense	9,859,216	9,315,006
Purchased services	1,000,154	1,100,381
Other	3,860	3,845
Total Operating Expenses	10,863,230	10,419,232
Operating Income (Loss)	(1,640,603)	(2,052,944)
NONOPERATING REVENUES		
Earnings on investments	47,201	6,701
Income (Loss) Before Transfers	(1,593,402)	(2,046,243)
TRANSFERS		
Transfers in	1,000,000	1,000,000
Change in Net Position	(593,402)	(1,046,243)
NET POSITION, July 1	1,904,110	2,950,353
NET POSITION, June 30	\$ 1,310,708	\$ 1,904,110

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

PROPRIETARY FUNDS STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2023

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

	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from insurance premiums	\$ 8,272,643	\$ 8,340,092
Cash received from insurance proceeds and other	932,834	7,789
Cash paid for claims expense	(9,666,294)	(9,037,201)
Cash paid for services and supplies	(995,012)	(1,081,163)
Net cash provided (used) by operating activities	(1,455,829)	(1,770,483)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers from other funds	1,000,000	1,000,000
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	47,201	6,701
Net Increase (Decrease) in Cash and Investments	(408,628)	(763,782)
CASH AND INVESTMENTS, July 1	3,334,145	4,097,927
CASH AND INVESTMENTS, June 30	\$ 2,925,517	\$ 3,334,145

See accompanying notes.

Continued on next page.

DOUGLAS COUNTY SCHOOL DISTRICT

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS (Cont'd.)
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2023)

	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS	
	2023	2022
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (1,640,603)	\$ (2,052,944)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Change in assets and liabilities:		
Receivables	(17,150)	(19,052)
Premiums due from other funds	4,183	(12,716)
Accounts payable	9,001	22,745
Unearned revenues	(4,183)	13,361
Pending claims	192,923	278,124
Total Adjustments	184,774	282,462
Net cash provided (used) by operating activities	\$ (1,455,829)	\$ (1,770,482)

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Reporting Entity

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

Basic Financial Statements – District-Wide Statements

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

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

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

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

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

Basic Financial Statements – Fund Financial Statements

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

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

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

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

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

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

General Fund

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

Special Education Fund

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

Grants Fund

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

Debt Service Fund

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

Building and Sites Fund

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

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

Proprietary Funds:

Internal Service Funds

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

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Special Revenue Funds (Nonmajor):

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

Capital Projects Fund (Nonmajor):

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

Measurement Focus

District-Wide Financial Statements

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

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

Fund Financial Statements

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

Basis of Accounting

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

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Revenues

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

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

Deferred Outflows/Inflows of Resources

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

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

Expenses/Expenditures

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

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

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

Property Taxes

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

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

Budgets and Budgetary Accounting

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

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

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

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

Cash and Investments

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

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

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

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

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

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

Statements of Cash Flows

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

Inventories

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

Capital Assets

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

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

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

Allowance for Uncollectible Receivables

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

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Accrued Liabilities

Accrued liabilities consist principally of teacher, administrator, and other District employee salaries and benefits for the school program year ended June 30, 2023, but not yet paid.

Expenditures

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

A brief description of these program classifications follows:

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

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

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

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

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

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

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

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

Compensated Absences

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

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

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

Use of Estimates

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

Prior Year Information

Certain basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2022, from which summarized information was derived. Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation. Such reclassifications relate primarily to the determination of major and nonmajor funds, as previously discussed.

NOTE 2 – COMPLIANCE WITH NEVADA REVISED STATUTES

The District conformed to all significant statutory constraints on its financial administration during the year.

NOTE 3 – CASH AND INVESTMENTS

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

As of June 30, 2023, the District had the following amounts reported as cash and investments:

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

District-Wide Balances:

Pooled cash	\$ 13,761,605
Food services	23,532
Self-insurance claims accounts	1,381,562
Cash held by Student Activity Funds	1,251,105
	<hr/>
	16,417,804
Deposits held with Douglas County, Nevada	14,480
Local Government Investment Pool	15,380,000
	<hr/>
Total Cash and Investments	\$ 31,812,284

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

As of June 30, 2023, the District had \$15,380,000 invested with Nevada's Local Government Investment Pool. The investment is stated at fair value with a maturity date of less than one year.

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

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

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

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

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 4 – RECEIVABLES

As of June 30, 2023, the District’s receivables totaled \$2,252,561 and were comprised primarily of amounts due from the State of Nevada Department of Education for reimbursement of grant expenditures.

NOTE 5 – INTERFUND BALANCES AND TRANSACTIONS

From time to time, certain funds may temporarily overdraw their allocation of the pooled cash resources creating interfund receivable/payable balances. These occurrences typically arise either because the fund is a reimbursement type fund and must expend resources prior to the reimbursement or because the fund would otherwise have to liquidate investments.

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

Interfund transfers are shown as other financing sources (uses) in all funds other than the internal service funds, where they are shown as operating transfers. Transfers are used primarily to supplement programs that are not fully funded by general revenues.

Interfund receivable and payable balances as of June 30, 2023 are as follows:

	Interfund Receivables	Interfund Payables
Major Governmental Funds:		
General Fund	\$ 952,937	\$ 462,001
Grants Fund	-	952,937
Internal Service Funds:		
Self Insurance Health Fund	439,700	-
Workers' Comp. Self-Insurance Fund	22,301	-
	<u>\$ 1,414,938</u>	<u>\$ 1,414,938</u>

Transfers made during the year ended June 30, 2023 were as follows:

	Transfers	
	To	From
General Fund	\$ -	\$ 5,200,000
Special Education Fund	4,200,000	-
Debt Service Fund	-	100,000
Capital Projects Fund	100,000	-
Health Insurance Fund	1,000,000	-
	<u>\$ 5,300,000</u>	<u>\$ 5,300,000</u>

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

NOTE 6 – CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2023 is shown below:

	<u>Balance July 1, 2022</u>	<u>Additions / Transfers</u>	<u>Deletions / Transfers</u>	<u>Balance June 30, 2023</u>
Nondepreciable Capital Assets				
Land	\$ 1,273,439	\$ -	\$ -	\$ 1,273,439
Construction in progress	879,342	2,363,781	(2,754,068)	489,055
	<u>2,152,781</u>	<u>2,363,781</u>	<u>(2,754,068)</u>	<u>1,762,494</u>
Depreciable Capital Assets				
Buildings and improvements	157,259,087	2,767,167	-	160,026,254
Equipment and vehicles	14,952,572	1,044,429	(431,672)	15,565,329
	<u>172,211,659</u>	<u>3,811,596</u>	<u>(431,672)</u>	<u>175,591,583</u>
Total Capital Assets	<u>174,364,440</u>	<u>6,175,377</u>	<u>(3,185,740)</u>	<u>177,354,077</u>
Less accumulated depreciation for:				
Buildings and improvements	85,712,357	4,723,615	-	90,435,972
Equipment and vehicles	9,146,593	1,039,206	(431,672)	9,754,127
	<u>94,858,950</u>	<u>5,762,821</u>	<u>(431,672)</u>	<u>100,190,099</u>
Governmental Activities, Capital Assets, net	<u>\$ 79,505,490</u>	<u>\$ 412,556</u>	<u>\$ (2,754,068)</u>	<u>\$ 77,163,978</u>

Depreciation expense was allocated to the following functions/programs:

Instruction	\$ 218,987
Support Services	605,096
Facilities construction and improvement	<u>4,938,739</u>
Total Depreciation Expense	<u>\$ 5,762,822</u>

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

NOTE 7 – LONG-TERM DEBT

Changes in Long-Term Debt

The following is a summary of the changes in the District's long-term obligations during the fiscal year ended June 30, 2023:

	Balance July 1, 2022	Additions of New Debt	Retirements, Repayments and Reductions	Balance June 30, 2023	Due Within One Year	Due After One Year
General Obligation Bonds	\$ 30,820,000	\$ -	\$ (2,321,000)	\$ 28,499,000	\$ 2,385,000	\$ 26,114,000
Plus: Bond Premiums	98,953	-	(6,508)	92,445	6,508	85,937
Total Bonds Payable	<u>30,918,953</u>	<u>-</u>	<u>(2,327,508)</u>	<u>28,591,445</u>	<u>2,391,508</u>	<u>26,199,937</u>
Compensated Absences	658,514	-	(96,754)	561,760	-	561,760
Installment Note Payable	826,000	-	(507,000)	319,000	319,000	-
	<u>32,403,467</u>	<u>-</u>	<u>(2,931,262)</u>	<u>29,472,205</u>	<u>2,710,508</u>	<u>26,761,697</u>
OPEB	16,808,491	-	(4,078,981)	12,729,510	-	12,729,510
Pension liability	46,897,874	41,471,830	-	88,369,704	-	88,369,704
	<u>\$ 96,109,832</u>	<u>\$41,471,830</u>	<u>\$ (7,010,243)</u>	<u>\$130,571,419</u>	<u>\$ 2,710,508</u>	<u>\$127,860,911</u>

Total interest expense for the year ended June 30, 2023 was \$805,365.

The District was, in accordance with NRS 387.400, within the legal debt limit at June 30, 2023.

General Obligation Bonds payable consist of the following as of June 30, 2023:

Issue	Date Issued	Date of Final Maturity	Original Interest Rate %	Amount Issued	Balance June 30, 2023
Improvement Bonds (QSCBs), Series 2010C	5/13/2010	4/1/2027	4.5 - 6.4	\$ 2,305,000	\$ 2,000,000
Improvement Bonds, Series 2012	12/19/2012	4/1/2042	2.0 - 3.25	9,000,000	5,905,000
Improvement Bonds, Series 2013	10/16/2013	4/1/2034	3.0 - 4.0	8,500,000	390,000
Improvement Bonds, Series 2015	2/19/2015	4/1/2035	2.0 - 3.25	5,000,000	3,810,000
Refunding Bonds, Series 2020	12/3/2020	4/1/2030	1.340	11,858,000	8,960,000
Taxable/Tax-Exempt Refunding, Series 2021	12/8/2021	4/1/2034	2.290	7,516,000	7,434,000
					<u>\$28,499,000</u>

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

The annual requirements to amortize all General Obligation Debt outstanding (exclusive of bond premiums of \$85,937) as of June 30, 2023 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Expected Interest Subsidy	Total Requirements
2024	\$ 2,385,000	\$ 670,632	\$ (113,200)	\$ 2,942,432
2025	2,393,000	628,099	(113,200)	2,907,899
2026	2,431,000	589,681	(113,200)	2,907,481
2027	2,507,000	550,600	(113,200)	2,944,400
2028	2,490,000	415,002	-	2,905,002
2029 - 2033	9,662,000	1,481,082	-	11,143,082
2034 - 2038	4,211,000	678,733	-	4,889,733
2039 - 2042	2,420,000	191,471	-	2,611,471
	<u>\$ 28,499,000</u>	<u>\$ 5,205,300</u>	<u>\$ (452,800)</u>	<u>\$ 33,251,500</u>

Installment Note Payable

On June 15, 2012 the District refinanced an existing installment purchase agreement with Bank of America for \$4,980,000, which was entered into for the purpose of financing District-wide energy efficiency improvements. Payments on the note, including interest at 2.25% began January 2013 and will continue until July 2023 with a final payment of \$322,589, which includes interest of \$3,589.

NOTE 8 – FUND BALANCE/NET POSITION

District-Wide Financial Statements

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

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

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

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

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Fund Financial Statements

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

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

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

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

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

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

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

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

The following is a summary of the District’s governmental fund balances as of June 30, 2023:

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

	Major Funds					Total Governmental Funds
	General Fund	Special Education Fund	Debt Service Fund	Building and Sites Fund	Other Gov't Funds	
Nonspendable:						
Inventories	\$ 142,366	\$ -	\$ -	\$ -	\$ 80,011	\$ 222,377
Restricted for:						
Debt service	-	-	4,129,831	-	-	4,129,831
Property renovations/upgrades	-	-	-	1,654,902	5,269,634	6,924,536
Nutrition services	-	-	-	-	2,542,941	2,542,941
Education services	-	-	-	-	129,544	129,544
Student activities	-	-	-	-	1,251,105	1,251,105
Assigned to:						
Education services	4,129,501	552,786	-	-	-	4,682,287
Unassigned	6,347,160	-	-	-	-	6,347,160
Governmental Fund Balances	<u>\$ 10,619,027</u>	<u>\$ 552,786</u>	<u>\$ 4,129,831</u>	<u>\$ 1,654,902</u>	<u>\$ 9,273,235</u>	<u>\$ 26,229,781</u>

NOTE 9 – NEVADA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Plan Description

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

Benefits Provided

Benefits provisions of the defined benefit pension plan are established by Nevada Revised Statutes (NRS or statute), which may be amended. Benefits are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with 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

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

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

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

Vesting

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

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

Contributions

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

The required contribution rates for the years ended June 30, 2023 and 2022 were 15.50% for the EE/ER plan and 29.75% for the EPC plan. The District's contributions to the Plan were \$5,491,452 and \$5,376,583 for the years ended June 30, 2023 and 2022, respectively.

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

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, 2022:

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

Net Pension Liability

At June 30, 2023, the District reported a liability of \$88,369,704 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 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, 2022, the District's proportion of the regular plan was .48945%, which was a decrease of .02482 from its .51427% proportion measured as of June 30, 2021.

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 or 1.00 percentage point higher 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	<u>\$ 135,676,403</u>	<u>\$ 88,369,704</u>	<u>\$ 49,334,579</u>

Pension Plan Fiduciary Net Position

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

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Actuarial Assumptions

The System's net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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

Investment rate of return	7.25% per year.
Salary increases	4.20% to 9.10% depending on service.
Inflation rate	2.50% per year.
Productivity pay increase	0.50%
Other assumptions	Same as those used in the June 30, 2022 funding actuarial valuation.

Actuarial assumptions used in the June 30, 2022 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, 2023, the District recognized pension expense of \$6,019,463. As of June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 11,442,417	\$ 63,129
Changes in assumptions	11,351,705	-
Net difference between projected and actual earnings on pension plan assets	1,078,166	-
Changes in proportion	-	4,892,661
The District's contributions subsequent to the measurement date	5,491,452	-
	<u>\$ 29,363,740</u>	<u>\$ 4,955,790</u>

The District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. 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
2024	\$ 1,730,602
2025	2,300,603
2026	2,324,525
2027	11,334,346
2028	1,226,422
	<u>\$ 18,916,498</u>

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

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

Plan Descriptions

Nevada Public Employees' Benefits Program

The District contributes to the Nevada Public Employees' Benefits Program (PEBP), an agent, multiple-employer defined benefit plan, which provides medical benefits to eligible retired District employees and their beneficiaries. PEBP is administered by the Board of the Public Employees' Benefits Program, consisting of nine appointed members. Before November 30, 2008, NRS 287.023 allowed retirees of local governments meeting established criteria to enroll in the PEBP and required the local governments to

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

subsidize the cost of their retirees' premiums. Although retirees may no longer enroll in the PEBP, retirees enrolled as of November 30, 2008 may remain in the plan with continued premium subsidies paid by the District. The PEBP issues a publicly available report that includes financial statements and required supplementary information. That report may be obtained by writing to the Nevada Public Employees' Benefits Program, 901 South Stewart Street, Suite 1001, Carson City, Nevada 89701. The information is also located on their website at www.pebp.state.nv.us, or by calling (800) 326-5496.

PEBP is administered by the State of Nevada and is not considered a "plan" for purposes of Governmental Accounting Standards Board (GASB) Statement No. 74 *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. However, to enhance the understanding of this footnote, this PEBP program may be referred to as a "plan." Any assets accumulated for OPEB purposes are to be reported as assets of the employer. As of June 30, 2023, \$322 thousand of assets have been accumulated in the District's Self Insurance Health Fund, which is a decrease of \$338 thousand from the previous year. These assets are restricted for employee benefits and are not subject to the claims of the District's creditors.

The contribution requirements of plan members and the District are established and may be amended by the Board of the Public Employees' Benefits Program. The amount of subsidy an individual retiree is entitled is predicated on the years of service and a legislatively determined base amount. The District contributed \$662,556 during the year on behalf of 254 participating retirees.

Douglas County School District Healthcare Plan

The District administers a single-employer defined benefit healthcare plan. This plan provides postemployment healthcare benefits to retirees of the District. Any retiree who participates in the Nevada Public Employees' Retirement System (PERS) may purchase coverage for themselves and dependents at the same premium rate which is charged to the District's active employees. Because retirees pay the same premium as active employees rather than a higher rate that would result from rating retirees as a separate insured group, the District incurs the cost of an implicit premium subsidy. A separate report has not been issued for this plan. The District has elected to pay the implicit cost of postemployment benefits on the *pay-as-you-go* basis. District contributions were \$248,460 for FY 23.

Plan membership consisted of 580 active plan members and 90 retirees as of September 1, 2022, the date of the latest actuarial valuation.

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

Actuarial Methods and Assumptions

The District's net OPEB liability for each plan was measured as of June 30, 2023, and the total OPEB liabilities used to calculate their respective net OPEB liability were determined by actuarial valuations for each plan as of September 1, 2022.

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

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:

	<u>District</u>	<u>PEBP</u>
Valuation Date	9/1/22	9/1/22
Actuarial cost method	Entry Age Normal	Entry Age Normal
Inflation	2.50%	2.50%
Salary increases	3.00%	N/A
Discount rate	3.65%	3.65%
Retirement age	45 to 75	N/A
Healthcare cost trend rate		
2023	7.40%	7.40%
By 2076	grading to 3.9%	grading to 3.9%
		Post MC: 4.50%
Mortality	NV PERS 2021; Projected with MW Scale 2022	NV PERS 2021; Projected with MW Scale 2022

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 or 1% higher.

<u>Net OPEB Liability</u>	<u>1% Decrease in Discount Rate to</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate to</u>
	2.65%	3.65%	4.65%
District	\$ 3,435,872	\$ 3,295,473	\$ 3,135,211
PEBP	10,461,895	9,434,037	8,555,104
	<u>\$ 13,897,767</u>	<u>\$ 12,729,510</u>	<u>\$ 11,690,315</u>

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

<u>Net OPEB Liability</u>	<u>1% Decrease in Current Trend</u>	<u>Current Trend</u>	<u>1% Increase in Current Trend</u>
District	\$ 5,508,023	\$ 6,407,923	\$ 7,526,078
PEBP	8,599,566	9,430,037	10,388,037
	<u>\$ 14,107,589</u>	<u>\$ 15,837,960</u>	<u>\$ 17,914,115</u>

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

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

For the year ended June 30, 2023, the District recognized OPEB income of \$266,219 for the District Plan and \$(303,975) for PEBP. As of June 30, 2023, the District reported deferred inflows of \$7,300,738 and \$-0- for the District Plan and PEBP, respectively, and deferred outflows of \$1,298,3401 and \$-0-, respectively.

The deferred resources for the District Plan will be recognized as a component of annual OPEB expense or income.

Change in Net OPEB Liability

The following table depicts the District's changes in the net OPEB liability for the year ended June 30, 2023:

	District	PEBP	Combined
Balance, July 1, 2022	\$ 6,407,923	\$ 10,400,568	\$ 16,808,491
Changes for the Year:			
Service cost	348,551	-	348,551
Interest cost	234,782	356,453	591,235
Changes of assumptions	(304,856)	(472,922)	(777,778)
Plan experience	(3,142,467)	(187,506)	(3,329,973)
Benefit payments	(248,460)	(662,556)	(911,016)
Net Changes	(3,112,450)	(966,531)	(4,078,981)
Balance, June 30, 2023	\$ 3,295,473	\$ 9,434,037	\$ 12,729,510

NOTE 11 – RISK MANAGEMENT

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

Self-Insurance Health Fund

The District contributed approximately \$705 per employee to this fund for health and accident coverage. In addition, employees have the option to authorize payroll deductions for premiums for dependent coverage. The premiums are adjusted annually as necessary to properly allow for health and accident

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

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

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

Workers' Compensation Self-Insurance Fund

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

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

The changes in the claims liability for the years ended June 30, 2022 and 2023 are as follows:

	Self-Insurance Funds		
	Health Fund	Workers' Compensation	Total
Claims liability, July 1, 2021	\$ 916,901	\$ 302,000	\$ 1,218,901
Current year claims and changes in estimates	9,067,860	247,645	9,315,505
Claim payments	<u>(8,860,556)</u>	<u>(176,645)</u>	<u>(9,037,201)</u>
Claims liability, June 30, 2022	1,124,205	373,000	1,497,205
Current year claims and changes in estimates	9,276,771	582,266	9,859,037
Claim payments	<u>(9,321,028)</u>	<u>(345,266)</u>	<u>(9,666,294)</u>
Claims liability, June 30, 2023	<u>\$ 1,079,948</u>	<u>\$ 610,000</u>	<u>\$ 1,689,948</u>

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Litigation

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

Grants

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

Construction Commitments

The District has active construction projects as of June 30, 2023 which are being financed primarily by available cash in the District's two capital projects funds. No additional financing is required to complete these projects.

DOUGLAS COUNTY SCHOOL DISTRICT

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

	Plan Year Ended									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	
District's proportion of the Net Pension Liability	0.48945%	0.51427%	0.51782%	0.52206%	0.53453%	0.57247%	0.58846%	0.60910%	0.57980%	
District's proportionate share of the Net Pension Liability	\$ 88,369,704	\$ 46,897,874	\$ 72,123,743	\$ 71,188,494	\$ 72,898,330	\$ 76,137,260	\$ 79,189,924	\$ 69,799,991	\$ 60,291,529	
District's covered employee payroll	\$ 36,240,689	\$ 35,776,138	\$ 36,405,291	\$ 36,654,122	\$ 35,646,119	\$ 35,305,799	\$ 35,363,059	\$ 35,561,565	\$ 32,383,611	
District's proportionate share of the Net Pension Liability as a percentage of its covered employee payroll	243.84%	131.09%	198.11%	194.22%	204.51%	215.65%	223.93%	196.28%	186.18%	
Plan fiduciary net position as a percentage of the Total Pension Liability	76.50%	86.51%	77.00%	76.46%	75.23%	74.42%	72.20%	75.10%	76.30%	

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

DOUGLAS COUNTY SCHOOL DISTRICT

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

	Determined for the Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	
Statutorily required contribution	\$ 5,491,452	\$ 5,376,583	\$ 5,378,816	\$ 5,415,208	\$ 5,025,730	\$ 4,983,219	\$ 4,989,279	\$ 8,912,739	\$ 8,393,174	
Contributions in relation to the statutorily required contribution	<u>5,491,452</u>	<u>5,376,583</u>	<u>5,378,816</u>	<u>5,415,208</u>	<u>5,025,730</u>	<u>4,983,219</u>	<u>4,989,279</u>	<u>8,912,739</u>	<u>8,393,174</u>	
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
District's covered employee payroll	\$ 36,240,689	\$ 35,776,138	\$ 36,405,291	\$ 36,654,122	\$ 35,646,119	\$ 35,305,799	\$ 35,363,059	\$ 35,561,565	\$ 32,383,611	
Contributions as a percentage of covered employee payroll	15.15%	15.03%	14.77%	14.77%	14.10%	14.11%	14.11%	25.06%	25.92%	

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

DOUGLAS COUNTY SCHOOL DISTRICT

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

	2023			2022			2021		
	District	PEBP	Total	District	PEBP	Total	District	PEBP	Total
Total OPEB Liability									
Service cost	\$ 348,551	\$ -	\$ 348,551	\$ 438,487	\$ -	\$ 438,487	\$ 413,849	\$ -	\$ 413,849
Interest	234,782	356,453	591,235	160,882	261,495	422,377	170,448	339,258	509,706
Expected versus actual experience	(3,142,467)	(187,506)	(3,329,973)	-	-	-	(1,965,138)	(2,900,406)	(4,865,544)
Changes in assumptions	(304,856)	(472,922)	(777,778)	(1,077,162)	(1,630,288)	(2,707,450)	1,325,871	(2,472)	1,323,399
Benefit payments	(248,460)	(662,556)	(911,016)	(248,142)	(673,756)	(921,898)	(219,786)	(688,599)	(908,385)
Net change in Total OPEB Liability	(3,112,450)	(966,531)	(4,078,981)	(725,935)	(2,042,549)	(2,768,484)	(274,756)	(3,252,219)	(3,526,975)
Total OPEB Liability, beginning	6,407,923	10,400,568	16,808,491	7,133,858	12,443,117	19,576,975	7,408,614	15,695,336	23,103,950
Total OPEB Liability, ending	3,295,473	9,434,037	12,729,510	6,407,923	10,400,568	16,808,491	7,133,858	12,443,117	19,576,975
Plan Fiduciary Net Position									
Employer contributions	248,460	662,556	911,016	248,142	673,756	921,898	219,786	688,599	908,385
Net investment income	-	-	-	-	-	-	-	-	-
Benefit payments	(248,460)	(662,556)	(911,016)	(248,142)	(673,756)	(921,898)	(219,786)	(688,599)	(908,385)
Net change in Plan Fiduciary Net Position	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position, beginning	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position, ending	-	-	-	-	-	-	-	-	-
District's Net OPEB Liability	\$ 3,295,473	\$ 9,434,037	\$ 12,729,510	\$ 6,407,923	\$ 10,400,568	\$ 16,808,491	\$ 7,133,858	\$ 12,443,117	\$ 19,576,975
Covered payroll	\$ 39,116,652	N/A	N/A	\$ 37,977,332	N/A	N/A	\$ 38,199,000	N/A	N/A
District's net OPEB liability as a percentage of covered payroll	8.42%	N/A	N/A	16.87%	N/A	N/A	18.68%	N/A	N/A

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

Continued on next page.

DOUGLAS COUNTY SCHOOL DISTRICT

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

	2020			2019			2018		
	District	PEBP	Total	District	PEBP	Total	District	PEBP	Total
Total OPEB Liability									
Service cost	\$ 308,442	\$ -	\$ 308,442	\$ 470,590	\$ -	\$ 470,590	\$ 487,581	\$ -	\$ 487,581
Interest	221,063	473,506	694,569	352,961	531,373	884,334	315,670	512,486	828,156
Expected versus actual experience	-	-	-	(2,182,159)	(1,222,963)	(3,405,122)	-	-	-
Changes in assumptions	1,023,019	2,120,778	3,143,797	(995,379)	1,322,789	327,410	(398,244)	(575,379)	(973,623)
Benefit payments	(267,079)	(778,304)	(1,045,383)	(251,622)	(823,650)	(1,075,272)	(262,271)	(766,650)	(1,028,921)
Net change in Total OPEB Liability	1,285,445	1,815,980	3,101,425	(2,605,609)	(192,451)	(2,798,060)	142,736	(829,543)	(686,807)
Total OPEB Liability, beginning	6,123,169	13,879,356	20,002,525	8,728,778	14,071,807	22,800,585	8,586,042	14,901,350	23,487,392
Total OPEB Liability, ending	7,408,614	15,695,336	23,103,950	6,123,169	13,879,356	20,002,525	8,728,778	14,071,807	22,800,585
Plan Fiduciary Net Position									
Employer contributions	267,079	778,304	1,045,383	251,622	823,650	1,075,272	262,271	766,650	1,028,921
Net investment income	-	-	-	-	-	-	-	-	-
Benefit payments	(267,079)	(778,304)	(1,045,383)	(251,622)	(823,650)	(1,075,272)	(262,271)	(766,650)	(1,028,921)
Net change in Plan Fiduciary Net Position	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position, beginning	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position, ending	-	-	-	-	-	-	-	-	-
District's Net OPEB Liability	\$ 7,408,614	\$ 15,695,336	\$ 23,103,950	\$ 6,123,169	\$ 13,879,356	\$ 20,002,525	\$ 8,728,778	\$ 14,071,807	\$ 22,800,585
Covered payroll	\$ 37,443,397	N/A	N/A	\$ 31,511,797	N/A	N/A	\$ 35,338,249	N/A	N/A
District's net OPEB liability as a percentage of covered payroll	19.79%	N/A	N/A	0.1943	N/A	N/A	0.247	N/A	N/A

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

DOUGLAS COUNTY SCHOOL DISTRICT

DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)

	2023 BUDGET		2023		2022
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local Sources:					
Ad valorem taxes	\$ 3,560,690	\$ 3,560,690	\$ 3,597,597	\$ 36,907	\$ 3,330,684
Earnings on investments	6,000	15,000	72,436	57,436	8,966
Total Local Sources	3,566,690	3,575,690	3,670,033	94,343	3,339,650
Federal Sources:					
In lieu of tax	275	275	-	(275)	-
Bond interest subsidy	56,600	56,600	108,411	51,811	103,081
Total Federal sources	56,875	56,875	108,411	51,536	103,081
Total Revenues	3,623,565	3,632,565	3,778,444	145,879	3,442,731
EXPENDITURES					
Debt Service:					
Principal	2,321,000	2,321,000	2,321,000	-	2,159,000
Interest	753,615	753,615	754,560	(945)	800,618
Bond issue costs	-	-	3,050	(3,050)	99,001
Fiscal agent charges	6,000	6,000	-	6,000	5,200
Total Expenditures	3,080,615	3,080,615	3,078,610	2,005	3,063,819
Revenues Over (Under) Expenditures	542,950	551,950	699,834	147,884	378,912
OTHER FINANCING SOURCES (USES)					
Refunding bond proceeds	-	-	-	-	7,516,000
Payment to refunding escrow agent	-	-	-	-	(7,486,581)
Transfer (to) other funds	(100,000)	(100,000)	(100,000)	-	(100,000)
Total Other Financing Sources (Uses)	(100,000)	(100,000)	(100,000)	-	(70,581)
Net Change in Fund Balance	442,950	451,950	599,834	147,884	308,331
FUND BALANCE, July 1	3,473,825	3,529,997	3,529,997	-	3,221,666
FUND BALANCE, June 30	\$ 3,916,775	\$ 3,981,947	\$ 4,129,831	\$ 147,884	\$ 3,529,997

DOUGLAS COUNTY SCHOOL DISTRICT

BUILDING AND SITES FUND
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2023
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)

	2023 BUDGET		2023		2022
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local Sources:					
Earnings on investments	\$ 3,121	\$ 5,000	\$ 28,473	\$ 23,473	\$ 4,648
Other	2,400	5,000	6,061	1,061	25,169
Total Revenues	5,521	10,000	34,534	24,534	29,817
EXPENDITURES					
Operations and Maintenance:					
Purchased services	-	-	-	-	12,375
Facilities Acquisition and Construction:					
Site Improvement:					
Purchased services	-	85,000	79,536	5,464	76,782
Building Improvement:					
Purchased services	304,745	1,677,785	184,574	1,493,211	175,220
Total Facilities Acquisition and Construction	304,745	1,762,785	264,110	1,498,675	252,002
Total Expenditures	304,745	1,762,785	264,110	1,498,675	264,377
Net Change in Fund Balance	(299,224)	(1,752,785)	(229,576)	1,523,209	(234,560)
FUND BALANCE, July 1	634,868	1,884,478	1,884,478	-	2,119,038
FUND BALANCE, June 30	\$ 335,644	\$ 131,693	\$ 1,654,902	\$ 1,523,209	\$ 1,884,478

DOUGLAS COUNTY SCHOOL DISTRICT

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2023
 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	SPECIAL REVENUE FUNDS						TOTAL NONMAJOR GOVERNMENTAL FUNDS		
	FOOD SERVICE	STUDENT ACTIVITIES	PCFP ENGLISH LEARNERS	PCFP AT- RISK	PCFP GIFTED & TALENTED	TOTALS	CAPITAL PROJECTS	2023	2022
ASSETS									
Cash and investments	\$ 2,396,707	\$ 1,251,105	\$ 67,314	\$ 8,680	\$ 110,470	\$ 3,834,276	\$ 5,143,601	\$ 8,977,877	\$ 7,728,791
Receivables	187,462	-	-	-	-	187,462	165,002	352,464	247,781
Inventories	80,011	-	-	-	-	80,011	-	80,011	58,743
Total Assets	<u>\$ 2,664,180</u>	<u>\$ 1,251,105</u>	<u>\$ 67,314</u>	<u>\$ 8,680</u>	<u>\$ 110,470</u>	<u>\$ 4,101,749</u>	<u>\$ 5,308,603</u>	<u>\$ 9,410,352</u>	<u>\$ 8,035,315</u>
LIABILITIES									
Accounts payable and accrued liabilities	\$ 41,228	\$ -	\$ 40,845	\$ 8,680	\$ 7,395	\$ 98,149	\$ 23,377	\$ 121,525	\$ 294,639
Retainage payable	-	-	-	-	-	-	15,592	15,592	27,448
Due to other funds	-	-	-	-	-	-	-	-	1,180
	<u>41,228</u>	<u>-</u>	<u>40,845</u>	<u>8,680</u>	<u>7,395</u>	<u>98,149</u>	<u>38,969</u>	<u>137,117</u>	<u>323,267</u>
FUND BALANCES									
Nonspendable	80,011	-	-	-	-	80,011	-	80,011	58,743
Restricted	2,542,941	1,251,105	26,469	-	103,075	3,923,590	5,269,634	9,193,224	7,653,305
Total Fund Balances	<u>2,622,952</u>	<u>1,251,105</u>	<u>26,469</u>	<u>-</u>	<u>103,075</u>	<u>4,003,601</u>	<u>5,269,634</u>	<u>9,273,235</u>	<u>7,712,048</u>
Total Liabilities and Fund Balances	<u>\$ 2,664,180</u>	<u>\$ 1,251,105</u>	<u>\$ 67,314</u>	<u>\$ 8,680</u>	<u>\$ 110,470</u>	<u>\$ 4,101,749</u>	<u>\$ 5,308,603</u>	<u>\$ 9,410,352</u>	<u>\$ 8,035,315</u>

DOUGLAS COUNTY SCHOOL DISTRICT

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE
 YEAR ENDED JUNE 30, 2023
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

	SPECIAL REVENUE FUNDS						TOTAL NONMAJOR GOVERNMENTAL FUNDS		
	FOOD SERVICE	STUDENT ACTIVITIES	PCFP ENGLISH LEARNERS	PCFP AT- RISK	PCFP GIFTED & TALENTED	SUB- TOTALS	CAPITAL PROJECTS	2023	2022
REVENUES									
Local sources	\$ 262,826	\$ 1,871,663	\$ -	\$ -	\$ -	\$ 2,134,489	\$ 2,312,485	\$ 4,446,974	\$ 3,870,663
State sources	7,897	-	371,568	156,844	128,926	665,235	-	665,235	754,169
Federal sources	2,916,824	-	-	-	-	2,916,824	-	2,916,824	2,815,397
Total Revenues	<u>3,187,547</u>	<u>1,871,663</u>	<u>371,568</u>	<u>156,844</u>	<u>128,926</u>	<u>5,716,548</u>	<u>2,312,485</u>	<u>8,029,033</u>	<u>7,440,229</u>
EXPENDITURES									
Regular programs	-	1,296,070	-	-	-	1,296,070	-	1,296,070	1,183,382
Special programs	-	-	-	-	-	-	-	-	69,837
Other instructional programs	-	35,614	355,443	156,844	84,828	632,729	-	632,729	525,578
Undistributed Expenditures:									
Student support	-	320,126	-	-	-	320,126	-	320,126	180,126
Other support	-	-	-	-	-	-	260,702	260,702	616,572
Noninstructional:									
Food service	2,355,331	-	-	-	-	2,355,331	-	2,355,331	2,086,936
Facilities Acquisition and Construction	-	-	-	-	-	-	1,724,156	1,724,156	1,074,849
Total Expenditures	<u>2,355,331</u>	<u>1,651,810</u>	<u>355,443</u>	<u>156,844</u>	<u>84,828</u>	<u>4,604,256</u>	<u>1,984,858</u>	<u>6,589,114</u>	<u>5,737,280</u>
Revenues Over (Under)									
Expenditures	832,216	219,853	16,125	-	44,098	1,112,292	327,627	1,439,919	1,702,949
OTHER FINANCING SOURCES									
Transfer from (to) other funds	-	-	-	-	-	-	100,000	100,000	95,956

Continued on next page.

DOUGLAS COUNTY SCHOOL DISTRICT

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE
 YEAR ENDED JUNE 30, 2023
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

	SPECIAL REVENUE FUNDS						TOTAL NONMAJOR GOVERNMENTAL FUNDS		
	FOOD SERVICE	STUDENT ACTIVITIES	PCFP ENGLISH LEARNERS	PCFP AT- RISK	PCFP GIFTED & TALENTED	SUB- TOTALS	CAPITAL PROJECTS	2023	2022
Net Change in Fund Balances	\$ 832,216	\$ 219,853	\$ 16,125	\$ -	\$ 44,098	\$ 1,112,292	\$ 427,627	\$ 1,539,919	\$ 1,798,905
FUND BALANCES, July 1,	1,769,468	1,031,252	10,344	-	58,977	2,870,041	4,842,007	7,712,048	5,888,423
Increase (decrease) in reserve for inventories	21,268	-	-	-	-	21,268	-	21,268	24,720
FUND BALANCES, June 30	<u>\$ 2,622,952</u>	<u>\$ 1,251,105</u>	<u>\$ 26,469</u>	<u>\$ -</u>	<u>\$ 103,075</u>	<u>\$ 4,003,601</u>	<u>\$ 5,269,634</u>	<u>\$ 9,273,235</u>	<u>\$ 7,712,048</u>

DOUGLAS COUNTY SCHOOL DISTRICT

FOOD SERVICE FUND
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2023
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)

	2023 BUDGET		2023		2022
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local Sources:					
Earnings on investments	\$ 1,200	\$ 6,000	\$ 28,444	\$ 22,444	\$ 2,054
Daily sales	150,000	100,500	234,382	133,882	214,662
Other local sources	82,778	-	-	-	-
Total Local Sources	233,978	106,500	262,826	156,326	216,716
State Sources - Grants	8,000	8,000	7,897	(103)	97,403
Federal Sources - Grants	1,528,000	1,229,996	2,916,824	1,686,828	2,815,397
Total Revenues	1,769,978	1,344,496	3,187,547	1,843,051	3,129,516
EXPENDITURES					
Salaries	718,214	775,385	777,906	(2,521)	693,394
Benefits	346,014	365,584	362,565	3,019	330,679
Purchased services	4,650	12,880	12,322	558	4,944
Supplies	928,655	965,533	1,194,530	(228,997)	1,055,145
Property	-	5,361	5,326	35	-
Other	2,800	2,682	2,682	-	2,774
Total Food Service	2,000,333	2,127,425	2,355,331	(227,906)	2,086,936
Contingency	25,000	25,000	-	25,000	-
Total Expenditures	2,025,333	2,152,425	2,355,331	(202,906)	2,086,936
Net Change in Fund Balance	(255,355)	(807,929)	832,216	1,640,145	1,042,580
FUND BALANCE, July 1	514,297	1,769,469	1,769,468	(1)	702,168
Increase (decrease) in reserve for inventories	-	-	21,268	21,268	24,720
FUND BALANCE, June 30	\$ 258,942	\$ 961,540	\$ 2,622,952	\$ 1,661,412	\$ 1,769,468

DOUGLAS COUNTY SCHOOL DISTRICT

STUDENT ACTIVITIES FUND
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2023
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)

	2023 BUDGET		2023	2022	
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local Sources:					
Student activities	\$ 950,000	\$ 2,000,000	\$ 1,871,663	\$ (128,337)	\$ 1,448,411
EXPENDITURES					
Regular Programs:					
Supplies	806,533	1,500,000	1,296,070	203,930	1,183,382
Other Instructional Programs:					
Supplies	11,021	50,000	35,614	14,386	7,970
Undistributed Expenditures:					
Student Support:					
Supplies	182,446	450,000	320,126	129,874	180,126
Total Expenditures	1,000,000	2,000,000	1,651,810	348,190	1,371,478
Net Change in Fund Balance	(50,000)	-	219,853	219,853	76,933
FUND BALANCE, July 1,	904,319	1,031,252	1,031,252	-	954,319
FUND BALANCE, June 30	\$ 854,319	\$ 1,031,252	\$ 1,251,105	\$ 219,853	\$ 1,031,252

DOUGLAS COUNTY SCHOOL DISTRICT

PCFP-ENGLISH LEARNER
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2023

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

	2023 BUDGET		2023		2022
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
State Sources:					
State appropriation	\$ -	\$ 371,568	\$ 371,568	\$ -	\$ 371,244
EXPENDITURES					
Other Instructional Programs:					
Salaries	-	270,074	246,251	23,823	247,897
Benefits	-	111,838	109,192	2,646	113,003
Total Expenditures	-	381,912	355,443	26,469	360,900
Net Change in Fund Balance	-	(10,344)	16,125	26,469	10,344
FUND BALANCE, July 1	-	10,344	10,344	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ 26,469	\$ 26,469	\$ 10,344

DOUGLAS COUNTY SCHOOL DISTRICT

PCFP-AT RISK

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)

	2023 BUDGET		2023		2022
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
State Sources:					
State appropriation	\$ -	\$ 156,844	\$ 156,844	\$ -	\$ 156,708
EXPENDITURES					
Other Instructional Programs:					
Salaries	-	102,090	103,467	(1,377)	103,719
Benefits	-	54,754	53,377	1,377	52,989
Total Expenditures	-	156,844	156,844	-	156,708
Net Change in Fund Balance	-	-	-	-	-
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

DOUGLAS COUNTY SCHOOL DISTRICT

PCFP-GIFTED & TALENTED
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2023

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

	2023 BUDGET		2023		2022
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
State Sources:					
State appropriation	\$ -	\$ 128,926	\$ 128,926	\$ -	\$ 128,814
EXPENDITURES					
Other Instructional Programs:					
Salaries	-	154,594	57,471	97,123	51,032
Benefits	-	33,309	27,357	5,952	18,805
Total Expenditures	-	187,903	84,828	103,075	69,837
Net Change in Fund Balance	-	(58,977)	44,098	103,075	58,977
FUND BALANCE, July 1	-	58,977	58,977	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ 103,075	\$ 103,075	\$ 58,977

DOUGLAS COUNTY SCHOOL DISTRICT

CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2023
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)

	2023 BUDGET		2023		2022
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local Sources:					
Governmental services tax	\$ 1,746,047	\$ 1,707,290	\$ 1,704,592	\$ (2,698)	\$ 1,690,386
Residential construction tax	414,624	505,000	530,640	25,640	503,739
Earnings on investments	4,000	10,000	77,253	67,253	11,411
Total Revenues	2,164,671	2,222,290	2,312,485	90,195	2,205,536
EXPENDITURES					
Other Support:					
Purchased services	-	-	278	(278)	2,741
Supplies	570,000	570,000	260,424	309,576	601,385
Property	15,000	15,000	-	15,000	12,446
	585,000	585,000	260,702	324,298	616,572
Facilities Acquisition and Construction:					
Building Improvements:					
Purchased services	1,500,000	1,620,000	-	1,620,000	1,050,121
Site Improvements:					
Purchased services	-	850,000	1,724,156	(874,156)	24,728
Total Facilities Acquisition and Construction	1,500,000	2,470,000	1,724,156	745,844	1,074,849
Total Expenditures	2,085,000	3,055,000	1,984,858	1,070,142	1,691,421
Revenues Over (Under) Expenditures	79,671	(832,710)	327,627	1,160,337	514,115
OTHER FINANCING SOURCES					
Transfer from other funds	100,000	100,000	100,000	-	100,000
Net Change in Fund Balance	179,671	(732,710)	427,627	1,160,337	614,115
FUND BALANCE, July 1	3,346,184	4,842,007	4,842,007	-	4,227,892
FUND BALANCE, June 30	\$ 3,525,855	\$ 4,109,297	\$ 5,269,634	\$ 1,160,337	\$ 4,842,007

DOUGLAS COUNTY SCHOOL DISTRICT

PROPRIETARY FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2023
 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	SELF- INSURANCE HEALTH FUND	WORKERS' COMP SELF INSURANCE FUND	TOTALS GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS	
			2023	2022
ASSETS				
Current Assets:				
Cash and investments	\$ 1,320,681	\$ 1,604,836	\$ 2,925,517	\$ 3,334,145
Receivables	85,767	17,527	103,294	86,144
Due from other funds	439,700	22,301	462,001	466,184
Total Assets	1,846,148	1,644,664	3,490,812	3,886,473
 LIABILITIES				
Current Liabilities:				
Accounts payable and accrued expenses	4,399	23,756	28,155	41,266
Unearned revenue	439,700	22,301	462,001	444,072
Pending claims	1,079,948	610,000	1,689,948	1,497,025
Total Current Liabilities	1,524,047	656,057	2,180,104	1,982,363
 NET POSITION				
Restricted	\$ 322,101	\$ 988,607	\$ 1,310,708	\$ 1,904,110

DOUGLAS COUNTY SCHOOL DISTRICT

PROPRIETARY FUNDS
COMBINING STATEMENT OF
REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

	SELF - INSURANCE HEALTH FUND	WORKERS' COMP SELF INSURANCE FUND	TOTALS	
			GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS	
			2023	2022
OPERATING REVENUES				
Insurance premiums	\$ 7,914,752	\$ 357,891	\$ 8,272,643	\$ 8,358,499
Insurance proceeds	926,934	-	926,934	7,789
Other	-	23,050	23,050	-
Total Operating Revenues	<u>8,841,686</u>	<u>380,941</u>	<u>9,222,627</u>	<u>8,366,288</u>
OPERATING EXPENSES				
Claims expense	9,276,951	582,265	9,859,216	9,315,006
Purchased services	919,852	80,302	1,000,154	1,100,381
Other	3,860	-	3,860	3,845
Total Operating Expenses	<u>10,200,663</u>	<u>662,567</u>	<u>10,863,230</u>	<u>10,419,232</u>
Operating Income (Loss)	(1,358,977)	(281,626)	(1,640,603)	(2,052,944)
NONOPERATING REVENUES				
Earnings on investments	<u>21,169</u>	<u>26,032</u>	<u>47,201</u>	<u>6,701</u>
Income (loss) before transfers	(1,337,808)	(255,594)	(1,593,402)	(2,046,243)
TRANSFERS				
Transfers in	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>
Change in Net Position	(337,808)	(255,594)	(593,402)	(1,046,243)
NET POSITION, July 1	<u>659,909</u>	<u>1,244,201</u>	<u>1,904,110</u>	<u>2,950,353</u>
NET POSITION, June 30	<u>\$ 322,101</u>	<u>\$ 988,607</u>	<u>\$ 1,310,708</u>	<u>\$ 1,904,110</u>

DOUGLAS COUNTY SCHOOL DISTRICT

PROPRIETARY FUNDS COMBINING STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2023

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

	SELF -	WORKERS'	TOTALS	
	INSURANCE	COMP SELF	GOVERNMENTAL ACTIVITIES	
	HEALTH FUND	INSURANCE FUND	INTERNAL SERVICE FUNDS	INTERNAL SERVICE FUNDS
			2023	2022
CASH FROM OPERATING ACTIVITIES				
Cash received from insurance premiums	\$ 7,914,752	\$ 357,891	\$ 8,272,643	\$ 8,340,092
Cash received from insurance and other	919,270	13,564	932,834	7,789
Cash paid for claims	(9,321,028)	(345,266)	(9,666,294)	(9,037,201)
Cash paid for services and supplies	(924,087)	(70,925)	(995,012)	(1,081,163)
Net cash provided (used) by operating activities	<u>(1,411,093)</u>	<u>(44,736)</u>	<u>(1,455,829)</u>	<u>(1,770,483)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfer from other funds	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	<u>21,169</u>	<u>26,032</u>	<u>47,201</u>	<u>6,701</u>
Net Increase (Decrease) in Cash and Investments	(389,924)	(18,704)	(408,628)	(763,782)
CASH AND INVESTMENTS, July 1	<u>1,710,605</u>	<u>1,623,540</u>	<u>3,334,145</u>	<u>4,097,927</u>
CASH AND INVESTMENTS, June 30	<u>\$ 1,320,681</u>	<u>\$ 1,604,836</u>	<u>\$ 2,925,517</u>	<u>\$ 3,334,145</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	<u>\$ (1,358,977)</u>	<u>\$ (281,626)</u>	<u>\$ (1,640,603)</u>	<u>\$ (2,052,945)</u>
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Change in assets and liabilities:				
Receivables	(7,664)	(9,486)	(17,150)	(19,052)
Premiums due from other funds	4,372	(189)	4,183	(12,716)
Accounts payable and accrued expenses	(375)	9,376	9,001	22,745
Unearned revenue	(4,372)	189	(4,183)	13,361
Pending claims	(44,077)	237,000	192,923	278,124
Total Adjustments	<u>(52,116)</u>	<u>236,890</u>	<u>184,774</u>	<u>282,462</u>
Net cash provided (used) by operating activities	<u>\$ (1,411,093)</u>	<u>\$ (44,736)</u>	<u>\$ (1,455,829)</u>	<u>\$ (1,770,483)</u>

DOUGLAS COUNTY SCHOOL DISTRICT

SELF-INSURANCE HEALTH FUND
SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)

	2023 BUDGET		2023		2022
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
OPERATING REVENUES					
Insurance premiums	\$ 7,888,920	\$ 7,888,920	\$ 7,914,752	\$ 25,832	\$ 8,007,604
Insurance proceeds	-	-	926,934	926,934	1,979
Total Operating Revenues	7,888,920	7,888,920	8,841,686	952,766	8,009,583
OPERATING EXPENSES					
Claims expense	7,950,000	8,100,000	9,276,951	(1,176,951)	9,067,362
Purchased services	1,123,000	1,148,000	919,852	228,148	994,998
Other	31,030	31,030	3,860	27,170	3,845
Total Operating Expenses	9,104,030	9,279,030	10,200,663	(921,633)	10,066,205
Operating Income (Loss)	(1,215,110)	(1,390,110)	(1,358,977)	31,133	(2,056,622)
NONOPERATING REVENUES					
Earnings on investments	5,000	5,000	21,169	16,169	3,008
Income (Loss) Before Transfers	(1,210,110)	(1,385,110)	(1,337,808)	47,302	(2,053,614)
TRANSFERS					
Transfers in	1,000,000	1,000,000	1,000,000	-	1,000,000
Change in Net Position	(210,110)	(385,110)	(337,808)	47,302	(1,053,614)
NET POSITION, July 1	403,413	659,909	659,909	-	1,713,523
NET POSITION, June 30	\$ 193,303	\$ 274,799	\$ 322,101	\$ 47,302	\$ 659,909

DOUGLAS COUNTY SCHOOL DISTRICT

SELF-INSURANCE HEALTH FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)

	2023 BUDGET		2023		2022
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from insurance premiums	\$ 7,888,920	\$ 7,888,920	\$ 7,914,752	\$ 25,832	\$ 7,996,383
Cash received from insurance and other	(31,030)	(31,030)	919,270	950,300	1,979
Cash paid for claims	(7,950,000)	(8,100,000)	(9,321,028)	(1,221,028)	(8,860,556)
Cash paid for services and supplies	(1,123,000)	(1,148,000)	(924,087)	223,913	(998,843)
Net cash provided (used) by operating activities	(1,215,110)	(1,390,110)	(1,411,093)	(20,983)	(1,861,037)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfers from other funds	1,000,000	1,000,000	1,000,000	-	1,000,000
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	5,000	5,000	21,169	16,169	3,008
Net Increase (Decrease) in Cash	(210,110)	(385,110)	(389,924)	(4,814)	(858,029)
CASH AND INVESTMENTS, July 1	<u>1,258,524</u>	<u>659,909</u>	<u>1,710,605</u>	<u>1,050,696</u>	<u>2,568,634</u>
CASH AND INVESTMENTS, June 30	<u>\$ 1,048,414</u>	<u>\$ 274,799</u>	<u>\$ 1,320,681</u>	<u>\$ 1,045,882</u>	<u>\$ 1,710,605</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	<u>\$ (1,215,110)</u>	<u>\$ (1,390,110)</u>	<u>\$ (1,358,977)</u>	<u>\$ 31,133</u>	<u>\$ -</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Change in assets and liabilities:					
Receivables			(7,664)	(7,664)	(11,221)
Premiums due from other funds			4,372	4,372	(13,361)
Accounts payable and accrued exp.			(375)	(375)	(318)
Unearned revenues			(4,372)	(4,372)	13,361
Pending claims			(44,077)	(44,077)	207,124
Total Adjustments	<u>-</u>	<u>-</u>	<u>(52,116)</u>	<u>(52,116)</u>	<u>195,585</u>
Net cash provided (used) by operating activities	<u>\$ (1,215,110)</u>	<u>\$ (1,390,110)</u>	<u>\$ (1,411,093)</u>	<u>\$ (20,983)</u>	<u>\$ 195,585</u>

DOUGLAS COUNTY SCHOOL DISTRICT

WORKERS' COMPENSATION SELF-INSURANCE FUND
 SCHEDULE OF REVENUES, EXPENSES,
 AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2023
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)

	2023 BUDGET		2023		2022
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
OPERATING REVENUES					
Insurance premiums	\$ 335,000	\$ 320,000	\$ 357,891	\$ 37,891	\$ 350,895
Other	10,000	10,000	23,050	13,050	5,810
Total Operating Revenues	345,000	330,000	380,941	50,941	356,705
OPERATING EXPENSES					
Claims expense	-	-	582,265	(582,265)	247,644
Purchased services	393,800	393,800	80,302	313,498	105,383
Total Operating Expenses	393,800	393,800	662,567	(268,767)	353,027
Operating Income (Loss)	(48,800)	(63,800)	(281,626)	(217,826)	3,678
NONOPERATING REVENUES					
Earnings on investments	2,000	5,000	26,032	21,032	3,693
Change in Net Position	(46,800)	(58,800)	(255,594)	(196,794)	7,371
NET POSITION, July 1	1,190,433	1,244,201	1,244,201	-	1,236,830
NET POSITION, June 30	\$ 1,143,633	\$ 1,185,401	\$ 988,607	\$ (196,794)	\$ 1,244,201

DOUGLAS COUNTY SCHOOL DISTRICT

WORKERS' COMPENSATION SELF-INSURANCE FUND SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2023

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

	2023 BUDGET		2023		2022
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from insurance premiums	\$ 335,000	\$ 320,000	\$ 357,891	\$ 37,891	\$ 343,709
Cash received from other sources	10,000	10,000	13,564	3,564	5,810
Cash paid for claims	-	-	(345,266)	(345,266)	(176,645)
Cash paid for services and supplies	(393,800)	(393,800)	(70,925)	322,875	(82,320)
Net cash provided (used) by operating activities	(48,800)	(63,800)	(44,736)	19,064	90,554
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	2,000	5,000	26,032	21,032	3,693
Net Increase (Decrease) in Cash	(46,800)	(58,800)	(18,704)	40,096	94,247
CASH AND INVESTMENTS, July 1	<u>1,436,096</u>	<u>1,389,286</u>	<u>1,623,540</u>	<u>234,254</u>	<u>1,529,293</u>
CASH AND INVESTMENTS, June 30	<u>\$ 1,389,296</u>	<u>\$ 1,330,486</u>	<u>\$ 1,604,836</u>	<u>\$ 274,350</u>	<u>\$ 1,623,540</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ (48,800)	\$ (63,800)	\$ (281,626)	\$ (217,826)	\$ 3,678
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Change in assets and liabilities:					
Receivables			(9,486)	(9,486)	(7,832)
Premiums due from other funds			(189)	(189)	645
Accounts payable and accrued exp.			9,376	9,376	23,063
Unearned revenue			189	189	-
Pending claims			237,000	237,000	71,000
Total Adjustments	-	-	236,890	236,890	86,876
Net cash provided (used) by operating activities	\$ (48,800)	\$ (63,800)	\$ (44,736)	\$ 19,064	\$ 90,554



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Douglas County School District (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 6, 2023.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Silva, Scirene & Assoc, LLC

Reno, Nevada
December 6, 2023





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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Douglas County School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Silva, Acciarini & Assoc, LLC

Reno, Nevada

December 6, 2023



DOUGLAS COUNTY SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2023

(Page 1 of 2)

FEDERAL GRANTOR / PASS-THROUGH GRANTOR AND PROGRAM	FEDERAL CFDA NUMBER	PASS- THROUGH GRANTOR'S NUMBER	AMOUNT
U.S. DEPARTMENT OF EDUCATION			
<i>Passed through the State of Nevada Department of Education:</i>			
Individuals with Disabilities Education Act (IDEA) - Special Education Cluster:			
IDEA, Part B - Grants to States, IDEA Local Plan	84.027	22-639-03000	\$ 1,225,153
ARP Special Education ESSER Part B	84.027X	23-757-03000	180,420
IDEA - Preschool (Early Childhood)	84.173	23-665-03000	59,891
ARP Special Education ESSER Early Childhood	84.173X	23-764-03000	12,742
Total Special Education Cluster			<u>1,478,206</u>
Title I, Part A - Grants to Local Educational Agencies	84.010	23-633-03000	<u>556,344</u>
Career and Technical Education (Perkins IV)	84.048	23-631-03000	<u>42,618</u>
Title IV - School-Based Mental Health Services	84.184H	23-732-03000	<u>42,200</u>
Title IV-A - Student Support	84.424A	23-715-03000	<u>38,497</u>
McKinney-Vento Homeless Assistance	84.196A	23-688-03000	<u>22,614</u>
Title III, Part A - English Language Acquisition	84.365A	23-658-03000	<u>27,017</u>
Title II, Part A - Teacher/Principal Training & Recruiting	84.367	23-709-03000	<u>132,713</u>
School Based Suicide Prevention	84.425U	23-736-03000	35,800
Governor's Emergency Education Relief Fund (GEER)	84.425C	21-749-03000	80,296
Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425	21-741-03000	370,947
Elementary and Secondary School Emergency Relief Fund (ESSER III)	84.425U	21-742-03000	1,786,651
Teaching & Training CTE Rural/Urban Expansion ARP ESSER	84.425U	22-776-03000	7,908
			<u>2,281,602</u>
Total U.S. Department of Education			<u>4,621,811</u>

Continued on next page.

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2023

(Page 2 of 2)

FEDERAL GRANTOR / PASS-THROUGH GRANTOR AND PROGRAM	FEDERAL CFDA NUMBER	PASS- THROUGH GRANTOR'S NUMBER	AMOUNT
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed through the State of Nevada Department of Agriculture:</i>			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	\$ 654,129
National School Lunch Program	10.555	N/A	1,943,610
National School Lunch Program - Commodities	10.555	N/A	229,066
Supply Chain Assistance Funds	10.555	N/A	90,020
Total Child Nutrition Cluster			<u>2,916,825</u>
Total U.S. Department of Agriculture			<u>2,916,825</u>
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES			
<i>Passed through the State of Nevada Department of Health and Human Services, Division of Public & Behavioral Health:</i>			
Epidemiology & Laboratory Capacity (ELC)	93.323	N/A	<u>248,196</u>
DEPARTMENT OF TREASURY			
<i>Passed through the State of Nevada Department of Education:</i>			
Coronavirus State & Local Fiscal Recovery Funds	21.027	23-719-03000	<u>596,633</u>
FEDERAL COMMUNICATIONS COMMISSION			
<i>Direct Program:</i>			
Emergency Connectivity Fund (ECF) Program	32.009	N/A	<u>113,154</u>
Total Federal Communications Commission			<u>113,154</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 8,496,619</u></u>

See accompanying notes.

DOUGLAS COUNTY SCHOOL DISTRICT

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS JUNE 30, 2023

NOTE 1 – REPORTING ENTITY

The accompanying *Schedule of Expenditures of Federal Awards* presents the expenditure activity of all federal award programs of the Douglas County School District (the District) for the year ended June 30, 2023. The District's reporting entity is defined in Note 1 to its basic financial statements. All expenditures of federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the *Schedule of Expenditures of Federal Awards*.

NOTE 2 – BASIS OF ACCOUNTING

The accompanying *Schedule of Expenditures of Federal Awards* is prepared on the modified accrual basis of accounting. The amounts shown as expenditures of CFDA #10.555 – National School Lunch Program Commodities represents the fair value of commodity food received by the District for the year ended June 30, 2023.

NOTE 3 – INDIRECT COST RATE

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

DOUGLAS COUNTY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2023

A. SUMMARY OF AUDIT RESULTS

Financial Statements

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

Federal Awards

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

Major Programs

The major programs were:

<u>Name of Federal Program/Cluster</u>	<u>CFDA</u>	<u>Expenditures</u>
Special Education Cluster	84.027/84.173	\$ 1,478,206
Education Stabilization Fund Programs	84.425C/84.425U	2,281,602

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

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

B. FINDINGS – FINANCIAL STATEMENT AUDIT

None.

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

None.

DOUGLAS COUNTY SCHOOL DISTRICT

INDEPENDENT AUDITORS' COMMENTS

JUNE 30, 2023

CURRENT YEAR STATUTE COMPLIANCE

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

STATUS OF PRIOR YEAR STATUTE VIOLATIONS

There was one potential statute or regulation violation noted in the 2022 audit, which has not been repeated in the 2023 audit.

CURRENT YEAR AUDIT RECOMMENDATIONS

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

STATUS OF PRIOR YEAR AUDIT RECOMMENDATIONS

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