

Financial Statements

Year Ended August 31, 2025

**Douglas County School District #0001**

**Omaha, Nebraska**

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Douglas County School District #0001  
Omaha, Nebraska  
Listing of District Officials  
August 31, 2025

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<u>Name</u>	<u>Position and Subdistrict</u>
<b>Elected Officials</b>	
Jane Erdenberger	President, Subdistrict 7
Kimara Snipes	Vice President, Subdistrict 9
Viridiana Almanza Zavala	Member, Subdistrict 8
Bri Full	Member, Subdistrict 2
Dr. Shavonna Holman	Member, Subdistrict 4
Nancy Kratky	Member, Subdistrict 6
Gini Magnuson	Member, Subdistrict 5
Ricky Smith	Member, Subdistrict 1
Nick Thielen	Member, Subdistrict 3
<b>Appointed Officials</b>	
Matthew Ray	Superintendent
Shane Rhian	Chief Financial Officer

Financial Section  
Year Ended August 31, 2025  
**Douglas County School District**  
**#0001**  
**Omaha, Nebraska**



## Independent Auditor's Report

To the Board of Education  
Douglas County School District #0001  
Omaha, Nebraska

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Douglas County School District #0001 ("the District"), as of and for the year ended August 31, 2025, 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, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of August 31, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Omaha Public Schools Foundation, a blended component unit, which is a major fund and represents 61 percent, 73 percent and 31 percent, respectively, of the assets, net position, and revenues of the business-type activities of the District as of August 31, 2025. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Omaha Public Schools Foundation, is based solely on the report of the other auditors.

We did not audit the financial statements of the Omaha School Employees Retirement System, a blended component unit, which represents 99 percent, 99 percent and 99 percent, respectively, of the assets, net position, and additions of the fiduciary funds of the District as of August 31, 2025. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Omaha School Employees Retirement System, is based solely on the report of the other auditors.

### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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.

### ***Correction of Errors***

As discussed in Note 12 to the financial statements, certain errors resulting in understatement of amounts previously reported for leases receivable, right-of-use subscription IT assets, accumulated amortization on right-of-use subscription IT assets, subscription IT liabilities, deferred inflows of resources related to leases, revenues, and expenses as of August 31, 2024, were discovered by management of the District during the current year. Accordingly, a restatement has been made to the governmental activities and internal service fund net position and special building fund fund balance as of September 1, 2024, to correct the errors. Our opinions are not modified with respect to that matter.

### ***Adoption of New Accounting Standard***

As discussed in Notes 1 and 12 to the financial statements, the District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, for the year ended August 31, 2025. Accordingly, a restatement has been made to the governmental activities net position as of September 1, 2024 to restate beginning net position. Our opinions are not modified with respect to this matter.

### ***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.

### ***Auditor's 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 opinions. 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 GAAS 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 a 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 GAAS 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 of 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; statements of revenues, expenditures, and changes in fund balance – budget and actual (with legally adopted budgets) for the general fund and grants fund; schedule of changes in the District's total OPEB liability and related ratios; schedule of changes in the net pension liability and related ratios; and the schedule of employer contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with GAAS 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 opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying budgetary comparison schedules and the 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* are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the budgetary comparison schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the listing of district officials but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2026 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.

*Eide Bailly LLP*

Omaha, Nebraska  
March 20, 2026

## **OVERVIEW**

Management's Discussion and Analysis (MD&A) is information required to be presented by the Governmental Accounting Standards Board (GASB). This section will provide an introduction to the basic financial statements and an analytical overview of the activities of Douglas County School District #0001 also known as the Omaha Public School District ("the District") with primary emphasis on the District as a whole. The basic financial statements are comprised of three components: government-wide financial statements, fund financial statements, and notes to the financial statements. It also provides additional information that supplements the financial statements and the notes to the financial statements. Our discussion and analysis of financial performance of the District is for the fiscal year ended August 31, 2025, and it is presented on the accrual basis, in accordance with accounting principles generally accepted in the United States of America. Under the accrual basis of accounting, revenues are recognized when earned and expenditures are recognized when they result in a liability for benefits received, even if they occur in an accounting period other than the current fiscal year.

## **GOVERNANCE ORGANIZATION AND RESPONSIBILITIES**

The District is governed by the Board of Education (Board). The nine members of the Board represent nine sub-districts and are elected to four-year terms by the citizens of the District. The terms of the members of the Board overlap with elections occurring every two years. The Board is a policy-making body, deriving its authority from the State of Nebraska through the laws of the State. One of the statutory duties of the Board, as a governing body, is to prepare and approve an annual budget in accordance with the Nebraska Budget Act.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

### **Government-Wide Financial Statements**

The government-wide financial statements present a broad overview of information on the primary government's activities, the District, and its component units. The component units include Educational Service Unit No. 19, Friends of KIOS, Educare of Omaha, Inc., and Omaha Public Schools Foundation, all of which are presented as blended component units. As defined in GASB Statement No. 14, as amended, component units are legally separate entities that are included in the District's reporting entity because of the significance of their operating or financial relationships with the District. These statements show both the governmental and business-type activities of the District. Any specific requests for information about the financial operations of the District's component units should be directed to those entities. The government-wide financial statements distinguish between functions of the District that are principally supported by taxes and intergovernmental revenues, governmental activities, and from other functions that are intended to recover all or a significant portion of their costs through user fees and charges, business-type activities.

The statement of net position and the statement of activities comprise the government-wide statements and they divide the District's activities into two main categories:

- *Governmental Activities* – Most of the District's basic services are included here, such as instruction, student support, transportation, etc. Taxes, state aid, county fines and licenses, and other local revenues principally support these functions.
- *Business-type Activities* – The District charges fees to customers to cover the costs of certain services it provides. The Omaha Public Schools Foundation, Educare of Omaha, the Nutrition Services Fund, and the Cooperative Fund for Inter-Local Agreements are among the activities included here.

The statement of net position presents information on all the District's assets and deferred outflows of resources, liabilities and deferred inflows of resources, with the remaining difference reported as net position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenditures are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes and expenses pertaining to earned but unused vacation.

### **Fund Financial Statements**

Fund financial statements present the individual funds of the District in more detail than the government-wide financial statements. There are separate financial statements for the governmental funds, proprietary funds, and fiduciary funds.

The governmental funds are presented using the current financial resources measurement focus and the modified accrual basis of accounting. The modified accrual method measures cash and all other financial assets that can be readily converted to cash. These statements offer a detailed short-term view of the District's operations and the services it provides. Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. The reader of these financial statements should refer to the reconciliations on the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance to facilitate the comparison between governmental funds and governmental activities.

All the District's services are reported in the fund financial statements. Fund reporting focuses on showing how money flows in to and out of funds and the balances left at the end of the fiscal year, which are available for spending. They are reported using modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash.

The District has three kinds of funds:

- *Governmental Funds* – Governmental funds report information about the major funds individually and the non-major funds in aggregate. These statements focus on how cash, and other financial assets that can be readily converted to cash, flow in and out, and the balances remaining at year-end, which are available for spending. Therefore, the governmental funds provide a short-term view that helps the reader determine whether there are more or fewer resources that can be spent in the near future to finance the District's programs.
- *Proprietary Funds* – Proprietary funds report resources that are not available to support the government's programs. These are generally supported by user fees. The District maintains several enterprise funds which are used to report the functions presented as business-type activities in the government-wide financial statements.
- *Fiduciary Funds* – Fiduciary funds account for assets held in a trustee or fiduciary capacity. The District is responsible for ensuring that the assets reported in these funds are used for their intended purpose. These activities are reported in a separate statement of fiduciary net position. The District excludes these activities from its government-wide financial statements because the District cannot use these assets to finance its operations.

### **Notes to the Financial Statements**

The notes to the financial statements are an integral part of these financial statements and provide a more detailed presentation of various activities of the District, such as bonded indebtedness, leases, subscription IT arrangements, future obligations, commitments, and contingencies of the District. The reader of the financial statements should make particular note of the information included in the notes.

### **Required Supplementary Information (other than the Management's Discussion & Analysis)**

The budget to actual comparisons presented in this section provide a comparison of the District's actual and revised budgets compared to the actual expenditures and revenues for the year being audited. It also presents the variance between budget and actual. This report is required supplementary information. Required supplementary information also includes schedules related to net pension and OPEB liabilities as required by the Governmental Accounting Standards Board.

### **Other Supplementary Information**

This section includes additional budgetary comparison information and the Schedule of Expenditures of Federal Awards (SEFA), which presents the total expenditures for each federal award program in accordance with the requirements of Title 2 U. S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Some amounts presented in the SEFA may differ from amounts presented or used in the preparation of the basic financial statements.

**CONDENSED FINANCIAL STATEMENTS****Net Position**

The following table presents condensed financial information on the District's net position for the fiscal years ending August 31, 2025 and August 31, 2024.

	Governmental Activities		Business-Type Activities		Total	
	2025	2024*	2025	2024*	2025	2024*
<b>Assets</b>						
Current and other assets	\$ 552,383	\$ 591,023	\$ 58,340	\$ 52,831	\$ 610,723	\$ 643,854
Capital assets	861,898	914,103	18,540	18,966	880,438	933,069
Total assets	1,414,281	1,505,126	76,880	71,797	1,491,161	1,576,923
Deferred Outflows of Resources	231,616	213,583	346	93	231,962	213,676
<b>Liabilities</b>						
Current and other liabilities	96,048	114,104	1,607	1,519	97,655	115,623
Long-term liabilities	2,074,517	2,002,309	11,932	10,694	2,086,449	2,013,003
Total liabilities	2,170,565	2,116,413	13,539	12,213	2,184,104	2,128,626
Deferred Inflows of Resources	19,991	21,451	34	4	20,025	21,455
<b>Net position</b>						
Net investment in capital assets	(12,812)	23,329	8,333	8,740	(4,479)	32,069
Restricted	121,294	111,848	29,320	25,361	150,614	137,209
Unrestricted	(653,141)	(554,332)	26,000	25,572	(627,141)	(528,760)
Total net position	\$ (544,659)	\$ (419,155)	\$ 63,653	\$ 59,673	\$ (481,006)	\$ (359,482)

\* Effective September 1, 2024, the District adopted provisions of GASB Statement No. 101, *Compensated Absences*. As a result of this change in accounting principle, it was not appropriate for the District to restate prior-period information for earlier periods than those presented in the basic financial statements. Additionally, the District identified various error corrections to the August 31, 2024, financial statements, the effect of which have been included in the prior period information presented. See Note 12 to the financial statements for further information on the change in accounting principle and error corrections.

The District's combined total assets decreased by \$85,762, 5.4%. The decrease of \$33,131, 5.1%, in current and other assets is due to decreases in accounts receivable related to Grant Fund reimbursements that had not been received at year end. Capital assets are 59.0% of the District's total assets and decreased \$52,631, 5.6%. The decrease in capital assets is due to the depreciation and disposal of assets. The District uses these assets to provide services to its students and consequently, these assets are not available for future spending. The resources needed to repay the debt related to these capital assets must be provided from other sources.

Total liabilities increased \$55,478, 2.6%, primarily due to a \$31,509, 2.6%, increase in the District's share of the net pension liability.

Douglas County School District #0001

Omaha, Nebraska

Management's Discussion and Analysis

(Dollars in thousands)

August 31, 2025

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Approximately \$150,614 of the District's net position represents resources that are subject to external restrictions. The \$13,405, 9.8%, increase in restricted net position is primarily due to increased balances in funds restricted to debt service and capital projects. The District reports a negative net investment in capital assets of \$4,479 as a result of long-term liabilities related to the acquisition of capital assets in excess of the net carrying value of capital assets. The reduction of \$36,548 in net investment in capital assets is the result of building, construction, and renovation depreciation expenses being greater than the reduction in related long-term liabilities for the current year.

The remaining unrestricted net position deficit balance of \$627,141 is a result of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which requires the recognition of the net pension liability for the District's retirement plan, and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, which requires recognition of the net postemployment benefit other than pension (OPEB) liability for medical insurance benefits offered to certain retired employees of the District.

Business-type activities current and other assets increased \$5,083, 7.1%, primarily due to a \$2,463 increase in the balance of investments held by the Omaha Public Schools Foundation and a \$2,759 increase in promises to give for the Educare program.

At August 31, 2025, the District reported an overall negative net position of \$481,006 because of recognition of the total OPEB liability, net pension liability, and the changes in deferred outflows and inflows related to these liabilities. The District's overall total OPEB liability increased \$12,002, 57.6%, to \$32,852, and the overall net pension liability increased \$31,509, 2.6%, to \$1,089,201. The overall increase in the net pension liability was the result of changes in actuarial assumptions in calendar year 2024.

The District's combined changes in net position, including both the governmental activities and business-type activities, changed from a year ago and decreased by \$92,360, 23.8%. This was generally a result of overall increases in the total OPEB liability and net pension liability and reductions in net investment in capital assets and current and other assets noted above.

Douglas County School District #0001  
Omaha, Nebraska  
Management's Discussion and Analysis  
(Dollars in thousands)  
August 31, 2025

The following table reflects the condensed statement of activities.

	Governmental Activities		Business-Type Activities		Total	
	2025	2024*	2025	2024*	2025	2024*
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 19,916	\$ 18,008	\$ 10,915	\$ 7,071	\$ 30,831	\$ 25,079
Operating grants and contributions	201,795	255,233	21,816	16,977	223,611	272,210
General revenues						
Taxes	295,867	394,628	-	-	295,867	394,628
State funding	480,361	345,937	-	-	480,361	345,937
Federal funding	1,140	42,190	-	-	1,140	42,190
Investment activity, net	16,074	17,890	2,988	5,932	19,062	23,822
Other	20,410	18,121	-	-	20,410	18,121
<b>Total revenues</b>	<b>1,035,563</b>	<b>1,092,007</b>	<b>35,719</b>	<b>29,980</b>	<b>1,071,282</b>	<b>1,121,987</b>
<b>Expenses</b>						
Instruction and student support	652,552	623,794	-	-	652,552	623,794
General administration and board of education	32,646	3,011	-	-	32,646	3,011
School administration and staff support	101,167	123,372	-	-	101,167	123,372
Business support services	68,607	54,851	-	-	68,607	54,851
Building and grounds	89,001	84,643	-	-	89,001	84,643
Building, construction, and renovation	68,083	68,768	-	-	68,083	68,768
Student transportation	50,844	35,769	-	-	50,844	35,769
Community use of facilities and regular preschool use	24,072	23,050	-	-	24,072	23,050
Summer school	14,923	17,571	-	-	14,923	17,571
Adult basic education	643	680	-	-	643	680
Debt service	27,318	28,659	-	-	27,318	28,659
Property tax recapture	2,060	888	-	-	2,060	888
Educare	-	-	20,345	19,330	20,345	19,330
Foundation	-	-	7,406	7,287	7,406	7,287
Other	-	-	3,975	446	3,975	446
<b>Total expenses</b>	<b>1,131,916</b>	<b>1,065,056</b>	<b>31,726</b>	<b>27,063</b>	<b>1,163,642</b>	<b>1,092,119</b>
Change in net position	(96,353)	26,951	3,993	2,917	(92,360)	29,868
Beginning net position, as restated	(448,306)	(446,106)	59,660	56,756	(388,646)	(389,350)
Ending net position	\$ (544,659)	\$ (419,155)	\$ 63,653	\$ 59,673	\$ (481,006)	\$ (359,482)

\* Effective September 1, 2024, the District adopted provisions of GASB Statement No. 101, *Compensated Absences*. As a result of this change in accounting principle, it was not appropriate for the District to restate prior-period information for earlier periods than those presented in the basic financial statements. Additionally, the District identified various error corrections to the August 31, 2024, financial statements, the effect of which have been included in the prior period information presented. See Note 12 to the financial statements for further information on the change in accounting principle and error corrections.

Total program revenues decreased \$42,847, 14.4%, due to the ending of the federal ESSER grant program. Taxes decreased \$98,761, 25.0%, and state funding increased \$134,424, 38.9%. These changes were the result of a new state property tax credit for school district property taxes levied, shifting revenues from taxes to state funding, and a \$31,602, 11.07%, increase in TEEOSA state aid.

Total governmental expenses increased \$66,860, 6.3% with significant increases in instruction and student support, \$28,758, 4.6%, student transportation, \$15,075, 42.1%, and business support services, \$13,756, 25.1%. The increase in instruction and student support was primarily due to increased costs for special education services. The student transportation increase was due to higher rates from a new vendor and increases in route coverage provided. The increase in business support services is due to increased allowable indirect costs for federal and other grants, and the replacement of internal printing and publication equipment.

#### **ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATION**

The focus of the District's governmental funds is to provide information on short-term inflows, outflows, and balances of spendable resources. Unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year, except where prohibited by State statutes.

For the fiscal year ended August 31, 2025, the governmental funds had a total fund balance of \$324,040, a decrease of \$12,687, 3.8%, from the prior year. This was the result of a decrease of \$31,868, 16.2%, in the general fund, an increase of \$2,299, 7.0%, in the special building fund, an increase of \$10,548, 98.3%, in the grant fund, and an increase of \$4,062 in the debt service fund. The decrease in the general fund balance was primarily due to increases in employee wages and benefits and increases in overall staffing levels.

The District's proprietary fund statements have two main sections. These sections are the enterprise funds and internal service funds.

The District's enterprise funds provide the same category of information found in the business-type activities in government-wide financial statements, but in more detail. The net position of the enterprise funds totaled \$63,653 on August 31, 2025, an increase of \$3,993, or 6.7%. This was primarily due to earnings on investments held by the Omaha Public Schools Foundation.

The District's internal services are used to account for goods and services provided by an activity to other departments, funds or component units of the District. The consumption of these services and goods is primarily done by the District. The net position of the internal services fund was \$124,823, a decrease of \$12,202, 8.9%. This decrease was primarily due to increases in expenses for salaries, \$3,145, 26.63%, and supplies and materials, \$6,489, 34.47%.

#### **ANALYSIS OF BALANCES AND TRANSACTIONS OF INDIVIDUAL FUNDS**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to demonstrate and ensure compliance with finance-related legal requirements.

Douglas County School District #0001

Omaha, Nebraska

Management’s Discussion and Analysis

(Dollars in thousands)

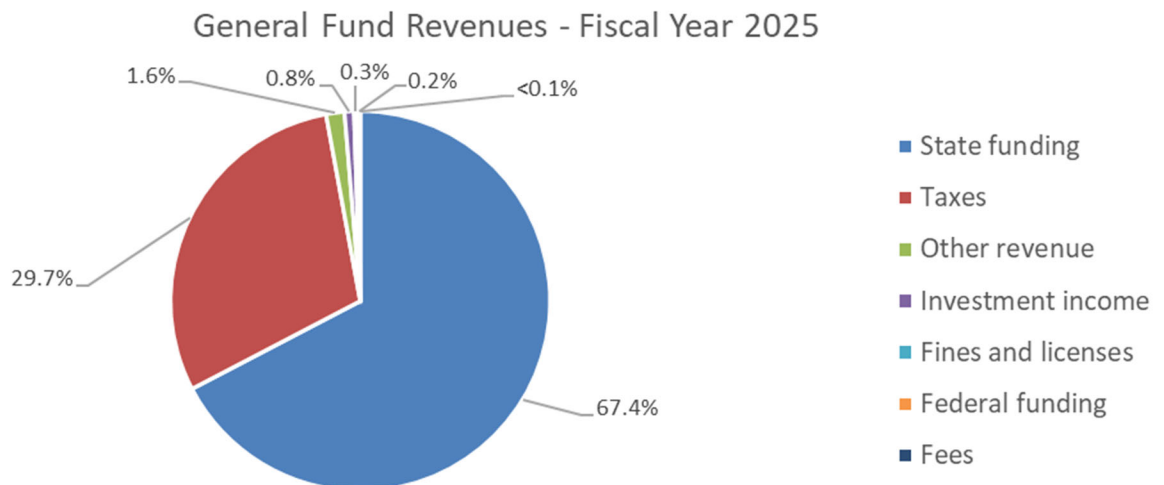
August 31, 2025

The general fund is the District’s main operating fund. The general fund’s total fund balance on August 31, 2025, was \$164,708, a decrease of \$31,868, 16.2%. The following tables and graphs represent significant revenue and expenditure trends for the general fund.

	Year Ended August 31,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	2025	2024		
<b>Revenues</b>				
Taxes	\$ 230,032	\$ 321,449	\$ (91,417)	-28.44%
Fees	39	41	(2)	-4.88%
Investment income	6,257	7,081	(824)	-11.64%
State funding	520,811	385,132	135,679	35.23%
Federal funding	1,574	726	848	116.80%
Fines and licenses	2,446	2,384	62	2.60%
Other revenue	12,173	16,248	(4,075)	-25.08%
<b>Total general fund revenues</b>	<b>\$ 773,332</b>	<b>\$ 733,061</b>	<b>\$ 40,271</b>	<b>5.49%</b>

General Fund revenues increased \$40,271, 5.5% due to an increase in state funding, \$135,679, 35.2%, offset by a decrease in taxes, \$91,417, 28.4%. The state funding increase was primarily due to an increase in state aid and a new property tax credit program. The tax revenue decrease was due to a decrease in the levy and the portion of increased property tax credits paid directly to school districts.

The following graph provides a breakdown of the General fund revenues:



Douglas County School District #0001

Omaha, Nebraska

Management's Discussion and Analysis

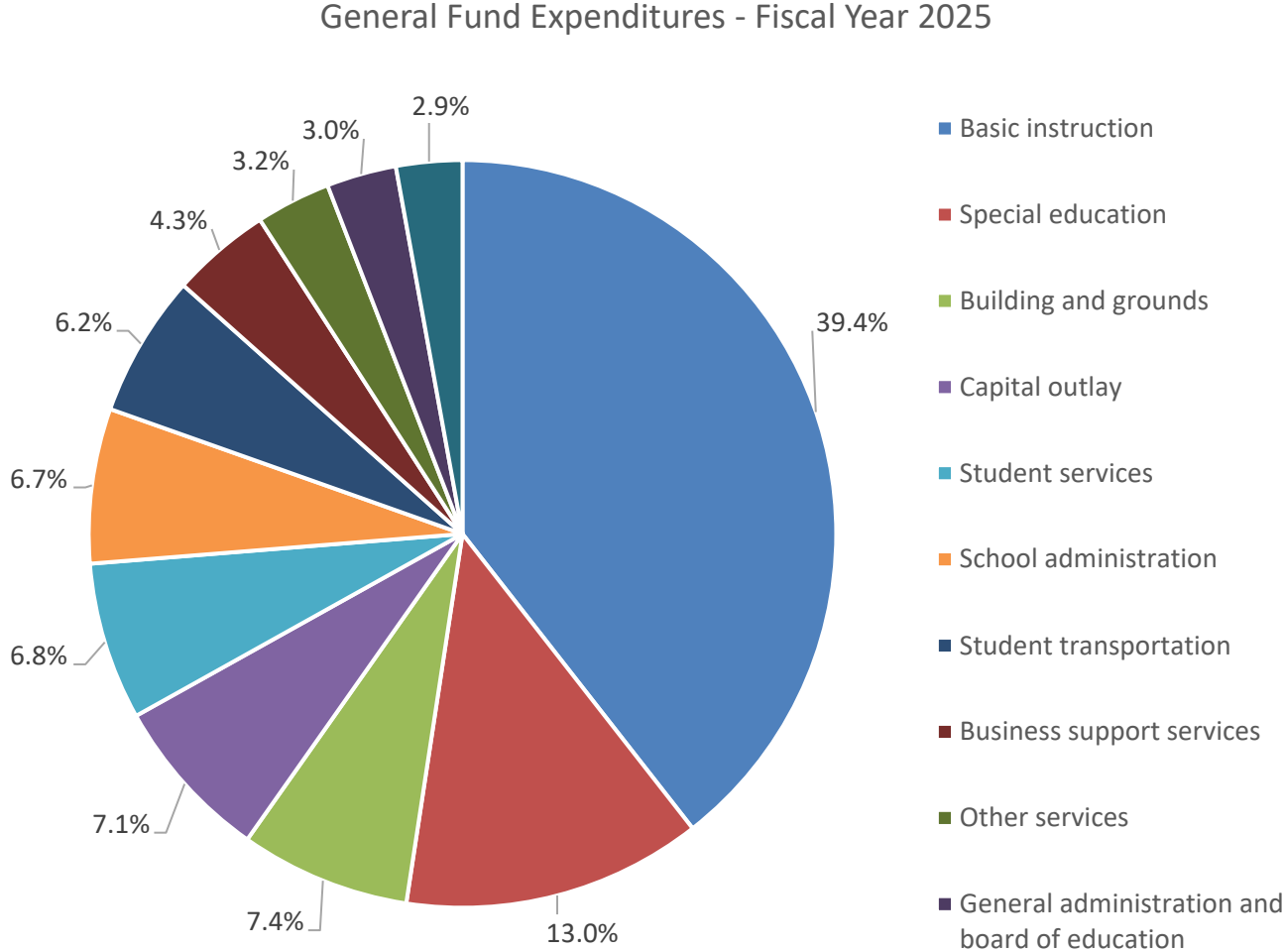
(Dollars in thousands)

August 31, 2025

	Year Ended August 31,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	2025	2024		
<b>Expenditures</b>				
Basic instruction	\$ 318,782	\$ 262,121	\$ 56,661	21.62%
Special education	104,863	86,347	18,516	21.44%
Student services	55,133	48,570	6,563	13.51%
Staff support services	23,094	20,241	2,853	14.10%
General administration and board of education	24,407	18,883	5,524	29.25%
School administration	54,085	49,592	4,493	9.06%
Business support services	34,770	28,453	6,317	22.20%
Building and grounds	59,471	32,682	26,789	81.97%
Student transportation	49,805	33,663	16,142	47.95%
Community use of facilities and regular preschool education	4,771	4,117	654	15.89%
Early childhood special education	2,093	2,062	31	1.50%
Summer school	14,167	16,379	(2,212)	-13.51%
Adult education	159	205	(46)	-22.44%
Capital outlay	57,746	90,177	(32,431)	-35.96%
Debt service	5,013	1,876	3,137	167.22%
<b>Total general fund expenditures</b>	<b>\$ 808,359</b>	<b>\$ 695,368</b>	<b>\$ 112,991</b>	<b>16.25%</b>

General Fund expenditures increased \$112,991, 16.2%. Basic instruction increased \$56,661, 21.6%, primarily due to increased salaries and benefits for staff and an increase in the overall total number of staff. Special education increased \$18,516, 21.4%, also due to increased salaries and benefits for staff and filling positions that were vacant in the prior year. Transportation increased \$16,142, 48.0%, due to a change in the vendor for student transportation and an increase in the fulfillment of routes.

The following graph provides a breakdown of General Fund expenditures:



Douglas County School District #0001

Omaha, Nebraska

Management's Discussion and Analysis

(Dollars in thousands)

August 31, 2025

**Budgetary Analysis**

Annual budgets are prepared in accordance with State statutes on the cash basis of accounting, which is a regulatory basis of accounting, and is not consistent with generally accepted accounting principles in the United States. The budget is prepared by fund, department/building, and account. The only transfers allowed in the general fund are those between departmental budgets. Any number of transfers can occur throughout each fiscal year only if the original budgeted amount does not change. The 2024-2025 budget increased \$85,000, 11.69%, with significant increases in staff compensation as ESSER funded retention stipends were absorbed into the General Fund budget and an increase in the number of staff. Overall revenue increased due to the \$31,676, 11.11% increase in state aid. The actual amount of local and state receipts varied significantly from the budget due to a new property tax credit program with the state paying a portion of property taxes directly to the district. The overall general fund balance decreased as a result of the increase in wages and benefits, and number of staff.

	Original Budget	Final Budget	Actual
Revenue			
Local	\$ 349,592	\$ 349,592	\$ 254,755
County and ESU receipts	1,549	1,549	1,514
State receipts	391,807	391,807	520,812
Federal receipts	723	723	2,203
Other local	7,977	7,977	11,602
Total	751,648	751,648	790,886
Expenditures and transfers	812,000	812,000	800,751
Change in fund balance	<u>\$ (60,352)</u>	<u>\$ (60,352)</u>	<u>\$ (9,865)</u>

**Capital Asset and Debt Administration****Capital Assets**

At August 31, 2025, the District had \$880,438 invested in capital assets, net of depreciation/amortization, a decrease of \$52,631, 5.6%. Capital assets include land, construction in progress, buildings and improvements, textbooks, equipment, vehicles, and right-of-use assets.

The following table presents a summary of capital assets, net of accumulated depreciation/amortization as of August 31, 2025 and 2024.

	Governmental Activities		Business-Type Activities		Total	
	2025	2024*	2025	2024	2025	2024*
Capital assets (net of accumulated depreciation/amortization where applicable)						
Land	\$ 63,001	\$ 61,791	\$ -	\$ -	\$ 63,001	\$ 61,791
Art	4,423	4,423	-	-	4,423	4,423
Construction in progress	328	27,508	13	396	341	27,904
Buildings	664,123	707,334	17,767	18,295	681,890	725,629
Furniture	35	49	513	6	548	55
Equipment	17,390	9,209	-	-	17,390	9,209
Computers	30,606	21,624	27	8	30,633	21,632
Software	849	638	-	-	849	638
Textbooks and library books	57,554	59,999	-	-	57,554	59,999
Vehicles	9,261	8,398	-	-	9,261	8,398
Right-of-use lease assets	381	1,235	220	261	601	1,496
Right-of-use subscription IT assets	13,947	11,895	-	-	13,947	11,895
Total capital assets	<u>\$ 861,898</u>	<u>\$ 914,103</u>	<u>\$ 18,540</u>	<u>\$ 18,966</u>	<u>\$ 880,438</u>	<u>\$ 933,069</u>

\*Governmental activities for fiscal year 2024 have been restated to correct certain errors. See Note 12.

Additional information on the District's capital assets can be found in Note 4 of this report.

## Long Term Liabilities

At August 31, 2025, the District had \$2,086,449 in long term liabilities, an increase of \$73,446, 3.6%. The most significant change was due to the increase in the net pension liability of \$31,509, 2.6%. This increase was the result of changes in actuarial assumptions during calendar year 2025. Additionally, the District experienced an increase of \$47,965, 164.9%, in compensated absences as result of the implementation of GASB Statement No. 101, *Compensated Absences*.

The following table presents a summary of long term debts as of August 31, 2025 and 2024.

	Governmental Activities		Business-Type Activities		Total	
	2025	2024*	2025	2024	2025	2024*
Build America bonds	\$ 12,465	\$ 13,365	\$ -	\$ -	\$ 12,465	\$ 13,365
Qualified school construction bonds	36,295	36,295	-	-	36,295	36,295
General obligation bonds	762,445	786,620	-	-	762,445	786,620
Unamortized premiums	46,363	50,551	-	-	46,363	50,551
Leases payable	338	1,222	226	266	564	1,488
Subscription IT liabilities	8,080	7,073	-	-	8,080	7,073
Compensated absences	76,974	29,081	74	2	77,048	29,083
Termination benefits	-	26	-	-	-	26
Notes payable	11,155	-	9,981	9,960	21,136	9,960
Total OPEB liability	32,773	20,850	79	-	32,852	20,850
Net pension liability	1,087,629	1,057,226	1,572	466	1,089,201	1,057,692
<b>Total long-term liabilities</b>	<b>\$ 2,074,517</b>	<b>\$ 2,002,309</b>	<b>\$ 11,932</b>	<b>\$ 10,694</b>	<b>\$ 2,086,449</b>	<b>\$ 2,013,003</b>

\*Governmental activities for fiscal year 2024 have been restated to correct certain errors. See Note 12.

## Currently Known Facts, Decisions or Conditions

All school districts in the state operate under a \$1.05 per one hundred dollars of taxable value property tax levy limit. The districts also receive state aid based upon the Tax Equalization and Educational Opportunity Support Act (TEEOSA).

Property tax relief and school funding reform continue to be significant topics in the Nebraska Legislature, with new legislation proposed annually. The District will continue to monitor legislative initiatives in these areas and engage with Legislators and other stakeholders to advocate for access to adequate financial resources for the District.

In November, 2025, the district was notified by the Nebraska Department of Education that an error occurred in the calculation of state aid for fiscal year 2026 with an overallocation to the district in the amount of \$30,508. The correction of this error will result in a lower amount of state aid for the district in the future and the \$30,508 overallocation will be deducted from state aid for fiscal year 2027. The district anticipates a total reduction in state aid of \$50,600 in fiscal year 2027 from the \$30,508 deduction for the prior year error and \$20,092 reduction from the revised calculation methodology. This reduction in state aid will require a significant increase in the district's property tax request to offset the loss in state aid.

The Omaha School Employees' Retirement System (OSERS) is included in the Fiduciary Fund Financial Statements as a fiduciary component unit of the District. The Nebraska Legislature passed LB 147 in 2021 making several significant changes to OSERS. These changes include making the Board of Education responsible for the general administration of OSERS until September 1, 2024, when that responsibility will transfer to the Nebraska Public Employees' Retirement Board, and statutorily changing the audit period for OSERS from a fiscal year ending on August 31st to a calendar year basis beginning on January 1, 2021. The audited calendar year financial statements for OSERS are available upon request from the District.

### **Requests for Information**

This financial report is designed to provide citizens, taxpayers, parents, students, investors and creditors with a general overview of the Omaha Public School District's accountability for the money it receives. Additional details, questions or comments can be requested from the following individuals.

Respectfully submitted by:

Shane T. Rhian  
Chief Financial Officer  
Department of General Finance  
Omaha Public School District  
3215 Cuming Street  
Omaha, NE 68131-2024  
Voice: 531-299-9430  
Email: Shane.Rhian@ops.org

Please visit the District's website at <http://www.ops.org> for additional financial and other information.

Omaha Public Schools does not discriminate on the basis of race, color, national origin, religion, sex, marital status, sexual orientation, disability, age, genetic information, citizenship status, or economic status in its programs, activities and employment and provides equal access to the Boy Scouts and other designated youth groups. The following individual has been designated to address inquiries regarding the non-discrimination policies: Superintendent of Schools, 3215 Cuming Street, Omaha, NE 68131 (531-299-9822).

## Douglas County School District #0001

Omaha, Nebraska

Statement of Net Position

(Dollars in thousands)

August 31, 2025

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 401,808	\$ 9,631	\$ 411,439
Investments	59,548	43,505	103,053
Receivables (net of allowance for uncollectibles):			
Property taxes	19,557	-	19,557
Accrued interest	161	-	161
Accounts	50,945	2,428	53,373
Interest rebate subsidy	287	-	287
Leases	181	-	181
Noncurrent leases	2,308	-	2,308
Internal balances	701	(701)	-
Promises to give donations in the future	-	3,262	3,262
Inventories	8,974	-	8,974
Prepaid items	7,913	215	8,128
Capital assets:			
Capital assets not being depreciated	63,329	13	63,342
Capital assets, net of accumulated depreciation	784,241	18,307	802,548
Right to use leased assets, net of accumulated amortization	381	220	601
Right to use subscription IT assets, net of accumulated amortization	13,947	-	13,947
Total assets	<u>1,414,281</u>	<u>76,880</u>	<u>1,491,161</u>
<b>Deferred Outflows of Resources</b>			
Other postemployment benefits	12,930	31	12,961
Pension plans	218,686	315	219,001
Total deferred outflows of resources	<u>231,616</u>	<u>346</u>	<u>231,962</u>

Douglas County School District #0001

Omaha, Nebraska

Statement of Net Position

(Dollars in thousands)

August 31, 2025

	Governmental Activities	Business-Type Activities	Total
<b>Liabilities</b>			
Accounts payable and accrued liabilities	19,621	240	19,861
Accrued payroll liabilities	61,217	360	61,577
Contract retention	19	-	19
Accrued interest payable	6,491	-	6,491
Other liabilities	-	1,003	1,003
Unearned revenue	8,700	4	8,704
Long-term liabilities:			
Due within one year, other than OPEB and pensions	84,505	185	84,690
Due within one year, total OPEB liability	1,147	3	1,150
Due in more than one year, other than OPEB and pensions	869,610	10,096	879,706
Due in more than one year, total OPEB liability	31,626	76	31,702
Due in more than one year, net pension liability	1,087,629	1,572	1,089,201
Total liabilities	<u>2,170,565</u>	<u>13,539</u>	<u>2,184,104</u>
<b>Deferred Inflows of Resources</b>			
Other postemployment benefits	8,814	21	8,835
Pension plans	8,749	13	8,762
Lease related	2,428	-	2,428
Total deferred inflows of resources	<u>19,991</u>	<u>34</u>	<u>20,025</u>
<b>Net Position</b>			
Net investment in capital assets	(12,812)	8,333	(4,479)
Restricted for:			
Debt service	53,303	-	53,303
Capital projects	67,991	-	67,991
Scholarships	-	23,172	23,172
Other purposes	-	6,148	6,148
Unrestricted	(653,141)	26,000	(627,141)
Total net position	<u>\$ (544,659)</u>	<u>\$ 63,653</u>	<u>\$ (481,006)</u>

Douglas County School District #0001  
Omaha, Nebraska  
Statement of Activities  
(Dollars in thousands)  
Year Ended August 31, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government							
Governmental activities							
Basic instruction	\$ 402,187	\$ -	\$ 42,150	\$ -	\$ (360,037)	\$ -	\$ (360,037)
Special education	119,289	-	53,967	-	(65,322)	-	(65,322)
Student services	111,859	2,779	54,961	-	(54,119)	-	(54,119)
Staff support services	42,787	1,054	6,901	-	(34,832)	-	(34,832)
General administration and board of education	32,646	155	11,181	-	(21,310)	-	(21,310)
School administration	58,380	-	-	-	(58,380)	-	(58,380)
Business support services	68,607	4	589	-	(68,014)	-	(68,014)
Building and grounds	89,001	-	-	-	(89,001)	-	(89,001)
Building, construction, and renovation	68,083	-	-	-	(68,083)	-	(68,083)
Student transportation	50,844	15,837	-	-	(35,007)	-	(35,007)
Community use of facilities and regular preschool education	24,072	87	19,519	-	(4,466)	-	(4,466)
Early childhood special education	19,217	-	12,011	-	(7,206)	-	(7,206)
Regular summer school	14,923	-	-	-	(14,923)	-	(14,923)
Adult basic education	643	-	516	-	(127)	-	(127)
Debt service interest	27,318	-	-	-	(27,318)	-	(27,318)
Property tax recapture	2,060	-	-	-	(2,060)	-	(2,060)
Total governmental activities	<u>1,131,916</u>	<u>19,916</u>	<u>201,795</u>	<u>-</u>	<u>(910,205)</u>	<u>-</u>	<u>(910,205)</u>
Business-type activities							
Educare	20,345	274	21,795	-	-	1,724	1,724
Foundation	7,406	8,106	-	-	-	700	700
Other	3,975	2,535	21	-	-	(1,419)	(1,419)
Total business-type activities	<u>31,726</u>	<u>10,915</u>	<u>21,816</u>	<u>-</u>	<u>-</u>	<u>1,005</u>	<u>1,005</u>
Total primary government	<u>\$ 1,163,642</u>	<u>\$ 30,831</u>	<u>\$ 223,611</u>	<u>\$ -</u>	<u>(910,205)</u>	<u>1,005</u>	<u>(909,200)</u>
General revenues							
Taxes					295,867	-	295,867
State funding					480,361	-	480,361
Federal funding					1,140	-	1,140
Investment activity, net					16,074	2,988	19,062
Fines and licenses					2,446	-	2,446
Other revenue					17,562	-	17,562
Donated asset					402	-	402
Total general revenue					<u>813,852</u>	<u>2,988</u>	<u>816,840</u>
Change in net position					<u>(96,353)</u>	<u>3,993</u>	<u>(92,360)</u>
Net position - beginning, as previously reported					<u>(423,182)</u>	<u>59,673</u>	<u>(363,509)</u>
Adjustments (Note 12)					<u>(25,124)</u>	<u>(13)</u>	<u>(25,137)</u>
Net position, beginning, as restated					<u>(448,306)</u>	<u>59,660</u>	<u>(388,646)</u>
Net position - ending					<u>\$ (544,659)</u>	<u>\$ 63,653</u>	<u>\$ (481,006)</u>

The Notes to Financial Statements are an integral part of this statement

Douglas County School District #0001

Omaha, Nebraska

Balance Sheet - Governmental Funds

(Dollars in thousands)

August 31, 2025

	General Fund	Special Building Fund	Grant Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and cash equivalents	\$ 184,203	\$ 35,469	\$ 5,459	\$ 19,526	\$ 21,842	\$ 266,499
Investments	-	-	-	29,558	27,171	56,729
Receivables (net of allowance for uncollectibles):						
Property taxes	14,506	429	-	4,058	564	19,557
Accounts	743	-	46,502	-	243	47,488
Leases	-	2,489	-	-	-	2,489
Accrued interest	-	-	-	161	-	161
Due from other funds	18,291	-	32,500	-	-	50,791
Inventories	5,959	-	-	-	914	6,873
Prepaid items	4,575	-	1,807	-	369	6,751
<b>Total assets</b>	<b>\$ 228,277</b>	<b>\$ 38,387</b>	<b>\$ 86,268</b>	<b>\$ 53,303</b>	<b>\$ 51,103</b>	<b>\$ 457,338</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>						
<b>Liabilities</b>						
Accounts payable	\$ 9,248	\$ 391	\$ 4,334	\$ -	\$ 473	\$ 14,446
Payroll liabilities	54,321	-	3,605	-	939	58,865
Due to other funds	-	300	48,615	-	175	49,090
Unearned revenue	-	-	8,439	-	11	8,450
Contract retention	-	19	-	-	-	19
<b>Total liabilities</b>	<b>63,569</b>	<b>710</b>	<b>64,993</b>	<b>-</b>	<b>1,598</b>	<b>130,870</b>
<b>Deferred Inflows of Resources</b>						
Lease related	-	2,428	-	-	-	2,428
<b>Fund Balance</b>						
Nonspendable	10,534	-	1,807	-	1,283	13,624
Restricted	-	35,249	19,468	53,303	32,742	140,762
Committed	44,486	-	-	-	399	44,885
Assigned	1,452	-	-	-	15,081	16,533
Unassigned	108,236	-	-	-	-	108,236
<b>Total fund balance</b>	<b>164,708</b>	<b>35,249</b>	<b>21,275</b>	<b>53,303</b>	<b>49,505</b>	<b>324,040</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 228,277</b>	<b>\$ 38,387</b>	<b>\$ 86,268</b>	<b>\$ 53,303</b>	<b>\$ 51,103</b>	<b>\$ 457,338</b>

Douglas County School District #0001  
 Omaha, Nebraska  
 Reconciliation of the Governmental Funds  
 Balance Sheet to the Statement of Net Position  
 (Dollars in thousands)  
 August 31, 2025

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Total Fund Balances - Governmental Funds	\$ 324,040
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	836,971
Certain assets and deferred outflows resources related to long-term liabilities do not reflect a current outflow of resources and are not recognized in the funds.	287
Deferred outflows and inflows of resources related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in the funds.	208,637
Long-term liabilities, including bonds payable, unamortized bond premium, leases payable, SBITAs, compensated absences, accrued interest, total OPEB liability, and net pension liability are not due and payable in the current period and, therefore, are not reported in the funds.	(2,039,417)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and vehicles, to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.	<u>124,823</u>
Net Position of Governmental Activities	<u><u>\$ (544,659)</u></u>

Douglas County School District #0001

Omaha, Nebraska

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

(Dollars in thousands)

Year Ended August 31, 2025

	General Fund	Special Building Fund	Grant Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Taxes	\$ 230,032	\$ 6,764	\$ -	\$ 51,606	\$ 7,465	\$ 295,867
Fees	39	-	-	-	-	39
Investment income	6,257	1,292	1,165	841	1,101	10,656
State funding	520,811	3,778	1,907	5,448	5,048	536,992
Federal funding	1,574	-	105,641	-	1,790	109,005
Fines and licenses	2,446	-	-	-	-	2,446
Other revenue	12,173	412	62	-	25,608	38,255
<b>Total revenues</b>	<b>773,332</b>	<b>12,246</b>	<b>108,775</b>	<b>57,895</b>	<b>41,012</b>	<b>993,260</b>
<b>Expenditures</b>						
<b>Current</b>						
Basic instruction	318,782	-	35,025	-	-	353,807
Special education	104,863	-	8,893	-	1	113,757
Student services	55,133	-	6,554	-	8,790	70,477
Staff support services	23,094	-	4,552	-	13,913	41,559
General administration and board of education	24,407	-	4,156	-	51	28,614
School administration	54,085	-	-	-	-	54,085
Business support services	34,770	-	2,105	-	12,679	49,554
Building and grounds	59,471	-	2,068	-	-	61,539
Building, construction, and renovation	-	-	1,033	-	-	1,033
Student transportation	49,805	-	-	-	-	49,805
Community use of facilities and regular preschool education	4,771	-	16,703	-	-	21,474
Early childhood special education	2,093	-	16,658	-	-	18,751
Summer school	14,167	-	-	-	-	14,167
Adult education	159	-	480	-	-	639
Capital outlay	57,746	9,873	-	-	-	67,619
<b>Debt service</b>						
Principal	3,306	-	85	24,175	4,657	32,223
Interest and fiscal charges	22	-	-	29,435	2,351	31,808
Property tax recapture	1,685	98	-	223	53	2,059
<b>Total expenditures</b>	<b>808,359</b>	<b>9,971</b>	<b>98,312</b>	<b>53,833</b>	<b>42,495</b>	<b>1,012,970</b>
Excess (Deficiency) of Revenues over (under) Expenditures	(35,027)	2,275	10,463	4,062	(1,483)	(19,710)
<b>Other Financing Sources</b>						
Subscription-based information technology arrangements	3,159	-	85	-	3,755	6,999
Sale of capital assets	-	24	-	-	-	24
<b>Total other financing sources</b>	<b>3,159</b>	<b>24</b>	<b>85</b>	<b>-</b>	<b>3,755</b>	<b>7,023</b>
<b>Net Change in Fund Balance</b>	<b>(31,868)</b>	<b>2,299</b>	<b>10,548</b>	<b>4,062</b>	<b>2,272</b>	<b>(12,687)</b>
Fund Balance, Beginning of Year, as previously reported	192,068	32,929	10,499	49,241	46,570	331,307
Adjustments (Note 12)	4,508	21	228	-	663	5,420
Fund Balance, Beginning of Year, as restated	196,576	32,950	10,727	49,241	47,233	336,727
<b>Fund Balance, End of Year</b>	<b>\$ 164,708</b>	<b>\$ 35,249</b>	<b>\$ 21,275</b>	<b>\$ 53,303</b>	<b>\$ 49,505</b>	<b>\$ 324,040</b>

Douglas County School District #0001

Omaha, Nebraska

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of  
Governmental Funds to the Statement of Activities

(Dollars in thousands)

Year Ended August 31, 2025

Net Change in Fund Balances - Total Governmental Funds	\$ (12,687)
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities the cost of capital assets is allocated over their estimated useful lives as depreciation/ amortization expense.	(68,541)
In the statement of activities compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used.	(12,831)
In the statement of activities OPEB is measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used.	(340)
In the statement of activities the cost of pension benefits earned net of employee contributions is reported as pension expense. In the governmental funds, however, the contributions are reported as expense.	(18,719)
In the statement of activities interest expense is recognized as it accrues. In the governmental funds, however, the expenditure is measured by the amount of financial resources used.	247
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	28,720
Internal service funds are used by management to charge the cost of certain activities to individual funds. The change in net position is reported within the governmental activities.	<u>(12,202)</u>
Change in Net Position of Governmental Activities	<u><u>\$ (96,353)</u></u>

Douglas County School District #0001  
 Omaha, Nebraska  
 Statement of Net Position  
 Proprietary Funds  
 (Dollars in thousands)  
 August 31, 2025

	Business-type Activities			Total	Governmental Activities
	Educare	Omaha Public Schools Foundation	Nonmajor Enterprise Fund		Internal Service Funds
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ 6,166	\$ 2,983	\$ 482	\$ 9,631	\$ 135,309
Investments	-	43,505	-	43,505	2,819
Receivables					
Accounts	2,387	41	-	2,428	3,457
Promises to give donations in the future	3,262	-	-	3,262	-
Inventories	-	-	-	-	2,101
Prepaid items	-	211	4	215	1,162
<b>Total current assets</b>	<b>11,815</b>	<b>46,740</b>	<b>486</b>	<b>59,041</b>	<b>144,848</b>
<b>Noncurrent Assets</b>					
Capital assets, not being depreciated	-	13	-	13	-
Capital assets, net of accumulated depreciation	18,274	6	27	18,307	24,526
Right-to-use leased assets, net of accumulated amortization	-	220	-	220	-
Right-to-use subscription IT assets, net of accumulated amortization	-	-	-	-	401
<b>Total noncurrent assets</b>	<b>18,274</b>	<b>239</b>	<b>27</b>	<b>18,540</b>	<b>24,927</b>
<b>Total assets</b>	<b>30,089</b>	<b>46,979</b>	<b>513</b>	<b>77,581</b>	<b>169,775</b>
<b>Deferred Outflows of Resources</b>					
Other postemployment benefits	-	-	31	31	491
Pension plans	-	-	315	315	5,483
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>-</b>	<b>346</b>	<b>346</b>	<b>5,974</b>

Douglas County School District #0001  
Omaha, Nebraska  
Statement of Net Position  
Proprietary Funds  
(Dollars in thousands)  
August 31, 2025

	Business-type Activities			Total	Governmental
	Omaha Public		Nonmajor		Activities
	Educare	Schools Foundation			Enterprise Fund
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Accounts payable and accrued liabilities	117	34	89	240	5,175
Accrued payroll liabilities	-	255	105	360	2,352
Other liabilities	1,003	-	-	1,003	-
Due to other funds	-	-	701	701	1,000
Unearned revenue	-	4	-	4	250
Current portion of long-term debt	113	42	-	155	5,712
Current portion of compensated absences	-	-	30	30	545
Current portion of total OPEB liability	-	-	3	3	44
Total current liabilities	<u>1,233</u>	<u>335</u>	<u>928</u>	<u>2,496</u>	<u>15,078</u>
<b>Noncurrent Liabilities</b>					
Long-term debt, net of current portion					
Notes payable	9,867	-	-	9,867	5,578
Leases payable	-	185	-	185	-
Subscription IT agreement	-	-	-	-	137
Compensated absences	-	-	44	44	713
Total OPEB liability	-	-	76	76	1,201
Net pension liability	-	-	1,572	1,572	27,661
Total noncurrent liabilities	<u>9,867</u>	<u>185</u>	<u>1,692</u>	<u>11,744</u>	<u>35,290</u>
Total liabilities	<u>11,100</u>	<u>520</u>	<u>2,620</u>	<u>14,240</u>	<u>50,368</u>
<b>Deferred Inflows of Resources</b>					
Other postemployment benefits	-	-	21	21	335
Pension plans	-	-	13	13	223
Total deferred inflows resources	<u>-</u>	<u>-</u>	<u>34</u>	<u>34</u>	<u>558</u>
<b>Net Position</b>					
Net investment in capital assets	8,294	12	27	8,333	13,236
Restricted for:					
Scholarships	-	23,172	-	23,172	-
Other purposes	4,244	1,904	-	6,148	-
Unrestricted	6,451	21,371	(1,822)	26,000	111,587
Total net position	<u>\$ 18,989</u>	<u>\$ 46,459</u>	<u>\$ (1,795)</u>	<u>\$ 63,653</u>	<u>\$ 124,823</u>

Douglas County School District #0001  
Omaha, Nebraska  
Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds  
(Dollars in thousands)  
Year Ended August 31, 2025

	Business-type Activities			Total	Governmental
	Educare	Omaha Public Schools Foundation	Nonmajor Enterprise Fund		Internal Service Funds
Operating Revenues					
Charges for services	\$ 274	\$ -	\$ -	\$ 274	\$ 755
Employee retention credit	-	758	-	758	-
Other operating revenues	21,795	7,348	2,535	31,678	2,824
Total operating revenues	<u>22,069</u>	<u>8,106</u>	<u>2,535</u>	<u>32,710</u>	<u>3,579</u>
Operating Expenses					
Salaries	11,987	2,441	1,404	15,832	14,955
Employee benefits	2,706	303	1,421	4,430	13,653
Purchased services	924	1,338	527	2,789	6,894
Supplies and materials	1,254	1,015	576	2,845	25,316
Depreciation/amortization	530	49	9	588	3,041
Other expenses	2,818	1,728	38	4,584	4,583
Commodities expense	-	532	-	532	-
Total operating expenses	<u>20,219</u>	<u>7,406</u>	<u>3,975</u>	<u>31,600</u>	<u>68,442</u>
Operating Income (Loss)	<u>1,850</u>	<u>700</u>	<u>(1,440)</u>	<u>1,110</u>	<u>(64,863)</u>
Nonoperating Revenues (Expenses)					
Employer contribution	-	-	-	-	8,138
Loss on disposal of assets	-	-	-	-	(13)
Interest and investment income	-	849	-	849	5,439
Unrealized/realized gain	-	2,139	-	2,139	-
Interest expense and bond fees	(126)	-	-	(126)	-
State subsidies	-	-	21	21	613
Federal subsidies	-	-	-	-	38,484
Total nonoperating revenues (expenses)	<u>(126)</u>	<u>2,988</u>	<u>21</u>	<u>2,883</u>	<u>52,661</u>
Change in Net Position (Deficit)	<u>1,724</u>	<u>3,688</u>	<u>(1,419)</u>	<u>3,993</u>	<u>(12,202)</u>
Total Net Position (Deficit), Beginning of Year, as previously reported	17,265	42,771	(363)	59,673	134,836
Adjustments (Note 12)	-	-	(13)	(13)	2,189
Total Net Position (Deficit), Beginning of Year, as restated	<u>17,265</u>	<u>42,771</u>	<u>(376)</u>	<u>59,660</u>	<u>137,025</u>
Total Net Position (Deficit), End of Year	<u>\$ 18,989</u>	<u>\$ 46,459</u>	<u>\$ (1,795)</u>	<u>\$ 63,653</u>	<u>\$ 124,823</u>

Douglas County School District #0001

Omaha, Nebraska

Statement of Cash Flows

Proprietary Funds

(Dollars in thousands)

Year Ended August 31, 2025

	Business-type Activities			Total	Governmental
	Educare	Omaha Public Schools Foundation	Nonmajor Enterprise Fund		Internal Service Funds
<b>Operating Activities</b>					
Receipts from customers and users	\$ 274	\$ 3,646	\$ -	\$ 3,920	\$ 755
Receipts from nonrevenue sources	-	758	2,564	3,322	3,484
Receipts from grants and contributions	18,454	3,725	-	22,179	-
Payments to suppliers	(2,100)	(4,234)	(1,030)	(7,364)	(28,291)
Payments to and on behalf of employees	(14,693)	(2,677)	(1,743)	(19,113)	(25,097)
Payments for scholarships	-	(465)	-	(465)	-
Payments for grants	-	(282)	-	(282)	-
Payments for other expenses	(2,831)	-	(38)	(2,869)	(4,583)
<b>Net Cash (Used for) from Operating Activities</b>	<b>(896)</b>	<b>471</b>	<b>(247)</b>	<b>(672)</b>	<b>(53,732)</b>
<b>Noncapital Financing Activities</b>					
Federal and state subsidies	-	-	21	21	39,097
Employer contributions	-	-	-	-	8,138
Payments received on interfund borrowing	-	-	300	300	1,000
<b>Net Cash from Noncapital Financing Activities</b>	<b>-</b>	<b>-</b>	<b>321</b>	<b>321</b>	<b>48,235</b>
<b>Capital and Related Financing Activities</b>					
Proceeds from sale of assets	-	300	-	300	-
Acquisition of capital assets	(150)	(284)	(28)	(462)	(7,823)
Debt service					
Principal	-	(39)	-	(39)	(140)
Interest	(106)	-	-	(106)	-
<b>Net Cash Used for Capital and Related Financing Activities</b>	<b>(256)</b>	<b>(23)</b>	<b>(28)</b>	<b>(307)</b>	<b>(7,963)</b>
<b>Investing Activities</b>					
Proceeds from sale and maturity of investments	-	3,550	-	3,550	-
Purchase of investments	-	(3,804)	-	(3,804)	(206)
Interest and dividends from investments	-	963	-	963	5,439
Payments to investment managers	-	(183)	-	(183)	-
<b>Net Cash from Investing Activities</b>	<b>-</b>	<b>526</b>	<b>-</b>	<b>526</b>	<b>5,233</b>
<b>Change in Cash and Cash Equivalents</b>	<b>(1,152)</b>	<b>974</b>	<b>46</b>	<b>(132)</b>	<b>(8,227)</b>
Cash and Cash Equivalents, Beginning of Year	7,318	2,009	436	9,763	143,536
Cash and Cash Equivalents, End of Year	\$ 6,166	\$ 2,983	\$ 482	\$ 9,631	\$ 135,309

Douglas County School District #0001

Omaha, Nebraska

Statement of Cash Flows

Proprietary Funds

(Dollars in thousands)

Year Ended August 31, 2025

	Business-type Activities				Governmental
	Educare	Omaha Public Schools Foundation	Nonmajor Enterprise Fund	Total	Activities Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash (Used for) from Operating Activities					
Operating income (loss)	\$ 1,850	\$ 700	\$ (1,440)	\$ 1,110	\$ (64,863)
Adjustments to reconcile operating income (loss) to net cash (used for) from operating activities					
Depreciation/amortization	530	49	9	588	3,041
Credit expense loss	-	39	-	39	-
Changes in assets and liabilities					
Accounts receivable	(582)	(11)	29	(564)	410
Promises to give	(2,759)	-	-	(2,759)	-
Prepaid items	-	(192)	(3)	(195)	521
Inventories	-	-	-	-	540
Pension related deferred outflows	-	-	(222)	(222)	(604)
OPEB related deferred outflows	-	-	(31)	(31)	(491)
Accounts payable and accrued liabilities	78	(176)	76	(22)	2,858
Accrued payroll liabilities	-	67	61	128	270
Other liabilities	(13)	-	-	(13)	-
Unearned revenue	-	(5)	-	(5)	250
Compensated absences	-	-	59	59	(148)
Net pension liability	-	-	1,106	1,106	2,893
Total OPEB liability	-	-	79	79	1,245
Pension related deferred inflows	-	-	9	9	11
OPEB related deferred inflows	-	-	21	21	335
Net cash (used for) from operating activities	<u>\$ (896)</u>	<u>\$ 471</u>	<u>\$ (247)</u>	<u>\$ (672)</u>	<u>\$ (53,732)</u>
Supplemental Schedule of Noncash Investing and Financing Activities					
Amortization of debt issuance costs	<u>\$ 20</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ -</u>
Acquisition of capital assets through debt	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,567</u>

Douglas County School District #0001

Omaha, Nebraska

Statement of Fiduciary Net Position

Fiduciary Funds

(Dollars in thousands)

Year Ended August 31, 2025

	Employee Retirement Plan	Private-Purpose Trusts	Custodial Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 22,812	\$ 202	\$ 213
Investments	1,740,269	-	-
Receivables (net of allowance for uncollectibles):			
Accounts	98,122	7	-
Other assets	108,556	-	-
Capital assets, net of accumulated depreciation	-	9	1
Total assets	<u>1,969,759</u>	<u>218</u>	<u>214</u>
<b>Liabilities</b>			
Accounts payable	13,499	45	-
Payroll liabilities	18	-	-
Other payables	112,645	-	-
Other liabilities	127,059	-	-
Total liabilities	<u>253,221</u>	<u>45</u>	<u>-</u>
<b>Net Position</b>			
Restricted for			
Pension benefits	1,716,538	-	-
Individuals, organizations, and other governments	-	173	214
Total net position	<u>\$ 1,716,538</u>	<u>\$ 173</u>	<u>\$ 214</u>

## Douglas County School District #0001

Omaha, Nebraska

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

(Dollars in thousands)

Year Ended August 31, 2025

	Employee Retirement Plan	Private-Purpose Trusts	Custodial Funds
Additions			
Contributions:			
Plan member	\$ 45,531	\$ -	\$ -
Employer	91,467	-	-
State service annuity	1,900	-	-
Non-employer	8,639	-	-
Total contributions	<u>147,537</u>	<u>-</u>	<u>-</u>
Investment income			
Interest and dividends	33,934	8	10
Securities lending income	2,983	-	-
Net increase in fair value	118,620	-	-
Total investment income	<u>155,537</u>	<u>8</u>	<u>10</u>
Less investment expense	(6,324)	-	-
Securities lending expense	(2,853)	-	-
Net investment income	<u>146,360</u>	<u>8</u>	<u>10</u>
Other	<u>2,941</u>	<u>261</u>	<u>45</u>
Total additions	<u>296,838</u>	<u>269</u>	<u>55</u>
Deductions			
Retirement annuities	149,834	-	-
Refunds to employees, including interest	7,856	-	-
Administrative expenses			
Personnel costs	-	-	8
Professional fees	-	126	24
Other	2,888	143	29
Total deductions	<u>160,578</u>	<u>269</u>	<u>61</u>
Change in Net Position	136,260	-	(6)
Net Position, Beginning	<u>1,580,278</u>	<u>173</u>	<u>220</u>
Net Position, Ending	<u>\$ 1,716,538</u>	<u>\$ 173</u>	<u>\$ 214</u>

**Note 1 - Summary of Significant Accounting Policies**

Douglas County School District #0001, more commonly known as Omaha Public Schools, is a tax-exempt political subdivision and a Class V school district of the State of Nebraska. The District is governed by a nine member Board of Education whose members are elected on a non-partisan basis.

The following is a summary of the significant accounting policies of Douglas County School District #0001 (the District). These policies are in accordance with accounting principles generally accepted in the United States of America (GAAP).

**Reporting Entity**

The governmental reporting entity consists of the District (Primary Government) and its component units. Component units are legally separate organizations for which the District is financially accountable or other organizations whose nature and significant relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's Board, and (i) either the District's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the District.

The basic financial statements include blended component units as defined by the Governmental Accounting Standards Board (GASB). The blended component units, although legally separate entities are, in substance, part of the District's operations and so data from these units are combined with data of the primary government.

For financial reporting purposes, the District's basic financial statements include all financial activities that are controlled by or are dependent upon the actions taken by the District. The financial statements of the individual component units may be obtained from the District; the Omaha Public Schools Foundation; Educational Service Unit No. 19; Educare of Omaha, Inc.; or Omaha School Employees' Retirement System.

*Blended Component Units*

- Educational Service Unit No. 19 – On June 19, 1972, the Board of Education of the District, through official resolution and under powers from LB 928 passed by the Nebraska State Legislature, established Educational Service Unit No. 19 ("ESU No. 19"). ESU No. 19 was originally designed to provide educational data processing to the District and, on a cost reimbursable basis, to other districts throughout the State of Nebraska. Currently, its core services include, but are not limited to staff development, technology, and audio-visual services. The Governing Board of ESU No. 19 maintains a posture of cooperating with other school districts. However, ESU No. 19's first responsibility is to the students and patrons of the District. ESU No. 19 has an August 31 fiscal year end and the information included herein is as of and for the year ended August 31, 2025. ESU No. 19 is included within the other governmental funds.

- Friends of KIOS – Friends of KIOS was created as a fund-raising entity for KIOS-FM, the radio station of the District. The amounts raised are to be exclusively used to benefit the Omaha Public Schools radio station, KIOS-FM. For IRS purposes, this entity is classified as a 501(c)(3) organization. Friends of KIOS has an August 31 fiscal year end and the information included herein is as of and for the year ended August 31, 2025. Friends of KIOS is included within the other governmental funds.
- The Omaha Public Schools Foundation – The Omaha Public Schools Foundation (“the Foundation”) is a not-for-profit entity classified as a 501(c)(3) organization by the IRS. The Foundation was organized to solicit and receive contributions, gifts, grants, devises, or bequests of real or personal property or both and to use the income and principal exclusively for the benefit of the public schools operated by the District. The Foundation also administers programs beneficial to the education of pre-kindergarten or school age children.

The Board of Directors manages the business and affairs of the Foundation. The number of Directors of the Board shall not be less than nine or more than eighteen; one of which shall at all times be a member of the Board of Education of the District; one shall be the President of the Omaha Education Association. The members-at-large are appointed by the Board of Education of the District in consultation with the Superintendent. The Superintendent of the District also serves as the Treasurer of the Foundation as a non-voting member. The Foundation has an August 31 fiscal year end and the information included herein is as of and for the year ended August 31, 2025. The Foundation is presented as a major enterprise fund of the District.

- Educare of Omaha, Inc. – On March 31, 2002, Educare of Omaha, Inc. (“Educare”) was formed as a 501(c)(3) organization to provide educational and developmental programs to pre-kindergarten children meeting designated criteria, including but not limited to Legislative Bill (LB) 759, within the Omaha metropolitan area.

The Board of Directors of Educare is comprised of not less than five or more than thirteen members. Five of the Director positions must be comprised by two co-chairpersons of the Educare Policy Committee; two representatives from the Buffett Early Childhood Fund (a Nebraska not-for-profit corporation); and one representative from the District. Educare has a December 31 year end and the information included herein is as of and for the year ended December 31, 2024. Educare is presented as a major enterprise fund of the District.

- Omaha School Employees’ Retirement System – In 1909, the District began maintaining a retirement system for its teachers. Subsequently, the District added two more retirement systems, one covering non-teaching school employees and one covering school cafeteria employees. In 1951, the Nebraska State Legislature consolidated the three systems into one new system. The new system, Omaha School Employees’ Retirement System (“OSERS”), is a defined-benefit plan.

In accordance with Nebraska revised statutes, OSERS is governed by the Board of Trustees, which is comprised of three members who are active employees of the District, one annuitant member, two business people approved by the District Board of Education, and the Superintendent of the District, or his/her designee. OSERS is administered by the Executive Director of OSERS. The State of Nebraska has the authority under which plan provisions and obligations may be amended or established.

During 2021, the Nebraska 107th Legislature enacted Legislative Bill (LB) 147. LB 147 contained instituted governance changes to the administration of the OSERS plan. Effective July 1, 2021, the management oversight was invested in the Omaha Public Schools (OPS) Board of Education giving the OPS Board of Education the authority to appoint seven members to the OSERS Transition Board. The OSERS Transition Board is now a seven-member Board consisting of the OPS Superintendent, two business community members, two representatives of the OPS Board of Education, and two members of the OSERS plan.

Additionally, LB 147 mandated the transition of the administration of OSERS to the Nebraska Public Employees' Retirement Board, effective September 1, 2024. The OSERS Transition Board and the OPS Board of Education are charged with ensuring the transition of administration by September 1, 2024.

OSERS is included as a pension trust fiduciary fund of the District. The financial information included in the fiduciary fund financial statements is as of and for OSERS' audit year ending December 31, 2024.

### **Basis of Presentation**

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds).

#### *Government-Wide Financial Statements*

The government-wide financial statements include the statement of net position and the statement of activities, which display information about the primary government as a whole. These statements categorize activities as governmental or business-type and exclude any fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements.

Governmental activities normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities rely to a significant extent on fees and charges for service.

The statement of net position presents the District's nonfiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in the following categories:

- Net Investment in Capital Assets – Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction, or improvement of those assets, including unamortized deferred amounts on advance refunding.
- Restricted Net Position – Restricted net position results when constraints placed on net position use are either externally imposed or are imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position – Unrestricted net position consists of net position not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues include 1) fees and charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

#### *Fund Financial Statements*

Separate financial statements are provided for governmental, proprietary and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The emphasis in fund financial statements is on the major funds in both the governmental and proprietary fund categories. Major individual funds are reported as separate columns in the fund financial statements. All remaining governmental funds by category are summarized into a single column as nonmajor governmental funds.

The District reports the following major governmental funds:

- General Fund – The general fund is the primary operating fund of the District. It is used to account for all financial resources except those that are required to be accounted for elsewhere.
- Special Building Fund – The special building fund is used to account for (1) resources accumulated from tax levies and spent for Board of Education authorized facility renovation and construction and (2) for revenues and expenditures for Board of Education authorized facility renovation and construction associated with the issuance of general obligation bonds.

- Grant Fund – The grant fund is used to account for all revenues and Board of Education authorized expenditures for programs that have Federal, State, or private funding.
- Debt Service Fund – The debt service fund is used to account for resources accumulated from tax levies and spent for Board of Education authorized general obligation bond debt and interest payments.

The District reports the following major proprietary funds:

- Educare Fund – The Educare fund reports the activities of a 501(c)(3) not-for-profit organization that carries out a significant portion of the District’s Head Start and Early Head Start programs for pre-kindergarten children residing in the District.
- Foundation Fund – The Foundation fund reports the activities of a 501(c)(3) not-for-profit organization that receives donations on behalf of the District and administers programs that are beneficial to the education of pre-kindergarten and school age children.

The internal service funds are used to account for financing of goods or services provided by an activity to other departments, funds, or component units of the District. They are also used to account for self-insurance funds to accommodate risk financing. 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 activity of the internal service funds is included in the governmental activities column when presented in the government-wide financial statements.

The fiduciary funds are used to report assets held in a trustee or custodial capacity for others and therefore are not available to support the District’s programs. Since by definition these assets are being held for the benefit of a third party, these funds are not incorporated into the government-wide financial statements. The accounting for fiduciary funds is much like that used for proprietary funds. The District’s fiduciary funds include a pension trust fund, a private purpose trust fund, and a custodial fund.

Pension trust funds accumulate resources held in trust for pension payments to qualified beneficiaries. The District acts as Administrator and includes the following pension trust fund in its financial statements:

- Omaha School Employees’ Retirement System – OSERS accounts for the single employer defined benefit pension plan covering certain eligible employees of the District.

Private-purpose trust funds are used to report funds held in a qualifying trust that are not required to be reported in a pension or investment trust fund. These funds are used for specific purposes that were originally defined by the person or organization that gave the funds to the District.

Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds.

### **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

Property tax, intergovernmental revenues (shared revenues, grants, and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recognized when a liability is incurred, as under the accrual basis of accounting. However, principal and interest on long-term debt, claims and judgments, compensated absences and pension and other postemployment benefit (OPEB) obligations are recognized as expenditures only when payment is due. Capital asset acquisitions, right to use leased assets, and right to use subscription IT assets are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under leases and subscription IT arrangements are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's proprietary funds are charges to customers for services and contributions for program purposes. Operating expenses for proprietary funds include the cost of providing services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

### **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 and deferred outflows of resources, liabilities and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

### **Budget Process**

The District prepares the operating budgets for the various funds. The basis of accounting for budgetary purposes is the same as that used for regulatory reporting purposes permitted by the Nebraska Commissioner of Education, which is a comprehensive basis of accounting other than GAAP. The operating budget includes disbursements and their financing means. Public hearings are conducted to obtain taxpayer comments. The budget is legally adopted by the Board of Education through passage of a resolution in accordance with state statutes. Total disbursements cannot legally exceed the adopted budget. Any revisions to the adopted budget must be approved by the Board of Education following a hearing to obtain taxpayer comments.

### **Cash and Cash Equivalents**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

### **Investments**

Investments are reported at fair value, except for investments in the Nebraska Liquid Asset Fund (NLAF), which are valued at amortized cost, and investments in certificates of deposit, which are stated at cost. Securities traded on the national or international exchange are valued at the last reported sales price at current exchange rates.

### **Receivables**

Property taxes are assessed, levied, due and payable on a calendar year basis as of December 31, based on an assessed valuation as of each January 1, and are payable in two equal installments on or before March 31 and July 31. Property taxes become delinquent April 1 and August 1. Property taxes receivable represents the amount of tax levied for the current year, which is uncollected as of August 31.

Accounts receivable and property taxes receivable are shown net of an allowance for uncollectible amounts, if applicable.

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A summary of the gross amounts receivable and allowance for uncollectibles related to property taxes receivable and accounts receivable reported in the governmental funds is as follows:

	General Fund	Special Building Fund	Grant Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Property Taxes						
Receivable	\$ 15,432	\$ 456	\$ -	\$ 4,317	\$ 600	\$ 20,805
Allowance for uncollectibles	(926)	(27)	-	(259)	(36)	(1,248)
Net property taxes receivable	<u>\$ 14,506</u>	<u>\$ 429</u>	<u>\$ -</u>	<u>\$ 4,058</u>	<u>\$ 564</u>	<u>\$ 19,557</u>
Accounts Receivable						
Receivables	\$ 1,230	\$ -	\$ 46,502	\$ -	\$ 243	\$ 47,975
Allowance for uncollectibles	(487)	-	-	-	-	(487)
Net accounts receivable	<u>\$ 743</u>	<u>\$ -</u>	<u>\$ 46,502</u>	<u>\$ -</u>	<u>\$ 243</u>	<u>\$ 47,488</u>

The District has determined that amounts reported as accounts receivable within the proprietary fund are fully collectable, and therefore no allowance for uncollectibles is necessary.

**Lease Receivables**

Lease receivables are recognized by the District as the present value of future lease payments expected to be received from the lessee during the lease term, reduced by any provision for estimated uncollectible accounts. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. The present value of future lease payments to be received are discounted based on the interest rate the District charges the lessee.

**Inventories and Prepaid Items**

Inventories in governmental funds consist of expendable supplies held for consumption. They are reported at weighted average cost which is recorded as an expenditure at the time individual inventory items are used. Proprietary fund and similar component unit inventories are recorded at cost on a first-in, first-out basis.

Prepaid items are payments to vendors that benefit future reporting periods reported on the consumption basis. Both inventories and prepaid expenses are similarly reported in government-wide and fund financial statements.

**Capital Assets**

Capital assets are capitalized at historical cost or estimated historical cost for assets where actual historic cost is not available. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would have been paid to acquire an asset with equivalent service potential on the date of the donation. The District maintains a threshold level of \$5 or more for capitalizing capital assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are reported in the government-wide financial statements but are not reported in the fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the District, no salvage value is taken into consideration for depreciation purposes. Land is not depreciated. Estimated useful lives for depreciable assets are as follows:

Buildings and improvements	10-30 years
Furniture	3-10 years
Equipment	3-10 years
Computers	3-10 years
Software	3-10 years
Art	3-10 years
Textbooks and library books	3-10 years
Vehicles	3-10 years

The District has policy to recognize works of art at cost upon acquisition or fair market value if donated at time of acquisition.

Right to use leased assets are recognized at the lease commencement date and represent the District's right to use an underlying asset for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period varies from 2 to 5 years.

Right to use subscription IT assets are recognized at the subscription commencement date and represent the District's right to use the underlying IT asset for the subscription term. Right to use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right to use subscription IT assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method. The amortization period varies from 2 to 7 years.

### **Deferred Outflows of Resources**

Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. Deferred outflows of resources consist of unamortized deferred amounts on advance refunding of debt, unrecognized items not yet charged to pension and OPEB expense, and contributions from the employer after the measurement date, but before the end of the employer's reporting period.

### **Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

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

Lease liabilities represent the District's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments is discounted based on a borrowing rate determined by the District.

Subscription liabilities represent the District's obligation to make subscription payments arising from the subscription contract. Subscription liabilities are recognized at the subscription commencement date based on the present value of future subscription payments expected to be made during the subscription term. The present value of subscription payments is discounted based on a borrowing rate determined by the District.

### **Compensated Absences**

The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences - sick leave and vacation. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

#### *Vacation*

The District's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment. Full-time 12-month employees accrue vacation on a bi-weekly or monthly basis, depending on the applicable pay period. All unused days from prior years are carried over; however, the maximum accumulated vacation days can never exceed the current year authorization plus five days, except for the superintendent as specified per their negotiated contract. Days can be used or paid to the employee if the employee terminates employment or transfers to a position which no longer qualifies for vacation.

### *Sick Leave*

The District's policy permits all full-time employees to accumulate earned but unused sick leave. Days are accrued for sick leave on a semi-monthly or monthly basis depending on the applicable pay period. All unused days from prior years are carried over. Ten-month employees earn 10 days annually and twelve-month employees earn 12 days annually. Employees can carry up to a maximum balance dependent on their number of annual duty days worked and as specified per negotiated contracts. All sick leave lapses when employees leave the employ of the District and, upon separation from service, no monetary obligation exists unless the employee qualifies for the accumulated sick leave conversion program as described in the following paragraph. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

Certificated employees that have at least 18 years of creditable service and classified employees that have at least 20 years of creditable service are eligible for the accumulated sick leave conversion program. If an employee retires, through normal or early retirement, and has more than 10 sick days accrued, they are eligible to participate in the accumulated sick leave conversion program. Accumulated days are converted to a health reimbursement account or tax sheltered annuity 403(b) on the employee's behalf at 50% of their pay rate. Employees that have a balance of 10 days or less are paid the value of their days as per the calculation above.

### **Total OPEB Liability**

For purposes of measuring the total OPEB liability and deferred outflows of resources related to OPEB and OPEB expense, information has been determined based on the District's actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The total OPEB liability attributable to the governmental activities will be paid primarily by the general fund.

### **Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of OSERS and additions to/deductions from OSERS' fiduciary net position have been determined on the same basis as they are reported by OSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position applicable to a future year(s) which will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of amounts related to leases where the District is the lessor and is reported in the governmental funds balance sheet and the statement of net position; Deferred inflows of resources in the statement of net position also consist of the unamortized portion of the net difference between projected and actual earnings on pension plan investments, and unrecognized items not yet charged to pension and OPEB expense are reported in the statement of net position.

### Interfund Transactions

In the process of aggregating the financial information for the government-wide financial statements, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Transactions among District funds that would be treated as revenue and expenditures or expenses if they involved organizations external to the District are accounted for as revenue and expenditures or expenses in the funds involved.

Transactions, which constitute reimbursements to a fund for expenditures initially made from it, which are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund.

### Fund Balance

Fund balance of the District's governmental funds is classified in the financial statements as follows:

- Nonspendable Fund Balance – Consists of amounts that cannot be spent because they are either (a) not in a spendable form or (b) legally or contractually required to be kept intact.
- Restricted Fund Balance – Consists of amounts that are restricted for specific purposes. These restrictions are either 1) externally imposed by creditors, grantors, contributors, or by laws or regulations of other governments or 2) imposed through constitutional provisions or enabling legislation.
- Committed Fund Balance – Consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal actions of the government's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the government removes or changes the specific use by taking the same type of action it used to commit those amounts. The Board of Education is the District's highest level of authority. All actions concerning approving, eliminating, or modifying of minimal fund balances will be accomplished through resolution.

- Assigned Fund Balance – Consists of amounts that are constrained by the government intended to be used for specific purposes but are neither restricted nor committed. The authority for making an assignment is not required to be the government’s highest decision-making authority. Furthermore, the nature of the actions necessary to remove or modify an assignment is not as prescriptive as it is with regard to committed fund balances. The District management staff will have the overall responsibilities for monitoring these balances.
- Unassigned Fund Balance – Consists of the residual classification for the general fund. The general fund is the only fund to report a positive unassigned fund balance.

The District considers that all incurred and spent restricted, committed, and assigned amounts have been utilized first before unassigned amounts are utilized.

#### **Minimum Fund Balance Policy**

As defined by GASB Statement No. 54, the unassigned fund balance is equal to the amount of fund balance which is not classified as nonspendable, restricted, committed, or assigned. The unassigned fund balance for the general fund shall be maintained at a level between 10% and 20% of the prior year’s expenditures of the general fund. In any instance, unassigned fund balance shall be maintained at a level which is compliant with Nebraska Revised Statute §79-1027. The purpose of the unassigned fund balance is to maintain sufficient cash flow, maintain investment grade bond ratings, offset revenue shortfalls, and provide funds for unforeseen expenditures related to emergencies. See Note 11 for further discussion of fund balances.

Fund balance calculations shall be made on an annual basis and reported in the District’s financial statements. Should the unassigned general fund balance as reported in the financial statements fall below the minimum 10%, the District will budget to replenish the shortfall through reducing recurring expenditures or increasing revenues within the next three year budget cycles. Should the unassigned general fund balance as reported in the financial statements exceed the maximum 20% for two consecutive years the District will consider such fund balance surplus for one-time expenditures that are nonrecurring in nature in the next available budget cycle plans. The unassigned fund balance may be expended below the minimum 10% for an extraordinary circumstance or nonrecurring emergency that the District’s Board of Education authorizes. Administrative staff recommendations related to the fund balance shall occur throughout the budget development process. The annual fund balance plan is approved by the Board of Education with the annual approval of the District’s budget.

#### **Income Taxes**

The Foundation, Educare, and Friends of KIOS are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code and have received determination letters stating that they are exempt from federal income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code. The Internal Revenue Service has established standards to be met to maintain tax exempt status.

The Foundation, Educare, and Friends of KIOS are exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, the Foundation, Educare, and Friends of KIOS are subject to federal income tax on any unrelated business taxable income.

### **Reclassifications**

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on net change in fund balance and fund balances.

### **Adoption of New Accounting Standard**

As of September 1, 2024, the District adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. The effect of the implementation of this standard on beginning net position is disclosed in Note 12.

As of September 1, 2024, the District adopted GASB Statement No. 102, *Certain Risk Disclosures*, which requires management to evaluate whether there are risks related to a government's vulnerabilities due to certain concentrations or constraints that require disclosure. There was no effect of the implementation of this standard on disclosures during the year.

## **Note 2 - Stewardship, Compliance, and Accountability**

### **Deficit Net Position**

The Cooperative Fund, a nonmajor enterprise fund, had a deficit net position of \$1,795. This deficit will be eliminated through future revenues and, if necessary, transfers from other funds. No remedial action is anticipated or required by the District regarding this deficit.

### **Expenditures in Excess of Appropriations**

The Activity Fund, a nonmajor special revenue fund, had expenditures in excess of appropriations of \$1,868. No remedial action is anticipated or required by the District regarding this over-expenditure.

**Note 3 - Deposits and Investments**

**Douglas County School District #0001 (Primary Government)**

Nebraska Revised Statute §79-1043 provides that the District may, by and with the consent of the Board of Education of the District, invest the funds of the District in securities, including repurchase agreements, the nature of which individuals of prudence, discretion and intelligence acquire or retain in dealing with the property of another.

Custodial Credit Risk – Custodial credit risk is associated with the failure of a depository financial institution to recover its deposits or collateralized securities that are in the possession of outside parties. The District does not have a formal policy that addresses custodial credit risk for deposits. However, in accordance with state statutes, collateral is required for any demand deposits, savings accounts, and certificates of deposit at 102% of all amounts not covered by federal deposit insurance.

Obligations that may be pledged are as follows:

- U.S. Treasury Bills, Treasury Notes, and Treasury Bonds or other United States securities guaranteed by or for which the credit of the United States is pledged for the payment of principal and interest or dividends.
- Bonds, debentures, or other obligations issued by the Federal National Mortgage Association, the Federal Home Loan Corporation, or Government National Mortgage Association or any other obligations of any agency controlled or supervised by and acting as an instrumentality of the United States government pursuant to authority granted by Congress of the United States whose timely payment is unconditionally guaranteed by the United States of America.

As of August 31, 2025, the carrying amount of the District’s deposits was \$68,206 and the bank balance was \$80,643. The District’s deposits were secured by FDIC coverage of \$250 and pledged collateral of \$90,000.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District does not have a formal investment policy that specifically addresses credit risk. The chart below summarizes the credit quality of the District’s deposits.

	Credit Quality Distribution of Securities with Credit Exposure as a Percentage of Each Bond Fund		
	US Bank Sinking QSCB 2009	US Bank Sinking QSCB 2010	US Bank Bond Proceeds GO Bonds 2022
Percentage of Nebraska Liquid Asset Fund	0%	0%	100%
Percentage of State and Local Government Securities	86%	78%	0%
Percentage of cash and cash equivalents	14%	22%	0%

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The District does not have an investment policy that specifically addresses concentrations of credit risk in a single issuer.

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August 31, 2025

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District’s funds at August 31, 2025, contained no individual highly sensitive debt investments with exposure to interest rate changes.

The District does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses that may result from increasing interest rates. The following table summarizes the maturity concentration of the District’s cash and cash equivalents.

<u>Maturity (Years)</u>	<u>As a Percentage of Market Value</u>
0 to 5	100%

Foreign Currency Risk – Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The District does not have a formal investment policy that specifically addresses foreign currency risk. There is no foreign currency risk in any of the District’s investments.

Fair Value Measurement – The District categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has investments in the Nebraska Liquid Asset Fund (NLAf) reported as cash and cash equivalents, which are valued at amortized cost, and investments in certificates of deposit, which are stated at cost. The remaining amount of the District’s investments reported in the governmental activities, including unspent bond proceeds, had the following fair value measurements at August 31, 2025:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by Fair Value Level				
Common stocks	\$ 66	\$ 66	\$ -	\$ -
International equities	6	6	-	-
Interest earning investment contracts	2,819	-	2,819	-
U.S. Government and Treasury obligations	51,967	-	51,967	-
Total investments by fair value level	54,858	<u>\$ 72</u>	<u>\$ 54,786</u>	<u>\$ -</u>
Cash and cash equivalents, at cost	4,690			
Total investments	<u>\$ 59,548</u>			

**Omaha Public Schools Foundation (Blended Component Unit)**

Legal and Contractual Provisions – The Board of Directors of the Foundation has established the investment policy of the Foundation. The investment policy emphasizes a balance of both income and growth of the principal. The Foundation can invest in equity and fixed income securities. The portfolio may consist of corporate notes, corporate bonds, mortgaged backed bonds, preferred stock, collateralized mortgage obligations, corporate debt securities, money market accounts, fixed income common trust funds, equity mutual funds, common stocks and common trust funds.

Deposit Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the Foundation’s deposits may not be returned. The Foundation does not have a deposit policy for custodial credit risk. At August 31, 2025, the Foundation had credit risk at two banks arising from cash deposits in excess of federally insured limits. The Foundation has not incurred any loss resulting from these excess cash balances during the period under audit. The carrying value of the Foundation’s deposits is \$4,095.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The Foundation does not have an investment policy that specifically addresses concentrations of credit risk in a single issuer.

Investment Credit Risk – It is the Foundation’s policy to minimize investment credit risk and to avoid extreme fluctuations in both the market value and the income from bond investments. The Foundation’s investments are limited to municipal bonds, U.S. Government Agency securities and corporate bonds with a credit rating of “A” or better.

Interest Rate Risk – The Foundation does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Fair Value Measurement – The Foundation categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Foundation has investments in certificates of deposit, which are valued at amortized cost, with maturity dates of less than 1 year. The value of the investments in certificates of deposit are \$1,111 at August 31, 2025.

Douglas County School District #0001

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The Foundation had the following recurring fair value measurements at August 31, 2025:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<b>Investments by Fair Value Level</b>				
Money market funds	\$ 2,755	\$ 2,755	\$ -	\$ -
Mutual funds	25,998	25,998	-	-
Common stocks	6,742	6,742	-	-
Municipal bonds	1,773	-	1,773	-
Corporate bonds	3,992	-	3,992	-
U.S. government obligations	262	-	262	-
Real estate investment trusts	869	-	869	-
Other investments	3	-	3	-
	<u>3</u>	<u>-</u>	<u>3</u>	<u>-</u>
Total investments by fair value level	<u>\$ 42,394</u>	<u>\$ 35,495</u>	<u>\$ 6,899</u>	<u>\$ -</u>

**Friends of KIOS (Blended Component Unit)**

Legal and Contractual – The Board of Directors has established the investment philosophy of the Friends of KIOS. The investment philosophy emphasizes a balance of both income and growth. While the Friends of KIOS can invest in any type of investment available in the market, they have chosen to primarily follow the investment practices of the District.

Custodial Credit Risk – The Friends of KIOS does not have a deposit policy for custodial credit risk. KIOS’ deposits are pooled within the District’s deposits, which are fully insured or collateralized as of August 31, 2025.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. KIOS does not have an investment policy that specifically addresses concentrations of credit risk in a single issuer.

Interest Rate Risk – It is the practice of Friends of KIOS to minimize credit risk and to avoid extreme fluctuations in both the market value and the income from investments. The Friends of KIOS does not have a formal policy for interest rate risk and credit risk. The Friends of KIOS currently has an investment in the Weitz Value fund. The cash composite of the fund was 2.9% of the fund balance as of August 31, 2025. The market value of the fund held by Friends of KIOS and the concentration of cash and equity securities on the fund are as follows:

	<u>Equity Securities</u>	<u>Cash</u>	<u>Market value</u>
Weitz Fund	<u>\$ 66</u>	<u>\$ 2</u>	<u>\$ 68</u>

Fair Value Measurement – The Friends of KIOS uses the fair value hierarchy established by GAAP based on the valuation used to ensure fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant observable inputs. Level 3 inputs are significant unobservable inputs. The recurring fair value measurement for the Weitz Fund was determined using the quoted price in active markets (Level 1 inputs).

The Friends of KIOS had no other investments meeting the disclosure requirements of GASB Statement No. 72.

**Educare of Omaha, Inc. (Blended Component Unit)**

Legal and Contractual – Educare currently does not have sufficient cash flow to allow for investment opportunities to maximize income for the organization. At such time as adequate funding is available for investing, the Board of Directors will adopt an investment policy. Currently, Educare does not have a formal policy governing concentration of credit risk, investment credit risk, and interest rate risk.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned to it. Educare does not have a deposit policy for custodial credit risk. Educare maintains its cash balances at two financial institutions located in Omaha, Nebraska. Educare, at times, maintains balances in excess of Federal Deposit Insurance Corporation limits. Management believes the risk relating to these deposits is minimal. As of December 31, 2024, the carrying amount of Educare’s deposits was \$6,166 and the bank balance was \$6,232. Educare’s deposits were secured by FDIC coverage of \$646.

Fair Value Measurement – Educare had no investments meeting the disclosure requirements of GASB Statement No. 72.

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Notes to Financial Statements

(Dollars in thousands)

August 31, 2025

**Note 4 - Capital Assets**

Governmental activities capital asset activity for the year ended August 31, 2025, was as follows:

	Beginning Balance, as Restated (Note 12)	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 61,791	\$ 1,210	\$ -	\$ 63,001
Construction in progress	27,508	13,755	40,935	328
Total capital assets, not being depreciated/amortized	89,299	14,965	40,935	63,329
Capital assets being depreciated				
Buildings	1,591,903	38,887	53	1,630,737
Furniture	119	5	-	124
Equipment	40,220	14,160	43	54,337
Computers	107,393	26,472	10,845	123,020
Software	38,690	545	-	39,235
Art	4,423	-	-	4,423
Textbooks and library books	182,791	9,054	57	191,788
Vehicles	24,345	4,466	1,100	27,711
Total capital assets being depreciated	1,989,884	93,589	12,098	2,071,375
Less accumulated depreciation for				
Buildings and improvements	884,569	82,098	53	966,614
Furniture	70	19	-	89
Equipment	31,011	6,193	257	36,947
Computers	85,769	13,791	7,146	92,414
Software	38,052	334	-	38,386
Textbooks and library books	122,792	11,499	57	134,234
Vehicles	15,947	3,596	1,093	18,450
Total accumulated depreciation	1,178,210	117,530	8,606	1,287,134
Net capital assets being depreciated	811,674	(23,941)	3,492	784,241
Right-to-use leased assets being amortized				
Right-to-use leased building	3,074	-	1,890	1,184
Right-to-use leased equipment	1,077	-	1,039	38
Total right-to-use leased assets being amortized	4,151	-	2,929	1,222
Less accumulated amortization for				
Right-to-use leased building	2,008	687	1,890	805
Right-to-use leased equipment	908	167	1,039	36
Total accumulated amortization	2,916	854	2,929	841
Net right-to-use leased assets	1,235	(854)	-	381
Right-to-use subscription IT assets being amortized	17,453	7,439	3,652	21,240
Less accumulated amortization	5,558	5,387	3,652	7,293
Net right-to-use subscription IT assets	11,895	2,052	-	13,947
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 914,103</b>	<b>\$ (7,778)</b>	<b>\$ 44,427</b>	<b>\$ 861,898</b>

Douglas County School District #0001

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Notes to Financial Statements

(Dollars in thousands)

August 31, 2025

Depreciation/amortization expense was charged to functions/programs of the government as follows:

Governmental activities		
Basic instruction	\$	14,286
Special education		137
Student services		3,324
Staff support services		1,133
General administration and board of education		11,740
School administration		12
Business support services		17,080
Building and grounds		5,055
Building, construction, and renovation		69,154
Student transportation		809
Community use of facilities and regular preschool education		801
Early childhood special education		45
Regular summer school		195
		<hr/>
Total depreciation/amortization expense - governmental activities	\$	<u>123,771</u>

Douglas County School District #0001

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Notes to Financial Statements

(Dollars in thousands)

August 31, 2025

Business-type activities capital asset activity for the year ended August 31, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-Type Activities</b>				
Capital assets, not being depreciated				
Construction in progress	\$ 396	\$ 285	\$ 668	\$ 13
Capital assets, being depreciated				
Buildings and improvements	21,232	-	71	21,161
Furniture	343	517	-	860
Computers	82	28	3	107
Textbooks and library books	15	-	-	15
Vehicles	1,733	-	1,733	-
Total capital assets, being depreciated	<u>23,405</u>	<u>545</u>	<u>1,807</u>	<u>22,143</u>
Less accumulated depreciation for				
Buildings and improvements	2,937	528	71	3,394
Furniture	337	10	-	347
Computers	74	9	3	80
Textbooks and library books	15	-	-	15
Vehicles	1,733	-	1,733	-
Total accumulated depreciation	<u>5,096</u>	<u>547</u>	<u>1,807</u>	<u>3,836</u>
Total capital assets, being depreciated, net	<u>18,309</u>	<u>(2)</u>	<u>-</u>	<u>18,307</u>
Right-to-use leased assets being amortized	339	-	-	339
Less accumulated amortization	78	41	-	119
Net right-to-use leased assets	<u>261</u>	<u>(41)</u>	<u>-</u>	<u>220</u>
Business-Type Activities Capital Assets, Net	<u>\$ 18,966</u>	<u>\$ 242</u>	<u>\$ 668</u>	<u>\$ 18,540</u>

Depreciation/amortization expense was charged to functions/programs of the government as follows:

Business-type activities	
Educare	\$ 530
Foundation	49
Nonmajor enterprise fund	9
Total depreciation/amortization expense - business-type activities	<u>\$ 588</u>

**Note 5 - Leases****Lessor Activities**

The District has accrued a receivable for various leases of land and telecommunications space. The remaining receivable for these leases was \$2,489 for the year ended August 31, 2025. Deferred inflows related to these leases were \$2,428 as of August 31, 2025. Interest revenue recognized on these leases was \$49 for the year ended August 31, 2025. Principal receipts of \$219 were recognized during the fiscal year. The interest rate on the leases ranged from 1.75% – 5.50%. Final receipt is expected in fiscal year 2053.

The future principal and interest lease receipts as of August 31, 2025, for the governmental activities are as follows:

Years Ending August 31,	Governmental Activities	
	Principal	Interest
2026	\$ 181	\$ 65
2027	180	59
2028	108	55
2029	110	52
2030	112	50
2031 - 2035	720	202
2036 - 2040	392	125
2041 - 2045	482	68
2046 - 2048	204	7
	<u>\$ 2,489</u>	<u>\$ 683</u>

**Lessee Activities**Governmental Activities

The District has entered into lease agreements for the use of various building spaces and office equipment. The District is required to make principal and interest payments through May 2028. The lease agreements have interest rates between 2.184% and 5.50%. For leases with no interest rate stated, the District utilized its incremental borrowing rate for valuing the lease. Governmental activities leases payable are liquidated by the General Fund and the nonmajor ESU No. 19 fund.

The future principal and interest lease payments as of August 31, 2025, for the governmental activities are as follows:

Years Ending August 31,	Governmental Activities	
	Principal	Interest
2026	\$ 265	\$ 9
2027	36	2
2028	37	1
	<u>\$ 338</u>	<u>\$ 12</u>

#### Business-type Activities

The Foundation has entered into a lease agreement for the use of office space. The Foundation is required to make principal and interest payments through June 2030. The lease agreement was valued using the 7-year treasury discount rate of 3.36%. The lease is liquidated by the Foundation fund.

The future principal and interest lease payments as of August 31, 2025, for the business-type activities are as follows:

Years Ending August 31,	Business-Type Activities
2026	\$ 49
2027	50
2028	51
2029	52
2030	44
Total lease payments	246
Less interest	(20)
	<u>\$ 226</u>

#### **Note 6 - Subscription-Based Information Technology Arrangements (SBITAs)**

The District has entered into various SBITA contracts for administrative and student learning software. The District is required to make principal and interest payments through fiscal year 2030. The SBITA contracts have interest rates between 2.61% and 3.067%. For SBITA contracts with no interest rate stated, the District utilized its incremental borrowing rate for valuing the SBITA.

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(Dollars in thousands)

August 31, 2025

Remaining principal and interest payments on subscriptions are as follows:

Years Ending August 31,	Governmental Activities	
	Principal	Interest
2026	\$ 4,201	\$ 138
2027	2,036	70
2028	1,183	36
2029	630	19
2030	30	1
	<u>\$ 8,080</u>	<u>\$ 264</u>

**Note 7 - Long-Term Liabilities**

The following is a summary of changes in long-term liabilities of the District for the year ended August 31, 2025:

	Beginning Balance, as Restated (Note 12)	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Bonds payable					
Build America Bonds	\$ 13,365	\$ -	\$ 900	\$ 12,465	\$ 950
Qualified school construction bonds	36,295	-	-	36,295	17,375
General obligation bonds	786,620	-	24,175	762,445	21,640
Total bonds payable	<u>836,280</u>	<u>-</u>	<u>25,075</u>	<u>811,205</u>	<u>39,965</u>
Premium on bonds payable	50,551	-	4,188	46,363	4,187
Special termination benefits	26	-	26	-	-
Notes payable	-	11,155	-	11,155	5,578
Leases payable	1,222	-	884	338	265
Subscription IT liabilities	7,073	7,411	6,404	8,080	4,201
Compensated absences*	64,265	12,709	-	76,974	30,309
	<u>\$ 959,417</u>	<u>\$ 31,275</u>	<u>\$ 36,577</u>	<u>\$ 954,115</u>	<u>\$ 84,505</u>
<b>Business-Type Activities</b>					
Leases payable	\$ 266	\$ -	\$ 40	\$ 226	\$ 42
Notes payable	9,960	21	-	9,981	113
Compensated absences*	15	59	-	74	30
	<u>\$ 10,241</u>	<u>\$ 80</u>	<u>\$ 40</u>	<u>\$ 10,281</u>	<u>\$ 185</u>

\*Change in compensated absences is presented as the net change

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(Dollars in thousands)

August 31, 2025

**Bonds Payable**

At August 31, 2025, the District had the following bond issuances outstanding:

	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Principal Outstanding</u>
<b>Governmental Activities:</b>				
<b>Build America Bonds</b>				
Build America Bonds, 2009	12/15/2034	0.99 - 6.07%	\$ 22,620	\$ 12,465
<b>Qualified School Construction Bonds</b>				
Qualified School Construction Bonds of 2009	12/15/2025	1.875%	\$ 17,375	\$ 17,375
Qualified School Construction Bonds of 2010	12/9/2027	6.000%	18,920	18,920
Total qualified school construction bonds			36,295	36,295
<b>General Obligation Bonds</b>				
General obligation bonds, series 2015	6/1/2040	3.00 - 5.00%	\$ 141,000	\$ 135,050
General obligation bonds, series 2016	12/1/2040	3.00 - 5.00%	141,000	141,000
General obligation bonds, series 2017	12/1/2040	3.00 - 5.00%	105,470	105,470
General obligation bonds, series 2018	12/15/2043	3.125 - 5.00%	80,000	80,000
General obligation bonds, series 2020	12/15/2043	2.125 - 5.00%	125,000	125,000
General obligation bonds, series 2021	12/15/2043	1.75 - 5.00%	140,000	140,000
General obligation bonds, series 2022	12/15/2043	4.00 - 5.00%	35,925	35,925
Total general obligation bonds			768,395	762,445
Total governmental activities			\$ 827,310	\$ 811,205

There are a number of limitations and restrictions contained in the various bond indentures. The District is in compliance with all significant limitations and restrictions.

The qualified school construction bonds of 2009 and 2010 require annual payments to a sinking fund for retirement of the bonds in fiscal years 2026 and 2028, respectively. As of August 31, 2025, the sinking funds established to pay for the bonds at maturity had market values of \$16,628 and \$10,469, respectively.

General obligation bonds are recorded in the governmental activities in the government-wide statement and are backed by the full faith and credit of the District. These bonds are payable from the debt service funds primarily through property tax levies.

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Notes to Financial Statements

(Dollars in thousands)

August 31, 2025

The annual requirements to amortize the bonded debt outstanding for the governmental activities as of August 31, 2025, are as follows:

Years Ending August 31,	Build America Bonds		Qualified School Construction Bonds	
	Principal	Interest	Principal	Interest
2026	\$ 950	\$ 717	\$ 17,375	\$ 1,298
2027	1,005	660	-	1,135
2028	1,065	599	-	1,135
2029	1,125	535	18,920	568
2030	1,195	467	-	-
2031-2035	7,125	1,132	-	-
	<u>\$ 12,465</u>	<u>\$ 4,110</u>	<u>\$ 36,295</u>	<u>\$ 4,136</u>

Years Ending August 31,	General Obligation Bonds		Total Governmental Activities	
	Principal	Interest	Principal	Interest
2026	\$ 21,640	\$ 28,185	\$ 39,965	\$ 30,200
2027	29,720	26,901	30,725	28,696
2028	30,915	25,385	31,980	27,119
2029	32,180	23,808	52,225	24,911
2030	33,510	22,175	34,705	22,642
2031-2035	187,605	52,458	194,730	53,590
2036-2040	221,365	42,578	221,365	42,578
2041-2045	205,510	13,006	205,510	13,006
	<u>\$ 762,445</u>	<u>\$ 234,496</u>	<u>\$ 811,205</u>	<u>\$ 242,742</u>

**Premium on Bonds Payable**

When bonds are issued at a premium, the premium amount is amortized over the life of the bond. Bond premiums are liquidated by the debt service fund.

**Special Termination Benefits Payable**

During prior years, certain retiring employees were eligible for a multi-year retirement incentive payment. Final payment on the special termination benefits payable was made during the current year.

**Notes Payable**

During the year ended August 31, 2025, the District entered into a zero interest note payable agreement to finance the purchase of technology equipment. This note payable is liquidated by the internal service fund.

Educare has federal and state qualified low-income community investment (QLICI) loans amounting to \$10,464 under the federal and state new market tax credit laws, net of unamortized debt issuance costs of \$483. The proceeds were used to finance the development and construction of early learning center facilities at Kennedy elementary school and are collateralized through facility license agreements. The loans consist of interest only payments at 1.011042% through September 1, 2025. The loans are due September 23, 2048. At December 31, 2024, the unmatured balance was \$9,867. This loan is liquidated by the Educare fund.

The annual requirements to amortize the notes payable outstanding of August 31, 2025, are as follows:

Years Ending August 31,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2026	\$ 5,578	\$ -	\$ 113	\$ 106
2027	2,789	-	407	103
2028	2,788	-	411	99
2029	-	-	416	95
2030	-	-	420	90
2031-2035	-	-	2,163	389
2036-2040	-	-	2,276	277
2041-2045	-	-	2,393	159
2046-2050	-	-	1,865	38
	<u>11,155</u>	<u>\$ -</u>	<u>10,464</u>	<u>\$ 1,356</u>
Less unamortized issuance costs	<u>-</u>		<u>483</u>	
	<u>\$ 11,155</u>		<u>\$ 9,981</u>	

**Leases Payable**

Leases payable consists of long-term leases as described in Note 5. Leases payable of the governmental activities are liquidated by the general fund and other nonmajor governmental funds.

**Subscription IT Liabilities**

Subscription IT liabilities consist of long-term leases as described in Note 6. Subscription IT liabilities of the governmental activities are liquidated by the general fund, grant fund, other nonmajor governmental funds, and the internal service fund.

**Compensated Absences**

Compensated absences consist of accumulated vacation and sick leave time and related benefits as described in Note 1.

**Note 8 - Other Post-Employments Benefit Plan**

**Plan Description**

The District is a member of the Educator’s Health Alliance, the largest insurance pool in the state of Nebraska. Under the pool, the District participates in a single-employer benefit plan which provides medical and prescription drug benefits for employees, retirees and their spouses. Each employer in the pool is funded through a separate insurance contract. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

**OPEB Benefits**

Individuals who are employed by the District and have participated in the group health plan for at least five years prior to retirement are eligible to continue healthcare benefits upon retirement. Retirees under age 65 pay the District’s established premiums for the elected medical and prescription drug benefits coverage. The District does not provide any rate subsidies for the retirees electing coverage as the premiums for retirees is slightly different than premiums for active employees, however, the health insurance coverage terms are the same as coverage for active employees, which results in an implicit rate subsidy and an OPEB liability. Retired participants must be aged 55 or older at retirement.

At August 31, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	187
Active employees	<u>7,595</u>
Total	<u><u>7,782</u></u>

**Total OPEB Liability**

The District’s total OPEB liability of \$32,852 was measured as of August 31, 2025, and was determined by an actuarial valuation as of August 31, 2025.

**Actuarial Assumptions**

The total OPEB liability in the August 31, 2025, actuarial valuation was determined using the following actuarial assumptions and the entry age normal level percent of pay cost method, applied to all periods included in the measurement.

Inflation	2.50% per annum
Salary increases	3.25%, average, including inflation
Discount rate	5.23% per annum
Healthcare cost trend rate	8.30% per annum, grading to 5.37% over 9 years

**Discount Rate**

The discount rate used to measure the total OPEB liability was 5.23% based on the yield for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher, which reflects the High Quality 20 Year Tax-Exempt G.O. Bond Rate as of the measurement date.

Pre-retirement mortality rates were based on the Pub-2010 General Members (Median) Employee Mortality Table projected generationally using the NPERS projection scale.

Post-retirement mortality rates for retirees were based on the Pub-2010 General Members (Median) Retiree Mortality Table projected generationally using the NPERS projection scale.

Post-retirement mortality rates for beneficiaries were based on the Pub-2010 General Members (Median) Contingent Survivor Mortality Table projected generationally using the NPERS projection scale.

Post-disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree Mortality Table, without generational improvement.

The actuarial assumptions used in the August 31, 2025, valuation were based on the results of an actuarial experience study report dated December 6, 2021.

**Changes in the Total OPEB Liability**

Balance at August 31, 2024	\$	20,850
Changes from the Prior Year:		
Service cost		1,215
Interest cost		792
Difference between expected and actual experience		10,356
Changes in assumptions		416
Benefit payments		(777)
		<u>12,002</u>
Total Net Changes		<u>12,002</u>
Balance at August 31, 2025	\$	<u>32,852</u>

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (4.23%) or 1% higher (6.23%) than the current discount rate.

	<u>1% Decrease (4.23%)</u>	<u>Current Discount Rate (5.23%)</u>	<u>1% Increase (6.23%)</u>
Total OPEB liability	\$ 35,573	\$ 32,852	\$ 30,325

**Sensitivity of the District's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (7.30%, grading to 4.37% over the next 9 years) or 1% higher (9.30%, grading to 6.37% over the next 9 years) than the current healthcare cost trend rates.

	<u>1% Decrease (7.30%, grading to 4.37% over the next 9 years)</u>	<u>Healthcare Cost Trend Rate (8.30%, grading to 5.37% over the next 9 years)</u>	<u>1% Increase (9.30%, grading to 6.37% over the next 9 years)</u>
Total OPEB liability	\$ 29,241	\$ 32,852	\$ 37,123

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

For the year ended August 31, 2025, the District recognized OPEB expense of \$2,272. At August 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,210	\$ 5,630
Changes of assumptions	<u>1,751</u>	<u>3,205</u>
	<u>\$ 12,961</u>	<u>\$ 8,835</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs will be recognized in OPEB expense as follows:

2026	\$ 265
2027	265
2028	265
2029	265
2030	265
Thereafter	2,801

**Note 9 - Defined Benefit Retirement Plan**

**Plan Description**

The employees of the District are covered by Omaha School Employees' Retirement System (OSERS). OSERS is a single employer defined benefit retirement plan administered by the Nebraska Public Employees Retirement Systems (NPERS).

NPERS issues a publicly available financial report that includes financial statements and required supplementary information for OSERS. That report may be obtained by contacting the Nebraska Public Employees Retirement Systems (NPERS) by visiting [npers.ne.gov](http://npers.ne.gov), by phone at 402-471-2053 or 800-245-5712, or by mail at 1526 K St. Suite 400, Lincoln, NE 68509-4816.

**Membership Information**

Membership consisted of the following as of January 1, 2025, the valuation date used to measure the total pension liability at December 31, 2024:

Retirees and beneficiaries currently receiving benefits	5,417
Inactive members entitled to but not yet receiving benefits	1,592
Inactive nonvested members entitled to refund of contributions	2,228
Active plan members	7,438
	<hr/>
	16,675
	<hr/> <hr/>

**Contributions**

Employees of the District are required to contribute 9.78% of their annual salary to OSERS. Neb. Rev. Stat. §79-9,113 (1)(d) (Cum. Supp. 2022) provides that contributions by the District in any fiscal year shall be the greater of 101% of employee contributions, or 9.8778% of member salaries, or the actuarial determined contribution rate to maintain the solvency of OSERS.

For the year ended August 31, 2025, the actuarial determined contribution resulted in an additional required contribution of \$36,424. Total additional contributions made by the District during the year ended August 31, 2025, amounted to \$36,424. The State of Nebraska also contributes 2% of employees' compensation.

For the fiscal year ending August 31, 2025, total contributions by the District to OSERS, including the additional amounts to maintain solvency, amounted to \$91,467.

**Benefits Provided**

Each employee who has completed five or more years of creditable service is eligible to elect a deferred vested service annuity in lieu of a refund of accumulated contributions. OSERS provides for various benefits including normal retirement benefits, early retirement benefits, disability benefits, and pre-retirement and post-retirement survivor benefits. These benefits are paid monthly from OSERS.

For members hired prior to July 1, 2013, the benefits under OSERS are based on an average of the highest three years of salary earned by employees during their employment with the District, up to their normal retirement dates.

For members hired on or after July 1, 2013, the benefits under OSERS are based on an average of the highest five years of salary earned by employees during their employment with the District, up to their normal retirement dates. Employees who terminate employment with fewer than five years of creditable service can elect to receive a refund or a rollover of the employee's contributions, plus accrued interest.

For members hired prior to July 1, 2013, retirement benefits are increased by an annual, automatic cost of living adjustment of 1.5% or the increase in the consumer price index (CPI), whichever is lower.

For members hired on or after July 1, 2013, retirement benefits are increased by an annual, automatic cost of living adjustment of 1.0% or the increase in the CPI, whichever is lower. Following ten full years of retirement, a medical cost of living supplement is paid. This supplement equals \$10 per month for each year retired and increases by \$10 each year to a maximum of \$250 per month.

For retirees with less than twenty years of service, the benefit is reduced proportionately. No state service annuity or medical COLA is provided for members hired on or after July 1, 2016.

Retirement eligibility rules for OSERS members are based on the member's date of hire in accordance with Neb. Rev. Stat. §72-978 to §79-9,124 (Reissue 2014, Cum. Supp. 2022) known as the Class V School Employees Retirement Act.

#### Actuarial Methods and Assumptions

The total pension liability was measured as of December 31, 2024, and was determined by an actuarial valuation performed as of January 1, 2025, using standard actuarial formulae and the following key actuarial assumptions:

Price inflation	2.35%
Wage inflation	2.85%
Long-term rate of return	7.00%
Municipal bond index rate	4.04%
Single equivalent interest rate	7.00%
Salary increases	2.85 - 6.25%
Cost of living adjustments	1.50% for members hired before July 1, 2013 1.00% for members hired after July 1, 2013 Medical COLA of \$10/month for each year retired (max of \$250/month), if hired before July 1, 2016

Pre-retirement mortality rates for retirees were based on the Pub-2010 General Members (Median) Employee Mortality Table projected generationally using NPERS projection scale. Post-retirement mortality rates for retirees were based on the Pub-2010 General Members (Median) Retiree Mortality Table projected generationally using NPERS projection scale. Post-retirement mortality rates for beneficiaries were based on the Pub-2010 General Members (Median) Contingent Survivor Mortality Table projected generationally using NPERS projection scale. Post-disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree Mortality Table, without generational improvement.

The actuarial assumptions used in the January 1, 2025, valuation were based on the results of an actuarial experience study dated December 6, 2021, which covered the four year period ending December 31, 2020.

Information relating to the discount rate used in the actuarial valuations is as follows:

Discount rate – The discount rate used to measure the total pension liability at December, 31, 2024 was 7.00%. The discount rate used to measure the total pension liability at December 31, 2023, was 7.20%.

Projected cash flows – The projection of cash flows used to determine the discount rate assumed that plan contributions from members, the District, and the state of Nebraska will be made at the current contribution rates as set out in state statute:

- Employee contribution rate: 9.78% of compensation.
- District contribution rate: 101% of the employee contribution rate. In addition, if the statutory contribution rate is less than the actuarial determined contribution, the District will contribute the difference.
- State contribution rate: 2% of the members' compensation.
- Administrative expenses for the current and future years were assigned to be 0.24% of the proportionate share of covered payroll.

Based on those assumptions, OSERS' fiduciary net position was projected to be available to make all projected future benefit payments of current OSERS' members. Therefore, the long-term expected rate of return of 7.00% was applied to all periods of projected benefit payments to determine the total pension liability.

The fiduciary net position projections are based upon OSERS' financial status on the measurement date, the indicated set of methods and assumptions, and the requirements of GASB Statement No. 68. As such, the fiduciary net position projections are not reflective of the cash flows and asset accumulations that would occur on an ongoing plan basis, reflecting the impact of future members. Therefore, the results of this test do not necessarily indicate whether or not the fund will actually run out of money, the financial condition of OSERS, or OSERS' ability to make benefit payments in future years.

Long-Term Rate of Return – The long-term expected rate of return on plan assets is reviewed as part of regular experience studies prepared periodically. The most recent analysis was performed, and results were included, in a report dated December 6, 2021. Generally, several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and an analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation), along with estimates of variability and correlations for each asset class, were developed by OSERS' investment consultant. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant may cover a shorter investment horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the long-term inflation assumption, or a fundamental change in the market that alters expected returns in future years.

Douglas County School District #0001

Omaha, Nebraska

Notes to Financial Statements

(Dollars in thousands)

August 31, 2025

Municipal bond rate – A municipal bond rate was not used in determining the discount rate. If it were required, the rate would be 4.04% on the measurement date.

Periods of projected benefit payments – Projected future benefit payments for all current OSERS members were projected through 2124.

Assumed asset allocation – The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as provided by OSERS’ investment consultant for the last experience study, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.0%	4.3%
Non-U.S. Equity	11.5%	5.3%
Global Equity	19.0%	4.9%
Fixed Income	30.0%	1.1%
Private equity	5.0%	6.6%
Real Estate	7.5%	3.9%
Totals	100.0%	

Sensitivity analysis – The following presents the net pension liability, calculated using the discount rate of 7.00%, as well as the net pension liability calculated using a discount rate that is 1 percentage-point lower (6.00%) or 1 percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net pension liability	\$ 1,609,647	\$ 1,179,724	\$ 900,858
District's proportionate share of net pension liability	\$ 1,434,822	\$ 1,089,201	\$ 803,015

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan’s fiduciary net position is available in the separately issued Omaha School Employees’ Retirement System financial report.

Douglas County School District #0001

Omaha, Nebraska

Notes to Financial Statements

(Dollars in thousands)

August 31, 2025

**Net Pension Liability and Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at August 31, 2024	\$ 2,626,546	\$ 1,421,886	\$ 1,204,660
Changes from the Prior Year			
Service cost	50,891	-	50,891
Interest cost	186,150	-	186,150
Differences between expected and actual experience	23,033	-	23,033
Changes of assumptions	29,221	-	29,221
Contributions - employer	-	77,762	(77,762)
Contributions - state	-	7,798	(7,798)
Contributions - member	-	42,900	(42,900)
Net investment income	-	184,823	(184,823)
Benefit payments	(155,840)	(155,840)	-
Administrative expense	-	(903)	903
Other	-	1,851	(1,851)
Net Changes	<u>133,455</u>	<u>158,391</u>	<u>(24,936)</u>
Balances at August 31, 2025	<u>\$ 2,760,001</u>	<u>\$ 1,580,277</u>	<u>1,179,724</u>
State's Proportionate Share of Net Pension Liability			(90,523)
District's Proportionate Share of Net Pension Liability			<u>\$ 1,089,201</u>

OSERS has a special funding situation, in which, by statute, the State of Nebraska contributes 2.0% of members' compensation to fund the benefits provided by OSERS. At August 31, 2025, the District reported a liability of \$1,089,201 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as January 1, 2025. A 30-year projection of contributions discounted back to the measurement date using the current year measurement period discount rate was utilized to determine the ratio of the present value of future contributions. This was used as the basis for determining the employer proportionate share of the collective pension amount as it represents the long-term contribution effort to OSERS. At the December 31, 2024, measurement date, the District's proportionate share was 92.326763%, an increase of 2.670843%. The State of Nebraska's proportionate share of the collective net pension liability amounted to \$90,523. At the December 31, 2024, measurement date, the State's proportionate share was 7.673237%. The District recognized revenue in the amount of \$14,426 for the support provided by the State of Nebraska.

Douglas County School District #0001

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Notes to Financial Statements

(Dollars in thousands)

August 31, 2025

Douglas County School District #0001	\$ 1,089,201
State of Nebraska	<u>90,523</u>
Total net pension liability	<u><u>\$ 1,179,724</u></u>

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

For the year ended August 31, 2025, the District recognized pension expense of \$132,819. At August 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ 3,922	\$ -
Changes of assumptions	66,323	-
Differences between expected and actual experience	70,224	-
Changes in proportion and differences between contributions and proportionate share of contributions	5,421	8,762
Employer contributions subsequent to the measurement date	<u>73,111</u>	<u>-</u>
Total	<u><u>\$ 219,001</u></u>	<u><u>\$ 8,762</u></u>

Deferred outflows of resources related to pensions included \$73,111 resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended August 31, 2026. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended August 31,</u>	<u>Pension Expense</u>
2026	\$ 56,204
2027	57,821
2028	7,820
2029	11,256
2030	4,027

**Payable to the Pension Plan**

At August 31, 2025, the District reported a payable of \$7,385 for the outstanding amount of legally required District contributions for August 2025 and \$7,459 for legally required employee contributions withheld from employee wages which had not yet been remitted to OSERS.

Douglas County School District #0001

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Notes to Financial Statements

(Dollars in thousands)

August 31, 2025

**Note 10 - Interfund Activity**

Interfund receivables/payables are used when a fund has a cash deficit, as well as for other short-term amounts owed between funds.

Due to:	Due from:					Total
	Special Building Fund	Grant Fund	Other Governmental Funds	Other Business-type Activities Funds	Internal Service Fund	
General Fund	\$ 300	\$ 16,815	\$ 175	\$ 1	\$ 1,000	\$ 18,291
Grant Fund	-	31,800	-	700	-	32,500
	<u>\$ 300</u>	<u>\$ 48,615</u>	<u>\$ 175</u>	<u>\$ 701</u>	<u>\$ 1,000</u>	<u>\$ 50,791</u>

**Note 11 - Fund Balances**

The District classified fund balances within the governmental funds as follows at August 31, 2025:

	General Fund	Special Building Fund	Grant Fund	Debt Service Fund	Other Governmental Funds	Total
<b>Fund Balances</b>						
<b>Nonspendable</b>						
Inventory	\$ 5,959	\$ -	\$ -	\$ -	\$ 914	\$ 6,873
Prepaid items	4,575	-	1,807	-	369	6,751
<b>Total nonspendable</b>	<u>10,534</u>	<u>-</u>	<u>1,807</u>	<u>-</u>	<u>1,283</u>	<u>13,624</u>
<b>Restricted</b>						
Debt service	-	-	-	53,303	-	53,303
Capital projects	-	35,249	-	-	-	35,249
Grants	-	-	19,468	-	-	19,468
Qualified purpose	-	-	-	-	32,742	32,742
<b>Total restricted</b>	<u>-</u>	<u>35,249</u>	<u>19,468</u>	<u>53,303</u>	<u>32,742</u>	<u>140,762</u>
<b>Committed</b>						
KIOS	-	-	-	-	399	399
Subsequent school year	44,486	-	-	-	-	44,486
<b>Total committed</b>	<u>44,486</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>399</u>	<u>44,885</u>
<b>Assigned</b>						
ESU No. 19	-	-	-	-	11,265	11,265
School activity	-	-	-	-	3,816	3,816
Central office and school support	1,452	-	-	-	-	1,452
<b>Total assigned</b>	<u>1,452</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,081</u>	<u>16,533</u>
<b>Unassigned</b>	<u>108,236</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>108,236</u>
<b>Total Fund Balances</b>	<u>\$ 164,708</u>	<u>\$ 35,249</u>	<u>\$ 21,275</u>	<u>\$ 53,303</u>	<u>\$ 49,505</u>	<u>\$ 324,040</u>

The fund balance percentage for the General Fund is as follows:

Fiscal Year	Financial Statements Unassigned Fund Balance as a Percentage of Total General Fund Expenditures	Regulatory Fund Balance as a Percentage of Total General Fund Expenditures
2025	13.39%	10.77%
2024	17.49%	14.38%
2023	19.57%	6.71%

## Note 12 - Restatement

### Change in Accounting Principle

As of September 1, 2024, the District adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. Therefore, the compensated absences liability was increased by \$29,164 as of September 1, 2024. The effect of this change in accounting principle is described in the table below.

### Correction of Errors in Previously Issued Financial Statements

During fiscal year 2025, the District determined that there were certain errors in amounts previously reported in the 2024 financial statements resulting in a restatement of the beginning net position and fund balance. The corrections consist of the following:

- A. The District identified certain subscription-based IT assets and related accumulated amortization and subscription-based IT liabilities that should have been recorded in the prior year. Accordingly, subscription-based IT assets, net of accumulated amortization, were understated by \$5,846; subscription-based IT liabilities were understated by \$4,805; and governmental activities expenses and change in net position were overstated by \$1,042 as of August 31, 2024. The effect of this correction in show in Column A on beginning net position of correcting that error is shown in the table below.
- B. The District identified certain leases receivable and deferred inflows of resources related to leases that should have been recorded in the prior year. Accordingly, leases receivable were understated by \$2,315, deferred inflows related to leases were understated by \$2,294, and lease revenue and fund balance/net position were understated by \$21. The effect of this correction in show in Column B on beginning net position of correcting that error is shown in the table below.
- C. The District identified certain accounts receivable that should have been recorded in the prior year. Accordingly, accounts receivable were understated by \$2,964 and federal revenue and net position were understated by \$2,964. The effect of this correction in show in Column C on beginning net position of correcting that error is shown in the table below.

Had the amounts related to the correction of the errors been reported correctly in the prior year, change in governmental activities net position would have increased by \$4,027, change in the special building fund net position would have increased by \$21, and change in the internal service fund net position would have increased by \$2,964 for the year ended August 31, 2025.

### Adjustments to and Restatements of Beginning Balances

During fiscal year 2025, changes in accounting principles and error corrections resulted in adjustments to and restatements of beginning net position and fund net position/fund balance as follows:

	September 1, 2024, As Previously Reported	Change in Accounting Principle	Correction of Error A	Correction of Error B	Correction of Error C	September 1, 2024, As Restated
Government-Wide						
Governmental Activities	\$ (423,182)	\$ (29,151)	\$ 1,042	\$ 21	\$ 2,964	\$ (448,306)
Business-type Activities	59,673	(13)	-	-	-	59,660
Total government-wide	<u>\$ (363,509)</u>	<u>\$ (29,164)</u>	<u>\$ 1,042</u>	<u>\$ 21</u>	<u>\$ 2,964</u>	<u>\$ (388,646)</u>
Governmental Funds						
Major Funds						
General	\$ 192,068	\$ 4,508	\$ -	\$ -	\$ -	\$ 196,576
Special Building	32,929	-	-	21	-	32,950
Grant	10,499	228	-	-	-	10,727
Nonmajor Funds	46,570	663	-	-	-	47,233
Proprietary Funds						
Nonmajor Enterprise Fund	\$ (363)	\$ (13)	\$ -	\$ -	\$ -	\$ (376)
Internal Service Funds	134,836	(775)	-	-	2,964	137,025

### Note 13 - Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance for risks of loss including workers' compensation. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The District contracts with reputable carriers for various insurance coverages and has purchased an excess liability coverage insurance policy covering individual claims in excess of \$1,000,000 and retains the risk of loss for individual claims below \$1,000,000. The District has established four separate funds to address the payment of claims that are less than the deductible amounts. Actual claims paid from these funds did not exceed the District's expectations during the fiscal year ended August 31, 2025.

**Note 14 - Litigation**

The District is involved in litigation and regulatory investigations arising in the normal course of business. After consultation with legal counsel, management estimates these matters will be resolved without any further material adverse effect on the District’s future financial position or changes in financial position.

**Note 15 - Commitments and Contingencies**

**Grants and Grants Receivable**

Amounts received or receivables from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time.

**Construction Commitments**

The District has entered into various ongoing construction contracts amounting to approximately \$507 for the construction of new school facilities and renovation and improvement to existing facilities. The District has commitments of approximately \$215 remaining on various ongoing construction contracts at August 31, 2025.

**Note 16 - Tax Abatements**

GASB Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

Property tax revenues of the District were reduced by the following amounts for the year ended August 31, 2025, under agreements entered into by the following entities:

<u>Entity</u>	<u>Tax Abatement Program</u>	<u>Amount</u>
City of Omaha	Tax Increment Financing	\$ 16,076
City of Bellevue	Tax Increment Financing	129
		<u>\$ 16,205</u>

**Note 17 - Subsequent Events**

Subsequent to year-end, the District was notified by the Nebraska Department of Education that an error occurred in the calculation of state aid revenue under the Tax Equity and Educational Opportunities Support Act (TEEOSA), which resulted in an overpayment of approximately \$30.5 million to the District for fiscal year 2026. The Nebraska Department of Education has indicated that the error has been corrected and that the overpayment will be recovered through a reduction in the District's future state aid allocations during the fiscal year ending August 31, 2027. No adjustments have been made to the current fiscal year financial statements as a result of this matter.

Required Supplementary Information  
August 31, 2025

**Douglas County School District #0001**  
**Omaha, Nebraska**

Douglas County School District #0001

Omaha, Nebraska

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

General Fund

(Dollars in thousands)

Year Ended August 31, 2025

Function	Final Adopted Budget	Transfers In (Out)	Revised Budget	Actual Amounts Budgetary Basis	Variance With Final Budget	
FUND BALANCE, Beginning of year	\$ 202,021	\$ -	\$ 202,021	\$ 202,021	\$ -	
<b>RECEIPTS</b>						
<b>Local Sources</b>						
<b>Taxes</b>						
1110	Property taxes - general purpose	311,859	-	311,859	214,091	(97,768)
1111	Property taxes - learning community	-	-	-	13	13
1115	Carline tax	83	-	83	61	(22)
1120	Public power district sales tax	5,163	-	5,163	4,743	(420)
1125	Motor vehicle taxes	27,947	-	27,947	28,112	165
1260	Adult education tuition and fees	-	-	-	39	39
1410	Interest	3,239	-	3,239	6,258	3,019
1610	Local license fees and fines	-	-	-	3	3
1620	Police court fines	929	-	929	930	1
1910	Rental of school facilities	372	-	372	505	133
	Total local sources	<u>349,592</u>	<u>-</u>	<u>349,592</u>	<u>254,755</u>	<u>(94,837)</u>
<b>County Sources</b>						
2110	County fines and license fees	<u>1,549</u>	<u>-</u>	<u>1,549</u>	<u>1,514</u>	<u>(35)</u>
<b>State Sources</b>						
3110	State aid	316,712	-	316,712	316,712	-
3120	Special education	50,000	-	50,000	53,468	3,468
3125	Special education transportation	14,100	-	14,100	15,837	1,737
3130	Homestead exemption	-	-	-	12,279	12,279
3131	Property tax credit	-	-	-	17,541	17,541
3180	Pro-rate motor vehicle	495	-	495	584	89
3200	State apportionment	10,500	-	10,500	21,303	10,803
3990	Other state receipts	-	-	-	83,088	83,088
	Total state sources	<u>391,807</u>	<u>-</u>	<u>391,807</u>	<u>520,812</u>	<u>129,005</u>
<b>Federal sources</b>						
4400	IDEA	-	-	-	901	901
4850	Universal service fund	-	-	-	629	629
4990	Other federal categorical receipts	723	-	723	673	(50)
	Total federal sources	<u>723</u>	<u>-</u>	<u>723</u>	<u>2,203</u>	<u>1,480</u>
<b>Nonrevenue receipts</b>						
5400	Sale of property	501	-	501	1,035	534
5690	Other nonrevenue receipts	7,476	-	7,476	10,567	3,091
	Total nonrevenue receipts	<u>7,977</u>	<u>-</u>	<u>7,977</u>	<u>11,602</u>	<u>3,625</u>
	Total receipts	<u>751,648</u>	<u>-</u>	<u>751,648</u>	<u>790,886</u>	<u>39,238</u>

Douglas County School District #0001

Omaha, Nebraska

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

General Fund

(Dollars in thousands)

Year Ended August 31, 2025

Function	Final Adopted Budget	Transfers In (Out)	Revised Budget	Actual Amounts Budgetary Basis	Variance With Final Budget
<b>DISBURSEMENTS</b>					
1100 Regular instruction	386,753	(11,273)	375,480	349,789	25,691
1200 Special education	93,219	778	93,997	103,466	(9,469)
2100 Pupils	50,633	1,547	52,180	54,619	(2,439)
2200 Staff	23,594	(873)	22,721	22,518	203
2520 Vehicle acquisition and maintenance	909	(412)	497	256	241
2600 Maintenance and operation of building/plant	80,137	1,503	81,640	84,029	(2,389)
2750 Regular pupil transportation	22,653	20	22,673	22,354	319
2760 Special education pupil transportation	25,892	2,727	28,619	27,396	1,223
General and administrative					
2310 Board of education	2,209	-	2,209	1,880	329
2320 Executive administration	19,330	125	19,455	20,798	(1,343)
2400 Office of the principal	50,824	603	51,427	53,995	(2,568)
2510 Business services	34,613	4,933	39,546	35,814	3,732
3000 State programs	4,183	303	4,486	4,693	(207)
4000 Federal programs	2,583	82	2,665	2,180	485
6000 Summer school	13,405	(116)	13,289	15,142	(1,853)
7000 Adult education	156	53	209	156	53
5000 Debt service	907	-	907	1,666	(759)
Total disbursements	<u>812,000</u>	<u>-</u>	<u>812,000</u>	<u>800,751</u>	<u>11,249</u>
<b>DEFICIENCY OF RECEIPTS UNDER DISBURSEMENTS</b>					
	(60,352)	-	(60,352)	(9,865)	50,487
Prior Period Adjustment	-	-	-	4,508	4,508
FUND BALANCE, end of year	<u>\$ 141,669</u>	<u>\$ -</u>	<u>\$ 141,669</u>	<u>\$ 196,664</u>	<u>\$ 54,995</u>
<b>ANALYSIS OF FUND BALANCE</b>					
Cash and cash equivalents				\$ 184,203	
Receivables				14,712	
Prepays				59	
Inventory and other debits				5,166	
Payables				(7,476)	
				<u>\$ 196,664</u>	

Douglas County School District #0001

Omaha, Nebraska

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

Grants Fund

(Dollars in thousands)

Year Ended August 31, 2025

Function	Final Adopted Budget	Transfers In (Out)	Revised Budget	Actual Amounts Budgetary Basis	Variance With Final Budget
FUND BALANCE, Beginning of year	\$ (78,572)	\$ -	\$ (78,572)	\$ (78,572)	\$ -
RECEIPTS					
Local Sources					
1410 Interest	-	-	-	1,165	1,165
1925 Categorical grants from corporations	11,316	-	11,316	4,490	(6,826)
Total local sources	11,316	-	11,316	5,655	(5,661)
State Sources					
3135 High-ability learners	338	-	338	350	12
3155 Textbook loan	-	-	-	(14)	(14)
3540 State early childhood	1,592	-	1,592	1,382	(210)
Total state sources	1,930	-	1,930	1,718	(212)
Federal sources					
4200 Title I	33,135	-	33,135	45,045	11,910
4300 Title II	3,776	-	3,776	2,274	(1,502)
4400 IDEA	18,865	-	18,865	11,095	(7,770)
4450 Medicaid in public schools	-	-	-	1,370	1,370
4455 Medicaid administrative activities	4,500	-	4,500	1,112	(3,388)
4700 Federal vocational and applied technology ed	1,453	-	1,453	322	(1,131)
4910 Indian education	229	-	229	193	(36)
4915 Title I, Part C	975	-	975	1,338	363
4925 Title III, Part A	2,024	-	2,024	3,016	992
4940 Head Start	9,000	-	9,000	9,992	992
4990 Other federal categorical receipts	61,548	-	61,548	109,435	47,887
Total federal sources	135,505	-	135,505	185,192	49,687
Nonrevenue receipts					
5690 Other nonrevenue receipts	-	-	-	61	61
Total receipts	148,751	-	148,751	192,626	43,875

Douglas County School District #0001

Omaha, Nebraska

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

Grants Fund

(Dollars in thousands)

Year Ended August 31, 2025

Function	Final Adopted Budget	Transfers In (Out)	Revised Budget	Actual Amounts Budgetary Basis	Variance With Final Budget
<b>DISBURSEMENTS</b>					
1100 Regular instruction	35,943	1,600	37,543	51,306	(13,763)
1200 Special education	3,957	-	3,957	8,802	(4,845)
Support services					
2100 Pupils	3,668	1,000	4,668	5,984	(1,316)
2200 Staff	5,419	-	5,419	4,503	916
2591 Building and sites	-	-	-	1,015	(1,015)
2600 Maintenance and operation of building/plant	58,350	(5,800)	52,550	6,599	45,951
General and administrative					
2320 Executive administration	10,558	-	10,558	7,801	2,757
2510 Business services	-	-	-	1,713	(1,713)
3000 State programs	12,359	700	13,059	16,300	(3,241)
4000 Federal programs	18,037	2,500	20,537	16,444	4,093
7000 Adult education	459	-	459	440	19
<b>Total disbursements</b>	<b>148,750</b>	<b>-</b>	<b>148,750</b>	<b>120,907</b>	<b>27,843</b>
<b>EXCESS OF RECEIPTS OVER DISBURSEMENTS</b>					
	<b>1</b>	<b>-</b>	<b>1</b>	<b>71,719</b>	<b>71,718</b>
Prior Period Adjustment	-	-	-	228	228
<b>FUND BALANCE, end of year</b>	<b>\$ (78,571)</b>	<b>\$ -</b>	<b>\$ (78,571)</b>	<b>\$ (6,625)</b>	<b>\$ 71,946</b>
<b>ANALYSIS OF FUND BALANCE</b>					
Cash and cash equivalents				\$ 5,459	
Receivables				32,500	
Payables				(44,584)	
				<b>\$ (6,625)</b>	

Douglas County School District #0001

Omaha, Nebraska

Notes to the Statements of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

(Dollars in thousands)

August 31, 2025

The accompanying schedule of receipts, expenditures and change in fund balance budget to actual, presents comparison of legally adopted budget in accordance with the budget process in Note 1 with actual data on the cash basis of accounting. Because accounting principles applied for the purpose of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation of the resultant basis, timing, perspective, and entity deficiencies in revenue or expenses for the year ended August 31, 2025, are presented below.

**General Fund**

Deficiency of receipts under disbursements (budgetary basis)	\$ (9,865)
Change in accounting principle	(4,508)
Adjustments	
Record change in cash and cash equivalents	(272)
Record change in receivables	(17,005)
Record change in inventories	627
Record change in prepaids	816
Record change in payables	(1,661)
	<u>(1,661)</u>
Change in fund balance (GAAP basis)	<u>\$ (31,868)</u>

**Grant Fund**

Excess of receipts over disbursements (budgetary basis)	\$ 71,719
Change in accounting principle	(228)
Adjustments	
Record change in receivables	(49,842)
Record change in prepaids	(1,253)
Record change in payables	(15,317)
Record change in unavailable revenue	5,469
	<u>5,469</u>
Change in fund balance (GAAP basis)	<u>\$ 10,548</u>

Douglas County School District #0001

Omaha, Nebraska

Schedule of Changes in the District's Total OPEB Liability and Related Ratios

(Dollars in thousands)

August 31, 2025

	2025	2024	2023	2022	2021	2020	2019
Service cost	\$ 1,215	\$ 1,182	\$ 1,556	\$ 1,934	\$ 1,188	\$ 1,202	\$ 1,254
Interest	792	739	937	597	823	839	796
Differences between expected and actual experience	10,356	-	(7,217)	-	2,583	-	-
Changes of assumptions	416	(102)	(1,087)	-	2,219	-	-
Changes of benefit terms	-	-	-	(3,278)	(1,313)	-	-
Benefit payments	(777)	(735)	(1,082)	(1,069)	(1,080)	(742)	(785)
Net change in total OPEB liability	12,002	1,084	(6,893)	(1,816)	4,420	1,299	1,265
Total OPEB liability - beginning	20,850	19,766	26,659	28,475	24,055	22,756	21,491
Total OPEB liability - ending	<u>\$ 32,852</u>	<u>\$ 20,850</u>	<u>\$ 19,766</u>	<u>\$ 26,659</u>	<u>\$ 28,475</u>	<u>\$ 24,055</u>	<u>\$ 22,756</u>
Covered payroll	\$ 529,842	\$ 467,905	\$ 452,374	\$ 408,402	\$ 393,199	\$ 381,090	\$ 32,739,251
District's total OPEB liability as a percentage of covered payroll	6.20%	4.46%	4.37%	6.53%	7.24%	6.31%	0.07%

\*GASB Statements No. 74/75 require ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

**Notes to the Schedule of Changes in the District's Total OPEB Liability and Related Ratios**

Changes in benefit terms:

- There were no significant changes in benefit terms.

Changes in assumptions:

- Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

Year ended August 31, 2025	5.23%
Year ended August 31, 2024	3.87%
Year ended August 31, 2023	3.81%
Year ended August 31, 2022	3.59%
Year ended August 31, 2021	2.14%
Year ended August 31, 2020	3.50%

Douglas County School District #0001

Omaha, Nebraska

Schedule of Changes in Net Pension Liability and Related Ratios

(Dollars in thousands)

August 31, 2025

**Schedule of Changes in Net Pension Liability  
Last 10 Fiscal Years**

	2025	2024	2023	2022*	2021	2020	2019	2018	2017	2016
<b>Total Pension Liability</b>										
Service cost	\$ 54,611	\$ 50,891	\$ 65,615	\$ 46,029	\$ 43,490	\$ 42,354	\$ 37,704	\$ 37,821	\$ 39,451	\$ 38,242
Interest	193,142	186,150	242,449	168,343	163,027	159,150	152,896	144,648	138,933	133,950
Difference between expected and actual experience	32,342	23,033	60,409	45,177	2,015	(17,657)	19,474	26,757	7,104	(2,960)
Changes of assumption	56,045	29,221	24,793	-	-	-	-	141,348	-	-
Other	-	-	-	2,290	1,808	1,992	1,832	2,088	1,946	2,920
Benefit payments, including refunds of member contributions	(157,689)	(155,840)	(200,566)	(142,546)	(136,485)	(131,896)	(125,272)	(118,997)	(113,106)	(106,735)
Net change in total pension liability	178,451	133,455	192,700	119,293	73,855	53,943	86,634	233,665	74,328	65,417
Beginning of year	2,760,001	2,626,546	2,433,846	2,314,553	2,240,698	2,186,755	2,100,121	1,866,456	1,792,128	1,726,711
End of year	\$ 2,938,452	\$ 2,760,001	\$ 2,626,546	\$ 2,433,846	\$ 2,314,553	\$ 2,240,698	\$ 2,186,755	\$ 2,100,121	\$ 1,866,456	\$ 1,792,128
<b>Plan Fiduciary Net Position</b>										
Contributions - employer	\$ 91,467	\$ 77,762	\$ 83,341	\$ 61,411	\$ 57,033	\$ 57,267	\$ 55,564	\$ 47,981	\$ 33,903	\$ 33,109
Contributions - state	8,640	7,798	7,534	7,290	7,302	7,420	7,111	6,897	6,661	6,453
Contributions - member	45,531	42,900	53,324	36,891	35,295	35,614	36,327	34,883	33,764	32,584
Net investment income	146,360	184,823	(157,714)	290,971	118,829	31,298	85,795	73,217	15,375	(51,214)
Benefit payments, including refunds of member contributions	(157,689)	(155,840)	(200,566)	(142,546)	(136,485)	(131,896)	(125,272)	(118,997)	(113,106)	(106,735)
Administrative expense	(2,888)	(903)	(1,155)	(952)	(890)	(1,087)	(865)	(1,384)	(1,290)	(814)
Other	4,840	1,851	3,382	2,289	1,841	3,159	1,844	2,090	2,082	3,002
Net change in plan fiduciary net position	136,261	158,391	(211,854)	255,354	82,925	1,775	60,504	44,687	(22,611)	(83,615)
Beginning of year	1,580,277	1,421,886	1,633,740	1,378,386	1,295,461	1,293,686	1,233,182	1,188,495	1,211,106	1,294,721
End of year	\$ 1,716,538	\$ 1,580,277	\$ 1,421,886	\$ 1,633,740	\$ 1,378,386	\$ 1,295,461	\$ 1,293,686	\$ 1,233,182	\$ 1,188,495	\$ 1,211,106
Net Pension Liability	\$ 1,221,914	\$ 1,179,724	\$ 1,204,660	\$ 800,106	\$ 936,167	\$ 945,237	\$ 893,069	\$ 866,939	\$ 677,961	\$ 581,022

\* The measurement date was changed from 8/31 to 12/31 starting with year 2022.

Douglas County School District #0001  
Omaha, Nebraska  
Schedule of Employer Contributions  
(Dollars in thousands)  
August 31, 2025

**Schedule of Employer Contributions  
Last 10 Fiscal Years**

	2025	2024	2023	2022*	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution (ADC)	\$ 86,245	\$ 78,499	\$ 72,213	\$ 61,457	\$ 59,466	\$ 55,501	\$ 54,211	\$ 55,526	\$ 50,777	\$ 31,004
Contributions in relation to the ADC										
Employer statutory	49,821	44,813	42,781	39,655	37,266	35,676	35,967	36,664	35,231	33,903
Employer additional	36,424	45,482	34,432	29,483	24,145	21,357	21,300	18,900	12,750	-
Total contributions	86,245	90,295	77,213	69,138	61,411	57,033	57,267	55,564	47,981	33,903
Contribution deficiency (excess)	\$ -	\$ (11,796)	\$ (5,000)	\$ (7,681)	\$ (1,945)	\$ (1,532)	\$ (3,056)	\$ (38)	\$ 2,796	\$ (2,899)
Covered Employee Payroll	\$ 504,378	\$ 453,673	\$ 433,105	\$ 401,451	\$ 377,207	\$ 360,891	\$ 364,154	\$ 371,440	\$ 356,676	\$ 345,231
Contributions as a Percent of Covered Payroll	17.10%	19.90%	17.83%	17.22%	16.28%	15.80%	15.73%	14.96%	13.45%	9.82%

\* The measurement date was changed from 8/31 to 12/31 starting with year 2022.

## Notes to the Schedules

### Changes of Benefit and Funding Terms

The following changes to the Plan provisions were made by the Nebraska Legislature and reflected in the valuation performed as of September 1 (January 1 starting in 2017) listed below:

2022: The 2021 session of the Nebraska Legislature enacted Legislative Bill 147 (LB 147), which modified the eligibility requirements to participate in the System. Employees who are contracted for less than 30 hours per week are eligible to participate in the System if they average more than 30 hours per week during any three calendar months of a fiscal year. No census data was received to allow quantification of the impact of LB 147 on the January 1, 2022 valuation.

2018: The 2017 session of the Nebraska Legislature enacted Legislative Bill 415 (LB415), which changed the retirement provisions for members hired on or after July 1, 2018 to match the School Employees Retirement System of the State of Nebraska. Retirement eligibility for members hired on or after July 1, 2018 is set at age 60 with 85 points (age plus service) or age 60 with five years of service. Benefits are unreduced at age 60 with 85 points. Early retirement eligibility is age 60 with five years of service. No medical COLA is provided for members hired on or after July 1, 2018.

The 2018 session of the Nebraska Legislature enacted Legislative Bill 1005 (LB 1005), which states that the District must contribute an amount equal to or greater than the actuarially required contribution rate provided in the most recent valuation report.

2017: The 2016 session of the Nebraska Legislature enacted Legislative Bill 447 (LB 447), which changed the retirement provisions for members hired on or after July 1, 2016 to match the School Employees Retirement System of the State of Nebraska. Retirement eligibility for members hired on or after July 1, 2016 is set at 35 years of services, age 55 with 85 points (age plus service) or age 60 with five years of service. Benefits are unreduced with 35 years of service or at age 55 with 85 points. Early retirement eligibility is age 60 with five years of service. No medical COLA is provided for members hired on or after July 1, 2016.

### Changes in Actuarial Assumptions

1/1/2025 valuation:

- The investment return assumption was lowered from 7.20% to 7.00%.
- The inflation assumption was lowered from 2.55% to 2.35%.
- The assumed interest rate credited on employee contributions was lowered from 2.55% to 2.35%.
- The general wage increase assumption was lowered from 3.05% to 2.85%.

1/1/2024 valuation:

- The investment return assumption was lowered from 7.30% to 7.20%.
- The inflation assumption was lowered from 2.60% to 2.55%.
- The assumed interest rate credited on employee contributions was lowered from 2.60% to 2.55%.
- The general wage increase assumption was lowered from 3.10% to 3.05%.

1/1/2023 valuation:

- The investment return assumption was lowered from 7.40% to 7.30%.
- The inflation assumption was lowered from 2.70% to 2.60%.
- The assumed interest rate credited on employee contributions was lowered from 2.70% to 2.60%.
- The general wage increase assumption was lowered from 3.20% to 3.10%.

1/1/2022 valuation:

- The investment return assumption was lowered from 7.50% to 7.40%.
- The inflation assumption was lowered from 2.75% to 2.70%.
- The assumed interest rate credited on employee contributions was lowered from 2.75% to 2.70%.
- The general wage increase assumption was lowered from 3.25% to 3.20%.
- The mortality assumption was changed to the Pub-2010 General Members (Median) Mortality Tables with generational mortality improvements modeled using the NPERS projection scale. No generational mortality improvement is reflected for disabled members.
- Retirement rates were modified for both Certificated and Classified employees.
- Termination rates were modified for both Certificated and Classified employees.
- The probability of a vested member electing a refund upon termination was adjusted for both Certificated and Classified members and is now based on years of service.
- The active member marriage assumption was reduced from 100% to 85%.
- The salary increase assumption was changed to reflect the lower general wage inflation, and the merit salary scale was adjusted to better reflect observed experience.
- An explicit assumption for administrative expenses was adopted as a component of the actuarial contribution rate and was set to 0.24% of pay.
- The amortization period for future amortization bases was reduced from 30 to 25 years.

1/1/2019 valuation:

- The amortization of the Unfunded Actuarial Accrued Liability (UAAL) was changed to reset the legacy UAAL over a 30 year period beginning January 9, 2019. New layers of UAAL that occur in the future are also amortized over a new 30-year periods beginning on the valuation date.

Douglas County School District #0001

Omaha, Nebraska

Notes to the Schedule of Changes in Net Pension Liability and Related Ratios  
and Schedule of Employer Contributions

(Dollars in thousands)

August 31, 2025

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1/1/2017 valuation:

- The investment return assumption was lowered from 8% to 7.5%.
- The inflation assumption was lowered from 3% to 2.75%.
- The assumed interest rate credited on employee contributions was lowered from 3% to 2.75%.
- The general wage increase assumption was lowered from 4% to 3.25%.
- The mortality assumption was changed to the RP-2014 Mortality Table, with a one-year age set forward for males and a one-year age setback from females. Generational mortality improvements are modeled using the MP-2016 scale.
- Retirement rates were modified for both certificated and classified employees.
- The probability of electing a refund at termination was modified for classified employees.
- Termination rates for certificated employees were changed to be the same regardless of gender, and are purely service-based for both certificated and classified employees.
- The salary increase assumption was changed to a service-based assumption for both certificated and classified employees.
- The amortization of the UAAL was changed to a “layered” approach with new pieces of UAAL amortized over a 25-year period beginning on the valuation date. The legacy UAAL continues to be amortized on its current schedule.
- The valuation date changed from September 1 to January 1.

**Method and assumptions used in calculations of Actuarially Determined Contributions:**

OSERS is funded by statutory contribution rates for members, the District and the state of Nebraska. If the statutory contribution rate is less than the Actuarially Determined Contributions, the School District will contribute the difference. The Actuarially Determined Contributions in the Schedule of Employer Contributions are calculated as of the beginning of the fiscal year in which contributions are reported.

The following actuarial methods and assumptions were used to determine the Actuarially Determined Contribution reported for the most recent Measurement Date, December 31, 2024 (based on the January 1, 2024 actuarial valuation).

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Layered basis with the Legacy base amortized over a closed 30-year period beginning January 1, 2019. Subsequent bases established prior to January 1, 2022, are amortized over a closed 30-year period beginning on the valuation date. All bases established on or after January 1, 2022, are amortized over a closed 25-year period beginning on the valuation date.
Asset valuation method	Market related smoothed value
Price inflation	2.55%
Salary increases, including wage inflation	3.05% to 6.45%
Long-term rate of return, net Of investment expense, and including inflation	7.20%
Cost-of-living adjustments	1.50% if hired before July 1, 2013 1.00% if hired on or after July 1, 2013 Medical COLA of \$10/month for each year retired (max \$250/month), if hired before July 1, 2016

Other Supplementary Information

August 31, 2025

**Douglas County School District #0001**

**Omaha, Nebraska**

Douglas County School District #0001

Omaha, Nebraska

Budgetary Comparison Schedule

Special Building Fund

(Dollars in thousands)

Year Ended August 31, 2025

<u>Function</u>	<u>Final Adopted Budget</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget</u>
FUND BALANCE, Beginning of year	\$ 32,136	\$ 32,136	\$ -
RECEIPTS			
Taxes			
1110 Property taxes - general purpose	10,218	7,960	(2,258)
1115 Carline tax	-	2	2
1410 Interest	114	1,220	1,106
1990 Other local receipts	-	171	171
3990 Other state receipts	-	3,778	3,778
5690 Other nonrevenue receipts	200	465	265
Total receipts	<u>10,532</u>	<u>13,596</u>	<u>3,064</u>
DISBURSEMENTS			
2515-300 Purchased services	-	8,756	(8,756)
2515-510 Site acquisition and improvements	-	1,235	(1,235)
2515-520 Building acquisition and improvements	26,650	476	26,174
5000-607 Repayment of taxes paid	100	96	4
Total disbursements	<u>26,750</u>	<u>10,563</u>	<u>16,187</u>
(DEFICIENCY) EXCESS OF RECEIPTS (UNDER) OVER DISBURSEMENTS	<u>(16,218)</u>	<u>3,033</u>	<u>19,251</u>
FUND BALANCE, end of year	<u>\$ 15,918</u>	<u>\$ 35,169</u>	<u>\$ 19,251</u>

Douglas County School District #0001

Omaha, Nebraska

Budgetary Comparison Schedule

Debt Service Fund

(Dollars in thousands)

Year Ended August 31, 2025

<u>Function</u>	<u>Final Adopted Budget</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget</u>
FUND BALANCE, Beginning of year	\$ 43,998	\$ 43,998	\$ -
RECEIPTS			
Taxes			
1110 Property taxes - general purpose	56,287	54,803	(1,484)
1115 Carline tax	16	11	(5)
3130 Homestead exemption	-	2,219	2,219
3180 Pro-rate motor vehicle	127	102	(25)
1410 Interest	3,420	879	(2,541)
1990 Other local receipts	1,060	896	(164)
3990 Other state receipts	6	5	(1)
Total receipts	<u>60,916</u>	<u>58,915</u>	<u>(2,001)</u>
DISBURSEMENTS			
5000-607 Repayment of taxes paid	200	221	(21)
5000-610 Redemption of principal	24,200	24,175	25
5000-620 Debt service interest	29,500	29,433	67
Total disbursements	<u>53,900</u>	<u>53,829</u>	<u>71</u>
EXCESS OF RECEIPTS OVER DISBURSEMENTS	<u>7,016</u>	<u>5,086</u>	<u>(1,930)</u>
FUND BALANCE, end of year	<u>\$ 51,014</u>	<u>\$ 49,084</u>	<u>\$ (1,930)</u>

Douglas County School District #0001

Omaha, Nebraska

Budgetary Comparison Schedule

Qualified Capital Purpose Fund

(Dollars in thousands)

Year Ended August 31, 2025

<u>Function</u>	<u>Final Adopted Budget</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget</u>
FUND BALANCE, Beginning of year	\$ 4,320	\$ 4,320	\$ -
RECEIPTS			
Local Sources			
Taxes			
1110 Property taxes - general purpose	4,544	3,167	(1,377)
1115 Carline tax	5	1	(4)
3130 Homestead exemption	-	170	170
3180 Pro-rate motor vehicle	36	17	(19)
1410 Interest	1	24	23
1990 Other local receipts	1,466	60	(1,406)
Total local sources	<u>6,052</u>	<u>3,439</u>	<u>(2,613)</u>
3990 Other state receipts	-	1,151	1,151
Total state sources	<u>-</u>	<u>1,151</u>	<u>1,151</u>
Total receipts	<u>6,052</u>	<u>4,590</u>	<u>(1,462)</u>
DISBURSEMENTS			
5000-607 Repayment of taxes paid	25	28	(3)
5000-610 Redemption of principal	3,090	2,470	620
5000-620 Debt service interest	2,230	962	1,268
Total disbursements	<u>5,345</u>	<u>3,460</u>	<u>1,885</u>
EXCESS OF RECEIPTS OVER DISBURSEMENTS			
	<u>707</u>	<u>1,130</u>	<u>423</u>
FUND BALANCE, end of year	<u>\$ 5,027</u>	<u>\$ 5,450</u>	<u>\$ 423</u>

Douglas County School District #0001

Omaha, Nebraska

Budgetary Comparison Schedule

Student Fee Funds

(Dollars in thousands)

Year Ended August 31, 2025

<u>Function</u>	<u>Final Adopted Budget</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget</u>
FUND BALANCE, Beginning of year	\$ 39	\$ 39	\$ -
RECEIPTS			
Local Sources			
1741 Extracurricular activity fees	<u>3,454</u>	<u>-</u>	<u>(3,454)</u>
DISBURSEMENTS			
2100-600 Other expenses	<u>3,500</u>	<u>39</u>	<u>3,461</u>
DEFICIENCY OF RECEIPTS UNDER DISBURSEMENTS	<u>(46)</u>	<u>(39)</u>	<u>7</u>
FUND BALANCE, end of year	<u><u>\$ (7)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7</u></u>

Douglas County School District #0001

Omaha, Nebraska

Budgetary Comparison Schedule

Activity Funds

(Dollars in thousands)

Year Ended August 31, 2025

<u>Function</u>	<u>Final Adopted Budget</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget</u>
FUND BALANCE, Beginning of year	\$ 3,196	\$ 3,196	\$ -
RECEIPTS			
1410 Interest	-	(3)	(3)
1710 Activities receipts	-	778	778
1990 Other local receipts	-	1,578	1,578
5690 Other nonrevenue receipts	4,284	6,651	2,367
Total receipts	<u>4,284</u>	<u>9,004</u>	<u>4,720</u>
DISBURSEMENTS			
2515-300 Purchased services	-	1,631	(1,631)
2515-400 Supplies and materials	-	1,089	(1,089)
2515-500 Capital outlay	-	63	(63)
2515-600 Other expenses	6,500	5,585	915
Total disbursements	<u>6,500</u>	<u>8,368</u>	<u>(1,868)</u>
(DEFICIENCY) EXCESS OF RECEIPTS (UNDER) OVER DISBURSEMENTS	<u>(2,216)</u>	<u>636</u>	<u>2,852</u>
FUND BALANCE, end of year	<u>\$ 980</u>	<u>\$ 3,832</u>	<u>\$ 2,852</u>

Douglas County School District #0001

Omaha, Nebraska

Budgetary Comparison Schedule

ESU No. 19 Fund

(Dollars in thousands)

Year Ended August 31, 2025

Function	Final Adopted Budget	Transfers In (Out)	Revised Budget	Actual Amounts Budgetary Basis	Variance With Final Budget
FUND BALANCE, Beginning of year	\$ 15,209	\$ -	\$ 15,209	\$ 15,209	\$ -
RECEIPTS					
1000 Local sources	18,340	-	18,340	17,062	(1,278)
2000 County sources	1,000	-	1,000	334	(666)
3000 State sources	2,975	-	2,975	3,467	492
5000 Nonrevenue receipts	2,475	-	2,475	3,197	722
Total receipts	24,790	-	24,790	24,060	(730)
DISBURSEMENTS					
2100 Student non-instructional support services	3,739	-	3,739	3,587	152
2200 Support services - staff	776	(56)	720	681	39
2300 Board of control and general administration	44	-	44	39	5
2900 Materials and equipment services	1,540	-	1,540	1,692	(152)
3550 Core services & technology infrastructure	23,279	56	23,335	20,424	2,911
5000 Debt service	222	-	222	25	197
Total disbursements	29,600	-	29,600	26,448	3,152
DEFICIENCY OF RECEIPTS UNDER DISBURSEMENTS	(4,810)	-	(4,810)	(2,388)	2,422
FUND BALANCE, end of year	\$ 10,399	\$ -	\$ 10,399	\$ 12,821	\$ 2,422

Douglas County School District #0001

Omaha, Nebraska

Budgetary Comparison Schedule

KIOS Fund

(Dollars in thousands)

Year Ended August 31, 2025

<u>Function</u>	<u>Final Adopted Budget</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget</u>
FUND BALANCE, Beginning of year	\$ 425	\$ 425	\$ -
RECEIPTS			
Local Sources			
1410 Interest	-	4	4
1925 Categorical grants from corporations	1,250	-	(1,250)
1990 Other local receipts	-	1,190	1,190
Total local sources	<u>1,250</u>	<u>1,194</u>	<u>(56)</u>
Nonrevenue receipts			
5690 Other nonrevenue receipts	-	82	82
Total receipts	<u>1,250</u>	<u>1,276</u>	<u>26</u>
DISBURSEMENTS			
Support services			
2200 Staff	1,250	1,202	48
EXCESS OF RECEIPTS OVER DISBURSEMENTS			
	<u>-</u>	<u>74</u>	<u>74</u>
FUND BALANCE, end of year	<u>\$ 425</u>	<u>\$ 499</u>	<u>\$ 74</u>

Douglas County School District #0001

Omaha, Nebraska

Budgetary Comparison Schedule

Depreciation Funds

(Dollars in thousands)

Year Ended August 31, 2025

<u>Function</u>	<u>Final Adopted Budget</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget</u>
FUND BALANCE, Beginning of year	\$ 71,911	\$ 71,911	\$ -
RECEIPTS			
1410 Interest	-	2,785	2,785
5500 Transfers from general fund	191	460	269
Total receipts	<u>191</u>	<u>3,245</u>	<u>3,054</u>
DISBURSEMENTS			
2500-500 Capital outlay	<u>65,000</u>	<u>10,863</u>	<u>54,137</u>
DEFICIENCY OF RECEIPTS UNDER DISBURSEMENTS			
	<u>(64,809)</u>	<u>(7,618)</u>	<u>57,191</u>
FUND BALANCE, end of year	<u><u>\$ 7,102</u></u>	<u><u>\$ 64,293</u></u>	<u><u>\$ 57,191</u></u>

Douglas County School District #0001

Omaha, Nebraska

Budgetary Comparison Schedule

Employee Benefit Fund

(Dollars in thousands)

Year Ended August 31, 2025

<u>Function</u>	<u>Final Adopted Budget</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget</u>
FUND BALANCE, Beginning of year	\$ 15,534	\$ 15,534	\$ -
RECEIPTS			
1410 Interest	-	559	559
5500 Transfers from general fund	-	6,308	6,308
5690 Other nonrevenue receipts	226	2,581	2,355
Total receipts	<u>226</u>	<u>9,448</u>	<u>9,222</u>
DISBURSEMENTS			
2500-200 Employee benefits	<u>15,300</u>	<u>7,283</u>	<u>8,017</u>
(DEFICIENCY) EXCESS OF RECEIPTS (UNDER) OVER DISBURSEMENTS	<u>(15,074)</u>	<u>2,165</u>	<u>17,239</u>
FUND BALANCE, end of year	<u>\$ 460</u>	<u>\$ 17,699</u>	<u>\$ 17,239</u>

Douglas County School District #0001

Omaha, Nebraska

Budgetary Comparison Schedule

Contingency Fund

(Dollars in thousands)

Year Ended August 31, 2025

<u>Function</u>	<u>Final Adopted Budget</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget</u>
FUND BALANCE, Beginning of year	\$ 21,235	\$ 21,235	\$ -
RECEIPTS			
1410 Interest	-	775	775
5500 Transfers from general fund	1,718	1,199	(519)
5690 Other nonrevenue receipts	-	60	60
Total receipts	<u>1,718</u>	<u>2,034</u>	<u>316</u>
DISBURSEMENTS			
2310-643 Judgments/settlements	<u>20,200</u>	<u>1,938</u>	<u>18,262</u>
(DEFICIENCY) EXCESS OF RECEIPTS (UNDER) OVER DISBURSEMENTS	<u>(18,482)</u>	<u>96</u>	<u>18,578</u>
FUND BALANCE, end of year	<u><u>\$ 2,753</u></u>	<u><u>\$ 21,331</u></u>	<u><u>\$ 18,578</u></u>

Douglas County School District #0001

Omaha, Nebraska

Budgetary Comparison Schedule

School Lunch Fund

(Dollars in thousands)

Year Ended August 31, 2025

Function	Final Adopted Budget	Transfers In (Out)	Revised Budget	Actual Amounts Budgetary Basis	Variance With Final Budget
FUND BALANCE, Beginning of year	\$ 37,249	\$ -	\$ 37,249	\$ 37,249	\$ -
<b>RECEIPTS</b>					
1410 Interest	1	-	1	1,321	1,320
1720 Sale of lunches/milk	2,022	-	2,022	899	(1,123)
1990 Other local receipts	-	-	-	90	90
3150 State reimbursement	142	-	142	246	104
4800 Federal reimbursement	10,371	-	10,371	37,211	26,840
4945 Child and adult food care program	765	-	765	1,645	880
5690 Other nonrevenue receipts	-	-	-	324	324
Total receipts	<u>13,301</u>	<u>-</u>	<u>13,301</u>	<u>41,736</u>	<u>28,435</u>
<b>DISBURSEMENTS</b>					
2100-100 Salaries	12,744	2,211	14,955	15,070	(115)
2100-200 Employee benefits	3,766	796	4,562	6,760	(2,198)
2100-300 Purchased services	4,284	-	4,284	4,349	(65)
2100-400 Supplies and materials (excluding food)	3,488	-	3,488	1,939	1,549
2100-470 Food	22,433	-	22,433	17,710	4,723
2100-500 Capital outlay	4,866	-	4,866	209	4,657
2100-600 Other expenses	32	(3,007)	(2,975)	32	(3,007)
Total disbursements	<u>51,613</u>	<u>-</u>	<u>51,613</u>	<u>46,069</u>	<u>5,544</u>
DEFICIENCY OF RECEIPTS UNDER DISBURSEMENTS	<u>(38,312)</u>	<u>-</u>	<u>(38,312)</u>	<u>(4,333)</u>	<u>33,979</u>
FUND BALANCE, end of year	<u>\$ (1,063)</u>	<u>\$ -</u>	<u>\$ (1,063)</u>	<u>\$ 32,916</u>	<u>\$ 33,979</u>

Douglas County School District #0001

Omaha, Nebraska

Budgetary Comparison Schedule

Cooperative Fund

(Dollars in thousands)

Year Ended August 31, 2025

<u>Function</u>	<u>Final Adopted Budget</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget</u>
FUND BALANCE, Beginning of year	\$ 26	\$ 26	\$ -
RECEIPTS			
1990 Other local receipts	2,974	2,395	(579)
5690 Other nonrevenue receipts	1,500	169	(1,331)
Total receipts	<u>4,474</u>	<u>2,564</u>	<u>(1,910)</u>
DISBURSEMENTS			
1160-110 Salary - teachers	1,500	1,280	220
1160-140 Salary - clerical and paraprofessional staff	50	19	31
1160-200 Employee benefits	400	424	(24)
1160-300 Purchased services	500	456	44
1160-400 Supplies and materials	500	595	(95)
1160-600 Other expenses	50	35	15
2510 General administration - business services	1,500	-	1,500
Total disbursements	<u>4,500</u>	<u>2,809</u>	<u>1,691</u>
DEFICIENCY OF RECEIPTS UNDER DISBURSEMENTS			
	<u>(26)</u>	<u>(245)</u>	<u>(219)</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ (219)</u>	<u>\$ (219)</u>

Douglas County School District #0001  
Omaha, Nebraska  
Schedule of Expenditures of Federal Awards  
Year Ended August 31, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-through Entity Identifying Number	Expenditures	Passed Through to Subrecipients
Department of Agriculture				
Child Nutrition Cluster				
<i>Passed through Nebraska Department of Education</i>				
School Breakfast Program	10.553	13898414	\$ 9,086,841	\$ -
National School Lunch Program	10.555	13898414	26,306,418	-
Summer Food Service Program for Children	10.559	13898114	1,119,406	-
Fresh Fruit and Vegetable Program	10.582	13897314	621,134	-
<i>Passed through Nebraska Department of Health and Human Services</i>				
School Breakfast Program (noncash)	10.553	47600262900	2,135,090	-
Total Child Nutrition Cluster			\$ 39,268,889	-
<i>Passed through Nebraska Department of Education</i>				
Child and Adult Food Care Program	10.558	13899414	1,644,520	-
Total Department of Agriculture			\$ 40,913,409	-
Department of Defense				
ROTC Language and Culture Training Grants	12.357	0812.18JROTC	672,553	-
Department of Education				
Indian Education Grants to Local Educational Agencies	84.060A	S060A210926	193,629	-
<i>Passed through Nebraska Department of Education</i>				
Title I Grants to Local Educational Agencies	84.010A	24-6200-00-19-028-0001	30,389,313	-
Title I Grants to Local Educational Agencies	84.010	24-6230-00-19-028-0001	241,736	-
Title I Grants to Local Educational Agencies	84.010	23-6122-XX-19-028-0001	2,408,603	-
Total Title I Grants to Local Educational Agencies			33,039,652	-
Migrant Education State Grant Program	84.011	22-6915-00-19-028-0001	795,657	-
Special Education Cluster				
Special Education Grants to States	84.027	24-6408-00-19-028-0001	18,532,078	-
Special Education Grants to States	84.027	24-6411-00-19-028-0001	833,303	-
Special Education Grants to States	84.027	24-6412-00-19-028-0001	2,210,928	-
Special Education Grants to States	84.027	24-6418-132-28-0001P	454,488	-
COVID-19 Special Education Grants to States	84.027	24-6411-00-19-028-0001	283,376	-
Total 84.027			22,314,173	-
Special Education Preschool Grants	84.173	24-6406-00-19-028-0001	8,702	-
COVID-19 Special Education Preschool Grants	84.173	24-6406-00-19-028-0001	302,968	-
Total 84.173			311,670	-
Total Special Education Cluster			22,625,843	-
Career and Technical Education - Basic Grants to States	84.048	22-6700-00-19-028-0001	903,884	-
Special Education - Grants for Infants and Families	84.181	22-6416-00-19-028-0001	34,652	-
Education for Homeless Children and Youth	84.196	22-6991-00-19-028-0001	95,815	-
English Language Acquisition State Grants	84.365A	22-6925-00-19-028-0001	1,531,952	-
Supporting Effecton Instruction State Grants	84.367A	22-6310-00-19-028-0001	2,643,878	-
Student Support and Academic Enrichment	84.424A	24-6969-00-19-028-0001	4,382,527	-
Student Support and Academic Enrichment	84.424A	23-6424-00-19-028-0001	143,005	-
Total Student Support and Academic Enrichment			4,525,532	-
COVID-19 Education Stabilization Fund	84.425U	21-6998-00-19-028-0001	31,632,456	-
COVID-19 Education Stabilization Fund	84.425W	22-6993-00-19-028-0001	8,875	-
COVID-19 Education Stabilization Fund	84.425W	22-6993-00-19-028-0001	14,219	-
Total COVID-19 Education Stabilization Fund			31,655,550	-
Total Department of Education			98,046,044	-
Department of Health and Human Services				
Head Start	93.600	07CH011832-02-00	10,044,299	3,515,335
<i>Passed through Nebraska Department of Education</i>				
Refugee School Impact Grant	93.566	23-4530-00-028-0001	13,840	-
<i>Passed through Nebraska Department of Health and Human Services</i>				
Refugee School Impact Grant	93.566	2101NERSSS	318,688	-
Refugee School Impact Grant	93.566	2201NERSSS	20,978	-
Refugee School Impact Grant	93.566	2301NERSSS	11,827	-
Total Refugee School Impact Grant			365,333	-
Medical Assistance Program (Medicaid Cluster)	93.778	052105NE5ADM	1,112,076	-
Total Department of Health and Human Services			11,521,708	3,515,335
Total Federal Financial Assistance			\$ 151,153,714	\$ 3,515,335

**Note 1 – Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the District under programs of the federal government for the year ended August 31, 2025. The information is presented in accordance with the 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). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position or fund balance of the District.

**Note 2 – Summary of Significant Accounting Policies**

Expenditures reported in the schedule are reported on the cash basis of accounting in accordance with the accounting procedures and reporting requirements permitted by the Nebraska Commissioner of Education, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has passed funds through to subrecipients and those are recorded on the cash basis of accounting.

**Note 3 – Indirect Cost Rate**

The District has not elected to use the de minimis cost rate of up to 15 percent.

**Note 4 – Food Donation**

Nonmonetary assistance is reported in this schedule at the fair market value of commodities received and disbursed. At August 31, 2025 the District had food commodities totaling \$2,100,860 in inventory.

Additional Reports

August 31, 2025

**Douglas County School District #0001**

**Omaha, Nebraska**



**Independent Auditor’s 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***

The Governing Board  
Douglas County School District #0001  
Omaha, Nebraska

We have audited, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Douglas County School District #0001 (“the District”), as of and for the year ended August 31, 2025, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements and have issued our report thereon dated March 20, 2026.

**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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

*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 District’s financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2025-001, 2025-002 and 2025-003 to be material weaknesses.

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. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2025-004 to be a significant deficiency.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from 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 financial statements. 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*.

### **The District's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **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.



Omaha, Nebraska  
March 20, 2026



**Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance Required by the Uniform Guidance**

The Board of Education  
Douglas County School District #0001  
Omaha, Nebraska

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Douglas County School District #0001 (“the District”)’s 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 August 31, 2025. The District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2025.

***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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting 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 a 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 GAAS, *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

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 in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*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. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2025-005 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.



Omaha, Nebraska  
March 20, 2026

**Section I – Summary of Auditor’s Results**

**FINANCIAL STATEMENTS**

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	Yes
Noncompliance material to financial statements noted?	No

**FEDERAL AWARDS**

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	Yes
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a):	Yes

**Identification of major programs:**

<u>Name of Federal Program</u>	<u>Federal Assistance Listing Number</u>
Child Nutrition Cluster	10.553/10.555/ 10.559/10.582
Special Education Cluster (IDEA)	84.027/84.173
Title IV - Student Support and Academic Enrichment	84.424
Dollar threshold used to distinguish between Type A and Type B programs:	\$ 3,000,000
Auditee qualified as low-risk auditee?	No

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**Section II – Financial Statement Findings**

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**2025-001      Preparation of Financial Statements, Including Material Adjusting Journal Entries**

**Material Weakness**

*Criteria:* The design and operation of the District’s internal controls should allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements in the District’s financial statements on a timely basis and ensure all account balances are adjusted accurately for reporting.

*Condition:* The preparation of financial statements requires tremendous detail. The financial statements prepared by management for the audit required several adjusting entries, including additional entries identified by management and others identified by the audit process, in order to fairly state the District’s financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP). The District prepares its interim financial statements throughout the fiscal year on the cash basis of accounting and performs a conversion of the statements to the modified accrual and full accrual basis, as applicable, for financial reporting purposes at the end of its fiscal year. After management provided its initial financial statements, several audit adjustments and a number of additional entries provided by management were required to fairly state the District’s financial statements in accordance with GAAP. These adjusting entries included a restatement of net position to correct various errors from the prior year.

*Cause:* Due to recent turnover in the accounting department of the District as well as time constraints related to the period between the end of the District’s fiscal year and the scheduled inception of the audit of the financial statements, management was unable to complete a thorough review of its GAAP basis financial statements for accuracy and completeness prior to the audit commencing.

*Effect:* Several audit adjustments and reclassifications were required to correct misstatements in the financial statements to accurately present the basic financial statements and notes to the financial statements in accordance with GAAP.

*Recommendation:* We recommend management review its closing schedule and financial statement preparation and reporting processes in an effort to identify efficiencies that may allow management to prevent, and detect and correct, misstatements in order to produce complete and accurate financial statements.

*Views of Responsible Officials:* Management is aware of this deficiency in internal control over financial reporting and adjusting journal entries. Management will review and revise where necessary the processes for preparing financial statements and adjust account balances for reporting.

This review will focus on areas that inhibit the timely and accurate preparation of the District's financial statements and will include:

- Increased review of roles in the financial reporting process to create efficiencies and effectiveness.
- Increased use of analytics to review activity in key accounts on at least a quarterly basis.
- Documented reviews of quarterly reconciliations of key accounts by the Accounting Manager and Controller as part of the process of improving internal controls over financial reporting.

Management expects this finding to be resolved by August 31, 2026.

**2025-002 Correction of Errors**

**Material Weakness**

*Criteria:* Management is responsible for establishing and maintaining effective internal control over financial reporting to provide reasonable assurance that financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP), including applicable GASB standards. GASB Statement No. 100 requires that corrections of errors in previously issued financial statements be reported by restating beginning net position and fund balances, as applicable.

*Condition:* During the current year audit, the District identified certain errors originating in the prior year financial statements that were going to be corrected with current year adjustments. During the course of the audit, these were identified to be material and resulted in material misstatements of beginning net position and fund balance. Additionally, there were auditor identified errors originating in the prior year financial statements that resulted in material misstatements of beginning net position and fund balances. These errors were not identified or corrected by management in the prior year and required restatement of beginning balances in the current year financial statements to correct the misstatements. The errors were identified as part of the current year audit process and were not detected through management's internal control procedures in the period in which they occurred.

*Cause:* The District did not have sufficient internal controls, technical accounting expertise, or review procedures in place during the prior year to identify and correct errors in financial reporting. Controls over the preparation and review of accounting records, financial statements, and accounting estimates were not adequately designed or implemented to ensure compliance with GAAP.

*Effect:* As a result, the prior year financial statements contained material misstatements that were not identified or corrected until the current year audit. This condition required restatement of beginning net position and fund balances and increases the risk that material misstatements of the financial statements could occur and not be prevented or detected and corrected on a timely basis.

*Recommendation:* We recommend that management strengthen internal control over financial reporting by enhancing procedures related to the preparation and review of accounting records, financial statements, and accounting estimates to ensure compliance with U.S. generally accepted accounting principles. This includes ensuring that personnel responsible for financial reporting have sufficient technical knowledge of applicable GASB standards and that effective supervisory review controls are in place to identify and correct errors in the period in which they occur. Implementing these improvements should reduce the likelihood of material misstatements and future restatements of beginning net position and fund balances.

*Views of Responsible Officials:* Management acknowledges the correction of prior-period errors and agrees that improvements are needed in internal control over financial reporting. Management plans to evaluate financial reporting processes and implement additional review procedures and training to reduce the risk of future errors and restatements.

**2025-003      Lack of Effective Review and Oversight of Accounting Records and Audit Support  
Material Weakness**

*Criteria:* Management is responsible for establishing and maintaining effective internal control over financial reporting, including monitoring and supervisory review controls, to provide reasonable assurance that accounting records, supporting schedules, and financial statements are accurate and prepared in accordance with U.S. generally accepted accounting principles (GAAP), including applicable GASB standards.

*Condition:* During the audit, the auditor identified numerous errors in accounting records and audit support that were not detected through management's review processes prior to submission for audit. Errors were identified during audit testing in multiple areas, including but not limited to capital assets, subscription-based information technology arrangements under GASB Statement No. 96, lease accounting under GASB Statement No. 87, compensated absences under GASB Statement No. 101, and accounts payable. The nature, number, and pervasiveness of the errors indicate that accounting records and supporting schedules were not subject to effective supervisory review. Errors identified during testing required correction by the auditor and were not identified or resolved through management's internal control procedures.

*Cause:* The government did not have adequate review and oversight controls in place to ensure accounting records and audit support were reviewed for accuracy, completeness, and compliance with GAAP prior to reliance by the auditor. Management review procedures were either not designed at a sufficient level of precision or were not consistently performed.

*Effect:* As a result, errors were not detected or corrected in a timely manner, increasing the risk that material misstatements of the financial statements could occur and not be prevented or detected through management's internal control processes. The lack of effective review contributed to audit adjustments, increased audit effort, and delays in the audit process.

*Recommendation:* Management should strengthen monitoring and supervisory review controls over accounting records and audit support by establishing and consistently performing documented review procedures. These procedures should be designed to ensure that key accounting areas, including capital assets, leases, subscription-based information technology arrangements, compensated absences, and accounts payable, are reviewed for accuracy, completeness, and compliance with GAAP prior to submission for audit. Implementing effective review and oversight controls should reduce the likelihood that errors will remain undetected and improve the reliability of financial reporting.

*Views of Responsible Officials -* Management acknowledges the finding and agrees that improvements are needed in review and oversight of accounting records and audit support. Management plans to enhance supervisory review procedures and implement additional oversight controls to improve the accuracy and completeness of accounting records prior to audit.

**2025-004      Errors Within I-9 documentation and Date of Hire and Benefit Effective Dates in Employee Records  
Significant Deficiency**

*Criteria:* Management is responsible for establishing and maintaining effective internal control over financial reporting, including controls over the accuracy and completeness of employee census data used in actuarial valuations. Census data supporting the calculation of pension liabilities, other postemployment benefits (OPEB), and compensated absences under GASB Statements Nos. 68, 75, and 101 should be accurate, complete, and supported by appropriate documentation.

*Condition:* During census testing performed in connection with the audit of pension, OPEB, and compensated absence liabilities, the auditor identified errors in employee documentation, including inaccuracies and inconsistencies within and between I-9 forms, employee dates of hire and benefit effective dates. These errors were identified during audit testing and were not detected through management's internal review procedures prior to submission for audit.

*Cause:* The government did not have sufficient review controls in place to ensure employee census data and supporting documentation were reviewed for accuracy and consistency prior to use in actuarial calculations. Management review procedures over personnel records and census information were not designed or implemented at a level sufficient to identify these types of errors.

*Effect:* As a result, errors existed in census data provided for actuarial purposes. While the errors identified were not of a nature or magnitude that would likely result in a material misstatement of the related pension, OPEB, or compensated absence liabilities, the presence of these errors increases the risk that inaccuracies in employee data could affect actuarial calculations if not corrected.

*Recommendation:* Management should strengthen controls over the preparation and review of employee census data by implementing procedures to verify the accuracy and consistency of personnel records, including dates of hire, benefit eligibility dates, and supporting documentation, prior to submission for actuarial valuation and audit purposes. Enhancing review procedures should reduce the risk of errors in census data and improve the reliability of information used in actuarial calculations.

*Views of Responsible Officials -* There is no disagreement with the audit finding.

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**Section III – Federal Award Findings and Questioned Costs**

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**2025-005**      **Federal Grantor: Department of Agriculture,  
Pass-Through: Nebraska Department of Education  
Program: Child Nutrition Cluster, Special Education Cluster  
Award No. and Year: 13898414/13897314/47600262900 and 2024, 24-6406-00-19-028-0001/24-6408-00-19-028-0001/24-6411-00-19-028-0001/24-6412-00-19-028-0001/24-6418-132-28-0001P and 2024  
Federal Assistance Listing Number: 10.553/10.555/10.559/10.582, 84.027/84.173  
Compliance Requirement: Procurement, Suspension, and Debarment  
Type of Finding: Significant Deficiency in Internal Control Over Compliance**

*Criteria:* Uniform Guidance and 2 CFR sections 200.318 through 200.326 set forth the procurement standards non-federal entities other than states must follow when operating federal programs and the procurement procedures required.

*Condition:* In our testing of procurement, suspension, and debarment it was identified that the District's procurement policy does not address the following items:

- Avoid acquisition of duplicative items (2 CFR 200.318)
- Disadvantaged Business Enterprise Program (2 CFR 200.321)
- Domestic preferences (2 CFR 200.322)
- Recovered materials, if subject to EPA requirements (2 CFR 200.323)
- Contract price/types (2 CFR 200.326)

*Cause:* Lack of oversight, awareness, or understanding of all of the specific requirements under the Uniform Guidance and applicable CFR sections, and controls were not adequately designed to ensure compliance with these requirements.

*Effect:* A lack of compliant policies increases the overall risk of non-compliance.

*Questioned Costs:* None reported

*Context/Sampling:* Overall procurement policy.

*Repeat Finding from Prior Year(s):* No

*Recommendation:* We recommend that management adopt a revised procurement policy addressing the avoidance of acquisition of duplicative items, Disadvantaged Business Enterprise Program, domestic preferences, recovered materials if subject to EPA requirements, and contract price/types.

*Views of Responsible Officials -* There is no disagreement with the audit finding.