

LINCOLN COUNTY SCHOOL DISTRICT
REPORT ON FINANCIAL STATEMENTS WITH
SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2022

**LINCOLN COUNTY SCHOOL DISTRICT
 REPORT ON FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2022
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**LINCOLN COUNTY SCHOOL DISTRICT
ORGANIZATION**

Board of School Trustees at June 30, 2022

Carol Hansen	President
Patrick Kelley	President Pro-tem
Wade Poulsen	Clerk
Ann Smith	Trustee
Peggy Rowe	Trustee

Superintendent – Pam Teel

DANIEL C. McARTHUR, LTD.

Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Board of Trustees
Lincoln County School District
Panaca, Nevada

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lincoln County School District (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, Special Education Fund, and COB High School Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter – Change in Accounting Principle

As described in Note E-6 to the financial statements during the year ending 2022, the District adopted new accounting guidance, Governmental Accounting Standards Board Statement (GASB) No. 87, *Leases*. Our opinion is 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is 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 generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation 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 on pages 5-12, Schedule of Changes in the District's Total OPEB Liability and Related Ratios on page 58-59, Schedule of the District's Contributions to the Public Employees' Retirement System of the State of Nevada on Page 60, and Schedule of the District's Proportionate Share of the Net Pension Liability Public Employees' Retirement System of the State of Nevada on page 61 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 have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining and individual fund financial statements and schedules, and 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 auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and 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.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the District's basic financial statements for the year ended June 30, 2021 which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The combining and individual fund financial statements and schedules for the year ended June 30, 2021, 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 related directly to the underlying accounting and other records used to prepare the 2021 basic financial statements. The information was subjected to the audit procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2021 combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2022 on our consideration of the District's internal control over financial reporting and on our test 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.



Las Vegas, Nevada
October 21, 2022

**LINCOLN COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

As management of the Lincoln County School District, we offer readers of the Lincoln County School District's financial statements this narrative overview and analysis of the financial activities of the Lincoln County School District for the fiscal year ended June 30, 2022. The Management's Discussion and Analysis ("MD&A") introduces the financial reports for the Lincoln County School District ("District") and is designed to give the reader an easy-to-understand overview of the District's financial position and results of operations for the year. The MD&A is separated into Financial Highlights, an Overview of the Financial Statements, Government-Wide Financial Analysis, Financial Analysis of the District's Major Funds, Capital Assets and Long-term Debt, Budgetary Highlights, and Economic Factors and Next Year's Budget comments.

FINANCIAL HIGHLIGHTS

The following is an analysis of the financial activities of the District for the fiscal year 2022 that had a significant effect on its financial position or operating results.

New Pupil Centered Funding Plan

In 2021-2022 a new funding formula that puts students first was adopted for Nevada, the Pupil-Centered Funding Plan (PCFP). The PCFP prioritizes funding based on their unique needs and circumstances. The plan seeks to provide all students with a base level of resources, and to provide greater support to those who need it. In addition, Nevada's education funding formula will account for the adjusted costs of providing education in urban and rural and large and small districts and the school setting across Nevada. Under the new plan, property taxes collected for the District's General Fund are remitted to the State of Nevada and returned to school district based on the new funding formula.

Government-Wide Statements

The assets and deferred outflows of resources of the District were less than its liabilities and deferred inflows of resources at the close of the 2022 fiscal year by \$(424,619) (net position). Total net position represents approximately \$12,773,710 net investment in capital assets, \$798,626 in assets restricted for debt services, \$902,372 in assets restricted for capital projects, \$402,412 in assets restricted for student groups, \$62,219 in assets restricted for food service, and \$48,558 in assets restricted for unemployment compensation. The remaining (\$15,412,516) unrestricted net position is a deficit, due primarily to reporting the District's share of net pension liability and total other post-employment benefits liability.

The District's total net position increased \$3,135,107 due primarily to a decrease in the District share of net pension liability.

Fund Financial Statements

At the close of fiscal year 2022, the District's governmental funds reported combined fund balances of \$5,276,671, an increase of \$1,393,695 when compared to the previous year. Approximately 22.84% of the combined fund balances, \$1,205,036, is available for use within the District's policies (unassigned fund balance).

As of June 30, 2022, the unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the General Fund was \$1,981,463, or approximately 17.09% of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management's Discussion and Analysis is intended to introduce the District's basic financial statements. The District's basic financial statements are comprised of government-wide financial statements, fund financial statements, required supplementary information, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**LINCOLN COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with an overview of the District's financial position, in a manner similar to a private-sector entity. These statements are structured around the primary government, not including fiduciary funds.

The Statement of Net Position combines and consolidates all of the District's current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting. Net position is segregated into three components: net investment in capital assets; restricted; and unrestricted net position. Net position is an indicator of the overall financial position of the District and the change in net position from year to year is an indicator of the financial position 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 when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. All expenditures are reported by related function as prescribed by the Nevada Common Elements for Accounting and Reporting K-12 Educational Finances.

Fund Financial Statements

The District uses fund financial statements to provide detailed information about its most significant funds. All of the Lincoln County School District funds are classified into two categories:

Governmental Funds – A fund is a grouping of accounts that is used to maintain control over resources that are designated for a specific purpose within the government. Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements described above. However, unlike the government-wide financial statements, governmental fund financial statements use the modified accrual basis of accounting, which focuses on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. To provide a better understanding of the relationship between the fund financial statements and government-wide statements, a reconciliation is provided for a more comprehensive picture of the District's financial position.

Proprietary Funds – Funds that focus on the determination of operating income, changes in net position (or costs recovery), financial position, and cash flows are reported in the proprietary funds. The District reports one proprietary fund, the Unemployment Compensation Internal Service Fund. This fund reports activities that provide goods and services to the other departments/funds of the District.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statement can be found on pages 31-57 of this report.

**LINCOLN COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The government-wide statements are structured to report financial information on the District as a whole, excluding fiduciary funds. Condensed financial information with comparative amounts from the prior year is presented along with an accompanying analysis.

The following table illustrates the changes in net position in the fiscal years ending June 30, 2022 and 2021.

	Governmental Activities	
	2022	2021
Current assets	\$ 7,099,948	\$ 5,465,811
Capital asset, net	<u>15,795,517</u>	<u>15,880,766</u>
Total assets	<u>22,895,465</u>	<u>21,346,577</u>
Total deferred outflows of resources	<u>5,836,892</u>	<u>2,469,600</u>
Current liabilities	1,802,029	1,569,414
Long-term liabilities	<u>17,839,724</u>	<u>23,671,810</u>
Total liabilities	<u>19,641,753</u>	<u>25,241,224</u>
Total deferred inflows of resources	<u>9,515,223</u>	<u>2,133,370</u>
Net position:		
Net investment in capital assets	12,773,710	12,612,462
Restricted for:		
Debt service	798,626	693,426
Capital projects	902,372	306,387
Student groups	402,412	424,939
Food service	62,219	0
Unemployment	48,558	33,558
Unrestricted	<u>(15,412,516)</u>	<u>(17,629,189)</u>
Total net position	<u>\$ (424,619)</u>	<u>\$ (3,558,417)</u>

The District's total net position in governmental activities of (\$424,619) includes unrestricted negative net position totaling (\$15,412,516). The negative unrestricted net position change from the prior year is due primarily to changes in net pension liability, OPEB liability, and related deferred pension and OPEB inflows and outflows. Portions of total net position are subject to external restrictions as to how they may be used. In the current fiscal year, there were restricted assets of \$2,214,187.

The largest portion of the District's net position, \$12,773,710, reflects its investment in capital assets, less any related debt outstanding used to acquire those assets. The District uses capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate the debt.

**LINCOLN COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

	Governmental Activities	
	2022	2021
Revenues:		
Program Revenues:		
Charges for services	\$ 4,271	\$ 2,374
Operating grants and contributions	2,539,768	2,563,191
Capital grants and contributions	20,826	111,537
Total program revenues	<u>2,564,865</u>	<u>2,677,102</u>
General Revenues:		
Property taxes levied for general purposes	-	1,789,132
Property taxes levied for debt services	569,673	532,263
Local school support tax	139,256	637,693
Governmental services tax	114,857	490,540
State aid not restricted for specific purposes	14,532,674	10,830,806
Federal aid not restricted for specific purposes	133,792	113,096
Investment income	(8,963)	3,470
Other local sources	523,755	656,366
Total general revenues	<u>16,005,044</u>	<u>15,053,366</u>
Total revenues	<u>18,569,909</u>	<u>17,730,468</u>
Expenses:		
Instruction expenses	8,860,241	9,631,798
Support services expenses:		
Student support	322,503	285,225
Instructional staff support	167,887	325,953
Food service	425,205	392,132
General administration	2,125,116	1,897,489
School administration	1,611,490	1,877,902
Operating/maintenance plant svc	1,285,381	1,370,847
Student transportation	489,495	408,869
Interest on long term debt	147,484	157,605
Total expenses	<u>15,434,802</u>	<u>16,347,820</u>
Change in net position	<u>3,135,107</u>	<u>1,382,648</u>
Net position - beginning (deficit)	(3,558,417)	(5,375,589)
Cumulative effect of a change in accounting principle	(1,309)	434,524
Net position - beginning as restated	<u>(3,559,726)</u>	<u>(4,941,065)</u>
Net position - ending (deficit)	<u>\$ (424,619)</u>	<u>\$ (3,558,417)</u>

**LINCOLN COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

FINANCIAL ANALYSIS OF THE DISTRICT'S MAJOR FUNDS

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

General Fund: The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$1,205,036, with \$776,427 assigned to the subsequent year.

Local revenue sources decreased by \$2,719,348, or 99.86%. The primary reason for the decrease was due to the new pupil centered funding plan which sent all of the ad valorem taxes, governmental service tax, and local school support taxes to the State of Nevada Department of Education to be distributed.

State revenue sources increased by \$3,555,500, or 38.14%. The pupil centered funding plan formally called distributive school account increased the amount received by the District from the State which corresponds with the decrease in local revenue sources.

Federal revenue sources increased by \$21,173, or 26.15%. This was attributed to the increase in E-rate funding of \$20,721 or 31.04%.

Expenditures in total increased compared to the prior year by \$1,303,674, or 12.67%. Regular programs expenditures increased \$228,369, or 5.09%, due to an increase in salaries and benefits, and purchased services. Co-curricular expenditures increased \$77,246, or 53.60%, due to an increase in purchased services related to athletics as the prior year activity was limited due to covid-19. General administration expenditures increased \$316,524, or 20.53%, mainly due to an increase in purchased services, supplies, and property. Operating/maintenance expenditures increased \$372,099, or 31.57%, due to an increase in supplies and property related to repairs, improvements and equipment for the District. Student transportation expenditures increased \$232,078, or 65.76%, due to an increase in property related to new vehicles and supplies related to various repairs and supplies.

Special Education Fund: Revenues increased by \$46,832, or 3.95%, compared to the prior year primarily due to an increase in the amount of special education funding from the state. Expenditures decreased by \$122,981, or 8.35%, compared to the prior year due to a decrease in salaries and benefits relating to staffing turnover.

COB High School Fund: The fund balance of the COB High School fund increased by \$242,980, or 52.86%, to a year end balance of \$702,633. This increase is due to a decrease in expenditures due to staffing turnover.

Debt Service Fund: The fund balance of the debt service fund increased by \$105,200, or 15.17%, to a year-end balance of \$798,626. This increase is due to higher revenues from property taxes than needed to cover annual debt service payments.

Capital Projects Fund: The fund balance of the capital projects fund increased by \$555,985, or 214.84%, to a year-end balance of \$814,780. This increase is due to higher revenues from local taxes, a transfer in of \$300,000, and no expenditures in the current year as the District is planning projects for the subsequent year.

**LINCOLN COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets:

At June 30, 2022, the District had \$15,722,594 (net) invested in a broad range of capital assets, including land and improvements, construction in progress, buildings and improvements, and equipment and \$72,923 in intangible assets. This amount represents a net decrease (including additions, disposals, and depreciation) of \$85,249 from the previous year.

The District uses capital assets to provide educational services to the students of Lincoln County and consequently these assets are not available for future spending.

This table reflects additions and disposals to capital assets for the governmental activities.

Governmental Activities:

	Balance June 30, 2021	Additions	Asset Transfer	Disposals	Balance June 30, 2022
Non-depreciable capital assets:					
Land	\$ 218,157	\$ -	\$ -	\$ -	\$ 218,157
Construction in progress	58,963	61,302	(110,265)	-	10,000
Total non-depreciable capital assets	<u>277,120</u>	<u>61,302</u>	<u>(110,265)</u>	<u>-</u>	<u>228,157</u>
Depreciable capital assets:					
Buildings and improvements	24,546,240	232,580	110,265	-	24,889,085
Equipment	5,030,490	354,953	-	55,934	5,329,509
Total depreciable capital assets	<u>29,576,730</u>	<u>587,533</u>	<u>110,265</u>	<u>55,934</u>	<u>30,218,594</u>
Less: Accumulated depreciation	<u>13,973,084</u>	<u>807,007</u>	<u>-</u>	<u>55,934</u>	<u>14,724,157</u>
Depreciable capital assets (net)	<u>15,603,646</u>	<u>(219,474)</u>	<u>110,265</u>	<u>-</u>	<u>15,494,437</u>
Total governmental activities capital assets (net)	<u>\$ 15,880,766</u>	<u>\$ (158,172)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,722,594</u>
GASB 87 Restatement					
	Balance June 30, 2021	Additions	Asset Transfer	Disposals	Balance June 30, 2022
Intangible assets	\$ 62,200	\$ 48,641	\$ -	\$ -	\$ 110,841
Less: Accumulated amortization	<u>20,188</u>	<u>17,730</u>	<u>-</u>	<u>-</u>	<u>37,918</u>
Total governmental activities intangible assets (net)	<u>\$ 42,012</u>	<u>\$ 30,911</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,923</u>

Buildings and improvements increased due to various projects including the paving, various school remodel projects, and various building projects. Equipment additions included technology, vehicles, maintenance equipment, and food service equipment. Construction in progress include the Findlay Family Gymnasium. Intangible assets are copiers purchased through lease financing.

Capital purchases in excess of \$3,000 are capitalized and included in the capital assets of the district. Additional information on the District's capital assets can be found in note D3 of this report.

**LINCOLN COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

Long-term Debt Obligations:

As of June 30, 2022, the District had \$17,839,724 in total long-term debt. The obligations consisted of:

	GASB 87		Net Reductions	Balance June 30, 2022	Due Within One Year
	Restatement				
	Balance July 1, 2021	Net Additions			
General obligation debt	\$ 3,240,800	\$ -	\$ 337,800	\$ 2,903,000	\$ 350,100
Plus premiums	4,936	-	835	4,101	-
Less discounts	(3,200)	-	(672)	(2,528)	-
Total bonds payable	3,242,536	-	337,963	2,904,573	350,100
Financed purchases	31,543	93,000	78,043	46,500	46,500
Lease obligation	43,321	48,641	17,088	74,874	21,899
Compensated absences	891,710	-	45,707	846,003	287,640
Net pension obligation	15,543,540	-	5,726,410	9,817,130	-
OPEB obligation	3,962,481	188,163	-	4,150,644	-
Total long-term liabilities	<u>\$23,715,131</u>	<u>\$ 329,804</u>	<u>\$ 6,205,211</u>	<u>\$ 17,839,724</u>	<u>\$ 706,139</u>

Additional information on the District's long-term debt can be found in note D6 of this report.

Per Nevada Revised Statute Chapter 387.400, the debt limitation for the District is equal to 15 percent of the assessed valuation of property, excluding motor vehicles. The debt limitation currently applicable at June 30, 2022, was \$45,605,724. The District has no credit rating.

BUDGETARY HIGHLIGHTS

Nevada Statutes and District regulations require that School Districts legally adopt budgets for all funds. Budgets are prepared in accordance with generally accepted accounting principles. Budgeted amounts reflected in the accompanying financial statements recognize amendments made during the year. The final appropriated budget is prepared by fund, program, and function. All appropriations lapse at year-end and encumbrances are re-appropriated in the ensuing fiscal year.

The Original Budget reflected in the General Fund was approved May 25, 2021. Budgeted appropriations were developed with certain major determinants remaining unknown, most important of which are the final certified enrollment and the prior year's ending fund balance. For this reason, the "Original" budget is approved and submitted based on future resolution of these unknown issues.

On December 8, 2021, the Board adopted the 2021-2022 Amended Budget making changes to the budget based on changes to the pupil centered funding plan projections and adjustments related to fund balances higher than anticipated to being the 2021-2022 year.

On June 28, 2022, the board adopted budget changes to reflect administration's best estimates and includes all transfers, additions, and deletions that have been approved through June 30, 2022.

Total actual expenditures for the General Fund during fiscal year 2022 were approximately \$53,730 higher than budgeted.

The actual General Fund balance of \$1,981,463 was \$1,205,036 higher than anticipated to begin the 2022-2023 year. This is reflected in the General Fund as unassigned fund balance.

**LINCOLN COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The District approved the budget for the 2022-2023 year on May 25, 2022. Factors presently known that will impact the 2022-2023 budget are as follows:

- Student enrollment is projected to increase 2.37%.
- Basic support per pupil is anticipated to decrease slightly.
- The property tax rates for the Debt Service Fund remained unchanged.
- The new funding formula adopted for Nevada, the Pupil-Centered Funding Plan (PCFP) that prioritizes funding based on student unique needs and circumstances will be adjusted quarterly based on pupil counts. Under the PCFP, property taxes collected for the District's General Fund are remitted to the State of Nevada and returned to school district based on the new funding formula. The property tax rate set by statutes for school districts throughout the state, remains unchanged.
- The federal government has passed several laws to address the economic and health impact of the COVID-19 pandemic, including the American Rescue Plan (ARP). The District continues to benefit from these programs, intended to help defray COVID related instruction impacts.

REQUESTS FOR INFORMATION

This financial report is designed to provide its users with a general overview of the Lincoln County School District's finances and to show the District's accountability for the money it receives. Any questions, comments, or requests for additional financial information should be addressed to:

Lincoln County School District -
Accounting Department
PO Box 118
Panaca, NV 89042

LINCOLN COUNTY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2022

	2022
Assets:	
Pooled cash and investments	\$ 6,846,811
Taxes receivable	4,151
Due from other governments	248,986
Capital assets net of accumulated depreciation	15,722,594
Intangible assets net of accumulated amortization	<u>72,923</u>
Total assets	<u>22,895,465</u>
Deferred outflows of resources:	
Deferred charge on refunding bonds	4,140
Deferred charge on OPEB	309,037
Deferred charge on pensions	<u>5,523,715</u>
Total deferred outflows of resources	<u>5,836,892</u>
Liabilities:	
Accounts payable	295,490
Accrued payroll	1,426,525
Unearned revenue	49,368
Interest payable	30,646
Noncurrent liabilities:	
Due within one year	706,139
Due in more than one year	<u>17,133,585</u>
Total liabilities	<u>19,641,753</u>
Deferred inflows of resources:	
Deferred charge on OPEB	338,388
Deferred charge on pensions	<u>9,176,835</u>
Total deferred inflows of resources	<u>9,515,223</u>
Net position:	
Net investment in capital assets	12,773,710
Restricted for:	
Debt service	798,626
Capital projects	902,372
Student groups	402,412
Food service	62,219
Unemployment	48,558
Unrestricted	<u>(15,412,516)</u>
Total net position (deficit)	<u>\$ (424,619)</u>

The notes to the financial statements are an integral part of this statement.

**LINCOLN COUNTY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net(Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental Activities:					
Instruction:					
Regular instruction	\$ (5,304,191)	\$ -	\$ 653,815	\$ -	\$ (4,650,376)
Special instruction	(1,624,608)	-	377,255	-	(1,247,353)
Vocational instruction	(794,596)	-	70,746	-	(723,850)
Adult instruction	(246,466)	-	243,448	-	(3,018)
Other instructional	(110,261)	-	-	-	(110,261)
Co-curricular and extra-curricular	(780,119)	-	-	-	(780,119)
Total instruction	<u>(8,860,241)</u>	<u>-</u>	<u>1,345,264</u>	<u>-</u>	<u>(7,514,977)</u>
Support services:					
Student support	(322,503)	-	43,099	-	(279,404)
Instructional staff support	(167,887)	-	179,583	-	11,696
Food service	(425,205)	4,271	565,713	20,826	165,605
General administration	(2,125,116)	-	365,726	-	(1,759,390)
School administration	(1,611,490)	-	-	-	(1,611,490)
Operating/maintenance plant svc	(1,285,381)	-	33,220	-	(1,252,161)
Student transportation	(489,495)	-	7,163	-	(482,332)
Interest on long-term debt	(147,484)	-	-	-	(147,484)
Total support services	<u>(6,574,561)</u>	<u>4,271</u>	<u>1,194,504</u>	<u>20,826</u>	<u>(5,354,960)</u>
Total governmental activities	<u>\$ (15,434,802)</u>	<u>\$ 4,271</u>	<u>\$ 2,539,768</u>	<u>\$ 20,826</u>	<u>(12,869,937)</u>
General revenues:					
Taxes:		Taxes:			
Property taxes levied for debt services					569,673
Local school support tax					139,256
Governmental services tax					114,857
State aid not restricted for specific purposes					14,532,674
Federal aid not restricted for specific purposes					133,792
Investment income (loss)					(8,963)
Other local sources					<u>523,755</u>
Total general revenues					<u>16,005,044</u>
Changes in net position					<u>3,135,107</u>
Net position - beginning (deficit)					(3,558,417)
Cumulative effect of a change in accounting principle (Note E-7)					<u>(1,309)</u>
Net position - beginning as restated					<u>(3,559,726)</u>
Net position - ending (deficit)					<u>\$ (424,619)</u>

The notes to the financial statements are an integral part of this statement.

**LINCOLN COUNTY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2022**

	Major Funds			
	General Fund	Special Education	COB High School	Debt Service
Assets:				
Pooled cash and investments	\$ 3,221,745	\$ 455,719	\$ 788,637	\$ 766,408
Taxes receivable	-	-	-	4,151
Due from other funds	48,359	-	-	-
Due from other governments	14,653	-	-	36,503
Total assets	<u>\$ 3,284,757</u>	<u>\$ 455,719</u>	<u>\$ 788,637</u>	<u>\$ 807,062</u>
Liabilities:				
Accounts payable	\$ 268,203	\$ 195	\$ 1,137	\$ -
Accrued payroll	1,035,091	188,069	84,867	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	5,100
Total liabilities	<u>1,303,294</u>	<u>188,264</u>	<u>86,004</u>	<u>5,100</u>
Deferred inflows of resources:				
Unavailable revenue-property taxes	-	-	-	3,336
Fund Balances				
Restricted for:				
Debt service	-	-	-	798,626
Capital projects	-	-	-	-
Student groups	-	-	-	-
Food service	-	-	-	-
Committed for:				
COB High School	-	-	702,633	-
Special education	-	267,455	-	-
Food service	-	-	-	-
Assigned for:				
Subsequent year	776,427	-	-	-
Unassigned	1,205,036	-	-	-
Total fund balance	<u>1,981,463</u>	<u>267,455</u>	<u>702,633</u>	<u>798,626</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,284,757</u>	<u>\$ 455,719</u>	<u>\$ 788,637</u>	<u>\$ 807,062</u>

The notes to the financial statements are an integral part of this statement.

Major Fund

Capital Projects	Total Nonmajor Funds	Total Governmental Funds
\$ 782,282	\$ 783,462	\$ 6,798,253
-	-	4,151
-	5,100	53,459
<u>33,583</u>	<u>164,247</u>	<u>248,986</u>
<u>\$ 815,865</u>	<u>\$ 952,809</u>	<u>\$ 7,104,849</u>
\$ 1,085	\$ 24,870	\$ 295,490
-	118,498	1,426,525
-	49,368	49,368
-	<u>48,359</u>	<u>53,459</u>
<u>1,085</u>	<u>241,095</u>	<u>1,824,842</u>
-	-	<u>3,336</u>
-	-	798,626
814,780	87,592	902,372
-	402,412	402,412
-	62,219	62,219
-	-	702,633
-	-	267,455
-	159,491	159,491
-	-	776,427
-	-	<u>1,205,036</u>
<u>814,780</u>	<u>711,714</u>	<u>5,276,671</u>
<u>\$ 815,865</u>	<u>\$ 952,809</u>	<u>\$ 7,104,849</u>

LINCOLN COUNTY SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Total fund balance - governmental funds	\$ 5,276,671
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets, net of the related depreciation, are not reported in the governmental funds financial statements because they are not current financial resources, but they are reported in the Statement of Net Position.	15,722,594
Intangible assets, net of the related amortization, are not reported in the governmental funds financial statements because they are not current financial resources, but they are reported in the Statement of Net Position.	72,923
Other long-term assets which are not available to pay for current period expenditures and, therefore, are deferred in the funds.	3,336
Certain liabilities (such as bonds payable, capital lease payable, and compensated absences) are not reported in the Governmental Funds financial statements because they are not due and payable, but they are presented as liabilities in the Statement of Net Position.	(3,902,596)
Deferred outflows and inflows of resources related to deferred charges or credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.	4,140
Assets and liabilities of the District's Unemployment Internal Service Fund are not reported in the Governmental Funds financial statements because they are presented on a different accounting basis, but they are presented as assets and liabilities in the Statement of Net Position.	48,558
The District's other post-employment benefits liabilities as well as other post-employment benefits-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:	
Deferred outflows from other post-employment benefits.	309,037
Total other post-employment benefits liability.	(4,150,644)
Deferred inflows from other post-employment benefits.	(338,388)
The District's proportionate share of net pension assets and liabilities as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:	
Deferred outflows from pension activity.	5,523,715
Net pension liability.	(9,817,130)
Deferred inflows from pension activity.	(9,176,835)
Total net position - governmental activities	\$ <u>(424,619)</u>

The notes to the financial statements are an integral part of this statement.

**LINCOLN COUNTY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022**

	Major Funds			
	General Fund	Special Education	COB High School	Debt Service
Revenues:				
Local sources	\$ 3,677	\$ -	\$ 321,760	\$ 558,062
State sources	12,878,015	1,233,363	-	-
Federal sources	102,137	-	-	31,655
Total revenues	<u>12,983,829</u>	<u>1,233,363</u>	<u>321,760</u>	<u>589,717</u>
Expenditures:				
Current:				
Regular programs	4,714,504	-	433,228	-
Special programs	-	1,349,922	-	-
Vocational programs	699,265	-	103,250	-
Other instructional programs	-	-	-	-
Co-curricular activities	221,362	-	5,037	-
Adult education	-	-	-	-
Undistributed expenditures	5,858,996	-	265,125	-
Debt service:				
Principal	95,131	-	-	337,800
Interest	2,504	-	-	146,717
Total expenditures	<u>11,591,762</u>	<u>1,349,922</u>	<u>806,640</u>	<u>484,517</u>
Excess (deficiency) of revenues over expenditures	<u>1,392,067</u>	<u>(116,559)</u>	<u>(484,880)</u>	<u>105,200</u>
Other financing sources (uses):				
Financed purchases proceeds	93,000	-	-	-
Lease financing proceeds	48,641	-	-	-
Operating transfers in	-	-	727,860	-
Operating transfers out	(1,082,860)	-	-	-
Total other financing sources (uses)	<u>(941,219)</u>	<u>-</u>	<u>727,860</u>	<u>-</u>
Net changes in fund balances	450,848	(116,559)	242,980	105,200
Fund balances (deficit):				
Beginning of year	<u>1,530,615</u>	<u>384,014</u>	<u>459,653</u>	<u>693,426</u>
End of year	<u>\$ 1,981,463</u>	<u>\$ 267,455</u>	<u>\$ 702,633</u>	<u>\$ 798,626</u>

The notes to the financial statements are an integral part of this statement.

Major Fund		
Capital Projects	Total Nonmajor Funds	Total Governmental Funds
\$ 255,985	\$ 535,507	\$ 1,674,991
-	638,012	14,749,390
-	2,022,118	2,155,910
<u>255,985</u>	<u>3,195,637</u>	<u>18,580,291</u>
-	653,815	5,801,547
-	377,255	1,727,177
-	70,746	873,261
-	99,536	99,536
-	553,763	780,162
-	243,448	243,448
-	1,081,833	7,205,954
-	-	432,931
-	-	149,221
-	<u>3,080,396</u>	<u>17,313,237</u>
<u>255,985</u>	<u>115,241</u>	<u>1,267,054</u>
-	-	93,000
-	-	48,641
300,000	40,000	1,067,860
-	-	(1,082,860)
<u>300,000</u>	<u>40,000</u>	<u>126,641</u>
555,985	155,241	1,393,695
<u>258,795</u>	<u>556,473</u>	<u>3,882,976</u>
<u>\$ 814,780</u>	<u>\$ 711,714</u>	<u>\$ 5,276,671</u>

**LINCOLN COUNTY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

Net Change in Fund Balances - Governmental Funds	\$ 1,393,695
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays to purchase or build capital assets are reported in Governmental Funds financial statements as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over the estimated useful lives as annual depreciation expenses in the Statement of Activities.	(158,172)
Capital outlays to purchase intangible assets are reported in Governmental Funds financial statements as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over the estimated useful lives as annual amortization expenses in the Statement of Activities.	30,911
Property taxes that are collected in the time to pay obligations of the current period are reported as revenue in the fund statements. However, amounts that related to prior periods that first become available in the current period should not be reported as revenue in the Statement of Activities.	(10,382)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the 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 issuance costs, premiums, discounts, and other similar items 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 in long-term debt and related items.	289,818
The net income of the District's Unemployment Internal Service Fund is not reported in this fund financial statement because they are presented on a different accounting basis (in the proprietary fund financial statements), but they are presented in the Statement of Activities.	15,000
Generally, expenditures recognized in the fund financial statements are limited to only those that use current financial resources, but expenses are recognized in the Statement of Activities when incurred.	48,916
Net differences between other post-employment benefits contributions recognized in the fund statement of revenues, expenditures, and changes in fund balances and the statement of activities:	
Other post-employment benefits contributions made after measurement date (2022 contributions).	213,532
Net other post-employment benefit income/(expense).	(209,319)
Net differences between pension system contributions recognized in the fund statement of revenues, expenditures, and changes in fund balances and the statement of activities:	
Pension contributions made after measurement date (2022 contributions).	1,104,009
Net pension income/(expense).	417,099
Change in net position of governmental activities	<u>\$ 3,135,107</u>

The notes to the financial statements are an integral part of this statement.

LINCOLN COUNTY SCHOOL DISTRICT
MAJOR FUND-GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance-With
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Local sources:				
Ad valorem taxes	\$ 1,941,125	\$ -	\$ -	\$ -
Local school support taxes	521,703	-	-	-
Governmental service tax	375,177	-	-	-
Investment income (loss)	100	100	584	484
Rent	100	100	-	(100)
Other income	10,000	10,000	3,093	(6,907)
Total local sources	<u>2,848,205</u>	<u>10,200</u>	<u>3,677</u>	<u>(6,523)</u>
State sources:				
PCFP - Adjusted base funding (formally DSA)	8,915,748	10,922,338	11,782,500	860,162
PCFP - Auxiliary services - transportation	-	767,796	767,800	4
Food service revenue	-	63,515	-	(63,515)
Local special education	-	-	327,715	327,715
Total state sources	<u>8,915,748</u>	<u>11,753,649</u>	<u>12,878,015</u>	<u>1,124,366</u>
Federal sources:				
National forest	-	-	14,653	14,653
E-Rate	60,000	60,000	87,484	27,484
Total federal sources	<u>60,000</u>	<u>60,000</u>	<u>102,137</u>	<u>42,137</u>
Total revenues	<u>11,823,953</u>	<u>11,823,849</u>	<u>12,983,829</u>	<u>1,159,980</u>
Expenditures:				
Current:				
Regular programs:				
Instruction:				
Salaries	3,275,382	3,175,382	3,143,892	31,490
Benefits	1,509,567	1,521,327	1,457,847	63,480
Purchased services	5,000	5,300	5,002	298
Supplies	150,000	115,307	103,367	11,940
Property	20,000	4,620	4,396	224
Total regular programs	<u>4,959,949</u>	<u>4,821,936</u>	<u>4,714,504</u>	<u>107,432</u>

The notes to the financial statements are an integral part of this statement.

**LINCOLN COUNTY SCHOOL DISTRICT
MAJOR FUND-GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance-With Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
Vocational programs:				
Instruction:				
Salaries	\$ 523,900	\$ 453,900	\$ 453,071	\$ 829
Benefits	238,000	232,000	224,063	7,937
Purchased services	2,689	-	-	-
Supplies	28,000	23,396	22,131	1,265
Total vocational programs	<u>792,589</u>	<u>709,296</u>	<u>699,265</u>	<u>10,031</u>
Co-curricular and extra curricular activities:				
Co-curricular activities:				
Instruction:				
Purchased services	1,000	286	286	-
Supplies	1,000	150	70	80
Total co-curricular activities	<u>2,000</u>	<u>436</u>	<u>356</u>	<u>80</u>
Athletics:				
Instruction:				
Salaries	80,000	85,000	84,785	215
Benefits	15,000	8,006	7,274	732
Purchased services	98,803	124,740	95,825	28,915
Supplies	40,000	31,075	30,446	629
Other	3,000	3,140	2,676	464
Total athletics	<u>236,803</u>	<u>251,961</u>	<u>221,006</u>	<u>30,955</u>
Total co-curricular and extra curricular activities	<u>238,803</u>	<u>252,397</u>	<u>221,362</u>	<u>31,035</u>

The notes to the financial statements are an integral part of this statement.

**LINCOLN COUNTY SCHOOL DISTRICT
MAJOR FUND-GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance-With Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
Undistributed expenditures:				
Student support:				
Salaries	\$ 160,000	\$ 205,066	\$ 205,065	\$ 1
Benefits	105,000	100,142	98,237	1,905
Purchased services	500	-	-	-
Supplies	1,000	464	463	1
Total student support	<u>266,500</u>	<u>305,672</u>	<u>303,765</u>	<u>1,907</u>
Instruction staff support:				
Supplies	<u>6,375</u>	<u>4,696</u>	<u>4,695</u>	<u>1</u>
General administration:				
Salaries	435,885	456,403	456,204	199
Benefits	310,000	366,715	335,080	31,635
Purchased services	50,000	771,743	754,077	17,666
Supplies	50,000	294,777	252,693	42,084
Property	80,000	28,819	48,641	(19,822)
Other	40,000	15,000	11,808	3,192
Total general administration	<u>965,885</u>	<u>1,933,457</u>	<u>1,858,503</u>	<u>74,954</u>
School administration:				
Salaries	1,133,264	960,183	982,907	(22,724)
Benefits	508,000	479,596	472,528	7,068
Purchased services	60,000	48,799	40,814	7,985
Supplies	70,000	77,790	59,842	17,948
Other	1,872	1,872	-	1,872
Total school administration	<u>1,773,136</u>	<u>1,568,240</u>	<u>1,556,091</u>	<u>12,149</u>
Operating/maintenance plant svc:				
Salaries	525,000	523,000	521,109	1,891
Benefits	269,000	271,005	261,844	9,161
Purchased services	50,000	150,250	112,749	37,501
Supplies	50,000	364,455	330,617	33,838
Property	20,000	14,156	324,607	(310,451)
Total operating/maintenance plant svc	<u>914,000</u>	<u>1,322,866</u>	<u>1,550,926</u>	<u>(228,060)</u>

The notes to the financial statements are an integral part of this statement.

**LINCOLN COUNTY SCHOOL DISTRICT
MAJOR FUND-GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance-With
	Original	Final		Final Budget Positive (Negative)
Expenditures (continued):				
Undistributed expenditures (continued):				
Student transportation:				
Salaries	\$ 226,644	\$ 201,480	\$ 201,472	\$ 8
Benefits	125,666	94,466	89,121	5,345
Purchased services	25,000	29,976	23,112	6,864
Supplies	20,000	186,000	178,311	7,689
Property	30,000	82,550	93,000	(10,450)
Other	10,000	-	-	-
Total student transportation	<u>437,310</u>	<u>594,472</u>	<u>585,016</u>	<u>9,456</u>
Total undistributed expenditures	<u>4,363,206</u>	<u>5,729,403</u>	<u>5,858,996</u>	<u>(129,593)</u>
Debt service:				
Principal	-	-	95,131	(95,131)
Interest	-	-	2,504	(2,504)
Total debt service	<u>-</u>	<u>-</u>	<u>97,635</u>	<u>(97,635)</u>
Contingency	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total expenditures	<u>10,379,547</u>	<u>11,538,032</u>	<u>11,591,762</u>	<u>(53,730)</u>
Excess (deficiency) of revenues over expenditures	<u>1,444,406</u>	<u>285,817</u>	<u>1,392,067</u>	<u>1,106,250</u>
Other financing sources (uses):				
Financed purchases proceeds	-	-	93,000	93,000
Lease financing proceeds	-	-	48,641	48,641
Operating transfers in	-	100,000	-	(100,000)
Operating transfers out	<u>(1,302,860)</u>	<u>(1,152,860)</u>	<u>(1,082,860)</u>	<u>70,000</u>
Total other financing sources (uses)	<u>(1,302,860)</u>	<u>(1,052,860)</u>	<u>(941,219)</u>	<u>111,641</u>
Net change in fund balance	141,546	(767,043)	450,848	1,217,891
Fund balance:				
Beginning of year	<u>663,384</u>	<u>1,530,615</u>	<u>1,530,615</u>	<u>-</u>
End of year	<u>\$ 804,930</u>	<u>\$ 763,572</u>	<u>\$ 1,981,463</u>	<u>\$ 1,217,891</u>

The notes to the financial statements are an integral part of this statement.

**LINCOLN COUNTY SCHOOL DISTRICT
MAJOR-SPECIAL EDUCATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance-With
	Original	Final		Final Budget Positive (Negative)
Revenues:				
State sources:				
Special education (formally distributive school)	\$ 1,277,814	\$ 1,533,963	\$ 1,206,283	\$ (327,680)
Special education above 13%	-	-	27,080	-
Total revenue	<u>1,277,814</u>	<u>1,533,963</u>	<u>1,233,363</u>	<u>(327,680)</u>
Expenditures:				
Current:				
Special programs:				
Instruction:				
Salaries	769,050	755,166	791,996	(36,830)
Benefits	407,000	426,525	438,818	(12,293)
Purchased services	115,000	109,682	101,447	8,235
Supplies	8,000	13,718	12,859	859
Property	-	4,805	4,802	3
Total expenditures	<u>1,299,050</u>	<u>1,309,896</u>	<u>1,349,922</u>	<u>(40,026)</u>
Excess (deficiency) of revenues over expenditures	(21,236)	224,067	(116,559)	(367,706)
Other financing sources (uses):				
Operating transfers in	<u>100,000</u>	-	-	-
Net change in fund balances	78,764	224,067	(116,559)	(367,706)
Fund balance:				
Beginning of year	<u>315,164</u>	<u>315,164</u>	<u>384,014</u>	<u>68,850</u>
End of year	<u>\$ 393,928</u>	<u>\$ 539,231</u>	<u>\$ 267,455</u>	<u>\$ (298,856)</u>

The notes to the financial statements are an integral part of this statement.

**LINCOLN COUNTY SCHOOL DISTRICT
MAJOR FUND-COB HIGH SCHOOL SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance-With
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Local Sources:				
Tuition	\$ 321,760	\$ 321,760	\$ 321,760	\$ -
Expenditures:				
Current:				
Regular programs:				
Instruction:				
Salaries	326,954	330,069	278,631	51,438
Benefits	160,617	163,394	133,907	29,487
Purchased services	500	500	-	500
Supplies	34,000	44,000	10,967	33,033
Property	10,000	20,000	9,723	10,277
Total regular programs	<u>532,071</u>	<u>557,963</u>	<u>433,228</u>	<u>124,735</u>
Vocational programs:				
Instruction:				
Salaries	65,877	68,392	68,391	1
Benefits	33,008	33,479	31,533	1,946
Purchased services	1,500	1,500	100	1,400
Supplies	20,500	23,499	3,226	20,273
Total vocational programs	<u>120,885</u>	<u>126,870</u>	<u>103,250</u>	<u>23,620</u>
Co-curricular and extra curricular activities:				
Athletics:				
Instruction:				
Salaries	-	82,319	-	82,319
Benefits	-	1,914	-	1,914
Supplies	1,000	2,500	2,329	171
Property	2,000	5,500	2,708	2,792
Total co-curricular and extra curricular activities	<u>3,000</u>	<u>92,233</u>	<u>5,037</u>	<u>87,196</u>

The notes to the financial statements are an integral part of this statement.

LINCOLN COUNTY SCHOOL DISTRICT
MAJOR FUND-COB HIGH SCHOOL SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance-With Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
Undistributed expenditures:				
General administration:				
Supplies	\$ 250	\$ 250	\$ -	\$ 250
School administration:				
Salaries	111,206	151,428	117,868	33,560
Benefits	110,538	71,890	55,687	16,203
Purchased services	11,000	117,370	12,100	105,270
Supplies	22,500	19,500	5,635	13,865
Property	5,000	15,500	-	15,500
Total school administration	<u>260,244</u>	<u>375,688</u>	<u>191,290</u>	<u>184,398</u>
Operating/maintenance plant svc:				
Salaries	44,029	44,029	44,029	-
Benefits	24,930	25,276	22,236	3,040
Supplies	11,000	11,000	7,570	3,430
Property	2,500	2,500	-	2,500
Total operating/maintenance	<u>82,459</u>	<u>82,805</u>	<u>73,835</u>	<u>8,970</u>
Total undistributed expenditures	<u>342,953</u>	<u>458,743</u>	<u>265,125</u>	<u>193,618</u>
Total expenditures	<u>998,909</u>	<u>1,235,809</u>	<u>806,640</u>	<u>429,169</u>
Excess (deficiency) of revenues over expenditures	(677,149)	(914,049)	(484,880)	429,169
Other financing sources (uses):				
Operating transfers in	<u>727,860</u>	<u>727,860</u>	<u>727,860</u>	<u>-</u>
Net change in fund balance	50,711	(186,189)	242,980	429,169
Fund balance:				
Beginning of year	<u>-</u>	<u>459,653</u>	<u>459,653</u>	<u>-</u>
End of year	<u>\$ 50,711</u>	<u>\$ 273,464</u>	<u>\$ 702,633</u>	<u>\$ 429,169</u>

The notes to the financial statements are an integral part of this statement.

**LINCOLN COUNTY SCHOOL DISTRICT
PROPRIETARY FUND
INTERNAL SERVICE FUND
STATEMENT OF NET POSITION
JUNE 30, 2022**

2022

Assets:

Pooled cash and investments	\$ 48,558
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Liabilities:

Accounts payable	<u> -</u>
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Net position:

Restricted	<u><u>\$ 48,558</u></u>
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The notes to the financial statements are an integral part of this statement.

**LINCOLN COUNTY SCHOOL DISTRICT
 PROPRIETARY FUND
 INTERNAL SERVICE FUND
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2022**

	2022
<hr/>	
Operating revenues:	
Insurance premiums	\$ -
Operating expenses:	
Benefits	<u>-</u>
Operating income	-
Transfers in:	<u>15,000</u>
Change in net position	15,000
Net position:	
Beginning of year	<u>33,558</u>
End of year	<u>\$ 48,558</u>

The notes to the financial statements are an integral part of this statement.

**LINCOLN COUNTY SCHOOL DISTRICT
PROPRIETARY FUND
INTERNAL SERVICE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022**

2022

Cash flows from operating activities:

Cash paid for benefits	\$ -
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Cash flows from non-capital financing activities:

Transfer in	<u>15,000</u>
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Net increase cash and cash equivalents	15,000
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Cash and cash equivalents:

Beginning of year	<u>33,558</u>
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End of year	<u>\$ 48,558</u>
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Reconciliation of operating (loss) to net cash (used) by operating activities:

Operating income	\$ -
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Adjustments to reconcile operating (loss) to net cash (used) by operating activities:

Increase (decrease) in accounts payable	<u>-</u>
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Net cash (used) by operating activities	<u>\$ -</u>
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The notes to the financial statements are an integral part of this statement.

**LINCOLN COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting Entity

The accompanying financial statements include all of the activities that comprise the financial reporting entity of the Lincoln County School District (“District”). The District is governed by an elected, five-member, Board of School Trustees (“Board”). The Board is legally separate and fiscally independent from other governing bodies; therefore, the District is a primary government and the District is not reported as a component unit by any other governmental unit. The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles.

A summary of the District’s significant accounting policies follows.

2. Basic Financial Statements

The District’s basic financial statements consist of the government-wide statements and the fund financial statements. The government-wide statements include a Statement of Net Position and a Statement of Activities and the fund financial statements include financial information for the two fund types: governmental and proprietary. Reconciliations between the fund statements, the Statement of Net Position, and the Statement of Activities are also included along with statements of revenues, expenditures and changes in fund balances that show an original to final budget comparison for the District’s General Fund and its major special revenue funds the Special Education Fund and COB High School Fund.

3. Government-Wide Financial Statements

The government-wide financial statements are made up of the Statement of Net Position and the Statement of Activities. These statements include the aggregated financial information of the District as a whole, except for fiduciary activity. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. As a general rule, the effect of interfund activity has been removed from these statements.

The Statement of Net Position presents the consolidated financial position of the District at year-end.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or program are offset by program revenues. Direct expenses are those that are specifically associated with a program or service and are, therefore, clearly identifiable to a particular function. Program revenues include operating grants and contributions and investment earnings legally restricted to support a specific program. Taxes and other revenues not included among program revenues are reported instead as general revenues. This statement provides a net cost or net revenue of specific programs and functions within the District. Those functions with a net cost are generally dependent on general-purpose tax revenues, such as property tax, to remain operational.

4. Fund Financial Statements

The financial accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts comprised of assets, liabilities, deferred outflows and inflows, fund equity, revenues, and expenditures or expenses, as appropriate. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements.

The presentation emphasis in the fund financial statements is on major funds, for both governmental and enterprise funds. Major funds are determined based on minimum criteria set forth in Governmental Accounting Standards Board Statement Number 34. Major individual governmental funds and major individual enterprise funds are required to be reported in separate columns on the fund financial statements. However, currently the District has no enterprise funds. The District may also display other funds as major funds if it believes the presentation will provide useful information to the users of the financial statements.

LINCOLN COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Measurement Focus, Basis of Accounting, and Basis of Presentation

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

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. Gross receipts and sales taxes are considered “measurable” when in the hands of intermediary collecting governments and are then recognized as revenue. The government considers revenues to be “available” if they are collected within 60 days of the end of the current fiscal period. Anticipated refunds of taxes are recorded as liabilities and reductions of revenue when they are measurable, and the payment seems certain. In general, expenditures are recorded when liabilities are incurred. The exception to this rule is that principal and interest on debt service, as well as liabilities related to compensated absences and claims and judgments, are recorded when payment is due.

The major revenue sources of the District include pupil center funding plan revenues, local school support taxes, governmental services tax, and ad valorem taxes (property taxes).

All of the District’s major funds are governmental funds. The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all resources and cost of operations traditionally associated with governments, which are not required to be accounted for in other funds.

Special Education Special Revenue Fund - The Special Education Fund is used to account for the costs of education of children with needs.

COB High School Special Revenue Fund - The COB High School Fund is used to account for resources and costs of operations for COB High School.

Debt Service Fund - The Debt Service Fund is used to account for the collection of revenues, payment of principal and interest, and the cost of operations associated with debt service for general obligation debt.

Capital Projects Fund - The Capital Projects Fund is used to account for tax collection for construction and maintenance of school facilities.

Additionally, the District reports the following fund type:

Proprietary Fund

Internal Service Funds - Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the District on a cost reimbursement basis. Currently, there is one Internal Service Fund.

Unemployment Compensation Fund - The Unemployment Compensation Fund is used to account for the unemployment claims paid by the District.

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

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 Unemployment Compensation Fund are insurance premiums. Operating expenses for the Internal Service Fund include claims and administrative costs. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

LINCOLN COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Pooled Cash and Investments

Cash includes cash deposited in interest-bearing accounts at banks and cash in custody of fiscal agents. Investments consist of an investment in the State of Nevada Investment Pool. Investments are stated at fair value on the balance sheet. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale. All investments of the District are reported at fair value as of June 30, 2022. Changes in the fair value of District investments are part of investment income that is included in revenues from local sources (**See Note D1**).

Nevada Revised Statutes authorize the District to invest in:

- a. Obligations of the U.S. Treasury and U.S. Agencies in which the maturity dates do not extend more than 10 years from the date of purchase.
- b. Negotiable certificates of deposit issued by commercial banks or insured savings and loan associations (those over \$250,000 must be fully collateralized).
- c. Negotiable notes or short-term negotiable bonds issued by local governments within Nevada.
- d. Eligible bankers' acceptances that do not exceed 180 days maturity and do not exceed 20 percent of the investment portfolio.
- e. Commercial paper with a rating of A-1 or P-1 that does not exceed 270 days maturity and does not exceed 25 percent of the portfolio.
- f. The State of Nevada's Local Government Investment Pool.
- g. Repurchase agreements that are collateralized at 102 percent at the repurchase price and do not exceed 90 days maturity. Securities used for collateral must meet the criteria listed above.
- h. Money market mutual funds which are rated as "AAA" or its equivalent and invest only in securities issued by the Federal Government, U.S. Agencies, or repurchase agreements fully collateralized by such securities.
- i. Obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, or obligations publicly issued in the United States by a foreign financial entity registered with the Securities and Exchange Commission, denominated in dollars with a maturity of 5 years or less with a rating of "AA" or better.

The District has not adopted a formal investment and depository policy that further limits allowable investments and deposits.

7. Cash and Cash Equivalents

The District's cash and cash equivalents in both governmental and proprietary fund types are considered to be cash on hand, demand deposits, non-negotiable certificates of deposit, and short-term investments with original maturities of three months or less from the date of acquisition.

8. Property Taxes Receivable

Taxes on real property are levied in July of each year and are due in July. They can be paid in quarterly installments in August, October, January, and March. In the event of nonpayment, the County Treasurer is authorized to hold the property for two years, subject to redemption upon payment of taxes, penalties, and costs, together with interest at the rate of 10 percent per year from the date the taxes were due until paid. If delinquent taxes are not paid within the two-year redemption period, the County Treasurer obtains a deed to the property free of all encumbrances. Upon receipt of a deed, the County Treasurer may sell the property to satisfy the tax lien.

LINCOLN COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Property Taxes Receivable (Continued)

Article X, Section 2, of the Constitution of the State of Nevada limits the total taxes levied by all overlapping governmental units within the boundaries of any County to an amount not to exceed \$5 per \$100 of assessed valuation of the property being taxed. The Nevada Legislature enacted provisions whereby the combined overlapping tax rate was limited to \$3.64 per \$100 of assessed valuation. The Nevada legislature passed a property tax abatement law in 2005 that generally caps increases in property tax on owner-occupied residential property to 3% and 8 % per year for all other property (See Notes D2 and D8).

Under the new Pupil-Centered Funding Plan property taxes collected for the General Fund are remitted to the State of Nevada and returned to school districts under the new funding formula. Therefore, the District no longer shows property taxes revenues or receivable.

9. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when purchased rather than when consumed. The government-wide financial statements record inventory items as an expense when consumed. There were no material inventories at June 30, 2022.

Payments to vendors that will benefit periods beyond June 30, 2022, are recorded as expenditures in the fund financial statements. They are recorded as prepaid items in the government-wide financial statements. There were no material prepaid items at June 30, 2022.

10. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$3,000 and an estimated useful life in excess of one year. If purchased or constructed, all capital assets are recorded at historical cost or estimated historical cost and updated for additions and retirements during the year. Donated capital assets are valued at their estimated fair value as of the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

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

<u>Capital Asset</u>	<u>Years</u>
Buildings	50
Building/Land Improvements	20-30
Vehicles/Buses	5-10
Equipment	5-20

11. Intangible Lease Assets

Intangible lease assets are reported at the present value of remaining future lease payments to be made during the lease term. The discount rate utilized is either the interest rate implicit within the lease agreement, or if not readily determinable, the District's estimated incremental borrowing rate. These intangible lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset. Capitalization thresholds are the same threshold for capital assets noted above.

12. Accrued Salaries and Benefits

District salaries earned but not paid by June 30, 2022, have been accrued as liabilities and shown as expenditures for the year ending June 30, 2022.

13. Early Retirement Benefits

It was the Board policy to purchase two (2) years of retirement for administrators who have successfully completed 10+ years of full-time administrative service with Lincoln County School District or 20 or more years of full-time service as a combined teacher or administrator in the District. This policy was eliminated.

It was the Board policy to purchase two (2) years of retirement for employees who have successfully completed twenty plus (20+) years of service with the District. No purchased years shall apply to any year beyond thirty (30) years. This policy was eliminated.

LINCOLN COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts as well as deferred losses and gains, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenditures during the current period. Deferred charges related to the refunding of debt are reported as a deferred outflow of resources. They are amortized over the term of the related debt.

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

15. Compensated Absences

Teachers and certain hourly employees do not receive vacation leave. For other District employees, vacation leave is earned at rates dependent on length of employment and can be accumulated to a contractually specified maximum number of days. Employees are allowed to accumulate sick leave for future use. The District pays limited accumulated sick leave to certain employees upon termination.

Vacation leave and sick leave included in accrued salaries and benefits and recorded as expenditures in governmental fund types is the amount normally liquidated from “available spendable resources.” In governmental funds, the current portion of compensated absences is recorded as a payroll expenditure. The estimated long-term liability for compensated absences is accounted for in the government-wide financial statements.

16. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one type of this item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

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 the Public Employees’ Retirement System of Nevada (PERS) and additions to/deductions from PERS’s fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For purposes of measuring the total other post-employment benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Public Employees’ Benefit Plan of Nevada (PEBP) and Lincoln County School District Health Care Plan (LCHCP) and additions to/deductions from PEBP’s and LCHCP’s fiduciary net position have been determined on the same basis as they are reported by PEBP and LCHCP. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments, if any, are reported at fair value.

LINCOLN COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

17. Governmental Fund Balances

(1) Nonspendable

These items are legally or contractually required to be maintained intact and are not in a spendable form, such as inventories and prepaids.

(2) Restricted

These amounts are constrained to being used for specific purposes by state or federal laws, or externally imposed conditions by grantors or creditors.

(3) Committed

These amounts can only be used for specific purposes as set forth by the Board of Trustees. The Board must take formal action (vote approval by the majority), in order to establish an ending fund balance commitment for any specific purpose. Formal Board action is also required to modify or rescind an established commitment. To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest-level action to remove or change the constraint.

(4) Assigned

Assignments are neither restrictions nor commitments and represent the District's intent to use funds for a specific purpose. These assignments, however, are not legally binding and are meant to reflect intended future use of the District's ending fund balance. Intent can be expressed by the Board of Trustees or by an official to which the Board of Trustees delegates the authority.

(5) Unassigned

The residual classification for the General Fund that is available to spend. The District has not adopted a formal policy setting forth minimum fund balances.

18. Net Position

The government-wide statements, net position on the Statement of Net Position includes the following:

(1) Net Investment in Capital Assets

This is the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction, or improvement of those assets.

(2) Restricted Net Position

This is the component of net position that reports the constraints placed on the use of assets by either external parties and/or enabling legislation.

(a)	NRS 350.020	Debt Service	\$ 798,626
(b)	NRS 387.328	Capital Projects	\$ 814,780
(c)	NRS 387.177	Building and Sites	\$ 47,236
(d)	NRS 354.6113	Bond	\$ 40,356
(e)		Unemployment	\$ 48,558
(f)		Student Groups	\$ 402,412
(g)		Food Service	\$ 62,219

(3) Unrestricted

This is the component of net position that is the difference between the assets, deferred outflows, liabilities, and deferred inflows not reported in invested in capital assets, net of related debt and restricted net position.

(4) Negative Net Position

Governmental Accounting Standards require employers to record their proportionate share of the fiduciary net pension liability on the District's Statement of Net Position. The effect of this results in negative unrestricted net position. The District makes contributions to the Public Employees' Retirement System on behalf of its employees. Statute indicates the District has no requirement to pay for the District's share of the unfunded liability.

LINCOLN COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

19. Use of Restricted Resources

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Board's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the Board's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

20. Use of Estimates

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

21. Comparative Data

Comparative total data for the prior year has been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

22. Revenue Line-Item Titles

Local sources are monies generated from local school support (sales tax), ad valorem (property taxes), governmental services tax, tuition, investment income and other local sources.

State sources are revenues paid by the State of Nevada to the District and state grants.

Federal sources are grants received from the Federal Government mostly for specific educational and food service programs.

Other sources are monies including proceeds from the sale of capital assets and other miscellaneous income.

23. Expenditure Line-Item Titles

Programs:

The statements of revenues, expenditures, and changes in fund balances characterize expenditure data by major program classifications pursuant to the provisions of the Nevada Common Elements for Accounting and Reporting K-12 Educational Finances established by the Nevada Department of Education. Below is a brief description of these program classifications.

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

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

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

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

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

LINCOLN COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

22. Expenditure Line-Item Titles (Continued)

Co-curricular and extra-curricular activities are activities that add to a student's educational experience but are not related to educational activities. These activities typically include events and activities that take place outside the traditional classroom. Some examples of such activities are student government, athletics, band, choir, clubs, and honor societies.

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

Functions:

Instruction includes all activities dealing directly with the interaction between teachers and students, including the activities of aides or classroom assistants which assist in the instructional process.

Student support includes activities designed to assess and improve the well-being of students and to supplement the teaching process.

Instructional staff support includes activities associated with assisting the instructional staff with the content and process of providing learning experiences for students.

General administration includes activities concerned with establishing and administering policy in connection with operating the District.

School administration includes activities concerned with overall administrative responsibility for a school. This includes principals, assistants, and clerical staff involved in the supervision of operations at a school.

Central service includes activities concerned with paying, transporting, exchanging, and maintaining goods and services for the District. Included are the fiscal and internal services necessary for operating the District.

Operation and maintenance of plant services includes activities concerned with keeping the physical schools and associated administrative building open, comfortable, and safe for use. This also includes keeping the grounds, buildings, and equipment in effective working condition and state of repair. Additional activities include maintaining safety in buildings, on the grounds, and in the vicinity of schools.

Student transportation includes activities concerned with the conveyance of students to and from school, as provided by state and federal law. It includes trips between home and school as well as trips to school activities.

Facilities acquisition and construction services are all activities concerned with the acquisition of land and buildings; the construction of buildings and additions to buildings; initial installation or extension of service systems and other built-in equipment and improvements to sites.

Food service includes activities concerned with providing food to students and staff within the District. This includes the preparation and serving of regular and incidental meals, lunches, or snacks.

23. New Accounting Pronouncement

GASB ISSUED STATEMENT NUMBER 87, Leases, effective for fiscal year ended June 30, 2022. This statement establishes a single model for lease accounting based on the idea that leases are financings of the right-to-use an underlying asset. As such, under this Statement, a lessee is required to recognize a lease liability and an intangible lease asset, and the lessor is required to recognize a lease receivable and a deferred inflows of resources. The District implemented GASB Statement Number 87 in 2022. See Note E-7.

LINCOLN COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of certain differences between the governmental funds balance sheet and the government-wide Statement of Net Position

The governmental funds balance sheet includes reconciliation between fund balances - total governmental funds and net position - governmental activities as reported in the government-wide Statement of Net Position. One element of the reconciliation explains that "Certain liabilities (such as bonds payable, capital lease payable, and compensated absences) are not reported in the governmental funds financial statements because they are not due and payable, but they are presented as liabilities in the Statement of Net Position." The details of this difference are as follows:

Bond payable	\$(2,903,000)
Bond premium (net of amortization)	(4,101)
Bond discount (net of amortization)	2,528
Financed purchases debt	(46,500)
Lease obligation	(74,874)
Interest payable	(30,646)
Compensated absences	<u>(846,003)</u>
Net adjustment to reduce total fund balance - governmental funds to arrive at total net position - governmental activities	<u>\$(3,902,596)</u>

2. Explanation of certain differences between the governmental funds statements of revenues, expenditures, and changes in fund balances and the government-wide Statement of Activities

The governmental funds statement of revenues, expenditures, and changes in fund balances includes reconciliation between the net change in fund balances - governmental funds and changes in net position of governmental activities as reported in the government-wide Statement of Activities. One element of that reconciliation explains that "Capital outlays to purchase or build capital assets are reported in the Governmental Funds financial statements as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities." The details of this difference are as follows:

Capital outlay	\$ 648,835
Depreciation expense	<u>(807,007)</u>
Net adjustment to decrease the net change in fund balances - governmental funds to arrive at the change in net position of governmental activities	<u>\$ (158,172)</u>

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the 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 issuance costs, premiums, discounts and other similar items 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." The details of this difference are as follows:

Debt issued or incurred:	
General obligation debt principal payments	\$ 337,800
Financed purchases proceeds	(93,000)
Lease obligation proceeds	(48,641)
Financed purchases payments	78,043
Lease obligation payments	17,088
Bond premiums (net of amortization)	835
Bond discounts (net of amortization)	(672)
Deferred charge on refunding bonds	<u>(1,635)</u>
Net adjustment to increase the net change in fund balances - governmental funds to arrive at the change in net position of governmental activities	<u>\$ 289,818</u>

LINCOLN COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

2. Explanation of certain differences between the governmental funds statements of revenues, expenditures, and changes in fund balances and the government-wide Statement of Activities (Continued)

Another element of that reconciliation states that “Generally, expenditures recognized in the fund financial statements are limited to only those that use current financial resources, but expenses are recognized in the Statement of Activities when incurred.” The details of this difference are as follows:

Change in accrued interest	\$ 3,209
Change in compensated absences	<u>45,707</u>
Net adjustment to increase net change in fund balances - governmental funds to arrive at change in net position of governmental activities	<u>\$ 48,916</u>

NOTE C - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

1. Budgetary Information

Nevada Revised Statutes and District policies and regulations require that school districts legally adopt budgets for all funds except fiduciary funds. The budgets are filed as a matter of public record with the County Clerk and the State Departments of Taxation and Education. The District staff uses the following procedures to establish, modify and control the budgetary data reflected in the financial statements:

- a. The statutes provide for the following timetable in adoption of budgets:
 - (i) Before April 15, the Superintendent of Schools submits to the Board of School Trustees a tentative budget for the upcoming fiscal year. The tentative budget includes proposed expenditures and the means to finance them.
 - (ii) A public hearing must be held by the Board of Trustees no sooner than the third Monday in May and no later than the last day in May. Notice of the public hearing must be published once in the local newspaper not more than 14 nor less than 7 days before the hearing.
 - (iii) Before June 8, the Board of School Trustees must adopt a final budget.

- b. On or before January 1, the Board of School Trustees adopts an amended final budget reflecting any adjustments necessary as a result of the completed count of students.

- c. NRS 354.598005(1) provides that the Board of School Trustees may augment the budget at any time by a majority vote of the Board providing the Board publishes notice of its intention to act in a newspaper of general circulation in the county at least three days before the date set for adoption of the resolution. In addition, the acceptance of a grant and the terms imposed by the granting agency constitutes an appropriation/augmentation for the specified purpose.

**LINCOLN COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE C - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

1. Budgetary Information (Continued)

- d. Budgeted appropriations may not be exceeded by actual expenditures of the various functions of the General Fund, Special Revenue Funds, and Capital Projects Funds. The sum of operating and nonoperating expenses in the Enterprise and Internal Service Funds may not exceed total appropriations. The funds augmented during the year included the following funds:
- General Fund
 - Special Education Special Revenue Fund
 - Food Service Special Revenue Fund
 - Federal Grants Special Revenue Fund
 - COB High School Special Revenue Fund
 - At Risk
 - English Learner
 - Capital Projects Fund
 - Bond Capital Projects Fund
- e. Generally, budgets for all funds are adopted in accordance with generally accepted accounting principles. Budgeted amounts reflected in the accompanying financial statements recognize amendments made during the year.
- f. All appropriations lapse at the end of the fiscal year. Encumbrances are re-appropriated in the ensuing fiscal year.

2. Compliance and Accountability

The District conformed to significant statutory requirements regarding financial administrations except as follows:

Per NRS 354.626, the District is required to report expenditures that exceeded budgeted appropriations at the function level for the General Fund, Special Revenue Funds, and Capital Project Funds. For the year ending June 30, 2022, the District had the following expenditures over appropriations that are required to be reported.

General Fund – operating/maintenance programs	\$ 228,060
Special Education Fund – special programs - instruction	\$ 40,026

The General Fund operating/maintenance programs function expenditures in excess of appropriations was related to property expenditures not previously budgeted during the fiscal year for various improvements and equipment. The fund had adequate assets to cover the costs. The Special Education Special Revenue Fund special programs function expenditures in excess of appropriations was related to salaries and benefits expenditures not previously budgeted during the fiscal year. The fund had adequate assets to cover the costs.

NOTE D – DETAILED NOTES ON ALL FUNDS

1. Pooled Cash and Investments

The District maintains a cash and investment pool that is available for use by all funds. At June 30, 2022, this pool is displayed by the Statement of Net Position and major and other governmental funds on the governmental funds balance sheet as “Pooled Cash and Investments.”

The following schedules summarize cash and investments for the District at June 30, 2022:

A reconciliation of pooled cash and investments for the District follows:

Cash held by County for debt service	\$ 766,408
Cash held by student groups	402,412
Carrying amount of deposits	5,677,898
Carrying amount of investments	93
Total	<u>\$ 6,846,811</u>

A reconciliation of cash and investments for the District follows:

Cash on the Statement of Net Position	<u>\$ 6,846,811</u>
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**LINCOLN COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)

1. Pooled Cash and Investments (Continued)

Investments are carried at fair value. The following is a listing of those investments as of June 30, 2022:

Investment Type	Investment Maturities (in years)		Fair Value Measurement	
	Fair Value	Less than 1	Level 1	Level 2
State of Nevada Local Government Investment Pool	\$ 93	\$ 93	\$ 27	\$ 66

Investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets of those securities. Investments classified in Level 2 of the fair value hierarchy are valued using significant other observable inputs. The District does not have recurring fair value measurement as of June 30, 2022, that is valued using significant unobservable inputs (Level 3).

Except for financial reporting purposes, the cash balance in the Student Activity Fiduciary Fund is not normally considered part of the District’s pooled cash and investments. This amount represents cash held in funds by the District for student groups and organizations and cannot be used in the District’s normal operations. The balance listed above for this fund is a consolidation of individual bank accounts held at the schools across the District as of June 30, 2022.

The District is a voluntary participant in the State of Nevada Local Government Investment Pool (LGIP), which has regulatory oversight from the State of Nevada Board of Finance. The District’s investment in the LGIP is equal to its original investments plus monthly allocations of investment income, and realized and unrealized gains and losses, which is the same as the value of the pool shares. The District’s investment in the LGIP is reported at fair value. The fair value of the District’s investment in the LGIP was determined by multiplying the pool’s fair value per share factor times the District’s pool balance as of June 30, 2022.

The State of Nevada’s Local Government Investment Pool is an agency fund of the State administered by the State Treasurer. Any local government may deposit its money with the fund. The State Treasurer may invest the money in the fund in investments which have been authorized as investments for local governments by Nevada Revised Statutes and in time certificates of deposit.

At the end of each month, the State Treasurer computes the portion of the total deposits in the fund which were attributable during the month to each local government. That proportion is applied to the total amount of interest received during the month on invested money of the fund and credited to each participating local government, less the proportionate amounts of the assessments for the expenses of administration.

Investments in the State of Nevada’s Local Government Investment Pool are considered cash equivalents for financial reporting purposes.

As noted, Nevada Revised Statutes (NRS 355.170) set forth acceptable investments for Nevada local governments. The District has not adopted a formal investment policy that would further limit its investment choices.

Interest Rate Risk: Interest rate risk is the risk of possible reduction in the value of a security, especially a bond, resulting from the rise in interest rates. To limit exposure to interest rate risk, the Nevada Revised Statutes limits bankers’ acceptances to 180 days of maturities, repurchase agreements to 90 days, U.S. Treasuries and Agencies to less than 10 years, and commercial paper to 270 days maturity. The approximate weighted average maturity of investments in the State of Nevada Local Government Investment Pool is 0.34 years.

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

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

At year-end, the District’s carrying amount of deposits, not including the Debt Service Fund, for which deposits are controlled by the Lincoln County Treasurer and the Student Activity Fund, for which deposits are held by student groups, were \$5,677,898 and the bank balance was \$4,606,835. Of the bank balance, \$500,000 was covered by federal depository insurance. The remaining balance, \$4,106,835, was collateralized with securities held by the Office of the State Treasurer/Nevada Collateral Pool.

LINCOLN COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)

2. Receivables

Receivables as of June 30, 2022, for the District’s individual major funds and nonmajor funds in the aggregate are as follows:

	MAJOR FUNDS				
	General	Debt Service	Capital Projects	Nonmajor	Total
Taxes receivable	\$ -	\$ 4,151	\$ -	\$ -	\$ 4,151
Due from other governments:					
<u>Local sources:</u>					
Governmental service tax	-	-	9,441	-	9,441
Local school support tax	-	-	24,142	-	24,142
<u>State sources:</u>					
Grants and allotments	-	-	-	81,419	81,419
<u>Federal sources:</u>					
Grants and allotments	14,653	36,503	-	82,828	133,984
	\$ 14,653	\$ 40,654	\$ 33,583	\$ 164,247	\$ 253,137

3. Capital and Intangible Assets

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

Governmental Activities:

	Balance	Additions	Asset		Balance
	June 30, 2021		Transfer	Disposals	June 30, 2022
Non-depreciable capital assets:					
Land	\$ 218,157	\$ -	\$ -	\$ -	\$ 218,157
Construction in progress	58,963	61,302	(110,265)	-	10,000
Total non-depreciable capital assets	277,120	61,302	(110,265)	-	228,157
Depreciable capital assets:					
Buildings and improvements	24,546,240	232,580	110,265	-	24,889,085
Equipment	5,030,490	354,953	-	55,934	5,329,509
Total depreciable capital assets	29,576,730	587,533	110,265	55,934	30,218,594
Less: Accumulated depreciation	13,973,084	807,007	-	55,934	14,724,157
Depreciable capital assets (net)	15,603,646	(219,474)	110,265	-	15,494,437
Total governmental activities capital assets (net)	\$ 15,880,766	\$ (158,172)	\$ -	\$ -	\$ 15,722,594
	GASB 87				
	Restatement				
	Balance		Asset		Balance
	June 30, 2021	Additions	Transfer	Disposals	June 30, 2022
Intangible assets	\$ 62,200	\$ 48,641	\$ -	\$ -	\$ 110,841
Less: Accumulated amortization	20,188	17,730	-	-	37,918
Total governmental activities intangible assets (net)	\$ 42,012	\$ 30,911	\$ -	\$ -	\$ 72,923

LINCOLN COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)

3. Capital Assets (Continued)

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

Governmental Activities:

Instruction:

Regular instruction	\$ 350,365
Special instruction	73,788
Vocational instruction	72,666
Adult instruction	10,843
Other instruction	11,229
Total instruction	<u>518,891</u>

Support services:

Student support	16,827
Instructional staff support	2,284
Food service	14,683
General administration	61,422
School administration	99,531
Operation and maintenance of plant services	54,526
Student transportation	38,843
Total support services	<u>288,116</u>
Total	<u>\$ 807,007</u>

Amortization expense was charged to functions/programs of the primary government as follows:

Accumulated amortization – General administration	<u>\$ 17,730</u>
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4. Construction and Other Significant Commitments

Construction commitments: The District has three active construction projects as of June 30, 2022 as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Estimated Costs</u>
Findlay Family Gym	<u>\$ 10,000</u>	<u>\$ 100,000</u>

5. Interfund Balances

In the fund financial statements, activity between funds that are representative of borrowing agreements outstanding at the end of the fiscal year are referred to as “due to/from other funds.” Interfund receivable and payable amounts at June 30, 2022, are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	
General Fund	State Grants Special Revenue Fund	\$ 48,359
Bond Capital Projects Fund	Debt Service Fund	<u>\$ 5,100</u>
		<u>\$ 53,549</u>

The \$48,359 payable to the General Fund is due to expenditures related to state grants that were covered by the General Fund due to grant revenues received after June 30, 2022. The \$5,100 payable to the Bond Capital Projects Fund relates to annual bond costs paid out of this fund until reimbursed from the Debt Fund. These amounts are expected to be paid with current resources.

LINCOLN COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)

6. Long-Term Debt

General Obligation Bonds: The District issued general obligation bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds have been issued for general District activities. In addition, refunding general obligation bonds have been issued to refund general obligation bonds.

General obligation bonds currently outstanding are as follows:

<u>General Obligation Bonds</u>	<u>Sale Date</u>	<u>Original Borrowing</u>	<u>Interest Rates to Maturity</u>	<u>Final Maturity</u>	<u>Outstanding June 30, 2022</u>
School Building Bond	2009	\$2,025,000	5.15%	2029	\$ 1,195,000
School Building Bond (QSCB)	2010	650,000	7.45	2027	625,000
Refunding Bonds	2012	3,084,300	2.53	2028	<u>1,083,000</u>
					<u>\$ 2,903,000</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>	<u>Interest Subsidy</u>	<u>Net Annual Debt Service</u>
2023	\$ 350,100	\$ 132,909	\$ 483,009	\$(33,062)	\$ 449,947
2024	362,800	120,220	483,020	(33,062)	449,958
2025	376,100	106,874	482,974	(33,062)	449,912
2026	324,100	93,951	418,051	(33,062)	384,989
2027	956,700	81,327	1,038,027	(33,062)	1,004,965
2028-2029	<u>533,200</u>	<u>31,746</u>	<u>564,946</u>	<u>0</u>	<u>564,946</u>
	<u>\$ 2,903,000</u>	<u>\$ 567,027</u>	<u>\$3,470,027</u>	<u>\$(165,310)</u>	<u>\$3,304,717</u>

Financed Purchase: The District entered into lease agreements for financing the acquisition of two vehicles valued at \$94,629 in March of 2020. The leases have been classified as a financed purchases according to generally accepted accounting principles. The leases contain non-funding clauses whereby the leases are terminated without penalty should the District fail in a budget year to appropriate money for the payment. The leases are payable over a three-year period at an interest rate of 0% payable through March 1, 2022. The vehicles have a five-year estimated useful life. This year, \$6,309 is included in accumulated depreciation. The lease obligations was paid in full as of June 30, 2022.

Financed Purchase: The District entered into lease agreements for financing the acquisition of three vehicles valued at \$93,000 in March of 2022. The leases have been classified as a financed purchases according to generally accepted accounting principles. The leases contain non-funding clauses whereby the leases are terminated without penalty should the District fail in a budget year to appropriate money for the payment. The leases are payable over a one-year period at an interest rate of 0% payable through March 1, 2023. The vehicles have a five-year estimated useful life. This year, \$0 is included in accumulated depreciation.

The future minimum lease obligations as of June 30, 2022, were as follows:

<u>Year ending June 30,</u>	<u>Principal</u>
2023	<u>\$ 46,500</u>

Lease Obligation: The District leases several copiers each with a lease term of 60 months with varying monthly payments with an imputed interest rate of 4.0%. During the year the District entered into two new lease financing agreements of \$48,641. At the end of the lease, the District has an option to purchase to the copier but will likely enter into a new lease for equipment. The copiers have a five-year estimated useful life. This year, \$17,730 is included in accumulated depreciation.

The future minimum lease obligations as of June 30, 2022, were as follows:

<u>Year ending June 30,</u>	<u>Principal</u>
2023	\$ 21,899
2024	21,721
2025	16,095
2026	10,331
2027	<u>4,828</u>
	<u>\$ 74,874</u>

LINCOLN COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)

6. Long-Term Debt (Continued)

Changes in long-term liabilities: During the year ended June 30, 2022, the following changes occurred:

	GASB 87		Net Reductions	Balance June 30, 2022	Due Within One Year
	Restatement				
	Balance July 1, 2021	Net Additions			
General obligation debt	\$ 3,240,800	\$ -	\$ 337,800	\$ 2,903,000	\$ 350,100
Plus premiums	4,936	-	835	4,101	-
Less discounts	(3,200)	-	(672)	(2,528)	-
Total bonds payable	3,242,536	-	337,963	2,904,573	350,100
Financed purchases	31,543	93,000	78,043	46,500	46,500
Lease obligation	43,321	48,641	17,088	74,874	21,899
Compensated absences	891,710	-	45,707	846,003	287,640
Net pension obligation	15,543,540	-	5,726,410	9,817,130	-
OPEB obligation	3,962,481	188,163	-	4,150,644	-
Total long-term liabilities	<u>\$23,715,131</u>	<u>\$ 329,804</u>	<u>\$ 6,205,211</u>	<u>\$ 17,839,724</u>	<u>\$ 706,139</u>

General obligation debt will be liquidated by the Debt Service Fund with all other debt by the General Fund.

Nevada Revised Statute 350.020 requires that the Board establish a reserve account within its debt service fund for payment of the outstanding bonds of the District. Currently, the account must be established and maintained in an amount at least equal to the lesser of 50% the amount of principal and interest payments due on all of the outstanding bonds of the District in the next fiscal year or 10% of the outstanding principal amount of the outstanding bonds of the District. The amounts on deposit in the reserve account are not directly pledged to pay debt service on the debt and, if permitted, may be used for other purposes. As of June 30, 2022, the amount required to fund the reserve account was \$241,505 which was fully funded by the District in the Debt Service Fund in the amount of \$766,408. Per Nevada Revised Statute Chapter 387.400, the debt limitation for the District is equal to 15 percent of the assessed valuation of property, excluding motor vehicles. The debt limitation currently applicable at June 30, 2022, was \$45,605,724.

7. Interfund Transfers

In the fund financial statements, interfund transfers are shown as other financing sources or uses. Transfers between funds during the year ended June 30, 2022, are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u> <u>General Fund</u>
COB High School Fund	\$ 727,860	\$ 727,860
Capital Projects Fund	300,000	300,000
Nonmajor Governmental Funds	40,000	40,000
Internal Service Fund	15,000	15,000
	<u>\$ 1,082,860</u>	<u>\$ 1,082,860</u>

Significant interfund transfers made during the year: included \$1,082,860 was transferred from the General Fund which represents the pupil centered funding plan revenue received by the District for COB High School Fund (\$727,860), Capital Projects Fund supplement of (\$300,000), Building and Sites Fund supplement of (\$40,000), and Unemployment Compensation Fund supplement of (\$15,000).

8. Unavailable Revenue

Delinquent taxes receivable not collected within sixty days after year-end are recorded as deferred inflows of resources as they are not available to pay liabilities of the current period. Unavailable tax revenue in the Debt Service Fund was \$3,336 at June 30, 2022.

LINCOLN COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

NOTE D - DETAILED NOTES ON ALL FUNDS (Continued)

9. Unearned Revenues

Governmental funds report unearned revenue in connection with resources that have been received but not yet earned. A summary of unearned revenue for the governmental funds in the aggregate at June 30, 2022, follows:

	Nonmajor Funds
Local programs	\$ 544
State programs	44,619
Federal programs	4,205
Total	<u>\$ 49,368</u>

Local, State, and Federal programs unearned revenue consist primarily of grant funds received in advance of expenditures.

NOTE E - OTHER INFORMATION

1. Risk Management

Insurance

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 as are all entities. The District has joined together with similar public agencies throughout the State of Nevada to create a pool under the Nevada Interlocal Cooperation Act. The Nevada Public Agency Insurance Pool (NPAIP) is a public entity risk pool currently operating as a common risk management and insurance program for members. The District pays an annual premium and specific deductibles, as necessary, to NPAIP for its general insurance coverage. NPAIP is considered a self-sustaining risk pool that will provide liability coverage for its members up to \$10,000,000 per event and a \$300,000,000 general aggregate per member. Property, crime and equipment breakdown coverage is provided to its members up to \$300,000,000 per loss with various sub-limits established for earthquake, flood, equipment breakdown and money and securities. The maintenance deductible is \$2,000 for each insured event. A cyber security event including privacy response expense coverage is \$3,000,000 per event with an annual aggregate of \$3,000,000. As a participatory member, the maintenance deductible is \$0 for each insured event. In addition, site pollution incident legal liability limits are \$2,000,000 for each event with a \$10,000,000 policy aggregate. As a participatory member, the maintenance deductible is \$25,000 for each incident.

The District has also joined together with similar public agencies to create a pool under the Nevada Interlocal Cooperation Act for workers compensation insurance. The Public Agency Compensation Trust (PACT) is an intergovernmental self-insurance association for workers compensation insurance. The District pays premiums based upon payroll costs to the PACT. The PACT is considered a self-sustaining pool that will provide coverage based upon statutory limits.

The District is self-funded for unemployment claims. The self-funded Unemployment Compensation Fund is accounted for in an Internal Service Fund. Premiums charged are based on estimates of the amounts needed to pay actual and projected claims, to support self-insurance operational costs, and to establish a self-insured reserve for incurred losses. The reserve in the fund was \$48,558 at June 30, 2022 and is reported as net position for the Unemployment Compensation Internal Service Fund. Unemployment compensation claims payable at June 30, 2022 were \$0.

2. Contingent Liabilities

Litigation and Claims

Counsel for the School District has indicated there is no pending or threatened litigation against the District.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by those agencies, principally the State of Nevada Department of Education. 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, although the District expects such amounts, if any, to be immaterial.

**LINCOLN COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE E - OTHER INFORMATION (Continued)

3. Pension Plan

Plan Description. District employees, who work half-time or greater, are provided pension benefits through the Public Employees' Retirement System of the State of Nevada (PERS), a cost sharing multiple-employer, defined benefit plan administered by the Public Employees' Retirement System of the State of Nevada. PERS provides retirement benefits, disability benefits, and death benefits, including annual cost of living adjustments, to plan members and their beneficiaries. NRS Chapter 286 establishes the benefit provisions provided to the participants of PERS. These benefit provisions may only be amended through legislation. The Public Employees' Retirement System of the State of Nevada issues a publicly available financial report that includes financial statements and required supplementary information for PERS that can be obtained at www.nvpers.org under Quick Links — Publications.

Benefits Provided. Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months. Vested members are entitled to a life-time monthly retirement benefit equal to the service time multiplier (STM) percentages listed below times the member's years of service to a maximum of 30 years. The schedule of Eligibility for Monthly Unreduced Retirement Benefits for regular members and police/fire members are as follows:

Eligibility for Regular Members:

Years of Service	Hired prior to 07/01/01		Hired between 07/01/01-12/31/09		Hired Between 01/01/10-07/01/15		Hired After 7/1/15	
	Age	STM%	Age	STM%	Age	STM%	Age	STM%
5 years	65	2.50%	65	2.67%	65	2.50%	65	2.25%
10 years	60	2.50%	60	2.67%	62	2.50%	62	2.25%
30 years	Any	2.50%	Any	2.67%	Any	2.50%	55	2.25%
33 1/3 years							Any	2.25%

Eligibility for Police and Fire Members:

Years of Service	Hired prior to 07/01/01		Hired between 07/01/01-12/31/09		Hired Between 01/01/10-07/01/15		Hired After 7/1/15	
	Age	STM%	Age	STM%	Age	STM%	Age	STM%
5 years	65	2.50%	65	2.67%	65	2.50%	65	2.50%
10 years	55	2.50%	55	2.67%	60	2.50%	60	2.50%
20 years	50	2.50%	50	2.67%	50	2.50%	50	2.50%
25 years	Any	2.50%	Any	2.67%				
30 years					Any	2.50%	Any	2.50%

* Only service performed in a position as a police officer or firefighter may be counted towards eligibility for retirement as Police/Fire accredited service.

Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits. The System offers several alternatives to the unmodified service retirement allowance which, in general, allows the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after their death. Post-retirement increases are provided by authority of NRS 286.575 - .579.

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

Contributions: Benefits for plan members are funded under one of two methods. Under the employer pay contribution plan, the District is required to contribute all amounts due under the plan. The second funding mechanism for providing benefits is the employer/employee paid contribution plan. Under this method, employees are required to contribute a percentage of their contribution. PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund the System on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450. The District's required contribution rate for the year ending June 30, 2022, was 29.75% shared equally by employer and employee. The District has fully funded the amounts due for the year ending June 30, 2022. For purposes of GASB No. 82, the District recognized only the employer portion as a deferred outflow.

The actuary funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contribution requirement as a percentage of salary.

LINCOLN COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

NOTE E - OTHER INFORMATION (Continued)

3. Pension Plan (Continued)

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

At June 30, 2022, the District reported a liability of \$9,817,130 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's allocation percentage of the net pension liability was based on the total contributions due on wages paid during the measurement period. Each employer's proportion of the net pension liability is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2021. The District's proportionate share of the net pension liability decreased from 0.11160 percent at June 30, 2021 to 0.10765 percent at June 30, 2022.

For the year ended June 30, 2022, the District recognized a pension income of \$417,099. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual results	\$ 1,087,440	\$ 69,089
Net difference between projected and actual earnings on pension plan investments	0	8,010,464
Changes of assumptions	3,259,456	0
Changes in proportion	72,810	1,097,282
District Contributions subsequent to measurement date	1,104,009	0
Total	\$ 5,523,715	\$ 9,176,835

\$1,104,009 was reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2023	\$(1,367,489)
2024	(1,398,014)
2025	(1,362,645)
2026	(1,355,325)
2027	636,907
2028	89,437
	\$(4,757,129)

**LINCOLN COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE E - OTHER INFORMATION (Continued)

3. Pension Plan (Continued)

Actuarial Assumptions: The System's net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.50%
Payroll Growth	Regular: 3.50%
	Police/Fire: 3.50%
Investment Rate of Return	7.25%, including inflation
Productivity pay increase	0.50%
Projected Salary increases	Regular: 4.20% to 9.10%, depending on service
	Police/Fire: 4.60% to 14.50%, depending on service
	Rates include inflation and productivity increases
Other assumptions	Same as those used in the June 30, 2021 funding actuarial valuation

Mortality rates were based on the following:

Healthy: **Regular Members:** Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 30% for males and 15% for females, projected generationally with the two-dimensional monthly improvement scale MP-2020.

The above listed mortality tables only provide rates for ages 50 and older. To develop mortality rates for ages 40 through 50, we have smoothed the difference between the rates at age 40 from the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables and the rates at age 50 from the Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Tables. To develop the mortality rates before age 40, we have used the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables rates. *

Police/Fire Members: Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 30% for males and 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2020.

The above listed mortality tables only provide rates for ages 45 and older. To develop mortality rates for ages 35 through 45, we have smoothed the difference between the rates at age 35 from the Pub-2010 Safety Employee Amount-Weighted Above-Median Mortality Tables and the rates at age 45 from the Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Tables. To develop the mortality rates before age 35, we have used the pub-2010 Safety Employee Amount-Weighted Above-Median Mortality Tables rates. *

LINCOLN COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

NOTE E - OTHER INFORMATION (Continued)

3. Pension Plan (Continued)

Mortality rates were based on the following (Continued):

Disabled: **Regular Members:** Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 20% for males and 15% for females, projected generationally with the two-dimensional mortality improvement scale MP-2020.

Police/Fire Members: Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 30% for males and 10% for females, projected generationally with the two-dimensional mortality improvement scale MP-2020.

Beneficiaries: **Regular and Police/Fire Current Beneficiaries in Pay Status:** Pub-2010 Contingent Survivor Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 15% for males and 30% for females, projected generationally with the two-dimensional mortality improvement scale MP-2020.

The above listed mortality table only provides rates for ages 45 and older. To develop mortality rates for ages 35 through 45, we have smoothed the difference between the rates at age 35 from the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables and the rates at age 45 from the Pub 2010 Contingent Survivor Amount-Weighted Above-Median Mortality Tables. To develop the mortality rates before age 35, we have used the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables rates. *

Regular and Police/Fire Contingent Beneficiaries: Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 30% for males and 15% for females, projected generationally with the two-dimensional mortality improvement scale MP- 2020.

The above listed mortality tables only provide rates for ages 50 and older. To develop mortality rates for ages 40 through 50, we have smoothed the difference between the rates at age 40 from the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables and the rates at age 50 from the Pub-2010 General Healthy Retiree Amount -Weighted Above-Median Mortality Tables. To develop the mortality rates before age 40, we have used the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables rates.*

For the mortality table applicable to contingent beneficiaries, "Approach 1" from the Society of Actuaries "Pub-2010 Public Retirement Plans Mortality Tables Report" was utilized. In particular, the mortality basis for contingent beneficiaries has been assumed to be the same mortality basis as the Healthy Regular retiree table listed above (except using rates applicable to the beneficiary's gender) for both when the primary retiree is alive and is no longer alive.

The Pub-210 Amount-Weighted Mortality Tables (with loading factors as described above) reasonably reflect the projected mortality experience of the Plan as of the measurement date. The generational projection is a provision made for future mortality improvement

**LINCOLN COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE E - OTHER INFORMATION (Continued)

3. Pension Plan (Continued)

Mortality rates were based on the following (Continued):

Pre-Retirement	<p>Regular Members: Pub-2010 General Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2020.</p> <p>Police/Fire Members: Pub-2010 Safety Employee Amount-Weighted Above-Median Mortality Table separate tables for males and females). Projected generationally with the two-dimensional mortality improvement scale MP-2020.</p>
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* This methodology for developing an extended annuitant mortality table is similar to the method used by the IRS to develop the base mortality table for determining minimum funding standards for single-employer defined benefit pension plans under Internal Revenue Code Section 430. While Section 430 is not applicable to the System, we believe this is a reasonable method for developing annuitant mortality rates at earlier ages.

The Pub-2010 Amount-Weighted Mortality Tables reasonably reflect the projected mortality experience of the plan as of the measurement date. The generational projection is a provision made for future mortality improvement.

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

The System's policies which determine the investment portfolio target asset allocation are established by the Public Employees' Retirement Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System.

The following was the Board adopted policy target asset allocation as of June 30, 2021:

Asset Class	Target Allocation	Long-Term Geometric Expected Real Rate of Return*
U.S. Stock	42%	5.50%
International Stock	18%	5.50%
U.S. Bonds	28%	0.75%
Private Markets	12%	6.65%

*As of June 30, 2021, PERS' long-term inflation assumption was 2.50%

Discount Rate: The discount rate used to measure the total pension liability was 7.25% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made in amounts consistent with statutory provisions and recognizing the plan's current funding policy and cost-sharing mechanism between employer and members. For this purpose, all contributions that are intended to fund benefits for all plan members and their beneficiaries are included, except that projected contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included.

Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2021.

**LINCOLN COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE E - OTHER INFORMATION (Continued)

3. Pension Plan (Continued)

Sensitivity of the District’s proportionate share of the net pension liability to change in the discount rate. The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percent higher or lower than the current rate.

	1.0% Decrease (6.25%)	Discount Rate (7.25%)	1.0% Increase (8.25%)
District’s proportionate share of the net pension liability	\$ 19,545,180	\$ 9,817,130	\$ 1,791,908

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the PERS Comprehensive Annual Financial Report, available on the PERS website.

Pension contributions payable. At June 30, 2022, the District reported payables to the defined benefit pension plan of \$228,233 for legally required employer contributions which had not yet been remitted to PERS.

4. Post-employment Healthcare Plan

Plan Descriptions: The District administers a single-employer defined benefit health care plan, the Lincoln County School District Health Care Plan (LCHCP). Additionally, the District contributes to an agent multiple-employer defined benefit postemployment health care plan, the Public Employees’ Benefit Plan (PEBP). Each plan provides medical, vision, dental, and life insurance benefits to eligible retired District employees and beneficiaries. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Public Employee Benefit Plan (PEBP).

The District subsidizes eligible retirees’ contributions to the Public Employees’ Benefits Plan (PEBP), an agent multiple-employer defined benefit postemployment health care plan administered by the State of Nevada. NRS 287.041 assigns the authority to establish and amend benefit provisions to the PEBP nine-member board of trustees. The plan is now closed to current LCSD retirees. However, district employees who previously met the eligibility requirement for retirement within the Nevada Public Employees’ Retirement System had the option upon retirement to enroll in coverage under the PEBP and the subsidy provided by the District was determined by their number of years of service. The PEBP issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Public Employees’ Benefits Program, 901 S. Stewart Street, Suite 1001, Carson City, NV 89701, by calling (775) 684-7000, or by accessing the website at <https://pebp.state.nv.us> under Resources – Fiscal & Utilization Reports.

Employees covered by benefit terms. At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	46
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	<u>0</u>
	<u>46</u>

**LINCOLN COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE E - OTHER INFORMATION (Continued)

4. Post-employment Healthcare Plan (Continued)

Public Employee Benefit Plan (PEBP) (Continued).

Funding Policy NRS 287.046 establishes the subsidies to be contributed toward the premium costs of the eligible retired district employees. Plan members receiving benefits have their monthly contributions deducted from their pension checks based on the health plan chosen by the retiree as reduced by the amount of the subsidy. The subsidy provided to pre-Medicare retirees varies based on the type of plan selected (PPO or HMO) and by the level of coverage taken (e.g., single, two party, family, etc.). The chart below shows the monthly amounts currently payable for those with 15 years of PERS service. Actual pre-Medicare subsidies for July 2020, as invoiced were used for the valuation. Some subsidy increases are expected pursuant to SB 552 to be phased in through 2022.

Coverage Level	PPO CDHP		Statewide EPO/HMO	
	Base Subsidy	SB 552 Subsidy	Base Subsidy	SB 552 Subsidy
	15 Years of Service			
Retiree Only	\$ 752.75	\$36.15	\$ 398.47	\$ 0
Retiree + Spouse	1,346.39	96.29	623.11	0
Retiree + Child(ren)	1,208.67	96.66	541.11	0
Retiree + Family	1,802.32	156.80	765.75	0

All Medicare eligible retirees participate in a Medicare Exchange with PEBP providing a service-related contribution to a Health Reimbursement Arrangement (HRA) equal to \$13 per month, per year of service (maximum \$260 per month). The contribution requirements of plan members and the District are established and amended by the PEBP board of trustees. As a participating employer, the District is billed for the subsidy on a monthly basis and is legally required under NRS 287.023 to provide for it.

For fiscal year 2022, the District contributed \$175,844 to the plan for current premiums. The District did not prefund any future benefits.

Lincoln County School District Health Care Plan (LCHCP).

Benefit provisions for LCHCP are established pursuant to NRS 287.023 and amended through negotiations between the District and the respective employee associations. NRS 288.150 assigns the authority to establish benefit provisions to the Lincoln County School District Board of Trustees. The plan provides health care insurance for eligible retirees through the District's group health insurance plan, which covers both active and retired members. Under NRS 287.023, eligible retirees are able to participate in the plan with blended rates, thereby benefitting from an implicit subsidy. The District does not contribute toward the plan premium costs. Retired employees pay the monthly premium. LCHCP does not issue a publicly available financial report. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Employees covered by benefit terms. At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	103
Inactive employees entitled to but not yet receiving benefit payments	1
Active employees	<u>136</u>
	<u>240</u>

Funding Policy Contribution requirements of the plan members and the District are established and may be amended through negotiations between the District and the various employee associations. The District does not contribute money for eligible retired employees toward the cost of the health care premium in retirement; the cost is paid by the retiree and coverage ends at age 65. The pay-as-you-go premiums are based on a blended rate that blends active participants and retirees. The District's contribution requirements for retirees relate to the implicit subsidy that results from using the blended rates and is determined in actuarial studies contracted for by the District. The implicit subsidy as determined by the actuary is \$37,688.

**LINCOLN COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE E - OTHER INFORMATION (Continued)

4. Post-employment Healthcare Plan (Continued)

Important Dates used in the Valuation:

Valuation Date:	June 30, 2020
Measurement Date:	June 30, 2021
Measurement Period:	June 30, 2020 to June 30, 2021
Fiscal Year End:	June 30, 2022

Significant Results and Differences from the Prior Valuation:

The report was based on a roll forward of the June 30, 2020, valuation. No benefit changes were reported relative to those in place when the June 30, 2020 valuation was prepared. No new census data was collected, and no plan experience was analyzed for this valuation. No assumptions were changed other than to update the discount rate to reflect the change in the applicable municipal bond index rate.

Total Other Post-Employment Benefits (OPEB) Liability

The District's OPEB liability of \$4,150,644 was measured as of June 30, 2021 and determined by actuarial valuation as of June 30, 2020.

Actuarial Assumptions and Other Inputs: The total OPEB liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

	<u>LCHCP</u>	<u>PEBP</u>
Inflation rate	2.50%	2.50%
Salary Increase	3.00% per year; since benefits do not depend on pay, this is used only to allocate the cost of benefits between service years.	Not applicable; there are no active employees in this plan.
Discount Rate	2.18%	2.18%
Healthcare Cost Trend Rates	5.80% in 2021 grading to 4.0% by 2076	Pre-Medicare: 5.80% in 2021 grading down to 4.0% by 2076. After Medicare: 4.50% per year.
Retirees' share of benefit-related costs	100%	0%

The discount rate was based on the S & P General Obligation Municipal Bond 20-year High Grade Index.

Mortality rates were based on the RPH-2014 Healthy Annuitant, as appropriate, with adjustments for mortality improvements based on the MacLeod Watts Scale 2020.

Actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period of June 30, 2019, to June 30, 2020.

LINCOLN COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

E. OTHER INFORMATION (Continued)

4. Post-employment Healthcare Plan (Continued)

Changes in the Total OPEB Liability

	<u>LCHCP</u>	<u>PEBP</u>	<u>Totals</u>
Service cost	\$ 50,328	\$ 0	\$ 50,328
Interest	35,238	68,850	104,088
Changes of benefit terms	0	0	0
Differences between expected and actual experience	0	0	0
Changes in assumptions or other inputs	91,084	142,057	233,141
Benefit payments	<u>(39,394)</u>	<u>(160,000)</u>	<u>(199,394)</u>
Net changes	<u>137,256</u>	<u>50,907</u>	<u>188,163</u>
Net OPEB obligation - beginning of the year	<u>1,294,122</u>	<u>2,668,359</u>	<u>3,962,481</u>
Net OPEB obligation - end of year	<u>\$ 1,431,378</u>	<u>\$ 2,719,266</u>	<u>\$ 4,150,644</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.66% as of June 30, 2020, to 2.18% as of June 30, 2021.

Sensitivity of the District's 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 percent higher or lower than the current rate.

	<u>1.0% Decrease</u> <u>(1.18%)</u>	<u>Discount Rate</u> <u>(2.18%)</u>	<u>1.0% Increase</u> <u>(3.18%)</u>
LCHCP	\$ 1,652,677	\$ 1,431,378	\$ 1,251,103
PEBP	<u>3,057,581</u>	<u>2,719,266</u>	<u>2,436,339</u>
Total OPEB Liability	<u>\$ 4,710,258</u>	<u>\$ 4,150,644</u>	<u>\$ 3,687,442</u>

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 percent higher or lower than the current healthcare cost trend rates:

	<u>1.0% Decrease</u>	<u>Discount Rate</u>	<u>1.0% Increase</u>
LCHCP	\$ 1,367,771	\$ 1,431,378	\$ 1,506,671
PEBP	<u>2,452,996</u>	<u>2,719,266</u>	<u>3,030,676</u>
Total OPEB Liability	<u>\$ 3,820,767</u>	<u>\$ 4,150,644</u>	<u>\$ 4,537,347</u>

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

For the year ended June 30, 2022, the District recognized an OPEB expense of \$209,319. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience	\$ 0	\$ 126,724
Changes of assumptions or other inputs	95,505	211,664
District Contributions subsequent to measurement date	<u>213,532</u>	<u>0</u>
Total	<u>\$ 309,037</u>	<u>338,388</u>

LINCOLN COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

E. OTHER INFORMATION (Continued)

4. Post-employment Healthcare Plan (Continued)

\$213,532 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	LCHCP	PEBP	Total Liability
2023	\$(87,154)	\$ 0	\$(87,154)
2024	(87,154)	0	(87,154)
2025	(58,401)	0	(58,401)
2026	(15,029)	0	(15,029)
2027	(2,151)	0	(2,151)
Thereafter	7,006	0	7,006
	<u>\$(242,883)</u>	<u>\$ 0</u>	<u>\$(242,883)</u>

5. Tax Abatement

For the year ended June 30, 2022, the amount of tax abatements are \$22,286. The tax revenues abated were property tax revenues under agreements with the State of Nevada.

6. Changes in Accounting Principle

Effective July 1, 2021, the District adopted Governmental Accounting Standards Board Statement (GASB) No. 87, *Leases*. GASB No. 87, addresses improving accounting and financial reporting for leases by governments. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement a lessee is required to recognize a lease liability and an intangible right-to-use lease asset. The effect of the implementation of this standard on beginning net position is disclosed in Note E-7.

7. Change in Net Position

Effective July 1, 2021, the District adopted Governmental Accounting Standards Board Statement (GASB) No. 87, *Leases*. The effect of the implementation of this standard on beginning net position is as follows:

Net position previously reported, July 1, 2021	\$ (3,558,417)
Change in total lease financing liability	(43,321)
Change in intangible assets (net)	42,012
Net position as restated	<u>\$ (3,559,726)</u>

**LINCOLN COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST 10 YEARS*
FOR THE YEAR ENDED JUNE 30, 2022**

	6/30/2022		6/30/2021	
	PEBP	LCHCP	PEBP	LCHCP
Total OPEB Liability				
Service cost	\$ -	\$ 50,328	\$ -	\$ 65,180
Interest	68,850	35,238	81,640	41,484
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	-	(268,505)	(87,712)
Changes of assumptions or other inputs	142,057	91,084	19,030	(122,390)
Benefit Payments	<u>(160,000)</u>	<u>(39,394)</u>	<u>(179,964)</u>	<u>(48,280)</u>
Net Change in total OPEB liability	50,907	137,256	(347,799)	(151,718)
Total OPEB liability - beginning	<u>2,668,359</u>	<u>1,294,122</u>	<u>3,016,158</u>	<u>1,445,840</u>
Total OPEB liability - ending	<u>\$2,719,266</u>	<u>\$1,431,378</u>	<u>\$2,668,359</u>	<u>\$1,294,122</u>
Covered-employee payroll	\$ -	\$8,248,849	\$ -	\$7,900,337
 Total OPEB liability as a percentage of covered-employee payroll	 N/A	 17.35%	 N/A	 16.38%

Changes of 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.

6/30/2022	2.18
6/30/2021	2.66
6/30/2020	2.79
6/30/2019	2.98
6/30/2018	3.13
6/30/2017	2.68

**Fiscal year 2018 was the first year of implementation. Therefore, only six years are shown.*

See accompanying notes to required supplementary information.

6/30/2020		6/30/2019		6/30/2018	
PEBP	LCHCP	PEBP	LCHCP	PEBP	LCHCP
\$ -	\$ 60,269	\$ -	\$ 92,914	\$ -	\$ 97,478
87,785	41,646	86,936	54,866	80,468	47,121
-	-	-	-	-	-
-	-	(9,225)	(165,496)	-	-
66,067	33,587	255,869	(246,911)	(145,202)	(88,015)
(166,989)	(53,837)	(163,573)	(62,410)	(157,003)	(52,284)
(13,137)	81,665	170,007	(327,037)	(221,737)	4,300
<u>3,029,295</u>	<u>1,364,175</u>	<u>2,859,288</u>	<u>1,691,212</u>	<u>3,081,025</u>	<u>1,686,912</u>
<u>\$3,016,158</u>	<u>\$1,445,840</u>	<u>\$3,029,295</u>	<u>\$1,364,175</u>	<u>\$2,859,288</u>	<u>\$1,691,212</u>
\$ -	\$7,625,500	\$ -	\$7,345,114	\$ -	\$7,767,571
N/A	18.96%	N/A	18.57%	N/A	21.77%

**LINCOLN COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS TO THE
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF NEVADA
LAST 10 YEARS
FOR THE YEAR ENDED JUNE 30, 2022**

Year Ended June 30	Contractually Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2013	\$ 1,588,567	\$ 1,588,567	\$ -	\$ 6,688,703	23.750%
2014	1,781,744	1,781,744	-	6,919,394	25.750%
2015	1,777,321	1,777,321	-	6,902,217	25.750%
2016	2,061,091	2,061,091	-	7,361,039	28.000%
2017	2,193,069	2,193,069	-	7,832,389	28.000%
2018	1,079,942	1,079,942	-	7,713,871	14.000%
2019	1,084,788	1,084,788	-	7,748,486	14.000%
2020	1,157,758	1,157,758	-	7,916,290	14.625%
2021	1,112,126	1,112,126	-	7,604,280	14.625%
2022	1,104,009	1,104,009	-	7,421,909	14.875%

Beginning with the fiscal year-ended 2018, all contributions shown reflect employer-paid contributions only, and employer-paid member contributions are excluded. Actuarially Determined Contributions above are based on actuarially determined contribution rates (employer portion only) from the most recent rate-setting year prior to the year shown, applied to covered payroll for years shown.

See accompanying notes to required supplementary information.

**LINCOLN COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF NEVADA
LAST 10 YEARS*
FOR THE YEAR ENDED JUNE 30, 2022**

Reporting Year Ended June 30:	District's proportion of the net pension liability	District's proportionate share of the net pension liability	District's covered- employee payroll	District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2015	0.11840%	12,339,279	6,919,394	178.33%	76.31%
2016	0.11533%	13,216,671	6,902,217	191.48%	75.10%
2017	0.12177%	16,386,271	7,361,039	222.61%	72.20%
2018	0.12216%	16,246,739	7,832,389	207.43%	74.40%
2019	0.11715%	15,976,555	7,713,871	207.11%	75.20%
2020	0.11278%	15,378,334	7,748,486	198.47%	76.50%
2021	0.11160%	15,543,540	7,916,290	196.35%	77.00%
2022	0.10765%	9,817,130	7,604,280	129.10%	86.50%

**Fiscal year 2015 was the first year of implementation. Therefore, only eight years are shown.*

The District's proportionate share of the net pension liability is based upon the measurement taken on June 30th of the prior year.

See accompanying notes to required supplementary information.

**LINCOLN COUNTY SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022**

Note 1 – Net Pension Liability

Changes in benefit terms. There have been no changes in benefit terms since the last valuation.

Changes in assumptions. There have been no changes in assumptions.

Note 2 – Other Post-Employment Benefits Liability

Changes in benefit terms. There have been no changes in benefit terms since the last valuation.

Changes in assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period.

**LINCOLN COUNTY SCHOOL DISTRICT
MAJOR FUND-GENERAL FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2022 AND 2021**

	2022	2021
Assets:		
Pooled cash and investments	\$ 3,221,745	\$ 1,936,912
Taxes receivable	-	12,600
Due from other funds	48,359	497,463
Due from other governments	<u>14,653</u>	<u>153,969</u>
 Total assets	 <u>\$ 3,284,757</u>	 <u>\$ 2,600,944</u>
Liabilities:		
Accounts payable	\$ 268,203	\$ 240,480
Accrued payroll	<u>1,035,091</u>	<u>819,275</u>
 Total liabilities	 <u>1,303,294</u>	 <u>1,059,755</u>
Deferred inflows of resources:		
Unavailable revenue - property taxes	<u>-</u>	<u>10,574</u>
Fund balance:		
Assigned	776,427	663,384
Unassigned	<u>1,205,036</u>	<u>867,231</u>
 Total fund balance	 <u>1,981,463</u>	 <u>1,530,615</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 3,284,757</u>	 <u>\$ 2,600,944</u>

**LINCOLN COUNTY SCHOOL DISTRICT
MAJOR FUND-GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)**

	2022		Variance-	2021
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Local sources:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 1,798,967
Local school support taxes	-	-	-	517,699
Governmental service tax	-	-	-	377,316
Investment income (loss)	100	584	484	501
Rent	100	-	(100)	-
Other income	<u>10,000</u>	<u>3,093</u>	<u>(6,907)</u>	<u>28,542</u>
 Total local sources	 <u>10,200</u>	 <u>3,677</u>	 <u>(6,523)</u>	 <u>2,723,025</u>
State sources:				
PCFP - Adjusted base funding (formally DSA)	10,922,338	11,782,500	860,162	9,322,515
PCFP - Auxiliary services - transportation	767,796	767,800	4	-
Food service revenue	63,515	-	(63,515)	-
Local special education	<u>-</u>	<u>327,715</u>	<u>327,715</u>	<u>-</u>
 Total state sources	 <u>11,753,649</u>	 <u>12,878,015</u>	 <u>1,124,366</u>	 <u>9,322,515</u>
Federal sources:				
National forest	-	14,653	14,653	12,597
E-Rate	60,000	87,484	27,484	66,763
National fish and wildlife	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,604</u>
 Total federal sources	 <u>60,000</u>	 <u>102,137</u>	 <u>42,137</u>	 <u>80,964</u>
 Total revenues	 <u>11,823,849</u>	 <u>12,983,829</u>	 <u>1,159,980</u>	 <u>12,126,504</u>

LINCOLN COUNTY SCHOOL DISTRICT
MAJOR FUND-GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022		Variance-	
	Budget	Actual	Positive (Negative)	2021 Actual
Expenditures:				
Current:				
Regular programs:				
Instruction:				
Salaries	\$ 3,175,382	\$ 3,143,892	\$ 31,490	\$ 2,970,864
Benefits	1,521,327	1,457,847	63,480	1,370,955
Purchased services	5,300	5,002	298	2,174
Supplies	115,307	103,367	11,940	124,400
Property	<u>4,620</u>	<u>4,396</u>	<u>224</u>	<u>17,742</u>
Total regular programs	<u>4,821,936</u>	<u>4,714,504</u>	<u>107,432</u>	<u>4,486,135</u>
Vocational programs:				
Instruction:				
Salaries	453,900	453,071	829	481,615
Benefits	232,000	224,063	7,937	224,890
Supplies	<u>23,396</u>	<u>22,131</u>	<u>1,265</u>	<u>16,044</u>
Total vocational programs	<u>709,296</u>	<u>699,265</u>	<u>10,031</u>	<u>722,549</u>
Co-curricular and extra curricular activities:				
Co-curricular activities:				
Instruction:				
Purchased services	286	286	-	-
Supplies	<u>150</u>	<u>70</u>	<u>80</u>	<u>-</u>
Total co-curricular activities	<u>436</u>	<u>356</u>	<u>80</u>	<u>-</u>
Athletics:				
Instruction:				
Salaries	85,000	84,785	215	85,186
Benefits	8,006	7,274	732	9,402
Purchased services	124,740	95,825	28,915	16,631
Supplies	31,075	30,446	629	29,458
Other	<u>3,140</u>	<u>2,676</u>	<u>464</u>	<u>3,439</u>
Total athletics	<u>251,961</u>	<u>221,006</u>	<u>30,955</u>	<u>144,116</u>
Total co-curricular and extra curricular activities	<u>252,397</u>	<u>221,362</u>	<u>31,035</u>	<u>144,116</u>

**LINCOLN COUNTY SCHOOL DISTRICT
MAJOR FUND-GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)**

	2022		Variance-	2021
	Budget	Actual	Positive (Negative)	Actual
Expenditures (continued):				
Undistributed expenditures:				
Student support:				
Salaries	\$ 205,066	\$ 205,065	\$ 1	\$ 153,554
Benefits	100,142	98,237	1,905	95,659
Supplies	464	463	1	803
Total student support	<u>305,672</u>	<u>303,765</u>	<u>1,907</u>	<u>250,016</u>
Instruction staff support:				
Supplies	<u>4,696</u>	<u>4,695</u>	<u>1</u>	<u>4,413</u>
General administration:				
Salaries	456,403	456,204	199	444,315
Benefits	366,715	335,080	31,635	298,803
Purchased services	771,743	754,077	17,666	558,640
Supplies	294,777	252,693	42,084	223,439
Property	28,819	48,641	(19,822)	-
Other	<u>15,000</u>	<u>11,808</u>	<u>3,192</u>	<u>16,782</u>
Total general administration	<u>1,933,457</u>	<u>1,858,503</u>	<u>74,954</u>	<u>1,541,979</u>
School administration:				
Salaries	960,183	982,907	(22,724)	1,014,246
Benefits	479,596	472,528	7,068	460,023
Purchased services	48,799	40,814	7,985	38,789
Supplies	77,790	59,842	17,948	59,280
Property	-	-	-	2,234
Other	<u>1,872</u>	<u>-</u>	<u>1,872</u>	<u>1,000</u>
Total school administration	<u>1,568,240</u>	<u>1,556,091</u>	<u>12,149</u>	<u>1,575,572</u>
Operating/maintenance plant svc:				
Salaries	523,000	521,109	1,891	520,913
Benefits	271,005	261,844	9,161	253,404
Purchased services	150,250	112,749	37,501	121,025
Supplies	364,455	330,617	33,838	278,761
Property	<u>14,156</u>	<u>324,607</u>	<u>(310,451)</u>	<u>4,724</u>
Total operating/maintenance	<u>1,322,866</u>	<u>1,550,926</u>	<u>(228,060)</u>	<u>1,178,827</u>

**LINCOLN COUNTY SCHOOL DISTRICT
MAJOR FUND-GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)**

	2022		Variance-	2021
	Budget	Actual	Positive (Negative)	Actual
Expenditures (continued):				
Undistributed expenditures (continued):				
Student transportation:				
Salaries	\$ 201,480	\$ 201,472	\$ 8	\$ 170,359
Benefits	94,466	89,121	5,345	89,236
Purchased services	29,976	23,112	6,864	11,982
Supplies	186,000	178,311	7,689	81,361
Property	<u>82,550</u>	<u>93,000</u>	<u>(10,450)</u>	<u>-</u>
Total student transportation	<u>594,472</u>	<u>585,016</u>	<u>9,456</u>	<u>352,938</u>
Total undistributed expenditures	<u>5,729,403</u>	<u>5,858,996</u>	<u>(129,593)</u>	<u>4,903,745</u>
Debt Service:				
Principal	-	95,131	(95,131)	31,543
Interest	-	2,504	(2,504)	-
Total debt service	<u>-</u>	<u>97,635</u>	<u>(97,635)</u>	<u>31,543</u>
Contingency	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>-</u>
Total expenditures	<u>11,538,032</u>	<u>11,591,762</u>	<u>(53,730)</u>	<u>10,288,088</u>
Excess (deficiency) of revenues over expenditures	<u>285,817</u>	<u>1,392,067</u>	<u>1,106,250</u>	<u>1,838,416</u>
Other financing sources (uses):				
Financed purchases proceeds	-	93,000	93,000	-
Lease obligation proceeds	-	48,641	48,641	-
Operating transfers in	100,000	-	(100,000)	100,000
Operating transfers out	<u>(1,152,860)</u>	<u>(1,082,860)</u>	<u>70,000</u>	<u>(1,294,825)</u>
Total other financing sources (uses)	<u>(1,052,860)</u>	<u>(941,219)</u>	<u>111,641</u>	<u>(1,194,825)</u>
Net change in fund balance	(767,043)	450,848	1,217,891	643,591
Fund balance:				
Beginning of year	<u>1,530,615</u>	<u>1,530,615</u>	<u>-</u>	<u>887,024</u>
End of year	<u>\$ 763,572</u>	<u>\$ 1,981,463</u>	<u>\$ 1,217,891</u>	<u>\$ 1,530,615</u>

**LINCOLN COUNTY SCHOOL DISTRICT
MAJOR SPECIAL REVENUE FUND-SPECIAL EDUCATION FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2022 AND 2021**

	2022	2021
Assets:		
Pooled cash and investments	\$ 455,719	\$ 560,009
Liabilities:		
Accounts payable	\$ 195	\$ -
Accrued payroll	<u>188,069</u>	<u>175,995</u>
Total liabilities	188,264	175,995
Fund balance:		
Committed for special education	<u>267,455</u>	<u>384,014</u>
Total liabilities and fund balance	<u>\$ 455,719</u>	<u>\$ 560,009</u>

LINCOLN COUNTY SCHOOL DISTRICT
MAJOR SPECIAL REVENUE FUND-SPECIAL EDUCATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022		Variance-	
	Budget	Actual	Positive (Negative)	2021 Actual
Revenues:				
State sources:				
Special education (formally distributive school)	\$ 1,533,963	\$ 1,206,283	\$ (327,680)	\$ 1,186,531
Special education above 13%	<u>-</u>	<u>27,080</u>	<u>27,080</u>	<u>-</u>
Total revenues	<u>1,533,963</u>	<u>1,233,363</u>	<u>(300,600)</u>	<u>1,186,531</u>
Expenditures:				
Current:				
Special programs:				
Instruction:				
Salaries	755,166	791,996	(36,830)	872,966
Benefits	426,525	438,818	(12,293)	478,124
Purchased services	109,682	101,447	8,235	114,137
Supplies	13,718	12,859	859	7,676
Property	<u>4,805</u>	<u>4,802</u>	<u>3</u>	<u>-</u>
Total expenditures	<u>1,309,896</u>	<u>1,349,922</u>	<u>(40,026)</u>	<u>1,472,903</u>
Excess (deficiency) of revenues over expenditures	224,067	(116,559)	(340,626)	(286,372)
Other financing sources (uses):				
Operating transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>330,000</u>
Net change in fund balances	224,067	(116,559)	(340,626)	43,628
Fund balance:				
Beginning of year	<u>315,164</u>	<u>384,014</u>	<u>68,850</u>	<u>340,386</u>
End of year	<u>\$ 539,231</u>	<u>\$ 267,455</u>	<u>\$ (271,776)</u>	<u>\$ 384,014</u>

**LINCOLN COUNTY SCHOOL DISTRICT
MAJOR FUND-COB HIGH SCHOOL SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2022 AND 2021**

	2022	2021
Assets:		
Pooled cash and investments	<u>\$ 788,637</u>	<u>\$ 550,741</u>
Liabilities:		
Accounts payable	\$ 1,137	\$ 6,740
Accrued payroll	<u>84,867</u>	<u>84,348</u>
Total liabilities	86,004	91,088
Fund balance:		
Committed	<u>702,633</u>	<u>459,653</u>
Total liabilities and fund balance	<u>\$ 788,637</u>	<u>\$ 550,741</u>

LINCOLN COUNTY SCHOOL DISTRICT
MAJOR FUND-COB HIGH SCHOOL SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022		Variance-	
	Budget	Actual	Positive (Negative)	2021 Actual
Revenues:				
Local Sources:				
Tuition	\$ 321,760	\$ 321,760	\$ -	\$ 321,760
Other - grant	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,851</u>
Total revenues	<u>321,760</u>	<u>321,760</u>	<u>-</u>	<u>324,611</u>
Expenditures:				
Current:				
Regular programs:				
Instruction:				
Salaries	330,069	278,631	51,438	264,489
Benefits	163,394	133,907	29,487	125,804
Purchased services	500	-	500	-
Supplies	44,000	10,967	33,033	21,964
Property	<u>20,000</u>	<u>9,723</u>	<u>10,277</u>	<u>-</u>
Total regular programs	<u>557,963</u>	<u>433,228</u>	<u>124,735</u>	<u>412,257</u>
Vocational programs:				
Instruction:				
Salaries	68,392	68,391	1	117,139
Benefits	33,479	31,533	1,946	52,803
Purchased services	1,500	100	1,400	-
Supplies	<u>23,499</u>	<u>3,226</u>	<u>20,273</u>	<u>5,856</u>
Total vocational programs	<u>126,870</u>	<u>103,250</u>	<u>23,620</u>	<u>175,798</u>
Co-curricular and extra curricular activities:				
Athletics:				
Instruction:				
Salaries	82,319	-	82,319	3,171
Benefits	1,914	-	1,914	91
Supplies	2,500	2,329	171	570
Property	<u>5,500</u>	<u>2,708</u>	<u>2,792</u>	<u>-</u>
Total co-curricular and extra curricular activities	<u>92,233</u>	<u>5,037</u>	<u>87,196</u>	<u>3,832</u>

LINCOLN COUNTY SCHOOL DISTRICT
MAJOR FUND-COB HIGH SCHOOL SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022		Variance-	
	Budget	Actual	Positive (Negative)	2021 Actual
Expenditures (continued):				
Undistributed expenditures:				
Instruction staff support:				
Supplies	\$ 250	\$ -	\$ 250	\$ -
School administration:				
Salaries	151,428	117,868	33,560	145,405
Benefits	71,890	55,687	16,203	66,371
Purchased services	117,370	12,100	105,270	6,522
Supplies	19,500	5,635	13,865	6,102
Property	15,500	-	15,500	3,997
Total school administration	<u>375,688</u>	<u>191,290</u>	<u>184,398</u>	<u>228,397</u>
Operating/maintenance plant svc:				
Salaries	44,029	44,029	-	47,165
Benefits	25,276	22,236	3,040	22,179
Supplies	11,000	7,570	3,430	8,233
Property	2,500	-	2,500	-
Total operating/maintenance	<u>82,805</u>	<u>73,835</u>	<u>8,970</u>	<u>77,577</u>
Total undistributed expenditures	<u>458,743</u>	<u>265,125</u>	<u>193,618</u>	<u>305,974</u>
Total expenditures	<u>1,235,809</u>	<u>806,640</u>	<u>429,169</u>	<u>897,861</u>
Excess (deficiency) of revenues over expenditures	<u>(914,049)</u>	<u>(484,880)</u>	<u>429,169</u>	<u>(573,250)</u>
Other financing sources (uses):				
Operating transfers in	727,860	727,860	-	909,825
Operating transfers out	-	-	-	(100,000)
Total other financing sources	<u>727,860</u>	<u>727,860</u>	<u>-</u>	<u>809,825</u>
Net change in fund balances	(186,189)	242,980	429,169	236,575
Fund balance:				
Beginning of year	<u>459,653</u>	<u>459,653</u>	<u>-</u>	<u>223,078</u>
End of year	<u>\$ 273,464</u>	<u>\$ 702,633</u>	<u>\$ 429,169</u>	<u>\$ 459,653</u>

**LINCOLN COUNTY SCHOOL DISTRICT
MAJOR FUND-DEBT SERVICE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2022 AND 2021**

	2022	2021
Assets:		
Pooled cash and investments	\$ 766,408	\$ 695,627
Taxes receivable	4,151	3,747
Due from other governments	<u>36,503</u>	<u>796</u>
 Total assets	 <u>\$ 807,062</u>	 <u>\$ 700,170</u>
Liabilities:		
Due to other funds	\$ 5,100	\$ 3,600
Deferred inflows of resources:		
Unavailable revenue - property taxes	3,336	3,144
Fund balance:		
Restricted	<u>798,626</u>	<u>693,426</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 807,062</u>	 <u>\$ 700,170</u>

**LINCOLN COUNTY SCHOOL DISTRICT
MAJOR FUND-DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)**

	2022		Variance- Positive (Negative)	2021 Actual
	Budget	Actual		
Revenues:				
Local sources:				
Property tax	\$ 577,419	\$ 569,481	\$ (7,938)	\$ 535,190
Investment income (loss)	100	(11,419)	(11,519)	2,067
Total local sources	<u>577,519</u>	<u>558,062</u>	<u>(19,457)</u>	<u>537,257</u>
Federal sources:				
Interest subsidy	32,000	31,178	(822)	31,655
Fish and game in-lieu tax	500	477	(23)	477
Total federal sources	<u>32,500</u>	<u>31,655</u>	<u>(845)</u>	<u>32,132</u>
Total revenues	<u>610,019</u>	<u>589,717</u>	<u>(20,302)</u>	<u>569,389</u>
Expenditures:				
Debt service:				
Principal	337,800	337,800	-	342,600
Interest and fiscal costs	145,216	146,717	(1,501)	159,538
Total expenditures	<u>483,016</u>	<u>484,517</u>	<u>(1,501)</u>	<u>502,138</u>
Excess (deficiency) of revenues over expenditures	127,003	105,200	(21,803)	67,251
Fund balance:				
Beginning of year	<u>693,426</u>	<u>693,426</u>	-	<u>626,175</u>
End of year	<u>\$ 820,429</u>	<u>\$ 798,626</u>	<u>\$ (21,803)</u>	<u>\$ 693,426</u>

**LINCOLN COUNTY SCHOOL DISTRICT
MAJOR FUND-CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2022 AND 2021**

	2022	2021
Assets:		
Pooled cash and investments	\$ 782,282	\$ 276,486
Due from other governments	<u>33,583</u>	<u>45,309</u>
 Total assets	 <u>\$ 815,865</u>	 <u>\$ 321,795</u>
Liabilities:		
Accounts payable	\$ 1,085	\$ 63,000
Fund balance:		
Restricted	<u>814,780</u>	<u>258,795</u>
 Total liabilities and fund balance	 <u>\$ 815,865</u>	 <u>\$ 321,795</u>

**LINCOLN COUNTY SCHOOL DISTRICT
MAJOR FUND-CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)**

	2022		Variance-	
	Budget	Actual	Positive (Negative)	2021 Actual
Revenues:				
Local sources:				
Governmental service tax	\$ 114,212	\$ 114,857	\$ 645	\$ 113,224
Local school support taxes	60,000	139,256	79,256	119,994
Investment income	<u>1,000</u>	<u>1,872</u>	<u>872</u>	<u>902</u>
Total local sources	175,212	255,985	80,773	234,120
Expenditures:				
Capital outlay:				
Facilities acquisition and construction:				
Building improvement:				
Purchased services	<u>300,000</u>	<u>-</u>	<u>300,000</u>	<u>149,386</u>
Excess (deficiency) of revenues over expenditures	(124,788)	255,985	380,773	84,734
Other financing sources (uses):				
Operating transfers in	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	175,212	555,985	380,773	84,734
Fund balance:				
Beginning of year	<u>258,795</u>	<u>258,795</u>	<u>-</u>	<u>174,061</u>
End of year	<u>\$ 434,007</u>	<u>\$ 814,780</u>	<u>\$ 380,773</u>	<u>\$ 258,795</u>

**LINCOLN COUNTY SCHOOL DISTRICT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022
(With Comparative Totals for June 30, 2021)**

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Totals	
			2022	2021
Assets:				
Pooled cash and investments	\$ 700,970	\$ 82,492	\$ 783,462	\$ 559,054
Due from other funds	-	5,100	5,100	3,600
Due from other governments	164,247	-	164,247	573,489
Due from others	-	-	-	63,514
	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,514</u>
Total assets	<u>\$ 865,217</u>	<u>\$ 87,592</u>	<u>\$ 952,809</u>	<u>\$ 1,199,657</u>
Liabilities:				
Accounts payable	\$ 24,870	\$ -	\$ 24,870	\$ 1,438
Accrued payroll	118,498	-	118,498	95,024
Unearned revenue	49,368	-	49,368	49,259
Due to other funds	48,359	-	48,359	497,463
	<u>48,359</u>	<u>-</u>	<u>48,359</u>	<u>497,463</u>
Total liabilities	<u>241,095</u>	<u>-</u>	<u>241,095</u>	<u>643,184</u>
Fund balance:				
Restricted for capital projects	-	87,592	87,592	47,592
Restricted for student groups	402,412	-	402,412	424,939
Restricted for food service	62,219	-	62,219	-
Committed for food service	159,491	-	159,491	83,942
	<u>159,491</u>	<u>-</u>	<u>159,491</u>	<u>83,942</u>
Total fund balance	<u>624,122</u>	<u>87,592</u>	<u>711,714</u>	<u>556,473</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 865,217</u>	<u>\$ 87,592</u>	<u>\$ 952,809</u>	<u>\$ 1,199,657</u>

**LINCOLN COUNTY SCHOOL DISTRICT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022**

(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Nonmajor	Nonmajor	Totals	
	Special Revenue Funds	Capital Projects Fund	2022	2021
Revenues:				
Local sources	\$ 535,507	\$ -	\$ 535,507	\$ 708,042
State sources	638,012	-	638,012	1,004,520
Federal sources	<u>2,022,118</u>	-	<u>2,022,118</u>	<u>1,589,513</u>
Total revenues	<u>3,195,637</u>	-	<u>3,195,637</u>	<u>3,302,075</u>
Expenditures:				
Current:				
Regular programs	653,815	-	653,815	965,561
Special programs	377,255	-	377,255	269,534
Vocational programs	70,746	-	70,746	58,237
Other instructional programs	99,536	-	99,536	-
Co-curricular activities	553,763	-	553,763	636,670
Adult education	243,448	-	243,448	262,138
Undistributed expenditures	1,081,833	-	1,081,833	1,063,411
Capital outlay	-	-	-	<u>137,587</u>
Total expenditures	<u>3,080,396</u>	-	<u>3,080,396</u>	<u>3,393,138</u>
Excess (deficiency) of revenues over expenditures	115,241	-	115,241	(91,063)
Other financing sources (uses):				
Operating transfers in	-	<u>40,000</u>	<u>40,000</u>	<u>55,000</u>
Net change in fund balances	<u>115,241</u>	<u>40,000</u>	<u>155,241</u>	<u>(36,063)</u>
Fund balance:				
Beginning of year	<u>508,881</u>	<u>47,592</u>	<u>556,473</u>	<u>592,536</u>
End of year	<u>\$ 624,122</u>	<u>\$ 87,592</u>	<u>\$ 711,714</u>	<u>\$ 556,473</u>

**LINCOLN COUNTY SCHOOL DISTRICT
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2022
(With Comparative Totals for June 30, 2021)**

	Federal Grants	State Grants	Adult Education	Food Service	Gifts and Donations
Assets:					
Pooled cash and investments	\$ 31,001	\$ -	\$ 26,386	\$ 239,712	\$ 544
Due from other governments	<u>82,828</u>	<u>56,600</u>	<u>24,819</u>	<u>-</u>	<u>-</u>
 Total assets	 <u>\$ 113,829</u>	 <u>\$ 56,600</u>	 <u>\$ 51,205</u>	 <u>\$ 239,712</u>	 <u>\$ 544</u>
 Liabilities:					
Accounts payable	\$ 16,763	\$ 5,854	\$ -	\$ 1,338	\$ -
Accrued payroll	92,861	-	8,973	16,664	-
Unearned revenue	4,205	2,387	42,232	-	544
Due to other funds	<u>-</u>	<u>48,359</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total liabilities	 <u>113,829</u>	 <u>56,600</u>	 <u>51,205</u>	 <u>18,002</u>	 <u>544</u>
 Fund balance:					
Restricted for student groups	-	-	-	-	-
Restricted for food service	-	-	-	62,219	-
Committed for food service	<u>-</u>	<u>-</u>	<u>-</u>	<u>159,491</u>	<u>-</u>
 Total fund balance	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>221,710</u>	 <u>-</u>
 Total liabilities and fund balance	 <u>\$ 113,829</u>	 <u>\$ 56,600</u>	 <u>\$ 51,205</u>	 <u>\$ 239,712</u>	 <u>\$ 544</u>

PCFP At Risk	Student Activity	Totals	
		2022	2021
\$ 915	\$ 402,412	\$ 700,970	\$ 522,298
-	-	164,247	573,489
<u>\$ 915</u>	<u>\$ 402,412</u>	<u>\$ 865,217</u>	<u>\$ 1,095,787</u>
\$ 915	\$ -	\$ 24,870	\$ 549
-	-	118,498	95,024
-	-	49,368	49,259
-	-	48,359	442,074
<u>915</u>	<u>-</u>	<u>241,095</u>	<u>586,906</u>
-	402,412	402,412	424,939
-	-	62,219	-
-	-	159,491	83,942
<u>-</u>	<u>402,412</u>	<u>624,122</u>	<u>508,881</u>
<u>\$ 915</u>	<u>\$ 402,412</u>	<u>\$ 865,217</u>	<u>\$ 1,095,787</u>

**LINCOLN COUNTY SCHOOL DISTRICT
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022**

(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Federal Grants	State Grants	Adult Education	Food Service	PCFP At Risk
Revenues:					
Local sources	\$ -	\$ -	\$ -	\$ 4,271	\$ -
State sources	-	223,750	243,448	71,278	45,284
Federal sources	<u>1,536,636</u>	<u>-</u>	<u>-</u>	<u>485,482</u>	<u>-</u>
Total revenues	<u>1,536,636</u>	<u>223,750</u>	<u>243,448</u>	<u>561,031</u>	<u>45,284</u>
Expenditures:					
Current:					
Regular programs	642,134	11,681	-	-	-
Special programs	377,255	-	-	-	-
Vocational programs	70,746	-	-	-	-
Other instructional programs	-	-	-	-	45,284
Co-curricular activities	-	-	-	-	-
Adult education	-	-	243,448	-	-
Undistributed expenditures	<u>446,501</u>	<u>212,069</u>	<u>-</u>	<u>423,263</u>	<u>-</u>
Total expenditures	<u>1,536,636</u>	<u>223,750</u>	<u>243,448</u>	<u>423,263</u>	<u>45,284</u>
Excess (deficiency) of revenues over expenditures	-	-	-	137,768	-
Other financing sources (uses):					
Operating transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>137,768</u>	<u>-</u>
Fund balance:					
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,942</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 221,710</u>	<u>\$ -</u>

PCFP English Learner	Student Activity	Totals	
		2022	2021
\$ -	\$ 531,236	\$ 535,507	\$ 638,165
54,252	-	638,012	1,004,520
-	-	2,022,118	1,589,513
<u>54,252</u>	<u>531,236</u>	<u>3,195,637</u>	<u>3,232,198</u>
-	-	653,815	965,561
-	-	377,255	269,534
-	-	70,746	58,237
54,252	-	99,536	-
-	553,763	553,763	636,670
-	-	243,448	262,138
-	-	1,081,833	1,063,411
<u>54,252</u>	<u>553,763</u>	<u>3,080,396</u>	<u>3,255,551</u>
-	(22,527)	115,241	(23,353)
-	-	-	30,000
-	(22,527)	115,241	6,647
-	424,939	508,881	502,234
<u>\$ -</u>	<u>\$ 402,412</u>	<u>\$ 624,122</u>	<u>\$ 508,881</u>

**LINCOLN COUNTY SCHOOL DISTRICT
NONMAJOR SPECIAL REVENUE FUND-FEDERAL GRANTS FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2022 AND 2021**

	2022	2021
Assets:		
Pooled cash and investments	\$ 31,001	\$ -
Due from other governments	<u>82,828</u>	<u>414,772</u>
 Total assets	 <u>\$ 113,829</u>	 <u>\$ 414,772</u>
Liabilities:		
Accounts payable	\$ 16,763	\$ -
Accrued payroll	92,861	67,888
Unearned revenue	4,205	4,096
Due to other funds	<u>-</u>	<u>342,788</u>
 Total liabilities	 113,829	 414,772
Fund balance:		
Committed	<u>-</u>	<u>-</u>
 Total liabilities and fund balance	 <u>\$ 113,829</u>	 <u>\$ 414,772</u>

**LINCOLN COUNTY SCHOOL DISTRICT
NONMAJOR SPECIAL REVENUE FUND-FEDERAL GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)**

	2022		Variance- Positive (Negative)	2021 Actual
	Budget	Actual		
Revenues:				
Federal sources:				
Other	\$ 1,866,557	\$ 1,536,636	\$ (329,921)	\$ 1,238,735
Expenditures:				
Current:				
Regular programs:				
Instruction:				
Salaries	262,256	253,345	8,911	231,866
Benefits	119,845	113,397	6,448	116,852
Purchased services	18,860	11,473	7,387	132,446
Supplies	267,830	263,919	3,911	171,155
Other	-	-	-	16,385
Total regular programs	<u>668,791</u>	<u>642,134</u>	<u>26,657</u>	<u>668,704</u>
Special programs:				
Instruction:				
Salaries	188,698	179,387	9,311	179,439
Benefits	107,551	97,097	10,454	83,311
Purchased services	156,570	88,985	67,585	3,972
Supplies	28,684	11,786	16,898	2,812
Total special programs	<u>481,503</u>	<u>377,255</u>	<u>104,248</u>	<u>269,534</u>
Vocational programs:				
Instruction:				
Supplies	52,199	52,047	152	52,209
Property	18,699	18,699	-	6,028
Total vocational programs	<u>70,898</u>	<u>70,746</u>	<u>152</u>	<u>58,237</u>

LINCOLN COUNTY SCHOOL DISTRICT
NONMAJOR SPECIAL REVENUE FUND-FEDERAL GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022		Variance-	2021
	Budget	Actual	Positive (Negative)	Actual
Expenditures (continued):				
Undistributed expenditures:				
Student support:				
Purchased services	\$ 41,732	\$ 41,732	\$ -	\$ 2,375
Supplies	1,940	1,367	573	2,376
Total student support	<u>43,672</u>	<u>43,099</u>	<u>573</u>	<u>4,751</u>
Instruction staff support:				
Salaries	27,829	27,829	-	32,036
Benefits	840	840	-	-
Purchased services	116,828	116,172	656	20,185
Supplies	38,223	27,723	10,500	52,398
Total instructional staff support	<u>183,720</u>	<u>172,564</u>	<u>11,156</u>	<u>104,619</u>
Food service:				
Supplies	8,953	8,953	-	7,475
Property	24,686	20,827	3,859	10,836
Total food service	<u>33,639</u>	<u>29,780</u>	<u>3,859</u>	<u>18,311</u>
General administration:				
Salaries	314,280	159,244	155,036	30,030
Benefits	15,701	5,369	10,332	2,879
Purchased services	3,226	3,226	-	4,200
Supplies	-	-	-	44,000
Total general administration	<u>333,207</u>	<u>167,839</u>	<u>165,368</u>	<u>81,109</u>
Operating/maintenance:				
Purchased services	-	-	-	3,500
Supplies	51,127	33,219	17,908	29,970
Total operating plant	<u>51,127</u>	<u>33,219</u>	<u>17,908</u>	<u>33,470</u>
Total undistributed expenditures	<u>645,365</u>	<u>446,501</u>	<u>198,864</u>	<u>242,260</u>
Total expenditures	<u>1,866,557</u>	<u>1,536,636</u>	<u>329,921</u>	<u>1,238,735</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balance:				
Beginning of year	-	-	-	-
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**LINCOLN COUNTY SCHOOL DISTRICT
NONMAJOR FUND - STATE GRANTS SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2022 AND 2021**

	2022	2021
Assets:		
Due from other governments	\$ <u>56,600</u>	\$ <u>65,786</u>
Liabilities:		
Accounts payable	\$ 5,854	\$ -
Unearned revenue	2,387	2,387
Due to other funds	<u>48,359</u>	<u>63,399</u>
Total liabilities	56,600	65,786
Fund balance:		
Committed	<u>-</u>	<u>-</u>
Total liabilities and fund balance	\$ <u>56,600</u>	\$ <u>65,786</u>

LINCOLN COUNTY SCHOOL DISTRICT
NONMAJOR FUND - STATE GRANTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022		Variance-	2021
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
State sources:				
Other	\$ 223,800	\$ 223,750	\$ (50)	\$ 687,236
Expenditures:				
Current:				
Regular programs:				
Instruction:				
Salaries	-	-	-	24,009
Benefits	-	-	-	131
Purchased services	4,117	4,082	35	62,205
Supplies	7,599	7,599	-	115,850
Property	-	-	-	31,549
Total regular programs	<u>11,716</u>	<u>11,681</u>	<u>35</u>	<u>233,744</u>
Undistributed expenditures:				
Instruction staff support:				
Salaries	-	-	-	50,000
Purchased services	7,019	7,019	-	130,074
Supplies	-	-	-	12,607
Property	-	-	-	61,310
Total instruction staff support	<u>7,019</u>	<u>7,019</u>	<u>-</u>	<u>253,991</u>
General administration:				
Salaries	36,208	36,208	-	32,612
Benefits	13,591	13,591	-	14,538
Purchased services	130,774	130,774	-	129,998
Supplies	17,314	17,314	-	12,698
Total general administration	<u>197,887</u>	<u>197,887</u>	<u>-</u>	<u>189,846</u>
Operating/maintenance:				
Purchased services	-	-	-	9,655
Student transportation:				
Purchased services	7,178	7,163	15	-
Total undistributed expenditures	<u>212,084</u>	<u>212,069</u>	<u>15</u>	<u>453,492</u>
Total expenditures	<u>223,800</u>	<u>223,750</u>	<u>50</u>	<u>687,236</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balance:				
Beginning of year	-	-	-	-
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**LINCOLN COUNTY SCHOOL DISTRICT
NONMAJOR SPECIAL REVENUE FUND-ADULT EDUCATION FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2022 AND 2021**

	2022	2021
Assets:		
Pooled cash and investments	\$ 26,386	\$ -
Due from other governments	<u>24,819</u>	<u>92,931</u>
 Total assets	 <u>\$ 51,205</u>	 <u>\$ 92,931</u>
Liabilities:		
Accounts payable	\$ -	\$ 542
Accrued payroll	8,973	14,270
Unearned revenue	42,232	42,232
Due to other funds	<u>-</u>	<u>35,887</u>
 Total liabilities	 51,205	 92,931
Fund balance:		
Committed	<u>-</u>	<u>-</u>
 Total liabilities and fund balance	 <u>\$ 51,205</u>	 <u>\$ 92,931</u>

**LINCOLN COUNTY SCHOOL DISTRICT
NONMAJOR SPECIAL REVENUE FUND-ADULT EDUCATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)**

	2022		Variance-	2021
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
State sources:				
Other	\$ 252,153	\$ 243,448	\$ (8,705)	\$ 262,138
Expenditures:				
Current:				
Adult education:				
Instruction:				
Salaries	37,597	36,349	1,248	72,759
Benefits	17,614	17,333	281	34,354
Purchased services	14,750	11,965	2,785	3,853
Supplies	34,081	33,364	717	9,901
Total instruction	<u>104,042</u>	<u>99,011</u>	<u>5,031</u>	<u>120,867</u>
Staff Support:				
Salaries	91,695	91,052	643	90,751
Benefits	46,831	46,890	(59)	50,520
Purchased services	6,925	3,875	3,050	-
Supplies	2,260	2,260	-	-
Other	400	360	40	-
Total staff support	<u>148,111</u>	<u>144,437</u>	<u>3,674</u>	<u>141,271</u>
Total expenditures	<u>252,153</u>	<u>243,448</u>	<u>8,705</u>	<u>262,138</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balance:				
Beginning of year	-	-	-	-
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**LINCOLN COUNTY SCHOOL DISTRICT
NONMAJOR SPECIAL REVENUE FUND-FOOD SERVICE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2022 AND 2021**

	2022	2021
Assets:		
Pooled cash and investments	<u>\$ 239,712</u>	<u>\$ 96,815</u>
Liabilities:		
Accounts payable	\$ 1,338	\$ 7
Accrued payroll	<u>16,664</u>	<u>12,866</u>
Total liabilities	<u>18,002</u>	<u>12,873</u>
Fund balance:		
Restricted for food service	62,219	-
Committed for food service	<u>159,491</u>	<u>83,942</u>
Total fund balance	<u>221,710</u>	<u>83,942</u>
Total liabilities and fund balance	<u>\$ 239,712</u>	<u>\$ 96,815</u>

LINCOLN COUNTY SCHOOL DISTRICT
NONMAJOR SPECIAL REVENUE FUND-FOOD SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022		Variance-	
	Budget	Actual	Positive (Negative)	2021 Actual
Revenues:				
Local sources:				
Food service daily sales - lunch	\$ -	\$ 4,271	\$ 4,271	\$ 2,374
Donation	-	-	-	739
Total local sources	-	4,271	4,271	3,113
State sources:				
Grant	600	1,763	1,163	-
PCFP auxiliary service - food service	-	69,515	69,515	-
Total state sources	600	71,278	70,678	-
Federal sources:				
School feeding programs (free and reduced)	282,295	278,353	(3,942)	192,269
School breakfast program	152,000	155,945	3,945	121,453
Supply chain assistance program	-	21,128	21,128	-
Emergency operational costs funding	-	9,930	9,930	-
School feeding program - commodities	-	20,126	20,126	37,056
Total federal sources	434,295	485,482	51,187	350,778
Total revenues	434,895	561,031	126,136	353,891
Expenditures:				
Current:				
Undistributed expenditures:				
Food service:				
Salaries	107,000	84,186	22,814	80,623
Benefits	55,790	43,398	12,392	41,468
Purchased services	19,790	1,183	18,607	1,623
Supplies	370,000	294,496	75,504	228,506
Property	6,025	-	6,025	15,439
Total expenditures	558,605	423,263	135,342	367,659
Excess (deficiency) of revenues over expenditures	(123,710)	137,768	261,478	(13,768)
Other financing sources (uses):				
Operating transfers in	70,000	-	(70,000)	30,000
Net change in fund balances	(53,710)	137,768	191,478	16,232
Fund balance:				
Beginning of year	83,942	83,942	-	67,710
End of year	\$ 30,232	\$ 221,710	\$ 191,478	\$ 83,942

**LINCOLN COUNTY SCHOOL DISTRICT
NONMAJOR SPECIAL REVENUE FUND-GIFTS AND DONATIONS
COMPARATIVE BALANCE SHEETS
JUNE 30, 2022 AND 2021**

	2022	2021
Assets:		
Pooled cash and investments	\$ <u>544</u>	\$ <u>544</u>
Liabilities:		
Unearned revenue	\$ 544	\$ 544
Fund balance:		
Committed	<u>-</u>	<u>-</u>
Total liabilities and fund balance	\$ <u>544</u>	\$ <u>544</u>

**LINCOLN COUNTY SCHOOL DISTRICT
NONMAJOR SPECIAL REVENUE FUND-GIFTS AND DONATIONS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)**

	2022		Variance-	
	Budget	Actual	Positive (Negative)	2021 Actual
Revenues:				
Local sources:				
Grant	\$ -	\$ -	\$ -	\$ 7,967
Expenditures:				
Current:				
Regular programs:				
Instruction:				
Supplies	-	-	-	125
Property	-	-	-	7,842
Total expenditures	-	-	-	7,967
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balance:				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -

**LINCOLN COUNTY SCHOOL DISTRICT
NONMAJOR SPECIAL REVENUE FUND-PCFP AT- RISK
BALANCE SHEET
JUNE 30, 2022**

2022

Assets:

Pooled cash and investments	\$ <u>915</u>
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Liabilities:

Accounts payable	\$ 915
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Fund balance:

Restricted for other instructional programs	<u>-</u>
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Total liabilities and fund balance	\$ <u>915</u>
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**LINCOLN COUNTY SCHOOL DISTRICT
NONMAJOR SPECIAL REVENUE FUND-PCFP AT- RISK
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022**

	2022 Budget	Actual	Variance- Positive (Negative)
Revenues:			
State sources:			
PCFP	\$ 45,284	\$ 45,284	\$ -
Expenditures:			
Current:			
Other instructional programs:			
Alternative and at risk education programs:			
Supplies	<u>45,284</u>	<u>45,284</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	-
Fund balance:			
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**LINCOLN COUNTY SCHOOL DISTRICT
NONMAJOR SPECIAL REVENUE FUND-PCFP ENGLISH LEARNER
BALANCE SHEET
JUNE 30, 2022**

2022

Assets:

Pooled cash and investments \$ -

Liabilities:

Accounts payable \$ -

Fund balance:

Restricted for other instructional programs -

Total liabilities and fund balance \$ -

**LINCOLN COUNTY SCHOOL DISTRICT
NONMAJOR SPECIAL REVENUE FUND-PCFP ENGLISH LEARNER
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022**

	2022 Budget	Actual	Variance- Positive (Negative)
Revenues:			
State sources:			
PCFP	\$ 54,252	\$ 54,252	\$ -
Expenditures:			
Current:			
Other instructional programs:			
English for speakers of other languages:			
Salaries	<u>54,252</u>	<u>54,252</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	-
Fund balance:			
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**LINCOLN COUNTY SCHOOL DISTRICT
NONMAJOR SPECIAL REVENUE FUND-STUDENT ACTIVITY
COMPARATIVE BALANCE SHEETS
JUNE 30, 2022 AND 2021**

	2022	2021
Assets:		
Pooled cash and investments	\$ <u>402,412</u>	\$ <u>424,939</u>
Liabilities:		
Accounts payable	\$ -	\$ -
Fund balance:		
Restricted student groups	<u>402,412</u>	<u>424,939</u>
Total liabilities and fund balance	<u>\$ 402,412</u>	<u>\$ 424,939</u>

**LINCOLN COUNTY SCHOOL DISTRICT
NONMAJOR SPECIAL REVENUE FUND-STUDENT ACTIVITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)**

	2022		Variance-	
	Budget	Actual	Positive (Negative)	2021 Actual
Revenues:				
Local sources:				
Other	\$ 900,000	\$ 531,236	\$ (368,764)	\$ 627,085
Expenditures:				
Current:				
Co-curricular programs:				
Other direct support:				
Purchased services	500,000	-	500,000	-
Supplies	470,000	413,868	56,132	590,404
Other	15,000	-	15,000	-
Total co-curricular activities	<u>985,000</u>	<u>413,868</u>	<u>571,132</u>	<u>590,404</u>
Athletics:				
Instruction:				
Purchased services	105,000	-	105,000	-
Supplies	105,000	139,895	(34,895)	46,266
Other	5,000	-	5,000	-
Total athletics	<u>215,000</u>	<u>139,895</u>	<u>75,105</u>	<u>46,266</u>
Total expenditures	<u>1,200,000</u>	<u>553,763</u>	<u>646,237</u>	<u>636,670</u>
Excess (deficiency) of revenues over expenditures	<u>(300,000)</u>	<u>(22,527)</u>	<u>277,473</u>	<u>(9,585)</u>
Fund balance:				
Beginning of year	<u>300,000</u>	<u>424,939</u>	<u>124,939</u>	<u>434,524</u>
End of year	<u>\$ -</u>	<u>\$ 402,412</u>	<u>\$ 402,412</u>	<u>\$ 424,939</u>

**LINCOLN COUNTY SCHOOL DISTRICT
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022
(With Comparative Totals for June 30, 2021)**

	Bond	Building and Sites	Total	
			2022	2021
Assets:				
Pooled cash and investments	\$ 35,256	\$ 47,236	\$ 82,492	\$ 36,756
Due from other funds	5,100	-	5,100	3,600
Due from others	-	-	-	63,514
Total assets	<u>\$ 40,356</u>	<u>\$ 47,236</u>	<u>\$ 87,592</u>	<u>\$ 103,870</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 889
Due to other funds	-	-	-	55,389
Total liabilities	-	-	-	56,278
Fund balance:				
Restricted for capital projects	<u>40,356</u>	<u>47,236</u>	<u>87,592</u>	<u>47,592</u>
Total liabilities and fund balance	<u>\$ 40,356</u>	<u>\$ 47,236</u>	<u>\$ 87,592</u>	<u>\$ 103,870</u>

**LINCOLN COUNTY SCHOOL DISTRICT
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)**

	Bond	Building and Sites	Totals	
			2022	2021
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ 69,877
Expenditures:				
Capital outlay	-	-	-	137,587
Excess (deficiency) of revenues over expenditures	-	-	-	(67,710)
Other financing sources (uses):				
Operating transfers in	-	40,000	40,000	25,000
Net change in fund balances	-	40,000	40,000	(42,710)
Fund balance:				
Beginning of year	40,356	7,236	47,592	90,302
End of year	<u>\$ 40,356</u>	<u>\$ 47,236</u>	<u>\$ 87,592</u>	<u>\$ 47,592</u>

**LINCOLN COUNTY SCHOOL DISTRICT
NONMAJOR FUND-BOND CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2022 AND 2021**

	2022	2021
Assets:		
Pooled cash and investments	\$ 35,256	\$ 36,756
Due from other funds	<u>5,100</u>	<u>3,600</u>
 Total assets	 <u>\$ 40,356</u>	 <u>\$ 40,356</u>
 Liabilities:		
Accounts payable	\$ -	\$ -
 Fund balance:		
Restricted	<u>40,356</u>	<u>40,356</u>
 Total liabilities and fund balance	 <u>\$ 40,356</u>	 <u>\$ 40,356</u>

**LINCOLN COUNTY SCHOOL DISTRICT
NONMAJOR FUND-BOND CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)**

	2022		Variance-	
	Budget	Actual	Positive (Negative)	2021 Actual
Revenues:				
Local sources:				
Investment income	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital outlay:				
Facilities acquisition and construction:				
Building acquisition and construction:				
Purchased services	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(15,000)	-	15,000	-
Fund balance:				
Beginning of year	<u>40,356</u>	<u>40,356</u>	<u>-</u>	<u>40,356</u>
End of year	<u>\$ 25,356</u>	<u>\$ 40,356</u>	<u>\$ 15,000</u>	<u>\$ 40,356</u>

**LINCOLN COUNTY SCHOOL DISTRICT
NONMAJOR FUND-BUILDING AND SITES CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2022 AND 2021**

	2022	2021
Assets:		
Pooled cash and investments	\$ 47,236	\$ -
Due from others	<u>-</u>	<u>63,514</u>
Total assets	<u>\$ 47,236</u>	<u>\$ 63,514</u>
Liabilities:		
Accounts payable	\$ -	\$ 889
Due to other funds	<u>-</u>	<u>55,389</u>
Total liabilities	-	56,278
Fund balance:		
Restricted	<u>47,236</u>	<u>7,236</u>
Total liabilities and fund balance	<u>\$ 47,236</u>	<u>\$ 63,514</u>

LINCOLN COUNTY SCHOOL DISTRICT
NONMAJOR FUND-BUILDING AND SITES CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022		Variance-	2021
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Local sources:				
Investment income (loss)	\$ 100	\$ -	\$ (100)	\$ -
Grant income	-	-	-	69,877
Total revenues	<u>100</u>	<u>-</u>	<u>(100)</u>	<u>69,877</u>
Expenditures:				
Capital outlay:				
Operating/maintenance plant svc:				
Purchased services	-	-	-	31,719
Supplies	-	-	-	56,195
Total operating/maintenance plant svc	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,914</u>
Facilities acquisition and construction:				
Purchased services	35,000	-	35,000	-
Supplies	-	-	-	49,673
Total facilities acquisition and construction	<u>35,000</u>	<u>-</u>	<u>35,000</u>	<u>49,673</u>
Total capital outlay	<u>35,000</u>	<u>-</u>	<u>35,000</u>	<u>137,587</u>
Excess (deficiency) of revenues over expenditures	(34,900)	-	34,900	(67,710)
Other financing sources (uses):				
Operating transfers in	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>25,000</u>
Net change in fund balances	5,100	40,000	34,900	(42,710)
Fund balance:				
Beginning of year	<u>7,236</u>	<u>7,236</u>	<u>-</u>	<u>49,946</u>
End of year	<u>\$ 12,336</u>	<u>\$ 47,236</u>	<u>\$ 34,900</u>	<u>\$ 7,236</u>

LINCOLN COUNTY SCHOOL DISTRICT
NONMAJOR PROPRIETARY FUND-UNEMPLOYMENT COMPENSATION INTERNAL SERVICE FUND
COMPARATIVE STATEMENTS OF NET POSITION
JUNE 30, 2022 AND 2021

	2022	2021
Assets:		
Pooled cash and investments	\$ 48,558	\$ 33,558
Liabilities:		
Accounts payable	-	-
Net position:		
Restricted	\$ 48,558	\$ 33,558

**LINCOLN COUNTY SCHOOL DISTRICT
NONMAJOR PROPRIETARY FUND-UNEMPLOYMENT COMPENSATION INTERNAL SERVICE FUND
SCHEDULES OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	2022		Variance- Positive (Negative)	2021 Actual
	Budget	Actual		
Operating revenues:				
Insurance premiums	\$ -	\$ -	\$ -	\$ -
Operating expenses:				
Benefits	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>-</u>
Operating income	(15,000)	-	15,000	-
Transfers in:				
	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>-</u>
Change in net position	-	15,000	15,000	-
Net position:				
Beginning of year	<u>33,558</u>	<u>33,558</u>	<u>-</u>	<u>33,558</u>
End of year	<u>\$ 33,558</u>	<u>\$ 48,558</u>	<u>\$ 15,000</u>	<u>\$ 33,558</u>

LINCOLN COUNTY SCHOOL DISTRICT
NONMAJOR PROPRIETARY FUND-UNEMPLOYMENT COMPENSATION INTERNAL SERVICE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
Cash flows from operating activities:		
Cash paid for benefits	\$ -	\$ -
Cash flows from non-capital financing activities:		
Transfer in	<u>15,000</u>	<u>-</u>
Net in cash and cash equivalents	15,000	-
Cash and cash equivalents:		
Beginning of year	<u>33,558</u>	<u>33,558</u>
End of year	<u>\$ 48,558</u>	<u>\$ 33,558</u>
Reconciliation of operating (loss) to net cash (used) by operating activities:		
Operating income	\$ -	\$ -
Adjustments to reconcile operating (loss) to net cash (used) by operating activities:		
Increase (decrease) in accounts payable	<u>-</u>	<u>-</u>
Net cash (used) by operating activities	<u>\$ -</u>	<u>\$ -</u>

**LINCOLN COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

PAGE 1 OF 2

Federal Grantor / Pass-through Grantor / Program Title	Federal CFDA Number	Agency or Federal Pass Thru Number	Program Expenditures
<u>U.S Department of Agriculture</u>			
Child Nutrition Cluster			
Passed through State of Nevada Department of Agriculture:			
School Breakfast Program	10.553	N/A	\$ 141,190
National School Lunch Program	10.555	N/A	252,017
National School Lunch Program (Emergency Operational Costs)	10.555	N/A	9,930
National School Lunch Program (Commodities)	10.555	N/A	<u>20,126</u>
Total CFDA 10.555			<u>282,073</u>
Fresh Fruit and Vegetable Program	10.582	N/A	<u>8,953</u>
Total Child Nutrition Cluster			<u>432,216</u>
Passed through State of Nevada Department of Agriculture:			
Child Nutrition Discretionary Grants Limited Availability	10.579	FND 21EQ08	<u>20,826</u>
Passed through State of Nevada, Office of the Controller:			
Schools and Roads - Grants to Counties	10.666	N/A	<u>14,653</u>
Total Department of Agriculture			<u>\$ 467,695</u>
<u>U.S. Department of Interior</u>			
Direct programs:			
National Wildlife Refuge Fund	15.659	N/A	<u>\$ 477</u>
<u>U.S Department of Treasury</u>			
Passed through State of Nevada Department of Education:			
COVID-19 - Coronavirus Relief Fund	21.019	21-340-09000	<u>\$ 27,149</u>
<u>U.S. Department of Education</u>			
Passed through State of Nevada Department of Education:			
Title I Grants to Local Educational Agencies	84.010	22-633-09000	<u>\$ 124,096</u>
Passed through Division of Child and Family Services-Juvenile Services:			
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013A	22-630-116000	<u>182,546</u>
Special Education Cluster (IDEA)			
Passed through State of Nevada Department of Education:			
Special Education Grants to States	84.027	22-667-09000	85,903
Special Education Grants to States	84.027	22-639-09000	187,837
Special Education Grants to States	84.027	22-641-09000	115,523
COVID-19 - Special Education Grants to States	84.027X	22-757-09000	<u>29,286</u>
Total CFDA 84.027			<u>418,549</u>
Special Education Preschool Grants	84.173	22-665-09000	13,424
COVID-19 - Special Education Preschool Grants	84.173X	22-764-09000	<u>2,068</u>
Total CFDA 84.173			<u>15,492</u>
Total Special Education Cluster (IDEA)			<u>434,041</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

**LINCOLN COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

PAGE 2 OF 2

Federal Grantor / Pass-through Grantor / Program Title	Federal CFDA Number	Agency or Federal Pass Thru Number	Program Expenditures
U.S. Department of Education (Continued)			
Passed through State of Nevada Department of Education:			
Career and Technical Education Basic Grants to States	84.048	22-631-09000	\$ 12,262
Career and Technical Education Basic Grants to States	84.048	22-635-09000	38,588
Career and Technical Education Basic Grants to States	84.048	22-636-09000	19,896
Total CFDA 84.048			<u>70,746</u>
Direct programs:			
Rural Education	84.358A	S358A200822	2,447
Rural Education	84.358A	S358A212955	31,544
Total CFDA 84.358			<u>33,991</u>
Passed through Humboldt County School District:			
English Language Acquisition State Grants	84.365A	22-658-07000	1,692
Passed through State of Nevada Department of Education:			
Supporting Effective Instruction State Grants	84.367	22-709-09000	22,087
Student Support and Academic Enrichment Program	84.424	22-715-09000	10,000
Passed through State of Nevada Department of Education:			
Education Stabilization Fund:			
COVID-19 - Education Stabilization Fund	84.425	21-741-09000	363,686
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief	84.425U	21-742-09000	214,353
Passed through Churchill County School District:			
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	21-744-01000	22,470
Total CFDA 84.425			<u>600,509</u>
Total Department of Education			<u>\$ 1,479,708</u>
Total Federal Financial Assistance			<u><u>\$ 1,975,029</u></u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

LINCOLN COUNTY SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1- BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Lincoln County School District (the District) under programs of the federal government for the year ended June 30, 2022. The information in this Schedule 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, changes in net assets, or cash flows of the District.

NOTE 2- SUMMARY OF ACCOUNTING POLICIES

- (a) Expenditures reported on the Schedule are reported on the modified accrual basis of accounting.
- (b) Pass-through entity identifying numbers are presented where available.
- (c) Lincoln County School District did not elect to use the 10% De Minimis indirect cost rate.

NOTE 3 – RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Expenditures of federal awards have been included in the individual funds of the District as follows:

General Fund	\$ 14,653
Debt Service Fund	477
Special Revenue Fund – Federal Grants	1,536,636
Special Revenue Fund – Food Service	<u>423,263</u>
Total	<u>\$ 1,975,029</u>

NOTE 4- FOOD DISTRIBUTION

Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2022, the District had food commodities totaling \$0 in inventory.

**LINCOLN COUNTY SCHOOL DISTRICT
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022**

FINDINGS - FINANCIAL STATEMENTS AUDIT

NONE

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

NONE

DANIEL C. McARTHUR, LTD.

Certified Public Accountant

Quail Park III • 501 So. Rancho Dr., Ste. E-30 • Las Vegas, NV 89106 • (702) 385-1899 • FAX (702) 385-9619

**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***

To the Honorable Board of Trustees
Lincoln County School District
Panaca, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lincoln County School District (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 21, 2022.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "William C. M. [unclear]".

Las Vegas, Nevada
October 21, 2022

DANIEL C. McARTHUR, LTD.

Certified Public Accountant

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

To the Honorable Board of Trustees
Lincoln County School District
Panaca, Nevada

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Lincoln County School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of 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 types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of 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 generally accepted auditing standards, *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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control over Compliance

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

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

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.

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.



Las Vegas, Nevada
October 21, 2022

**LINCOLN COUNTY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

Page 1 of 2

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Lincoln County School District were prepared in accordance with Generally Accepted Accounting Principles.
2. No significant deficiencies relating to the audit of the financial statements are reported in the 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*. No material weaknesses are reported.
3. No instances of noncompliance material to the financial statements of Lincoln County School District, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs are reported in the independent auditor's report on compliance for each major program; report on internal control over compliance; and report on schedule of expenditures of federal awards required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs for Lincoln County School District expresses an unmodified opinion on all major federal programs.
6. There were no audit findings that were required to be reported in accordance with 2 CFR 200.516(a).
7. The programs tested as major programs were:

Education Stabilization Fund	CFDA No. 84.425
------------------------------	-----------------
8. The threshold used for distinguishing Types A and B programs was \$750,000.
9. Lincoln County School District was determined to be a low-risk auditee.

**LINCOLN COUNTY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

Page 2 of 2

FINDINGS - FINANCIAL STATEMENTS AUDIT

NONE

FINDINGS AND QUESTIONED COSTS- MAJOR FEDERAL AWARD PROGRAMS AUDIT

NONE

DANIEL C. McARTHUR, LTD.
Certified Public Accountant

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AUDITOR'S COMMENTS

Honorable Board of Trustees
Lincoln County School District
Panaca, Nevada

In connection with our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lincoln County School District (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, nothing came to our attention that caused us to believe that the District failed to comply with the specific requirements of Nevada Revised Statutes referenced below insofar as they relate to accounting matters except as noted below. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the requirements of Nevada Revised Statutes noted below, insofar as they relate to accounting matters.

CURRENT YEAR STATUTE COMPLIANCE

Expenditures in excess of Appropriations

Per NRS 354.626, the District is required to report expenditures that exceeded budgeted appropriations at the function level for the General Fund, Special Revenue Funds, and Capital Project Funds. For the year ending June 30, 2022, the District had the following expenditures over appropriations that are required to be reported.

General Fund – operating/maintenance programs	\$ 228,060
Special Education Fund – special programs - instruction	\$ 40,026

The General Fund operating/maintenance programs function expenditures in excess of appropriations was related to property expenditures not previously budgeted during the fiscal year for various improvements and equipment. The fund had adequate assets to cover the costs. The Special Education Special Revenue Fund special programs function expenditures in excess of appropriations was related to salaries and benefits expenditures not previously budgeted during the fiscal year. The fund had adequate assets to cover the costs.

PROGRESS ON PRIOR YEAR STATUTE COMPLIANCE

There were prior year compliance issues similar to the current year.

CURRENT YEAR RECOMMENDATIONS

No material weakness and no significant deficiency in internal controls were noted.

PRIOR YEAR RECOMMENDATIONS

No material weakness and no significant deficiency in internal controls were noted.

NEVADA REVISED STATUTE 354.6113

The District established the Bond Fund in accordance with Nevada Revised Statutes 354.6113. Compliance with Nevada Revised Statutes is contained in Note C2 to the financial statements.

There were no capital projects constructed during the year.

The following sources are planned to be deposited into the funds during the next fiscal year (2023).

Fund Balance Carry-over \$ 10,356

The following expenditures are planned for the next fiscal year.

Building Acquisition/Construction \$ 9,000

The District plans to carry over as fund balance into the fiscal year ending June 30, 2023, the amount of \$10,356.



Las Vegas, Nevada
October 21, 2022