

LINCOLN COUNTY SCHOOL DISTRICT
REPORT ON FINANCIAL STATEMENTS WITH
SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2023

**LINCOLN COUNTY SCHOOL DISTRICT
 REPORT ON FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2023
 TABLE OF CONTENTS**

INTRODUCTORY SECTION	<u>PAGE</u>
Organization	1
FINANCIAL SECTION	
Independent Auditor's Report	2-4
Management's Discussion and Analysis	5-15
BASIC FINANCIAL STATEMENTS:	
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
Statement of Net Position	16
Statement of Activities	17
FUND FINANCIAL STATEMENTS:	
GOVERNMENTAL FUNDS:	
Balance Sheet	18-19
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	20
Statement of Revenues, Expenditures, and Changes in Fund Balances	21-22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
General Fund	24-27
Special Education Fund	28
Federal Grants Fund	29-30
PROPRIETARY FUND:	
Statement of Net Position	31
Statement of Revenues, Expenses, and Changes in Net Position	32
Statement of Cash Flows	33
Notes to the financial statements	34-60
REQUIRED SUPPLEMENTARY INFORMATION:	
Schedule of Changes in the District's Total OPEB Liability and Related Ratios	61-62
Schedule of the District's Contributions to the Public Employees' Retirement System of the State of Nevada	63
Schedule of the District's Proportionate Share of the Net Pension Liability Public Employees' Retirement System of the State of Nevada	64
Notes to the Required Supplementary Information	65
SUPPLEMENTARY INFORMATION:	
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES:	
GOVERNMENTAL FUNDS:	
MAJOR FUNDS:	
Comparative Balance Sheets - General Fund	66
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual - General Fund	67-70

**LINCOLN COUNTY SCHOOL DISTRICT
 REPORT ON FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2023
 TABLE OF CONTENTS (CONTINUED)**

MAJOR FUNDS (Continued):	
Comparative Balance Sheets – Special Education Fund	71
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Special Education Fund	72
Comparative Balance Sheets – Federal Grants Fund	73
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Federal Grants Fund	74-75
Comparative Balance Sheets – Debt Service Fund	76
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Debt Service Fund	77
Comparative Balance Sheets – Capital Projects Fund	78
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Capital Projects Fund	79
NONMAJOR GOVERNMENTAL FUNDS:	
Combining Balance Sheet	80
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	81
NONMAJOR SPECIAL REVENUE FUNDS:	
Combining Balance Sheet	82-83
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	84-85
COB High School:	
Comparative Balance Sheets	86
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	87-88
State Grants:	
Comparative Balance Sheets	89
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	90
Adult Education:	
Comparative Balance Sheets	91
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	92
Food Service:	
Comparative Balance Sheets	93
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	94
Gifts and Donations:	
Comparative Balance Sheets	95
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	96
PCFP At-Risk:	
Comparative Balance Sheets	97
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	98
PCFP English Learner:	
Comparative Balance Sheets	99
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	100
Student Activity:	
Comparative Balance Sheets	101
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	102
NONMAJOR CAPITAL PROJECTS FUNDS:	
Combining Balance Sheet	103
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	104

**LINCOLN COUNTY SCHOOL DISTRICT
REPORT ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
TABLE OF CONTENTS (CONTINUED)**

NONMAJOR CAPITAL PROJECTS FUNDS (Continued):

Bond Fund:

Comparative Balance Sheets	105
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	106

Building and Sites:

Comparative Balance Sheets	107
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	108

INTERNAL SERVICE FUNDS:

Unemployment Compensation Fund:

Comparative Statements of Net Position	109
Schedule of Revenues, Expenses, and Changes in Net Position	110
Comparative Statements of Cash Flows	111

ACCOMPANYING INFORMATION - FEDERAL AWARDS

Schedule of Expenditures of Federal Awards	112-113
Notes to Schedule of Expenditures of Federal Awards	114
Schedule of Prior Year Audit Findings	115
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 <i>Government Auditing Standards</i>	116-117
Independent Auditor's Report on Compliance for Each Major Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	118-119
Schedule of Findings and Questioned Costs	120-121

AUDITOR'S COMMENTS

122-123

**LINCOLN COUNTY SCHOOL DISTRICT
ORGANIZATION**

Board of School Trustees at June 30, 2023

Patrick Kelley	President
Wade Poulsen	President Pro-tem
Ann Smith	Clerk
Peggy Rowe	Trustee
Andy Free	Trustee

Superintendent – Pam Teel

DANIEL C. McARTHUR, LTD

Certified Public Accountant

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

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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2023, 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 Federal Grants 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.

Change in Accounting Principle

As discussed in Note A12 to the financial statements, the District has adopted the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This adoption did not result in a restatement of net position as of July 1, 2022. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 5-15, Schedule of Changes in the District's Total OPEB Liability and Related Ratios on page 61-62, Schedule of the District's Contributions to the Public Employees' Retirement System of the State of Nevada on Page 63, and Schedule of the District's Proportionate Share of the Net Pension Liability Public Employees' Retirement System of the State of Nevada on page 64 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, 2022 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, 2022, 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 2022 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 2022 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 19, 2023 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 19, 2023

**LINCOLN COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

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, 2023. 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 2023 that had a significant effect on its financial position or operating results.

Government-Wide Statements

The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the 2023 fiscal year by \$1,725,547 (net position). Total net position represents approximately \$13,053,499 net investment in capital assets, \$928,881 in assets restricted for debt services, \$1,405,029 in assets restricted for capital projects, \$417,869 in assets restricted for student groups, \$48,535 in assets restricted for unemployment compensation and unrestricted deficit of \$14,128,266. The District is committed to providing postemployment benefits to its employees, as a result, the District has recognized substantial liabilities in the financial statement for those benefits. As of June 30, 2023, the District had liabilities of \$18,178,780 for District's share of the net pension liability and \$3,438,243 for other post-employment benefits, which has caused the deficit balance of \$14,128,266 in the unrestricted net position.

The District's total net position increased \$2,150,166 due primarily to decreases in OPEB liabilities and general obligation debt.

Fund Financial Statements

At the close of fiscal year 2023, the District's governmental funds reported combined fund balances of \$6,686,466, an increase of \$1,409,795 when compared to the previous year. Approximately 16.54% of the combined fund balances, \$1,106,215, is available for use within the District's policies (unassigned fund balance).

As of June 30, 2023, the unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the General Fund was \$2,248,492, or approximately 19.54% 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 intended to furnish additional detail to support the basic financial statements themselves.

**LINCOLN COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2023**

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.

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include instruction and support services. The District does not have any business-type activities.

Fund Financial Statements

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**LINCOLN COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2023**

Fund Financial Statements (Continued)

The District maintains fifteen individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Special Education Fund, Federal Grants Fund, Debt Service Fund and Capital Projects Fund, which are considered to be major funds. Data from the other ten governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the other supplementary information.

The District adopts annual appropriated budgets for each of its funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with the budgets.

Proprietary Funds – The district maintains one type of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses internal service funds to account for unemployment insurance benefits for its employees. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities within the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Individual fund data for the internal service fund is provided in the individual fund statements and schedules section of this report.

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 34-60 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide other post-employment benefits and pension benefits to its employees.

The combining statements and individual fund statements and schedules referred to earlier in connection with the major and non-major governmental funds are presented immediately following the required supplementary information.

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, 2023 and 2022.

**LINCOLN COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2023**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	Governmental Activities	
	2023	2022
Current assets	\$ 8,668,663	\$ 7,099,948
Capital asset, net	<u>15,759,278</u>	<u>15,795,517</u>
Total assets	<u>24,427,941</u>	<u>22,895,465</u>
Total deferred outflows of resources	<u>6,517,311</u>	<u>5,836,892</u>
Current liabilities	1,958,922	1,802,029
Long-term liabilities	<u>25,205,360</u>	<u>17,839,724</u>
Total liabilities	<u>27,164,282</u>	<u>19,641,753</u>
Total deferred inflows of resources	<u>2,055,423</u>	<u>9,515,223</u>
Net position:		
Net investment in capital assets	13,053,499	12,773,710
Restricted for:		
Debt service	928,881	798,626
Capital projects	1,405,029	902,372
Student groups	417,869	402,412
Food service	0	62,219
Unemployment	48,535	48,558
Unrestricted (deficit)	<u>(14,128,266)</u>	<u>(15,412,516)</u>
Total net position	<u>\$ 1,725,547</u>	<u>\$ (424,619)</u>

The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,725,547 at the close of the current fiscal year.

Current and other assets increased by \$1,568,715 from the prior year. This primarily relates to receiving more revenues than in the prior year.

Long-term liabilities, which consist of debt, compensated absences, net pension liability and total other post-employment benefits obligations, increased by \$7,365,636 from the previous year. The District's net pension liability increased by \$8,361,650 primarily due to differences between expected and actual experience of the plan and changes of assumptions or other inputs from the prior year.

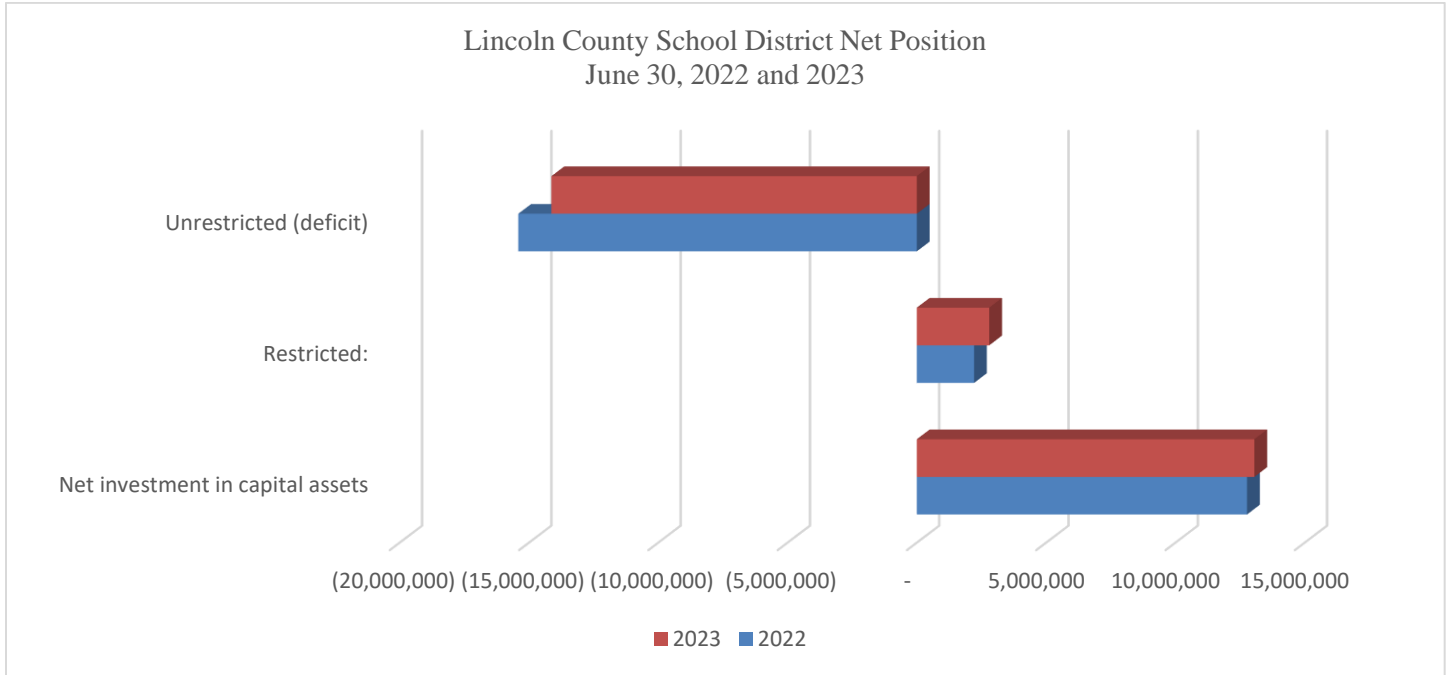
The largest portion of the District's net position, \$13,053,499, reflects its investment in capital assets, less any related debt outstanding used to acquire those assets. The District uses capital assets to provide services to students; consequently, these assets are not available for future spending. 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.

Deferred inflows of resources which consist of OPEB and pension related obligations decreased by \$7,459,800. This decrease primarily relates to decreases in the net difference between projected and actual investment earnings on pension plan investments.

The District's total net position in governmental activities of \$1,725,547 includes unrestricted negative net position totaling (\$14,128,266). 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 \$2,800,314.

**LINCOLN COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2023**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)



The District's overall net position increased \$2,150,166 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities.

Governmental Activities

Changes in Net Position

Financial activities increased the District's net position by \$2,150,166. The following table compares activity for the years ending June 30, 2023 and 2022.

Revenues:	<u>2023</u>	<u>2022</u>
Program Revenues:		
Charges for services	\$ 8,539	\$ 4,271
Operating grants and contributions	2,944,740	2,539,768
Capital grants and contributions	142,135	20,826
Total program revenues	<u>3,095,414</u>	<u>2,564,865</u>
General Revenues:		
Property taxes levied for debt services	581,099	569,673
Local school support tax	121,601	139,256
Governmental services tax	122,084	114,857
State aid not restricted for specific purposes	14,874,606	14,532,674
Federal aid not restricted for specific purposes	97,764	133,792
Investment income (loss)	28,374	(8,963)
Other local sources	983,731	523,755
Total general revenues	<u>16,809,259</u>	<u>16,005,044</u>
Total revenues	<u>19,904,673</u>	<u>18,569,909</u>

**LINCOLN COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2023**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Governmental Activities (Continued)

Expenses:	2023	2022
Instruction expenses	\$ 10,406,094	\$ 8,860,241
Support services expenses:		
Student support	211,571	322,503
Instructional staff support	152,174	167,887
Food service	570,264	425,205
General administration	1,885,943	2,125,116
School administration	1,790,615	1,611,490
Central services	406,134	-
Operating/maintenance plant svc	1,521,698	1,285,381
Student transportation	670,360	489,495
Community services operations	1,500	-
Interest on long term debt	138,154	147,484
Total expenses	<u>17,754,507</u>	<u>15,434,802</u>
 Change in net position	 <u>2,150,166</u>	 <u>3,135,107</u>
 Net position - beginning (deficit)	 (424,619)	 (3,558,417)
Cumulative effect of a change in accounting principle	-	(1,309)
Net position - beginning as restated	<u>(424,619)</u>	<u>(3,559,726)</u>
 Net position - ending (deficit)	 <u>\$ 1,725,547</u>	 <u>\$ (424,619)</u>

Governmental Activities. During the current fiscal year, net position for governmental activities increased \$2,150,166 from the prior fiscal year for an ending balance of \$1,725,547. The increase in the overall net position of governmental activities is primarily due increases revenues and decreases in OPEB liability and general obligation debt.

Revenues increased \$1,334,764 from the prior year due to increases in operating and capital grants and contributions, state aid and other local sources. State aid (pupil centered funding plan payments and state grants) remains the largest source of revenue at \$14,874,606 for the current fiscal year.

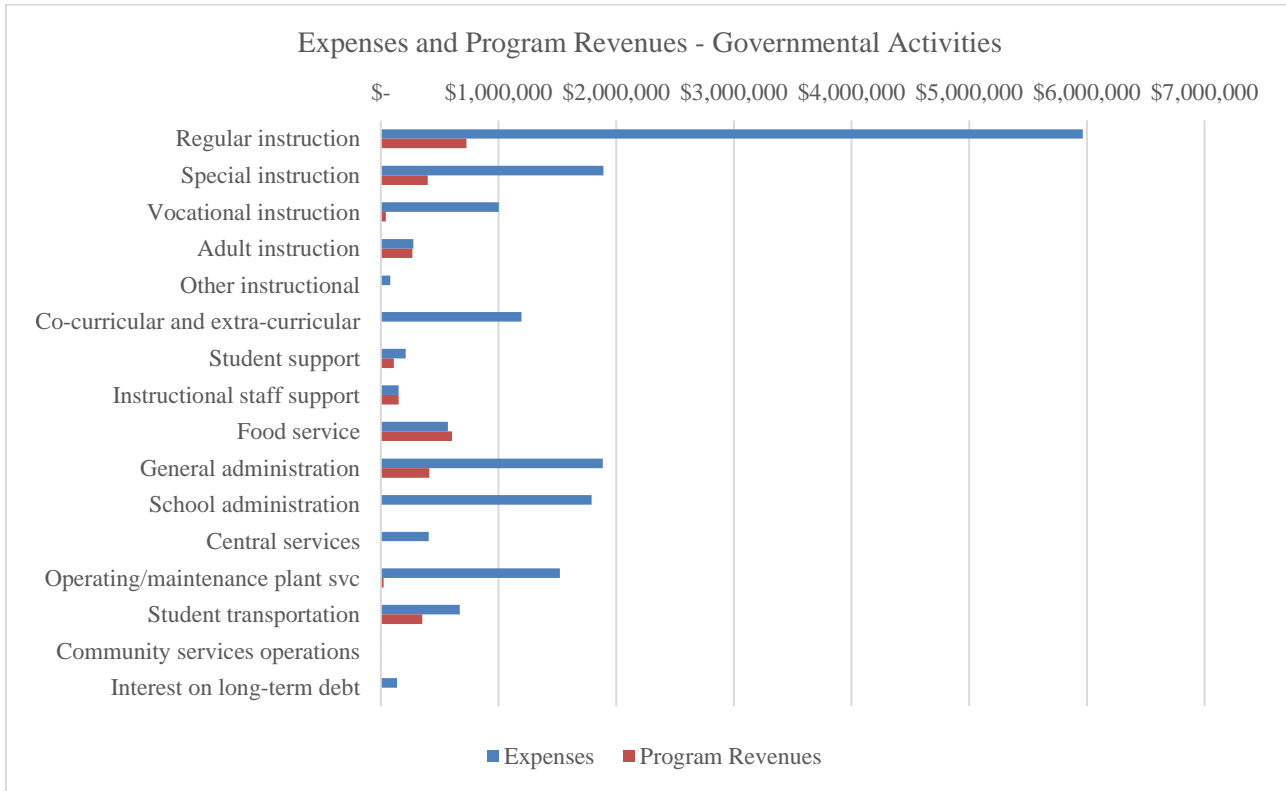
Expenses during the current year increased by \$2,319,705. The most significant increases of expenses was \$1,545,853 in instruction expenses, \$406,134 in central services, and \$236,317 in operations and maintenance plant svc. Increases relate to the central services being moved out of general administration and an increase in labor costs, improvements, and equipment.

**LINCOLN COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2023**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Governmental Activities (Continued)

As shown in the chart below, revenues generated by the District's programs are not sufficient to cover costs. The District relies on property taxes (through the pupil-centered funding plan), investment income, and other general revenues to cover the costs associated with the various programs.



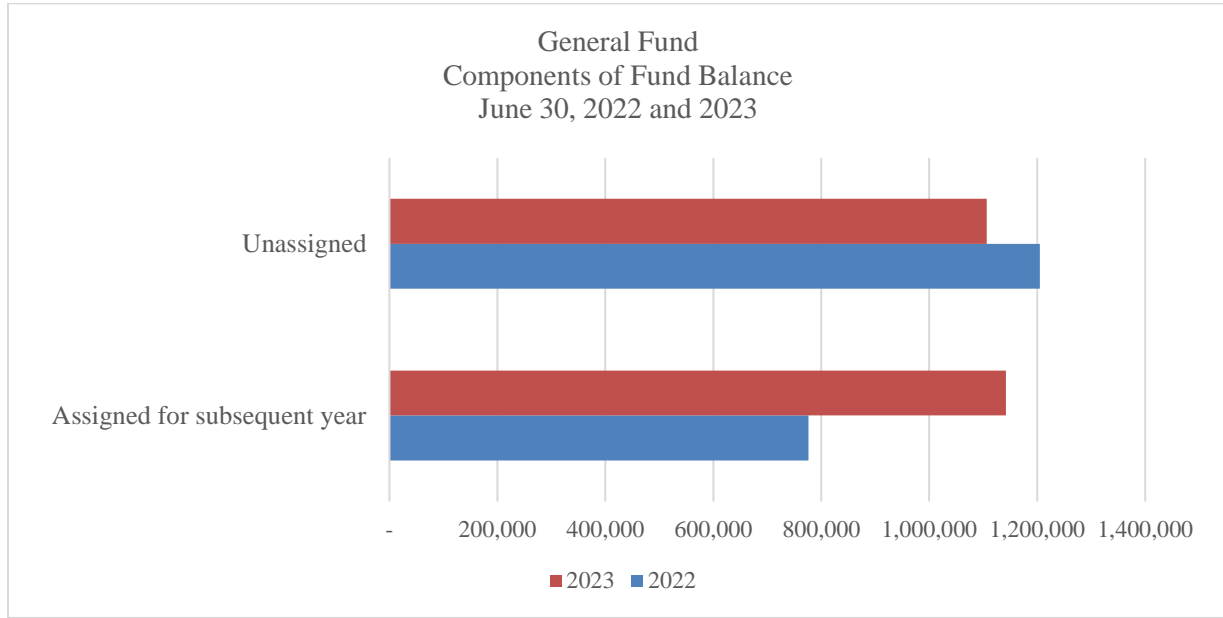
FINANCIAL ANALYSIS OF THE DISTRICT'S MAJOR FUNDS

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 \$1,106,215, while total fund balance increased to \$2,248,492. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents 9.61% of total General Fund expenditures, while total fund balance represents 19.54% of that same amount.

**LINCOLN COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2023**

FINANCIAL ANALYSIS OF THE DISTRICT'S MAJOR FUNDS (Continued)



Local revenue sources increased by \$18,525, or 503.81%. The primary reason for the increase was in other local income which includes donations and miscellaneous monies received by the District. State revenue sources increased by \$241,743 or 1.88%. The State increased the amount of pupil centered funding plan income paid to the District. Federal revenue sources decreased by \$36,054, or 35.30%. This was attributed to the decrease in E-rate funding and national forest revenues.

Expenditures in total decreased compared to the prior year by \$85,712, or 0.74%. Regular programs expenditures increased \$66,448, or 1.41%, due to an increase in salaries, benefits, and supplies. Vocational expenditures increased \$138,078, or 19.75%, due to an increase in salaries and benefits. Co-curricular expenditures increased \$36,209, or 16.36%, due to an increase in salaries, benefits, and supplies related to athletics. The general administration decrease in expenditure of \$422,252 relates to the department being broken up with \$422,775 of the expenses moved to the central services department. Operating/maintenance expenditures decreased \$187,715, or 12.10%, due to a decrease in property related to repairs, improvements and equipment for the District in the prior year. Student transportation expenditures increased \$167,148 due to increases in purchased services, supplies and property.

Special Education Fund: Revenues increased by \$100,102, or 8.12%, compared to the prior year due to an increase in the amount of special education funding from the state. Expenditures increased by \$123,027, or 9.11%, compared to the prior year due to an increase in benefits, purchased services and supplies.

Federal Grants Fund: Revenues and expenditures in the Federal Grants Fund increased \$399,498, or 26.00%, due to a new grants COVID-19 – Coronavirus State and Local Fiscal Recovery Fund and increase in current year funding for Education Stabilization Funds.

Debt Service Fund: The fund balance of the Debt Service Fund increased by \$130,255, or 16.31%, to a year-end balance of \$928,881. This increase is due to receiving property tax, in excess of annual debt service costs.

Capital Projects Fund: The fund balance of the Capital Projects Fund increased by \$464,803, or 57.05%, to a year-end balance of \$1,279,583. This increase is due to higher revenues from local taxes, a transfer in of \$300,000, offset by fewer expenditures in the current year.

**LINCOLN COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2023**

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets:

On June 30, 2023, the District had \$15,640,054 (net) invested in a broad range of capital assets, including land and improvements, construction in progress, buildings and improvements, and equipment and \$119,224 in intangible assets. This amount represents a net decrease (including additions, disposals, and depreciation) of \$82,540 of capital assets and an increase of \$46,301 of intangible assets 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, 2022	Additions	Disposals	Balance June 30, 2023
Non-depreciable capital assets:				
Land	\$ 218,157	\$ -	\$ -	\$ 218,157
Construction in progress	10,000	86,078	-	96,078
Total non-depreciable capital assets	<u>228,157</u>	<u>86,078</u>	<u>-</u>	<u>314,235</u>
Depreciable capital assets:				
Buildings and improvements	24,889,085	22,724	-	24,911,809
Equipment	5,329,509	726,192	10,965	6,044,736
Total depreciable capital assets	<u>30,218,594</u>	<u>748,916</u>	<u>10,965</u>	<u>30,956,545</u>
Less: Accumulated depreciation	<u>14,724,157</u>	<u>917,534</u>	<u>10,965</u>	<u>15,630,726</u>
Depreciable capital assets (net)	<u>15,494,437</u>	<u>(168,618)</u>	<u>-</u>	<u>15,325,819</u>
Total governmental activities capital assets (net)	<u>\$ 15,722,594</u>	<u>\$ (82,540)</u>	<u>\$ -</u>	<u>\$ 15,640,054</u>
	Balance June 30, 2022	Additions	Disposals	Balance June 30, 2023
Intangible assets				
Copier lease obligations	\$ 110,841	\$ -	\$ -	\$ 110,841
Subscription-based information technology arrangements (SBITAs)	-	94,988	-	94,988
Less: Accumulated amortization	<u>37,918</u>	<u>48,687</u>	<u>-</u>	<u>86,605</u>
Total governmental activities intangible assets (net)	<u>\$ 72,923</u>	<u>\$ 46,301</u>	<u>\$ -</u>	<u>\$ 119,224</u>

Buildings and improvements increased due to various building projects. Equipment additions included technology, vehicles, maintenance equipment, and food service equipment. Construction in progress includes the Findlay Family Gymnasium, LCHS HVAC project, PVMS doors and bricks, vocational roof, and Wilcox property improvements. Intangible assets are copiers purchased through lease financing. The District adopted GASB Statement No. 96, subscription-based information technology arrangements (SBITAs). Additional information can be found in note A12 of this report.

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 notes A10, A11, and D3 of this report.

**LINCOLN COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2023**

Long-term Debt Obligations:

As of June 30, 2023, the District had \$25,205,360 in total long-term debt. The obligations consisted of:

	Balance July 1, 2022	Net Additions	Net Reductions	Balance June 30, 2023	Due Within One Year
General obligation debt	\$ 2,903,000	\$ -	\$ 350,100	\$ 2,552,900	\$ 362,800
Plus premiums	4,101	-	820	3,281	-
Less discounts	(2,528)	-	(602)	(1,926)	-
Total bonds payable	2,904,573	-	350,318	2,554,255	362,800
Financed purchases	46,500	156,602	101,770	101,332	49,190
Lease obligation	74,874	-	21,899	52,975	21,721
Compensated absences	846,003	33,772	-	879,775	299,101
Net pension obligation	9,817,130	8,361,650	-	18,178,780	-
OPEB obligation	4,150,644	-	712,401	3,438,243	-
Total long-term liabilities	<u>\$17,839,724</u>	<u>\$8,552,024</u>	<u>\$1,186,388</u>	<u>\$ 25,205,360</u>	<u>\$ 732,812</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, 2023, was \$45,986,001. 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, 2022. Budgeted appropriations were developed with certain major determinants remaining unknown, most important of which is 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 14, 2022, the Board adopted the 2022-2023 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 for the 2022-2023 year.

On June 28, 2023, the board adopted budget changes to reflect the administration's best estimates and includes all transfers, additions, and deletions that have been approved through June 30, 2023.

Total actual revenues for the General Fund during fiscal year 2023 were approximately \$997,537 more than budgeted with the largest source being the pupil centered funding plan adjusted base funding revenues in excess of budget by \$735,490.

**LINCOLN COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2023**

Total actual expenditures for the General Fund during fiscal year 2023 were approximately \$456,803 less than budgeted. This was due to expenditures being less than budgeted for regular programs instruction salary and benefits in the amount of \$146,525; general administration purchased services and supplies were less than anticipated by \$108,871; and operations and maintenance of plant purchased services and supplies were less than anticipated by \$97,827.

Nevada Revised Statutes 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 actual General Fund balance of \$2,248,492 was \$1,106,215 higher than anticipated to begin the 2023-2024 year. This is reflected in the General Fund as unassigned fund balance.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The District approved the budget for the 2023-2024 year on May 24, 2023. Factors presently known that will impact the 2023-2024 budget are as follows:

- Student enrollment is projected to increase by 1.78%.
- The property tax rates for the Debt Service Fund remained unchanged.
- Pupil-Centered Funding Plan per pupil rate is expected to increase by 19.06%
- The District anticipates continued funding from the COVID-19 Education Stabilization Fund enacted by the federal government.

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, 2023

	2023
Assets:	
Pooled cash and investments	\$ 8,260,993
Interest receivable	758
Taxes receivable	5,609
Due from other governments	401,303
Capital assets net of accumulated depreciation	15,640,054
Intangible assets net of accumulated amortization	119,224
Total assets	24,427,941
Deferred outflows of resources:	
Deferred charge on refunding bonds	2,783
OPEB related	511,760
Pension related	6,002,768
Total deferred outflows of resources	6,517,311
Liabilities:	
Accounts payable	342,288
Accrued payroll	1,468,985
Unearned revenue	118,045
Interest payable	29,604
Noncurrent liabilities:	
Due within one year	732,812
Due in more than one year	24,472,548
Total liabilities	27,164,282
Deferred inflows of resources:	
OPEB related	536,797
Pension related	1,518,626
Total deferred inflows of resources	2,055,423
Net position:	
Net investment in capital assets	13,053,499
Restricted for:	
Debt service	928,881
Capital projects	1,405,029
Student groups	417,869
Unemployment	48,535
Unrestricted (deficit)	(14,128,266)
Total net position	\$ 1,725,547

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, 2023

Functions/Programs	Expenses	Program Revenues			Net(Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Total Governmental Activities
Governmental Activities:					
Instruction:					
Regular instruction	\$ (5,965,645)	\$ -	\$ 689,793	\$ 37,594	\$ (5,238,258)
Special instruction	(1,890,308)	-	399,691	-	(1,490,617)
Vocational instruction	(1,001,144)	-	42,870	-	(958,274)
Adult instruction	(274,874)	-	267,916	-	(6,958)
Other instructional	(79,529)	-	-	-	(79,529)
Co-curricular and extra-curricular	(1,194,594)	-	-	-	(1,194,594)
Total instruction	<u>(10,406,094)</u>	<u>-</u>	<u>1,400,270</u>	<u>37,594</u>	<u>(8,968,230)</u>
Support services:					
Student support	(211,571)	-	111,012	-	(100,559)
Instructional staff support	(152,174)	-	151,089	-	(1,085)
Food service	(570,264)	8,539	491,562	104,541	34,378
General administration	(1,885,943)	-	411,650	-	(1,474,293)
School administration	(1,790,615)	-	-	-	(1,790,615)
Central services	(406,134)	-	-	-	(406,134)
Operating/maintenance plant svc	(1,521,698)	-	24,027	-	(1,497,671)
Student transportation	(670,360)	-	353,630	-	(316,730)
Community services operations	(1,500)	-	1,500	-	-
Interest on long-term debt	(138,154)	-	-	-	(138,154)
Total support services	<u>(7,348,413)</u>	<u>8,539</u>	<u>1,544,470</u>	<u>104,541</u>	<u>(5,690,863)</u>
Total governmental activities	<u>\$ (17,754,507)</u>	<u>\$ 8,539</u>	<u>\$ 2,944,740</u>	<u>\$ 142,135</u>	<u>(14,659,093)</u>
General revenues:					
Taxes:					
					581,099
					121,601
					122,084
					14,874,606
					97,764
					28,374
					983,731
					<u>16,809,259</u>
					2,150,166
					(424,619)
					<u>\$ 1,725,547</u>

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

**LINCOLN COUNTY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2023**

	Major Funds			
	General Fund	Special Education	Federal Grants	Debt Service
Assets:				
Pooled cash and investments	\$ 3,442,876	\$ 994,357	\$ -	\$ 918,914
Interest receivable	-	-	-	758
Taxes receivable	-	-	-	5,609
Due from other governments	55,406	-	276,521	5
Due from other funds	62,145	-	-	15,589
Total assets	\$ 3,560,427	\$ 994,357	\$ 276,521	\$ 940,875
Liabilities:				
Accounts payable	\$ 269,893	\$ -	\$ 65,399	\$ -
Accrued payroll	1,026,453	210,670	106,094	-
Unearned revenue	-	-	42,883	-
Due to other funds	15,589	-	62,145	7,650
Total liabilities	1,311,935	210,670	276,521	7,650
Deferred inflows of resources:				
Unavailable revenue-property taxes	-	-	-	4,344
Fund Balances				
Restricted for:				
Debt service	-	-	-	928,881
Capital projects	-	-	-	-
Student groups	-	-	-	-
Committed for:				
COB High School	-	-	-	-
Special education	-	783,687	-	-
Food service	-	-	-	-
Assigned for:				
Subsequent year	1,142,277	-	-	-
Unassigned	1,106,215	-	-	-
Total fund balance	2,248,492	783,687	-	928,881
Total liabilities, deferred inflows of resources and fund balances	\$ 3,560,427	\$ 994,357	\$ 276,521	\$ 940,875

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

Major Fund

Capital Projects	Total Nonmajor Funds	Total Governmental Funds
\$ 1,245,938	\$ 1,610,373	\$ 8,212,458
-	-	758
-	-	5,609
33,645	35,726	401,303
-	7,650	85,384
<u>\$ 1,279,583</u>	<u>\$ 1,653,749</u>	<u>\$ 8,705,512</u>
\$ -	\$ 6,996	\$ 342,288
-	125,768	1,468,985
-	75,162	118,045
-	-	85,384
<u>-</u>	<u>207,926</u>	<u>2,014,702</u>
-	-	4,344
-	-	928,881
1,279,583	125,446	1,405,029
-	417,869	417,869
-	715,995	715,995
-	-	783,687
-	186,513	186,513
-	-	1,142,277
-	-	1,106,215
<u>1,279,583</u>	<u>1,445,823</u>	<u>6,686,466</u>
<u>\$ 1,279,583</u>	<u>\$ 1,653,749</u>	<u>\$ 8,705,512</u>

**LINCOLN COUNTY SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023**

Total fund balance - governmental funds	\$ 6,686,466
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.	15,640,054
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.	119,224
Other long-term assets which are not available to pay for current period expenditures and, therefore, are deferred in the funds.	4,344
Certain liabilities (such as bonds payable, financed purchases payable, lease obligations 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.	(3,617,941)
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.	2,783
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.	48,535
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.	511,760
Total other post-employment benefits liability.	(3,438,243)
Deferred inflows from other post-employment benefits.	(536,797)
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.	6,002,768
Net pension liability.	(18,178,780)
Deferred inflows from pension activity.	(1,518,626)
Total net position - governmental activities	<u>\$ 1,725,547</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, 2023**

	Major Funds			
	General Fund	Special Education	Federal Grants	Debt Service
Revenues:				
Local sources	\$ 22,202	\$ -	\$ -	\$ 584,134
State sources	13,119,758	1,333,465	-	-
Federal sources	66,083	-	1,936,134	31,681
Total revenues	<u>13,208,043</u>	<u>1,333,465</u>	<u>1,936,134</u>	<u>615,815</u>
Expenditures:				
Current:				
Regular programs	4,780,952	-	705,620	-
Special programs	-	1,472,949	399,691	-
Vocational programs	837,343	-	42,870	-
Other instructional programs	-	-	-	-
Co-curricular activities	257,571	-	-	-
Adult education	-	-	-	-
Undistributed expenditures:				
Student support	95,796	-	109,437	-
Instructional staff support	2,898	-	150,334	-
Food service	-	-	14,318	-
General administration	1,436,251	-	144,123	-
School administration	1,430,823	-	-	-
Central services	422,775	-	-	-
Operating/maintenance plant svc	1,363,211	-	15,773	-
Student transportation	752,164	-	352,468	-
Community services operations	-	-	1,500	-
Facilities acquisition and construction	-	-	-	-
Debt service:				
Principal	123,669	-	-	350,100
Interest	2,597	-	-	135,460
Total expenditures	<u>11,506,050</u>	<u>1,472,949</u>	<u>1,936,134</u>	<u>485,560</u>
Excess (deficiency) of revenues over expenditures	<u>1,701,993</u>	<u>(139,484)</u>	<u>-</u>	<u>130,255</u>
Other financing sources (uses):				
Financed purchases proceeds	156,602	-	-	-
Operating transfers in	100,000	655,716	-	-
Operating transfers out	(1,691,566)	-	-	-
Total other financing sources (uses)	<u>(1,434,964)</u>	<u>655,716</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	267,029	516,232	-	130,255
Fund balances (deficit):				
Beginning of year	<u>1,981,463</u>	<u>267,455</u>	<u>-</u>	<u>798,626</u>
End of year	<u>\$ 2,248,492</u>	<u>\$ 783,687</u>	<u>\$ -</u>	<u>\$ 928,881</u>

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

Major Fund		
Capital Projects	Total Nonmajor Funds	Total Governmental Funds
\$ 268,013	\$ 1,318,612	\$ 2,192,961
-	712,737	15,165,960
-	510,846	2,544,744
<u>268,013</u>	<u>2,542,195</u>	<u>19,903,665</u>
-	434,549	5,921,121
-	-	1,872,640
-	116,406	996,619
-	99,623	99,623
-	946,075	1,203,646
-	267,916	267,916
-	1,575	206,808
-	755	153,987
-	625,521	639,839
-	267,527	1,847,901
-	283,871	1,714,694
-	-	422,775
-	89,443	1,468,427
-	1,162	1,105,794
-	-	1,500
103,210	12,146	115,356
-	-	473,769
-	-	138,057
<u>103,210</u>	<u>3,146,569</u>	<u>18,650,472</u>
<u>164,803</u>	<u>(604,374)</u>	<u>1,253,193</u>
-	-	156,602
300,000	735,850	1,791,566
-	(100,000)	(1,791,566)
<u>300,000</u>	<u>635,850</u>	<u>156,602</u>
464,803	31,476	1,409,795
<u>814,780</u>	<u>1,414,347</u>	<u>5,276,671</u>
<u>\$ 1,279,583</u>	<u>\$ 1,445,823</u>	<u>\$ 6,686,466</u>

**LINCOLN COUNTY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

Net Change in Fund Balances - Governmental Funds	\$ 1,409,795
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.	(82,540)
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.	46,301
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.	1,008
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.	316,028
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.	(23)
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.	(32,730)
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 (2023 contributions).	223,809
Net other post-employment benefit income/(expense).	492,906
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 (2023 contributions).	1,088,807
Net pension income/(expense).	(1,313,195)
Change in net position of governmental activities	<u>\$ 2,150,166</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, 2023**

	Budgeted Amounts		Actual	Variance-With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
Investment income (loss)	\$ 100	\$ 100	\$ 3	\$ (97)
Rent	100	100	-	(100)
Other income	10,000	10,000	22,199	12,199
Total local sources	<u>10,200</u>	<u>10,200</u>	<u>22,202</u>	<u>12,002</u>
State sources:				
PCFP - Adjusted base funding	11,351,836	11,351,836	12,087,326	735,490
PCFP - Auxiliary services - transportation	768,470	768,470	704,431	(64,039)
Local special education	-	-	328,001	328,001
Total state sources	<u>12,120,306</u>	<u>12,120,306</u>	<u>13,119,758</u>	<u>999,452</u>
Federal sources:				
National forest	-	-	10,677	10,677
E-Rate	80,000	80,000	55,406	(24,594)
Total federal sources	<u>80,000</u>	<u>80,000</u>	<u>66,083</u>	<u>(13,917)</u>
Total revenues	<u>12,210,506</u>	<u>12,210,506</u>	<u>13,208,043</u>	<u>997,537</u>
Expenditures:				
Current:				
Regular programs:				
Instruction:				
Salaries	3,275,382	3,255,382	3,170,103	85,279
Benefits	1,560,480	1,565,890	1,504,644	61,246
Purchased services	5,000	5,000	1,000	4,000
Supplies	150,000	123,041	105,205	17,836
Property	20,000	1,238	-	1,238
Total regular programs	<u>5,010,862</u>	<u>4,950,551</u>	<u>4,780,952</u>	<u>169,599</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, 2023**

	Budgeted Amounts		Actual	Variance-With Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
Current (continued):				
Vocational programs:				
Instruction:				
Salaries	\$ 523,900	\$ 540,000	\$ 539,886	\$ 114
Benefits	238,000	285,101	274,783	10,318
Purchased services	2,689	5,824	3,172	2,652
Supplies	28,000	19,526	19,502	24
Total vocational programs	<u>792,589</u>	<u>850,451</u>	<u>837,343</u>	<u>13,108</u>
Co-curricular and extra curricular activities:				
Co-curricular activities:				
Instruction:				
Purchased services	1,000	810	-	810
Supplies	1,000	1,000	97	903
Total co-curricular activities	<u>2,000</u>	<u>1,810</u>	<u>97</u>	<u>1,713</u>
Athletics:				
Instruction:				
Salaries	85,000	102,000	103,350	(1,350)
Benefits	15,000	12,300	9,985	2,315
Purchased services	98,803	114,465	99,546	14,919
Supplies	40,000	41,750	39,069	2,681
Other	3,500	6,468	5,524	944
Total athletics	<u>242,303</u>	<u>276,983</u>	<u>257,474</u>	<u>19,509</u>
Total co-curricular and extra curricular activities	<u>244,303</u>	<u>278,793</u>	<u>257,571</u>	<u>21,222</u>
Undistributed expenditures:				
Student support:				
Salaries	206,000	70,000	61,063	8,937
Benefits	107,015	40,421	31,687	8,734
Purchased services	500	-	-	-
Supplies	1,000	600	550	50
Property	-	2,500	2,496	4
Total student support	<u>314,515</u>	<u>113,521</u>	<u>95,796</u>	<u>17,725</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, 2023**

	Budgeted Amounts		Actual	Variance-With
	Original	Final		Final Budget Positive (Negative)
Expenditures (continued):				
Current (continued):				
Undistributed expenditures:				
Instructional staff support:				
Purchased services	\$ -	\$ 1,700	\$ -	\$ 1,700
Supplies	6,605	3,900	2,898	1,002
Total instructional staff support	<u>6,605</u>	<u>5,600</u>	<u>2,898</u>	<u>2,702</u>
General administration:				
Salaries	445,000	190,000	186,354	3,646
Benefits	310,000	143,050	134,658	8,392
Purchased services	640,000	876,687	831,157	45,530
Supplies	250,212	332,132	268,791	63,341
Property	5,000	-	-	-
Other	-	17,000	15,291	1,709
Total general administration	<u>1,650,212</u>	<u>1,558,869</u>	<u>1,436,251</u>	<u>122,618</u>
School administration:				
Salaries	1,043,264	906,640	891,190	15,450
Benefits	488,000	466,474	442,164	24,310
Purchased services	60,000	48,406	35,442	12,964
Supplies	70,000	75,786	62,027	13,759
Other	1,872	1,872	-	1,872
Total school administration	<u>1,663,136</u>	<u>1,499,178</u>	<u>1,430,823</u>	<u>68,355</u>
Central services:				
Salaries	-	290,000	284,151	5,849
Benefits	-	166,000	138,624	27,376
Total school administration	<u>-</u>	<u>456,000</u>	<u>422,775</u>	<u>33,225</u>
Operating/maintenance plant svc:				
Salaries	525,000	530,000	528,183	1,817
Benefits	276,000	283,500	267,388	16,112
Purchased services	100,000	182,989	130,068	52,921
Supplies	50,000	480,990	436,084	44,906
Property	20,000	6,000	1,488	4,512
Total operating/maintenance plant svc	<u>971,000</u>	<u>1,483,479</u>	<u>1,363,211</u>	<u>120,268</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, 2023**

	Budgeted Amounts		Actual	Variance-With
	Original	Final		Final Budget Positive (Negative)
Expenditures (continued):				
Current (continued):				
Undistributed expenditures (continued):				
Student transportation:				
Salaries	\$ 176,644	\$ 200,000	\$ 196,400	\$ 3,600
Benefits	115,666	110,623	98,166	12,457
Purchased services	25,000	100,000	92,051	7,949
Supplies	90,000	243,788	224,445	19,343
Property	-	87,000	141,102	(54,102)
Total student transportation	<u>407,310</u>	<u>741,411</u>	<u>752,164</u>	<u>(10,753)</u>
Total undistributed expenditures	<u>5,012,778</u>	<u>5,858,058</u>	<u>5,503,918</u>	<u>354,140</u>
Debt service:				
Principal	-	-	123,669	(123,669)
Interest	-	-	2,597	(2,597)
Total debt service	<u>-</u>	<u>-</u>	<u>126,266</u>	<u>(126,266)</u>
Contingency	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total expenditures	<u>11,085,532</u>	<u>11,962,853</u>	<u>11,506,050</u>	<u>456,803</u>
Excess (deficiency) of revenues over expenditures	<u>1,124,974</u>	<u>247,653</u>	<u>1,701,993</u>	<u>1,454,340</u>
Other financing sources (uses):				
Financed purchases proceeds	-	-	156,602	156,602
Operating transfers in	100,000	100,000	100,000	-
Operating transfers out	<u>(1,090,850)</u>	<u>(1,418,565)</u>	<u>(1,691,566)</u>	<u>(273,001)</u>
Total other financing sources (uses)	<u>(990,850)</u>	<u>(1,318,565)</u>	<u>(1,434,964)</u>	<u>(116,399)</u>
Net change in fund balance	134,124	(1,070,912)	267,029	1,337,941
Fund balance:				
Beginning of year	<u>776,427</u>	<u>1,981,463</u>	<u>1,981,463</u>	<u>-</u>
End of year	<u>\$ 910,551</u>	<u>\$ 910,551</u>	<u>\$ 2,248,492</u>	<u>\$ 1,337,941</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, 2023**

	Budgeted Amounts		Actual	Variance-With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
Special education	\$ 1,277,814	\$ 1,277,814	\$ 1,319,657	\$ 41,843
Special education above 13%	-	-	13,808	13,808
Total revenue	<u>1,277,814</u>	<u>1,277,814</u>	<u>1,333,465</u>	<u>55,651</u>
Expenditures:				
Current:				
Special programs:				
Instruction:				
Salaries	950,000	950,000	765,050	184,950
Benefits	550,125	550,125	481,339	68,786
Purchased services	150,000	215,000	187,160	27,840
Supplies	<u>10,000</u>	<u>272,715</u>	<u>39,400</u>	<u>233,315</u>
Total expenditures	<u>1,660,125</u>	<u>1,987,840</u>	<u>1,472,949</u>	<u>514,891</u>
Excess (deficiency) of revenues over expenditures	(382,311)	(710,026)	(139,484)	570,542
Other financing sources (uses):				
Operating transfers in	<u>330,000</u>	<u>657,715</u>	<u>655,716</u>	<u>(1,999)</u>
Net change in fund balances	(52,311)	(52,311)	516,232	568,543
Fund balance:				
Beginning of year	<u>772,789</u>	<u>267,455</u>	<u>267,455</u>	<u>-</u>
End of year	<u>\$ 720,478</u>	<u>\$ 215,144</u>	<u>\$ 783,687</u>	<u>\$ 568,543</u>

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

**LINCOLN COUNTY SCHOOL DISTRICT
MAJOR-FEDERAL GRANTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance-With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Other	\$ 1,000,000	\$ 2,081,666	\$ 1,936,134	\$ (145,532)
Expenditures:				
Current:				
Regular programs:				
Instruction:				
Salaries	340,000	217,139	216,273	866
Benefits	105,000	117,562	123,172	(5,610)
Purchased services	335,575	3,588	3,588	-
Supplies	189,346	420,350	324,993	95,357
Property	6,154	-	37,594	(37,594)
Other	15,000	-	-	-
Total regular programs	<u>991,075</u>	<u>758,639</u>	<u>705,620</u>	<u>53,019</u>
Special programs:				
Instruction:				
Salaries	-	183,308	180,827	2,481
Benefits	-	109,474	87,054	22,420
Purchased services	1,700	130,800	128,810	1,990
Supplies	3,025	7,018	3,000	4,018
Property	4,200	-	-	-
Total special programs	<u>8,925</u>	<u>430,600</u>	<u>399,691</u>	<u>30,909</u>
Vocational programs:				
Instruction:				
Supplies	-	42,870	42,870	-
Undistributed expenditures:				
Student support:				
Salaries	-	42,000	42,000	-
Benefits	-	24,898	20,517	4,381
Purchased services	-	44,938	44,938	-
Supplies	-	2,000	1,982	18
Total student support	<u>-</u>	<u>113,836</u>	<u>109,437</u>	<u>4,399</u>

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

**LINCOLN COUNTY SCHOOL DISTRICT
MAJOR-FEDERAL GRANTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance-With Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
Current (continued):				
Undistributed expenditures:				
Instructional staff support:				
Salaries	\$ -	\$ 20,700	\$ 20,700	\$ -
Benefits	-	1,017	837	180
Purchased services	-	141,733	101,995	39,738
Supplies	-	34,802	26,802	8,000
Total instructional staff support	-	198,252	150,334	47,918
Food service:				
Supplies	-	10,529	10,529	-
Property	-	3,859	3,789	70
Total food service	-	14,388	14,318	70
General administration:				
Salaries	-	139,000	139,000	-
Benefits	-	5,174	5,123	51
Total general administration	-	144,174	144,123	51
Operating/maintenance plant svc:				
Purchased services	-	9,166	-	9,166
Supplies	-	15,773	15,773	-
Total operating/maintenance plant svc	-	24,939	15,773	9,166
Student transportation:				
Purchased services	-	352,468	352,468	-
Community services operations:				
Purchased services	-	1,500	1,500	-
Total undistributed expenditures	-	849,557	787,953	61,604
Total expenditures	1,000,000	2,081,666	1,936,134	145,532
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balance:				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -

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, 2023**

2023

Assets:

Pooled cash and investments	\$ 48,535
-----------------------------	-----------

Liabilities:

Accounts payable	<u> -</u>
------------------	----------------------------

Net position:

Restricted	<u><u>\$ 48,535</u></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 REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

2023

Operating revenues:

Insurance premiums	\$	-
--------------------	----	---

Operating expenses:

Benefits		<u>23</u>
----------	--	-----------

Operating income (loss)		(23)
-------------------------	--	------

Net position:

Beginning of year		<u>48,558</u>
-------------------	--	---------------

End of year	\$	<u><u>48,535</u></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, 2023**

2023

Cash flows from operating activities:

Cash paid for benefits \$ (23)

Cash and cash equivalents:

Beginning of year 48,558

End of year \$ 48,535

**Reconciliation of operating income (loss) to net
cash provided (used) by operating activities:**

Operating income (loss) \$ (23)

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, 2023**

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 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 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 the Federal Grants 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, 2023

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).

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. 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.

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 accounts for transactions of the District relating to educational services provided to children with special needs as supported by the PCFP payments.

Federal Grants Special Revenue Fund - The Federal Grants Special Revenue Fund is used to account for federal grant revenues received for school operations.

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 unemployment claims paid by the District.

LINCOLN COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due to/from other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in the governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

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, 2023. 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.

LINCOLN COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 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 only shows property tax revenues and receivable in the Debt Service Fund.

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, 2023.

Payments to vendors that will benefit periods beyond June 30, 2023, 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, 2023.

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.

LINCOLN COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. Subscription-Based Information Technology Arrangements (SBITAs)

For the year ended June 30, 2023, the District adopted GASB Statement No. 96, subscription-based information technology arrangements (SBITAs). The implementation of this standard established accounting and financial reporting for all SBITAs.

SBITAs, which include software contracts, are reported in the governmental column in the government-wide financial statement. A SBITA is a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software as specified in the contract for a period of time in an exchange or exchange-like transaction. SBITA contracts contain non-cancellable terms of 12 months or greater; OR non-cancellable terms of 12 months or less with the option to extend (regardless of the probability of being exercised). SBITAs are recorded at the net present value of subscription payments expected to be made during the subscription term, plus any payments made to the SBITA vendor before commencement of the subscription term and certain direct costs (less any incentives). A subscription asset should be amortized over the shorter of the subscription term or the useful life of the underlying IT asset. The District established its SBITA contract threshold at \$10,000 or greater per fiscal year.

13. Accrued Salaries and Benefits

District salaries earned but not paid by June 30, 2023, have been accrued as liabilities and shown as expenditures for the year ending June 30, 2023.

14. 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.

15. 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.

16. 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.

LINCOLN COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

17. 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.

18. Governmental Fund Balances

- a. Nonspendable:** These items are legally or contractually required to be maintained intact and are not in a spendable form, such as inventories and prepaids.
- b. Restricted:** These amounts are constrained to being used for specific purposes by state or federal laws, or externally imposed conditions by grantors or creditors.
- c. 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.
- d. 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.
- e. 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.

LINCOLN COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

19. Net Position

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

- a. 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.
- b. 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 | \$ 928,881 |
| (b) | NRS 387.328 | Capital Projects | \$1,279,583 |
| (c) | NRS 387.177 | Building and Sites | \$ 85,090 |
| (d) | NRS 354.6113 | Bond | \$ 40,356 |
| (e) | | Unemployment | \$ 48,535 |
| (f) | | Student Groups | \$ 417,869 |
- c. 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.
- d. 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.

20. 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.

21. 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.

22. 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.

23. 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 (through PCFP) 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.

LINCOLN COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

24. 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.

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 the 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 services 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.

**LINCOLN COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

24. Expenditure Line-Item Titles (Continued)

Operation and maintenance of plant services includes activities concerned with keeping the physical schools and associated administrative buildings 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.

Community services operations are activities concerned with providing community services to students, staff, or other community participants.

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.

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	\$(2,552,900)
Bond premium (net of amortization)	(3,281)
Bond discount (net of amortization)	1,926
Financed purchases debt	(101,332)
Lease obligation	(52,975)
Interest payable	(29,604)
Compensated absences	<u>(879,775)</u>
Net adjustment to reduce total fund balance - governmental funds to arrive at total net position - governmental activities	<u><u>\$(3,617,941)</u></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	\$ 929,982
Depreciation expense	<u>(944,053)</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><u>\$ (14,071)</u></u>

**LINCOLN COUNTY SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS (Continued)
 FOR THE YEAR ENDED JUNE 30, 2023**

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 “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	\$ 350,100
Financed purchases proceeds	(156,602)
Financed purchases payments	101,770
Lease obligation payments	21,899
Bond premiums (net of amortization)	820
Bond discounts (net of amortization)	(602)
Deferred charge on refunding bonds	<u>(1,357)</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>\$ 316,028</u>

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	\$ 1,042
Change in compensated absences	<u>(33,772)</u>
Net adjustment to increase net change in fund balances - governmental funds to arrive at change in net position of governmental activities	<u>\$ (32,730)</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, 2023**

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 Internal Service Fund 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
 - Adult Education Special Revenue Fund
 - COB High School Special Revenue Fund
 - 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

Nevada Revised Statutes 354.626 requires the District to report expenditures that exceeded budgeted appropriations at the function level for the General Fund, Special Revenue Funds, and Capital Project Funds. There were no expenditures that exceeded the budget at the function level for the year ending June 30, 2023. The District conformed to significant statutory requirements regarding financial administration during the year.

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, 2023, 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, 2023:

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

Cash held by County for debt service	\$ 918,914
Cash held by student groups	417,869
Carrying amount of deposits	6,924,115
Carrying amount of investments	<u>95</u>
Total	<u>\$ 8,260,993</u>

A reconciliation of cash and investments for the District follows:

Cash on the Statement of Net Position	<u>\$ 8,260,993</u>
---------------------------------------	---------------------

**LINCOLN COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2023**

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, 2023:

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	\$ 95	\$ 95	\$ 37	\$ 58

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, 2023, 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, 2023.

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, 2023.

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 0.31 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 \$6,924,115 and the bank balance was \$7,152,265. Of the bank balance, \$500,000 was covered by federal depository insurance. The remaining balance, \$6,652,265, 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, 2023

NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)

2. Receivables

Receivables as of June 30, 2023, for the District’s individual major funds and nonmajor funds in the aggregate are as follows:

	MAJOR FUNDS					
	General	Federal Grants	Debt Service	Capital Projects	Nonmajor	Total
Taxes receivable	\$ -	\$ -	\$ 5,609	\$ -	\$ -	\$ 5,609
Due from other governments:						
<u>Local sources:</u>						
Governmental service tax	-	-	-	14,604	-	14,604
Local school support tax	-	-	-	19,041	-	19,041
Net proceeds	-	-	5	-	-	5
<u>State sources:</u>						
Grants and allotments	-	-	-	-	35,726	35,726
<u>Federal sources:</u>						
Grants and allotments	55,406	276,521	-	-	-	331,927
	\$ 55,406	\$ 276,521	\$ 5,614	\$ 33,645	\$ 35,726	\$ 406,912

3. Capital and Intangible Assets

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

Governmental Activities:

	Balance	Additions	Disposals	Balance
	June 30, 2022			June 30, 2023
Non-depreciable capital assets:				
Land	\$ 218,157	\$ -	\$ -	\$ 218,157
Construction in progress	10,000	86,078	-	96,078
Total non-depreciable capital assets	228,157	86,078	-	314,235
Depreciable capital assets:				
Buildings and improvements	24,889,085	22,724	-	24,911,809
Equipment	5,329,509	726,192	10,965	6,044,736
Total depreciable capital assets	30,218,594	748,916	10,965	30,956,545
Less: Accumulated depreciation	14,724,157	917,534	10,965	15,630,726
Depreciable capital assets (net)	15,494,437	(168,618)	-	15,325,819
Total governmental activities capital assets (net)	\$ 15,722,594	\$ (82,540)	\$ -	\$ 15,640,054

	Balance	Additions	Disposals	Balance
	June 30, 2022			June 30, 2023
Intangible assets				
Copier lease obligations	\$ 110,841	\$ -	\$ -	\$ 110,841
Subscription-based information technology arrangements (SBITAs)	-	94,988	-	94,988
Less: Accumulated amortization	37,918	48,687	-	86,605
Total governmental activities intangible assets (net)	\$ 72,923	\$ 46,301	\$ -	\$ 119,224

**LINCOLN COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2023**

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	\$ 375,763
Special instruction	77,255
Vocational instruction	73,427
Adult instruction	3,608
Other instruction	13,076
Total instruction	<u>543,129</u>

Support services:

Student support	9,310
Food service	15,023
General administration	71,162
School administration	105,502
Operation and maintenance of plant services	76,643
Student transportation	96,765
Total support services	<u>374,405</u>
Total	<u>\$ 917,534</u>

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

Accumulated amortization – Other instruction	\$ 14,210
Accumulated amortization – General administration	34,477
Total	<u>\$ 48,687</u>

4. Construction and Other Significant Commitments

Construction commitments: The District has five active construction projects as of June 30, 2023 as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Estimated Costs</u>
Findlay Family Gym	\$ 10,000	\$ 100,000
Vocational Building Roof	\$ 8,309	\$ 15,000
PVMS Brick & Doors	\$ 4,500	\$ 10,000
LCHS HVAC	\$ 48,769	\$ 120,000
Wilcox Property	\$ 24,500	\$ 45,000

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, 2023, are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	
General Fund	Federal Grants Fund	\$ 62,145
Debt Service Fund	General Fund	\$ 15,589
Bond Capital Projects Fund	Debt Service Fund	\$ 7,650

The \$15,589 payable from the General Fund is due to interest subsidy sent to the District that had to be sent to the Debt Service Fund after June 30, 2023. The General Fund receivable relates to negative cash in the Federal Grants Fund due to grant income not received before year end. The \$7,650 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, 2023

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, 2023</u>
School Building Bond	2009	\$2,025,000	5.15%	2029	\$ 1,050,000
School Building Bond (QSCB)	2010	650,000	7.45	2027	625,000
Refunding Bonds	2012	3,084,300	2.53	2028	<u>877,900</u>
					<u>\$ 2,552,900</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>
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	338,200	21,702	359,902	0	359,902
2029	<u>195,000</u>	<u>10,043</u>	<u>205,043</u>	<u>0</u>	<u>205,043</u>
	<u>\$ 2,552,900</u>	<u>\$ 434,117</u>	<u>\$2,987,017</u>	<u>\$(132,248)</u>	<u>\$2,854,769</u>

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 purchase 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, \$18,600 is included in accumulated depreciation. The lease obligations was paid in full as of June 30, 2023.

2023 Financed Purchase: The District entered into lease agreements for financing the acquisition of four vehicles valued at \$156,602 in February of 2023. The leases have been classified as a financed purchase 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 two-year period at an imputed interest rate of 6% payable through February 2025. The vehicles have a five-year estimated useful life. This year, \$16,582 is included in accumulated depreciation. The future minimum lease obligations as of June 30, 2023, were as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 49,190	\$ 6,080
2025	<u>52,142</u>	<u>3,128</u>
	<u>\$101,332</u>	<u>\$ 9,208</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%. At the end of the lease, the District has an option to purchase the copiers but will likely enter into a new lease for equipment. Copiers have a five-year estimated useful life. This year, \$39,898 is included in accumulated depreciation. The future minimum lease obligations as of June 30, 2023, were as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 21,721	\$ 1,720
2025	16,095	895
2026	10,331	419
2027	<u>4,828</u>	<u>75</u>
	<u>\$ 52,975</u>	<u>\$ 3,109</u>

**LINCOLN COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)

6. Long-Term Debt (Continued)

Changes in long-term liabilities: During the year ended June 30, 2023, the following changes occurred:

	Balance July 1, 2022	Net Additions	Net Reductions	Balance June 30, 2023	Due Within One Year
General obligation debt	\$ 2,903,000	\$ -	\$ 350,100	\$ 2,552,900	\$ 362,800
Plus premiums	4,101	-	820	3,281	-
Less discounts	(2,528)	-	(602)	(1,926)	-
Total bonds payable	2,904,573	-	350,318	2,554,255	362,800
Financed purchases	46,500	156,602	101,770	101,332	49,190
Lease obligation	74,874	-	21,899	52,975	21,721
Compensated absences	846,003	33,772	-	879,775	299,101
Net pension obligation	9,817,130	8,361,650	-	18,178,780	-
OPEB obligation	4,150,644	-	712,401	3,438,243	-
Total long-term liabilities	<u>\$17,839,724</u>	<u>\$8,552,024</u>	<u>\$1,186,388</u>	<u>\$ 25,205,360</u>	<u>\$ 732,812</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, 2023, the amount required to fund the reserve account was \$241,510, which was fully funded by the District in the Debt Service Fund in the amount of \$918,914. 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, 2023, was \$45,986,001.

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, 2023, are as follows:

	Transfers In	Transfers Out	
		General Fund	COB High School
General Fund	\$ 100,000	\$ 0	\$ 100,000
Special Education Fund	655,716	655,716	0
COB High School Fund	685,850	685,850	0
Capital Projects Fund	300,000	300,000	0
Nonmajor Governmental Funds	50,000	50,000	0
	<u>\$ 1,791,566</u>	<u>\$ 1,691,566</u>	<u>\$ 100,000</u>

Significant interfund transfers made during the year: included \$1,691,566 was transferred from the General Fund which represents the pupil centered funding plan revenue received by the District for Special Education Fund (\$655,716), COB High School Fund (\$685,850), Capital Projects Fund supplement of (\$300,000), Building and Sites Fund supplement of (\$50,000). The COB High School Fund transferred \$100,000 to the General Fund for administration support.

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 \$4,344 at June 30, 2023.

**LINCOLN COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2023**

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, 2023, follows:

	<u>Local Programs</u>	<u>State Programs</u>	<u>Federal Programs</u>	<u>Total</u>
Nonmajor Funds	\$ 544	\$ 74,618	\$ 42,883	\$ 118,045

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

NOTE E - OTHER INFORMATION

1. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters, 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 \$10,000,000 annual 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 \$5,000 for each insured event.

The District has additional coverage of \$3,000,000 per incident for cyber security events with various sub-limits established for security failure, network interruption, and proof of loss preparation costs. As a participatory member, there is no maintenance deductible for each insured event.

The District has additional coverage of \$2,000,000 per incident for site pollution legal liabilities 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 creating 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 the statutory limit of \$2,000,000.

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 \$48,535 at June 30, 2023 and is reported as net position for the Unemployment Compensation Internal Service Fund. Unemployment compensation claims payable at June 30, 2023 were \$0.

The District continues to carry commercial insurance for all other risks of loss, including specific risks of loss not covered by NPAIP or PACT, and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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, 2023**

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 <http://www.nvpers.org/publications/reports>.

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 33 and 1/3 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	2.25%
10 years	55	2.50%	55	2.67%	60	2.50%	60	2.25%
20 years	50	2.50%	50	2.67%	50	2.50%	50	2.25%
25 years	Any	2.50%	Any	2.67%				

* 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 (measurement date), was 29.75% shared equally by employer and employee. The District has fully funded the amounts due for the year ending June 30, 2023. 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, 2023

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, 2023, the District reported a liability of \$18,178,780 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's 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, 2022. The District's proportionate share of the net pension liability decreased from 0.10765 percent at June 30, 2021 to 0.10069 percent at June 30, 2022.

For the year ended June 30, 2023, the District recognized a pension expense of \$1,313,195. At June 30, 2023, 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	\$ 2,353,852	\$ 12,986
Net difference between projected and actual earnings on pension plan investments	221,792	0
Changes of assumptions or other inputs	2,335,191	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,126	1,505,640
District Contributions subsequent to measurement date	1,088,807	0
Total	\$ 6,002,768	\$ 1,518,626

Average expected remaining service lives 5.70 years.

\$1,088,807 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2024	\$ 273,853
2025	309,222
2026	316,542
2027	2,308,774
2028	186,944
	\$ 3,395,335

**LINCOLN COUNTY SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS (Continued)
 FOR THE YEAR ENDED JUNE 30, 2023**

NOTE E - OTHER INFORMATION (Continued)

3. Pension Plan (Continued)

Actuarial Assumptions: The System's net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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, 2022, funding actuarial valuation

Mortality rates were based on the following:

Post retirement:

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, 2023

NOTE E - OTHER INFORMATION (Continued)

3. Pension Plan (Continued)

Mortality rates were based on the following (Continued):

Post Retirement (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-2010 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, 2023**

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>
----------------	---

* 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, 2022, valuation were based on the results of the experience study for the period of July 1, 2016 through June 30, 2020.

Investment Policy: 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, 2022:

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

*As of June 30, 2022, 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, 2022. 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, 2022.

There have been no changes in assumptions related to the discount rate since the last valuation.

LINCOLN COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2023

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	Discount Rate	1.0% Increase
	(6.25%)	(7.25%)	(8.25%)
District’s proportionate share of the net pension liability	\$ 27,911,439	\$ 18,178,780	\$ 10,149,142

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 <http://www.nvpers.org/>.

Pension contributions payable. At June 30, 2023, the District reported payables to the defined benefit pension plan of \$235,863 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, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	44
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	0
	<u>44</u>

**LINCOLN COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2023**

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 June 2022, as invoiced were used for the valuation.

Coverage Level	PPO CDHP Base Subsidy	PPO Low Deductible Base Subsidy	Statewide EPO/HMO Base Subsidy
For 15 years of PERS service			
Retiree Only	\$ 731.16	\$ 755.08	\$ 572.59
Retiree + Spouse	1,350.42	1,398.26	1,033.24
Retiree + Children	963.40	996.27	745.31
Retiree + Family	1,582.63	1,639.45	1,205.96

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 2023, the District contributed \$171,241 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, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	98
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	<u>134</u>
	<u>232</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 \$52,658.

**LINCOLN COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE E - OTHER INFORMATION (Continued)

4. Post-employment Healthcare Plan (Continued)

Important Dates used in the Valuation:

Valuation Date:	June 30, 2022
Measurement Date:	June 30, 2022
Measurement Period:	June 30, 2021 to June 30, 2022
Fiscal Year End:	June 30, 2023

Significant Results and Differences from the Prior Valuation:

No benefit changes were reported relative to those in place when the June 30, 2020 valuation was prepared. New employee census and premium data was provided and with this new information, the valuation showed differences between actual and expected results since the prior valuation (referred to as “plan experience”). 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 \$3,438,243 was measured as of June 30, 2022, and determined by actuarial valuation as of June 30, 2022.

Actuarial Assumptions and Other Inputs: The total OPEB liability in the June 30, 2022, 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	4.09%	4.09%
Healthcare Cost Trend Rates	5.80% in 2023 grading to 3.9% by 2076	Pre-Medicare: 5.80% in 2023 grading down to 3.9% by 2076. After Medicare: 4.50% per year.
Retirees’ share of benefit-related costs	100%	0%

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index.

The healthcare trend was developed using the Getzen Model 2022_b published by the Society of Actuaries using the following settings: CPI 2.5%; Real GDP Growth 1.4%; Excess Medical Growth 1.0%; Expected Health Share of GDP in 2030 19%; Resistance Point 20%; Year after which medical growth is limited to growth in GDP 2075.

Mortality rates were based on NV PERS 2021, with adjustments for mortality improvements based on the MacLeod Watts Scale 2022 applied generationally from 2010 as follows:

Non-disabled life rates for employees & future survivors:

Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table with rates increased by 30% for males and 15% for females.

Life rates for current surviving spouses:

Pub-2010 Contingent Survivor Amount-Weighted Above-Median Mortality Table with rates increased by 15% for males and 30% for females.

Pre-retirement life rates for regular employees:

Pub-2010 General Employee Amount-Weighted Above-Median Mortality Table for males and females.

Actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period of June 30, 2021, to June 30, 2022.

LINCOLN COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2023

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	\$ 57,759	\$ 0	\$ 57,759
Interest	32,052	57,363	89,415
Changes of benefit terms	0	0	0
Differences between expected and actual experience	246,645	68,400	315,045
Changes in assumptions or other inputs	(355,230)	(605,858)	(961,088)
Benefit payments	<u>(37,688)</u>	<u>(175,844)</u>	<u>(213,532)</u>
Net changes	(56,462)	(655,939)	(712,401)
Net OPEB obligation - beginning of the year	<u>1,431,378</u>	<u>2,719,266</u>	<u>4,150,644</u>
Net OPEB obligation - end of year	<u>\$ 1,374,916</u>	<u>\$ 2,063,327</u>	<u>\$ 3,438,243</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.18% as of June 30, 2021, to 4.09% as of June 30, 2022.

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>(3.09%)</u>	<u>Discount Rate</u> <u>(4.09%)</u>	<u>1.0% Increase</u> <u>(5.09%)</u>
LCHCP	\$ 1,534,262	\$ 1,374,916	\$ 1,240,443
PEBP	<u>2,267,286</u>	<u>2,063,327</u>	<u>1,888,325</u>
Total OPEB Liability	<u>\$ 3,801,548</u>	<u>\$ 3,438,243</u>	<u>\$ 3,128,768</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	\$ 1,310,531	\$ 1,374,916	\$ 1,448,508
PEBP	<u>1,896,975</u>	<u>2,063,327</u>	<u>2,252,976</u>
Total OPEB Liability	<u>\$ 3,207,506</u>	<u>\$ 3,438,243</u>	<u>\$ 3,701,484</u>

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

For the year ended June 30, 2023, the District recognized OPEB income of \$492,906. At June 30, 2023, 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	\$ 211,510	\$ 88,356
Changes of assumptions or other inputs	76,441	448,441
District Contributions subsequent to measurement date	<u>223,809</u>	<u>0</u>
Total	<u>\$ 511,760</u>	<u>\$ 536,797</u>

LINCOLN COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2023

E. OTHER INFORMATION (Continued)

4. Post-employment Healthcare Plan (Continued)

\$223,809 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, 2024. 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
2024	\$(102,622)	\$ 0	\$(102,622)
2025	(73,869)	0	(73,869)
2026	(30,497)	0	(30,497)
2027	(17,619)	0	(17,619)
2028	(8,462)	0	(8,462)
Thereafter	(15,777)	0	(15,777)
	\$(248,846)	\$ 0	\$(248,846)

5. Tax Abatement

For the year ended June 30, 2023, the amount of tax abatements are \$139,316. The tax revenues abated were property tax revenues under agreements with the State of Nevada.

6. Subscription-Based Information Technology Arrangements (SBITAs)

In fiscal year 2023 the District implemented GASB Statement No. 96, *SBITAs*, see Note A12.

This statement required software arrangements to be recognized and measured using the facts and circumstances that existed at the beginning of the period of implementation. Accordingly, SBITAs liabilities for fiscal year 2023 were measured using the remaining agreement terms as of July 1, 2022. SBITAs right-to-use assets were measured based on the SBITAs liabilities at the same date. Therefore, no restatement of beginning net position is required as both the liabilities and right-to-use assets were valued the same on July 1, 2022.

Lessee:

Amount of outflows of resources for variable payments

The following software arrangements were in scope for SBITAs; however future payments are variable based on usage or number of licenses. Therefore, the District is unable to record an SBITAs asset/liability. The total amount of outflows of resources recognized in the reporting period ending June 30, 2023, is as follows:

SBITA Vendor	Description	Terms (in Years)	FY 23 Total Costs
Code HS	Education software	1	\$ 10,200
Imagine Learning	Education software	1	27,236
Infinite Campus	Student and parent portal	1	16,804
Lexia Learning	Education software	1	24,062
Tyler Technologies	Business administration software	1	27,007
			\$ 105,309

**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, 2023**

	6/30/2023		6/30/2022	
	PEBP	LCHCP	PEBP	LCHCP
Total OPEB Liability				
Service cost	\$ -	\$ 57,759	\$ -	\$ 50,328
Interest	57,363	32,052	68,850	35,238
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	68,400	246,645	-	-
Changes of assumptions or other inputs	(605,858)	(355,230)	142,057	91,084
Benefit Payments	<u>(175,844)</u>	<u>(37,688)</u>	<u>(160,000)</u>	<u>(39,394)</u>
Net Change in total OPEB liability	(655,939)	(56,462)	50,907	137,256
Total OPEB liability - beginning	<u>2,719,266</u>	<u>1,431,378</u>	<u>2,668,359</u>	<u>1,294,122</u>
Total OPEB liability - ending	<u>\$2,063,327</u>	<u>\$1,374,916</u>	<u>\$2,719,266</u>	<u>\$1,431,378</u>
Covered-employee payroll	\$ -	\$8,032,066	\$ -	\$8,248,849
 Total OPEB liability as a percentage of covered-employee payroll	 N/A	 17.12%	 N/A	 17.35%

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.

6/30/2023	4.09
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 seven years are shown.*

See accompanying notes to required supplementary information.

6/30/2021		6/30/2020		6/30/2019		6/30/2018	
PEBP	LCHCP	PEBP	LCHCP	PEBP	LCHCP	PEBP	LCHCP
\$ -	\$ 65,180	\$ -	\$ 60,269	\$ -	\$ 92,914	\$ -	\$ 97,478
81,640	41,484	87,785	41,646	86,936	54,866	80,468	47,121
-	-	-	-	-	-	-	-
(268,505)	(87,712)	-	-	(9,225)	(165,496)	-	-
19,030	(122,390)	66,067	33,587	255,869	(246,911)	(145,202)	(88,015)
(179,964)	(48,280)	(166,989)	(53,837)	(163,573)	(62,410)	(157,003)	(52,284)
(347,799)	(151,718)	(13,137)	81,665	170,007	(327,037)	(221,737)	4,300
<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>	<u>3,081,025</u>	<u>1,686,912</u>
<u>\$2,668,359</u>	<u>\$1,294,122</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>
\$ -	\$7,900,337	\$ -	\$7,625,500	\$ -	\$7,345,114	\$ -	\$7,767,571
N/A	16.38%	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, 2023**

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
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%
2023	1,088,807	1,088,807	-	7,319,711	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, 2023**

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%
2023	0.10069%	18,178,780	7,421,909	244.93%	75.10%

**Fiscal year 2015 was the first year of implementation. Therefore, only nine 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, 2023**

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

The actuarial methods and assumptions used to calculate the total OPEB liability are described in Note E-4 to the financial statements.

The total OPEB liability amount presented for each fiscal year was determined as of the prior year's fiscal year-end.

The schedules are intended to present ten years of data. Additional years of data will be presented as they become available.

The District has not presented a Schedule of District Contributions since an actuarially determined contribution has not been calculated and there is no statutorily determined contribution applicable to the District.

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, 2023 AND 2022**

	2023	2022
Assets:		
Pooled cash and investments	\$ 3,442,876	\$ 3,221,745
Due from other governments	55,406	14,653
Due from other funds	<u>62,145</u>	<u>48,359</u>
 Total assets	 <u>\$ 3,560,427</u>	 <u>\$ 3,284,757</u>
 Liabilities:		
Accounts payable	\$ 269,893	\$ 268,203
Accrued payroll	1,026,453	1,035,091
Due to other funds	<u>15,589</u>	<u>-</u>
 Total liabilities	 <u>1,311,935</u>	 <u>1,303,294</u>
 Fund balance:		
Assigned for subsequent year	1,142,277	776,427
Unassigned	<u>1,106,215</u>	<u>1,205,036</u>
 Total fund balance	 <u>2,248,492</u>	 <u>1,981,463</u>
 Total liabilities and fund balances	 <u>\$ 3,560,427</u>	 <u>\$ 3,284,757</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, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)**

	2023		Variance-	2022
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Local sources:				
Investment income (loss)	\$ 100	\$ 3	\$ (97)	\$ 584
Rent	100	-	(100)	-
Other income	<u>10,000</u>	<u>22,199</u>	<u>12,199</u>	<u>3,093</u>
Total local sources	<u>10,200</u>	<u>22,202</u>	<u>12,002</u>	<u>3,677</u>
State sources:				
PCFP - Adjusted base funding	11,351,836	12,087,326	735,490	11,782,500
PCFP - Auxiliary services - transportation	768,470	704,431	(64,039)	767,800
Local special education	<u>-</u>	<u>328,001</u>	<u>328,001</u>	<u>327,715</u>
Total state sources	<u>12,120,306</u>	<u>13,119,758</u>	<u>999,452</u>	<u>12,878,015</u>
Federal sources:				
National forest	-	10,677	10,677	14,653
E-Rate	<u>80,000</u>	<u>55,406</u>	<u>(24,594)</u>	<u>87,484</u>
Total federal sources	<u>80,000</u>	<u>66,083</u>	<u>(13,917)</u>	<u>102,137</u>
Total revenues	<u>12,210,506</u>	<u>13,208,043</u>	<u>997,537</u>	<u>12,983,829</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, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023		Variance-	2022
	Budget	Actual	Positive (Negative)	Actual
Expenditures:				
Current:				
Regular programs:				
Instruction:				
Salaries	\$ 3,255,382	\$ 3,170,103	\$ 85,279	\$ 3,143,892
Benefits	1,565,890	1,504,644	61,246	1,457,847
Purchased services	5,000	1,000	4,000	5,002
Supplies	123,041	105,205	17,836	103,367
Property	<u>1,238</u>	<u>-</u>	<u>1,238</u>	<u>4,396</u>
Total regular programs	<u>4,950,551</u>	<u>4,780,952</u>	<u>169,599</u>	<u>4,714,504</u>
Vocational programs:				
Instruction:				
Salaries	540,000	539,886	114	453,071
Benefits	285,101	274,783	10,318	224,063
Purchased services	5,824	3,172	2,652	-
Supplies	<u>19,526</u>	<u>19,502</u>	<u>24</u>	<u>22,131</u>
Total vocational programs	<u>850,451</u>	<u>837,343</u>	<u>13,108</u>	<u>699,265</u>
Co-curricular and extra curricular activities:				
Co-curricular activities:				
Instruction:				
Purchased services	810	-	810	286
Supplies	<u>1,000</u>	<u>97</u>	<u>903</u>	<u>70</u>
Total co-curricular activities	<u>1,810</u>	<u>97</u>	<u>1,713</u>	<u>356</u>
Athletics:				
Instruction:				
Salaries	102,000	103,350	(1,350)	84,785
Benefits	12,300	9,985	2,315	7,274
Purchased services	114,465	99,546	14,919	95,825
Supplies	41,750	39,069	2,681	30,446
Other	<u>6,468</u>	<u>5,524</u>	<u>944</u>	<u>2,676</u>
Total athletics	<u>276,983</u>	<u>257,474</u>	<u>19,509</u>	<u>221,006</u>
Total co-curricular and extra curricular activities	<u>278,793</u>	<u>257,571</u>	<u>21,222</u>	<u>221,362</u>
Undistributed expenditures:				
Student support:				
Salaries	70,000	61,063	8,937	205,065
Benefits	40,421	31,687	8,734	98,237
Supplies	600	550	50	463
Property	<u>2,500</u>	<u>2,496</u>	<u>4</u>	<u>-</u>
Total student support	<u>113,521</u>	<u>95,796</u>	<u>17,725</u>	<u>303,765</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, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)**

	2023		Variance-	2022
	Budget	Actual	Positive (Negative)	Actual
Expenditures (continued):				
Current (continued):				
Undistributed expenditures (continued):				
Instructional staff support:				
Purchased services	\$ 1,700	\$ -	\$ 1,700	\$ -
Supplies	<u>3,900</u>	<u>2,898</u>	<u>1,002</u>	<u>4,695</u>
Total instructional staff support	<u>5,600</u>	<u>2,898</u>	<u>2,702</u>	<u>4,695</u>
General administration:				
Salaries	190,000	186,354	3,646	456,204
Benefits	143,050	134,658	8,392	335,080
Purchased services	876,687	831,157	45,530	754,077
Supplies	332,132	268,791	63,341	252,693
Property	-	-	-	48,641
Other	<u>17,000</u>	<u>15,291</u>	<u>1,709</u>	<u>11,808</u>
Total general administration	<u>1,558,869</u>	<u>1,436,251</u>	<u>122,618</u>	<u>1,858,503</u>
School administration:				
Salaries	906,640	891,190	15,450	982,907
Benefits	466,474	442,164	24,310	472,528
Purchased services	48,406	35,442	12,964	40,814
Supplies	75,786	62,027	13,759	59,842
Other	<u>1,872</u>	<u>-</u>	<u>1,872</u>	<u>-</u>
Total school administration	<u>1,499,178</u>	<u>1,430,823</u>	<u>68,355</u>	<u>1,556,091</u>
Central services:				
Salaries	290,000	284,151	5,849	-
Benefits	<u>166,000</u>	<u>138,624</u>	<u>27,376</u>	<u>-</u>
Total central services	<u>456,000</u>	<u>422,775</u>	<u>33,225</u>	<u>-</u>
Operating/maintenance plant svc:				
Salaries	530,000	528,183	1,817	521,109
Benefits	283,500	267,388	16,112	261,844
Purchased services	182,989	130,068	52,921	112,749
Supplies	480,990	436,084	44,906	330,617
Property	<u>6,000</u>	<u>1,488</u>	<u>4,512</u>	<u>324,607</u>
Total operating/maintenance plant svc	<u>1,483,479</u>	<u>1,363,211</u>	<u>120,268</u>	<u>1,550,926</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, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)**

	2023		Variance-	2022
	Budget	Actual	Positive (Negative)	Actual
Expenditures (continued):				
Current (continued):				
Undistributed expenditures (continued):				
Student transportation:				
Salaries	\$ 200,000	\$ 196,400	\$ 3,600	\$ 201,472
Benefits	110,623	98,166	12,457	89,121
Purchased services	100,000	92,051	7,949	23,112
Supplies	243,788	224,445	19,343	178,311
Property	<u>87,000</u>	<u>141,102</u>	<u>(54,102)</u>	<u>93,000</u>
Total student transportation	<u>741,411</u>	<u>752,164</u>	<u>(10,753)</u>	<u>585,016</u>
Total undistributed expenditures	<u>5,858,058</u>	<u>5,503,918</u>	<u>354,140</u>	<u>5,858,996</u>
Debt Service:				
Principal	-	123,669	(123,669)	95,131
Interest	<u>-</u>	<u>2,597</u>	<u>(2,597)</u>	<u>2,504</u>
Total debt service	<u>-</u>	<u>126,266</u>	<u>(126,266)</u>	<u>97,635</u>
Contingency	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>-</u>
Total expenditures	<u>11,962,853</u>	<u>11,506,050</u>	<u>456,803</u>	<u>11,591,762</u>
Excess (deficiency) of revenues over expenditures	<u>247,653</u>	<u>1,701,993</u>	<u>1,454,340</u>	<u>1,392,067</u>
Other financing sources (uses):				
Financed purchases proceeds	-	156,602	156,602	93,000
Lease obligation proceeds	-	-	-	48,641
Operating transfers in	100,000	100,000	-	-
Operating transfers out	<u>(1,418,565)</u>	<u>(1,691,566)</u>	<u>(273,001)</u>	<u>(1,082,860)</u>
Total other financing sources (uses)	<u>(1,318,565)</u>	<u>(1,434,964)</u>	<u>(116,399)</u>	<u>(941,219)</u>
Net change in fund balance	(1,070,912)	267,029	1,337,941	450,848
Fund balance:				
Beginning of year	<u>1,981,463</u>	<u>1,981,463</u>	<u>-</u>	<u>1,530,615</u>
End of year	<u>\$ 910,551</u>	<u>\$ 2,248,492</u>	<u>\$ 1,337,941</u>	<u>\$ 1,981,463</u>

**LINCOLN COUNTY SCHOOL DISTRICT
MAJOR SPECIAL REVENUE FUND-SPECIAL EDUCATION FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2023 AND 2022**

	2023	2022
Assets:		
Pooled cash and investments	\$ 994,357	\$ 455,719
Liabilities:		
Accounts payable	\$ -	\$ 195
Accrued payroll	<u>210,670</u>	<u>188,069</u>
Total liabilities	210,670	188,264
Fund balance:		
Committed for special education	<u>783,687</u>	<u>267,455</u>
Total liabilities and fund balance	<u>\$ 994,357</u>	<u>\$ 455,719</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, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023		Variance-	
	Budget	Actual	Positive (Negative)	2022 Actual
Revenues:				
State sources:				
Special education	\$ 1,277,814	\$ 1,319,657	\$ 41,843	\$ 1,206,283
Special education above 13%	<u>-</u>	<u>13,808</u>	<u>13,808</u>	<u>27,080</u>
Total revenues	<u>1,277,814</u>	<u>1,333,465</u>	<u>55,651</u>	<u>1,233,363</u>
Expenditures:				
Current:				
Special programs:				
Instruction:				
Salaries	950,000	765,050	184,950	791,996
Benefits	550,125	481,339	68,786	438,818
Purchased services	215,000	187,160	27,840	101,447
Supplies	272,715	39,400	233,315	12,859
Property	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,802</u>
Total expenditures	<u>1,987,840</u>	<u>1,472,949</u>	<u>514,891</u>	<u>1,349,922</u>
Excess (deficiency) of revenues over expenditures	(710,026)	(139,484)	570,542	(116,559)
Other financing sources (uses):				
Operating transfers in	<u>657,715</u>	<u>655,716</u>	<u>(1,999)</u>	<u>-</u>
Net change in fund balances	(52,311)	516,232	568,543	(116,559)
Fund balance:				
Beginning of year	<u>267,455</u>	<u>267,455</u>	<u>-</u>	<u>384,014</u>
End of year	<u>\$ 215,144</u>	<u>\$ 783,687</u>	<u>\$ 568,543</u>	<u>\$ 267,455</u>

**LINCOLN COUNTY SCHOOL DISTRICT
MAJOR SPECIAL REVENUE FUND-FEDERAL GRANTS FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2023 AND 2022**

	2023	2022
Assets:		
Pooled cash and investments	\$ -	\$ 31,001
Due from other governments	<u>276,521</u>	<u>82,828</u>
 Total assets	 <u>\$ 276,521</u>	 <u>\$ 113,829</u>
Liabilities:		
Accounts payable	\$ 65,399	\$ 16,763
Accrued payroll	106,094	92,861
Unearned revenue	42,883	4,205
Due to other funds	<u>62,145</u>	<u>-</u>
 Total liabilities	 276,521	 113,829
Fund balance:		
Committed	<u>-</u>	<u>-</u>
 Total liabilities and fund balance	 <u>\$ 276,521</u>	 <u>\$ 113,829</u>

LINCOLN COUNTY SCHOOL DISTRICT
MAJOR 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, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023		Variance-	2022
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Federal sources:				
Other	\$ 2,081,666	\$ 1,936,134	\$ (145,532)	\$ 1,536,636
Expenditures:				
Current:				
Regular programs:				
Instruction:				
Salaries	217,139	216,273	866	253,345
Benefits	117,562	123,172	(5,610)	113,397
Purchased services	3,588	3,588	-	11,473
Supplies	420,350	324,993	95,357	263,919
Property	-	37,594	(37,594)	-
Total regular programs	<u>758,639</u>	<u>705,620</u>	<u>53,019</u>	<u>642,134</u>
Special programs:				
Instruction:				
Salaries	183,308	180,827	2,481	179,387
Benefits	109,474	87,054	22,420	97,097
Purchased services	130,800	128,810	1,990	88,985
Supplies	7,018	3,000	4,018	11,786
Total special programs	<u>430,600</u>	<u>399,691</u>	<u>30,909</u>	<u>377,255</u>
Vocational programs:				
Instruction:				
Supplies	42,870	42,870	-	52,047
Property	-	-	-	18,699
Total vocational programs	<u>42,870</u>	<u>42,870</u>	<u>-</u>	<u>70,746</u>
Undistributed expenditures:				
Student support:				
Salaries	42,000	42,000	-	-
Benefits	24,898	20,517	4,381	-
Purchased services	44,938	44,938	-	41,732
Supplies	2,000	1,982	18	1,367
Total student support	<u>113,836</u>	<u>109,437</u>	<u>4,399</u>	<u>43,099</u>

LINCOLN COUNTY SCHOOL DISTRICT
MAJOR 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, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023		Variance-	2022
	Budget	Actual	Positive (Negative)	Actual
Expenditures (continued):				
Current (continued):				
Undistributed expenditures (continued):				
Instructional staff support:				
Salaries	\$ 20,700	\$ 20,700	\$ -	\$ 27,829
Benefits	1,017	837	180	840
Purchased services	141,733	101,995	39,738	116,172
Supplies	<u>34,802</u>	<u>26,802</u>	<u>8,000</u>	<u>27,723</u>
Total instructional staff support	<u>198,252</u>	<u>150,334</u>	<u>47,918</u>	<u>172,564</u>
Food service:				
Supplies	10,529	10,529	-	8,953
Property	<u>3,859</u>	<u>3,789</u>	<u>70</u>	<u>20,827</u>
Total food service	<u>14,388</u>	<u>14,318</u>	<u>70</u>	<u>29,780</u>
General administration:				
Salaries	139,000	139,000	-	159,244
Benefits	5,174	5,123	51	5,369
Purchased services	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,226</u>
Total general administration	<u>144,174</u>	<u>144,123</u>	<u>51</u>	<u>167,839</u>
Operating/maintenance plant svc:				
Purchased services	9,166	-	9,166	-
Supplies	<u>15,773</u>	<u>15,773</u>	<u>-</u>	<u>33,219</u>
Total operating/maintenance plant svc	<u>24,939</u>	<u>15,773</u>	<u>9,166</u>	<u>33,219</u>
Student transportation:				
Purchased services	<u>352,468</u>	<u>352,468</u>	<u>-</u>	<u>-</u>
Community services operations:				
Purchased services	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>-</u>
Total undistributed expenditures	<u>849,557</u>	<u>787,953</u>	<u>61,604</u>	<u>446,501</u>
Total expenditures	<u>2,081,666</u>	<u>1,936,134</u>	<u>145,532</u>	<u>1,536,636</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balance:				
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**LINCOLN COUNTY SCHOOL DISTRICT
MAJOR FUND-DEBT SERVICE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2023 AND 2022**

	2023	2022
Assets:		
Pooled cash and investments	\$ 918,914	\$ 766,408
Interest receivable	758	-
Taxes receivable	5,609	4,151
Due from other governments	5	36,503
Due from other funds	<u>15,589</u>	<u>-</u>
 Total assets	 <u>\$ 940,875</u>	 <u>\$ 807,062</u>
Liabilities:		
Due to other funds	\$ 7,650	\$ 5,100
Deferred inflows of resources:		
Unavailable revenue - property taxes	4,344	3,336
Fund balance:		
Restricted	<u>928,881</u>	<u>798,626</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 940,875</u>	 <u>\$ 807,062</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, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)**

	2023		Variance- Positive (Negative)	2022 Actual
	Budget	Actual		
Revenues:				
Local sources:				
Property tax	\$ 577,419	\$ 580,091	\$ 2,672	\$ 569,481
Investment income (loss)	100	4,043	3,943	(11,419)
Total local sources	<u>577,519</u>	<u>584,134</u>	<u>6,615</u>	<u>558,062</u>
Federal sources:				
Interest subsidy	32,000	31,178	(822)	31,178
Fish and game in-lieu tax	500	503	3	477
Total federal sources	<u>32,500</u>	<u>31,681</u>	<u>(819)</u>	<u>31,655</u>
Total revenues	<u>610,019</u>	<u>615,815</u>	<u>5,796</u>	<u>589,717</u>
Expenditures:				
Debt service:				
Principal	350,100	350,100	-	337,800
Interest and fiscal costs	<u>132,910</u>	<u>135,460</u>	<u>(2,550)</u>	<u>146,717</u>
Total expenditures	<u>483,010</u>	<u>485,560</u>	<u>(2,550)</u>	<u>484,517</u>
Excess (deficiency) of revenues over expenditures	127,009	130,255	3,246	105,200
Fund balance:				
Beginning of year	<u>798,626</u>	<u>798,626</u>	-	<u>693,426</u>
End of year	<u>\$ 925,635</u>	<u>\$ 928,881</u>	<u>\$ 3,246</u>	<u>\$ 798,626</u>

**LINCOLN COUNTY SCHOOL DISTRICT
MAJOR FUND-CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2023 AND 2022**

	2023	2022
Assets:		
Pooled cash and investments	\$ 1,245,938	\$ 782,282
Due from other governments	<u>33,645</u>	<u>33,583</u>
 Total assets	 <u>\$ 1,279,583</u>	 <u>\$ 815,865</u>
 Liabilities:		
Accounts payable	\$ -	\$ 1,085
 Fund balance:		
Restricted	<u>1,279,583</u>	<u>814,780</u>
 Total liabilities and fund balance	 <u>\$ 1,279,583</u>	 <u>\$ 815,865</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, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)**

	2023		Variance-	2022
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Local sources:				
Governmental service tax	\$ 100,000	\$ 122,084	\$ 22,084	\$ 114,857
Local school support taxes	60,000	121,601	61,601	139,256
Investment income	<u>800</u>	<u>24,328</u>	<u>23,528</u>	<u>1,872</u>
Total local sources	160,800	268,013	107,213	255,985
Expenditures:				
Facilities acquisition and construction:				
Building improvement:				
Purchased services	<u>880,773</u>	<u>103,210</u>	<u>777,563</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(719,973)	164,803	884,776	255,985
Other financing sources (uses):				
Operating transfers in	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>300,000</u>
Net change in fund balances	(419,973)	464,803	884,776	555,985
Fund balance:				
Beginning of year	<u>814,780</u>	<u>814,780</u>	<u>-</u>	<u>258,795</u>
End of year	<u>\$ 394,807</u>	<u>\$ 1,279,583</u>	<u>\$ 884,776</u>	<u>\$ 814,780</u>

**LINCOLN COUNTY SCHOOL DISTRICT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023
(With Comparative Totals for June 30, 2022)**

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Totals	
			2023	2022
Assets:				
Pooled cash and investments	\$ 1,492,577	\$ 117,796	\$ 1,610,373	\$ 1,541,098
Due from other governments	35,726	-	35,726	81,419
Due from other funds	-	7,650	7,650	5,100
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 1,528,303</u>	<u>\$ 125,446</u>	<u>\$ 1,653,749</u>	<u>\$ 1,627,617</u>
Liabilities:				
Accounts payable	\$ 6,996	\$ -	\$ 6,996	\$ 9,244
Accrued payroll	125,768	-	125,768	110,504
Unearned revenue	75,162	-	75,162	45,163
Due to other funds	-	-	-	48,359
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>207,926</u>	<u>-</u>	<u>207,926</u>	<u>213,270</u>
Fund balance:				
Restricted for capital projects	-	125,446	125,446	87,592
Restricted for student groups	417,869	-	417,869	402,412
Restricted for food service	-	-	-	62,219
Committed for COB High School	715,995	-	715,995	702,633
Committed for food service	186,513	-	186,513	159,491
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balance	<u>1,320,377</u>	<u>125,446</u>	<u>1,445,823</u>	<u>1,414,347</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 1,528,303</u>	<u>\$ 125,446</u>	<u>\$ 1,653,749</u>	<u>\$ 1,627,617</u>

**LINCOLN COUNTY SCHOOL DISTRICT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023**

(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	Nonmajor	Nonmajor	Totals	
	Special Revenue Funds	Capital Projects Funds	2023	2022
Revenues:				
Local sources	\$ 1,318,612	\$ -	\$ 1,318,612	\$ 857,267
State sources	712,737	-	712,737	638,012
Federal sources	510,846	-	510,846	485,482
Total revenues	<u>2,542,195</u>	<u>-</u>	<u>2,542,195</u>	<u>1,980,761</u>
Expenditures:				
Current:				
Regular programs	434,549	-	434,549	444,809
Vocational programs	116,406	-	116,406	103,350
Other instructional programs	99,623	-	99,623	99,536
Co-curricular activities	946,075	-	946,075	558,800
Adult education	267,916	-	267,916	99,011
Undistributed expenditures:				
Student support	1,575	-	1,575	-
Instructional staff support	755	-	755	151,456
Food service	625,521	-	625,521	423,263
General administration	267,527	-	267,527	197,887
School administration	283,871	-	283,871	191,290
Operating/maintenance plant svc	89,443	-	89,443	73,835
Student transportation	1,162	-	1,162	7,163
Facilities acquisition and construction	-	12,146	12,146	-
Total expenditures	<u>3,134,423</u>	<u>12,146</u>	<u>3,146,569</u>	<u>2,350,400</u>
Excess (deficiency) of revenues over expenditures	<u>(592,228)</u>	<u>(12,146)</u>	<u>(604,374)</u>	<u>(369,639)</u>
Other financing sources (uses):				
Operating transfers in	685,850	50,000	735,850	767,860
Operating transfers out	(100,000)	-	(100,000)	-
Total other financing sources (uses)	<u>585,850</u>	<u>50,000</u>	<u>635,850</u>	<u>767,860</u>
Net change in fund balances	(6,378)	37,854	31,476	398,221
Fund balance:				
Beginning of year	<u>1,326,755</u>	<u>87,592</u>	<u>1,414,347</u>	<u>1,016,126</u>
End of year	<u>\$ 1,320,377</u>	<u>\$ 125,446</u>	<u>\$ 1,445,823</u>	<u>\$ 1,414,347</u>

**LINCOLN COUNTY SCHOOL DISTRICT
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2023
(With Comparative Totals for June 30, 2022)**

	COB High School	State Grants	Adult Education	Food Service	Gifts and Donations
Assets:					
Pooled cash and investments	\$ 816,689	\$ 29,644	\$ 19,174	\$ 208,657	\$ 544
Due from other governments	<u>-</u>	<u>2,742</u>	<u>32,984</u>	<u>-</u>	<u>-</u>
 Total assets	 <u>\$ 816,689</u>	 <u>\$ 32,386</u>	 <u>\$ 52,158</u>	 <u>\$ 208,657</u>	 <u>\$ 544</u>
 Liabilities:					
Accounts payable	\$ 1,294	\$ -	\$ 963	\$ 4,739	\$ -
Accrued payroll	99,400	-	8,963	17,405	-
Unearned revenue	-	32,386	42,232	-	544
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total liabilities	 <u>100,694</u>	 <u>32,386</u>	 <u>52,158</u>	 <u>22,144</u>	 <u>544</u>
 Fund balance:					
Restricted for student groups	-	-	-	-	-
Restricted for food service	-	-	-	-	-
Committed for COB High School	715,995	-	-	-	-
Committed for food service	<u>-</u>	<u>-</u>	<u>-</u>	<u>186,513</u>	<u>-</u>
 Total fund balance	 <u>715,995</u>	 <u>-</u>	 <u>-</u>	 <u>186,513</u>	 <u>-</u>
 Total liabilities and fund balance	 <u>\$ 816,689</u>	 <u>\$ 32,386</u>	 <u>\$ 52,158</u>	 <u>\$ 208,657</u>	 <u>\$ 544</u>

Student Activity	Totals	
	2023	2022
\$ 417,869	\$ 1,492,577	\$ 1,458,606
-	35,726	81,419
<u>\$ 417,869</u>	<u>\$ 1,528,303</u>	<u>\$ 1,540,025</u>
\$ -	\$ 6,996	\$ 9,244
-	125,768	110,504
-	75,162	45,163
-	-	48,359
<u>-</u>	<u>207,926</u>	<u>213,270</u>
417,869	417,869	402,412
-	-	62,219
-	715,995	702,633
-	186,513	159,491
<u>417,869</u>	<u>1,320,377</u>	<u>1,326,755</u>
<u>\$ 417,869</u>	<u>\$ 1,528,303</u>	<u>\$ 1,540,025</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, 2023**

(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	COB High School	State Grants	Adult Education	Food Service	PCFP At Risk
Revenues:					
Local sources	\$ 348,541	\$ -	\$ -	\$ 8,539	\$ -
State sources	-	274,259	267,916	70,939	45,324
Federal sources	-	-	-	510,846	-
Total revenues	<u>348,541</u>	<u>274,259</u>	<u>267,916</u>	<u>590,324</u>	<u>45,324</u>
Expenditures:					
Current:					
Regular programs	412,782	21,767	-	-	-
Vocational programs	116,406	-	-	-	-
Other instructional programs	-	-	-	-	45,324
Co-curricular activities	-	-	-	-	-
Adult education	-	-	267,916	-	-
Undistributed expenditures:					
Student support	-	1,575	-	-	-
Instructional staff support	-	755	-	-	-
Food service	-	-	-	625,521	-
General administration	18,527	249,000	-	-	-
School administration	283,871	-	-	-	-
Operating/maintenance plant svc	89,443	-	-	-	-
Student transportation	-	1,162	-	-	-
Total expenditures	<u>921,029</u>	<u>274,259</u>	<u>267,916</u>	<u>625,521</u>	<u>45,324</u>
Excess (deficiency) of revenues over expenditures	<u>(572,488)</u>	<u>-</u>	<u>-</u>	<u>(35,197)</u>	<u>-</u>
Other financing sources (uses):					
Operating transfers in	685,850	-	-	-	-
Operating transfers out	(100,000)	-	-	-	-
Total other financing sources (uses)	<u>585,850</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	13,362	-	-	(35,197)	-
Fund balance:					
Beginning of year	<u>702,633</u>	<u>-</u>	<u>-</u>	<u>221,710</u>	<u>-</u>
End of year	<u>\$ 715,995</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 186,513</u>	<u>\$ -</u>

PCFP English Learner	Student Activity	Totals	
		2023	2022
\$ -	\$ 961,532	\$ 1,318,612	\$ 857,267
54,299	-	712,737	638,012
-	-	510,846	485,482
<u>54,299</u>	<u>961,532</u>	<u>2,542,195</u>	<u>1,980,761</u>
-	-	434,549	444,909
-	-	116,406	103,250
54,299	-	99,623	99,536
-	946,075	946,075	558,800
-	-	267,916	243,448
-	-	1,575	-
-	-	755	7,019
-	-	625,521	423,263
-	-	267,527	197,887
-	-	283,871	191,290
-	-	89,443	73,835
-	-	1,162	7,163
<u>54,299</u>	<u>946,075</u>	<u>3,134,423</u>	<u>2,350,400</u>
-	<u>15,457</u>	<u>(592,228)</u>	<u>(369,639)</u>
-	-	685,850	727,860
-	-	(100,000)	-
-	-	<u>585,850</u>	<u>727,860</u>
-	15,457	(6,378)	358,221
-	<u>402,412</u>	<u>1,326,755</u>	<u>968,534</u>
<u>\$ -</u>	<u>\$ 417,869</u>	<u>\$ 1,320,377</u>	<u>\$ 1,326,755</u>

**LINCOLN COUNTY SCHOOL DISTRICT
NONMAJOR FUND-COB HIGH SCHOOL SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2023 AND 2022**

	2023	2022
Assets:		
Pooled cash and investments	<u>\$ 816,689</u>	<u>\$ 788,637</u>
Liabilities:		
Accounts payable	\$ 1,294	\$ 1,137
Accrued payroll	<u>99,400</u>	<u>84,867</u>
Total liabilities	100,694	86,004
Fund balance:		
Committed	<u>715,995</u>	<u>702,633</u>
Total liabilities and fund balance	<u>\$ 816,689</u>	<u>\$ 788,637</u>

**LINCOLN COUNTY SCHOOL DISTRICT
NONMAJOR 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, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)**

	2023		Variance-	
	Budget	Actual	Positive (Negative)	2022 Actual
Revenues:				
Local Sources:				
Tuition	\$ 321,760	\$ 321,760	\$ -	\$ 321,760
Other - grant	<u>26,781</u>	<u>26,781</u>	<u>-</u>	<u>-</u>
Total revenues	<u>348,541</u>	<u>348,541</u>	<u>-</u>	<u>321,760</u>
Expenditures:				
Current:				
Regular programs:				
Instruction:				
Salaries	312,300	261,096	51,204	278,631
Benefits	161,164	125,408	35,756	133,907
Purchased services	6,000	-	6,000	-
Supplies	67,000	26,278	40,722	10,967
Property	<u>20,000</u>	<u>-</u>	<u>20,000</u>	<u>9,723</u>
Total regular programs	<u>566,464</u>	<u>412,782</u>	<u>153,682</u>	<u>433,228</u>
Vocational programs:				
Instruction:				
Salaries	75,000	70,275	4,725	68,391
Benefits	34,788	34,184	604	31,533
Purchased services	22,500	-	22,500	100
Supplies	100,000	11,947	88,053	3,226
Property	<u>78,094</u>	<u>-</u>	<u>78,094</u>	<u>-</u>
Total vocational programs	<u>310,382</u>	<u>116,406</u>	<u>193,976</u>	<u>103,250</u>
Co-curricular and extra curricular activities:				
Athletics:				
Instruction:				
Supplies	5,000	-	5,000	2,329
Property	<u>7,000</u>	<u>-</u>	<u>7,000</u>	<u>2,708</u>
Total co-curricular and extra curricular activities	<u>12,000</u>	<u>-</u>	<u>12,000</u>	<u>5,037</u>

LINCOLN COUNTY SCHOOL DISTRICT
NONMAJOR 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, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023		Variance-	2022
	Budget	Actual	Positive (Negative)	Actual
Expenditures (continued):				
Current (continued):				
Undistributed expenditures:				
Instructional staff support:				
Supplies	\$ 250	\$ -	\$ 250	\$ -
General administration:				
Purchased services	2,945	2,945	-	-
Supplies	15,582	15,582	-	-
Total general administration	18,527	18,527	-	-
School administration:				
Salaries	154,609	172,804	(18,195)	117,868
Benefits	74,330	74,954	(624)	55,687
Purchased services	50,000	5,971	44,029	12,100
Supplies	144,293	14,642	129,651	5,635
Property	60,000	15,500	44,500	-
Total school administration	483,232	283,871	199,361	191,290
Operating/maintenance plant svc:				
Salaries	45,030	44,793	237	44,029
Benefits	26,688	26,355	333	22,236
Purchased services	8,254	10,520	(2,266)	-
Supplies	50,000	6,824	43,176	7,570
Property	15,000	951	14,049	-
Total operating/maintenance plant svc	144,972	89,443	55,529	73,835
Total undistributed expenditures	646,981	391,841	255,140	265,125
Total expenditures	1,535,827	921,029	614,798	806,640
Excess (deficiency) of revenues over expenditures	(1,187,286)	(572,488)	614,798	(484,880)
Other financing sources (uses):				
Operating transfers in	685,850	685,850	-	727,860
Operating transfers out	(100,000)	(100,000)	-	-
Total other financing sources	585,850	585,850	-	727,860
Net change in fund balances	(601,436)	13,362	614,798	242,980
Fund balance:				
Beginning of year	702,633	702,633	-	459,653
End of year	\$ 101,197	\$ 715,995	\$ 614,798	\$ 702,633

**LINCOLN COUNTY SCHOOL DISTRICT
NONMAJOR FUND - STATE GRANTS SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2023 AND 2022**

	2023	2022
Assets:		
Pooled cash and investments	\$ 29,644	\$ -
Due from other governments	<u>2,742</u>	<u>56,600</u>
 Total assets	 <u>\$ 32,386</u>	 <u>\$ 56,600</u>
 Liabilities:		
Accounts payable	\$ -	\$ 5,854
Unearned revenue	32,386	2,387
Due to other funds	<u>-</u>	<u>48,359</u>
 Total liabilities	 32,386	 56,600
 Fund balance:		
Committed	<u>-</u>	<u>-</u>
 Total liabilities and fund balance	 <u>\$ 32,386</u>	 <u>\$ 56,600</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, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023		Variance-	2022
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
State sources:				
Other	\$ 274,947	\$ 274,259	\$ (688)	\$ 223,750
Expenditures:				
Current:				
Regular programs:				
Instruction:				
Purchased services	-	-	-	4,082
Supplies	22,455	21,767	688	7,599
Total regular programs	22,455	21,767	688	11,681
Undistributed expenditures:				
Student support:				
Other	1,575	1,575	-	-
Instructional staff support:				
Purchased services	755	755	-	7,019
General administration:				
Salaries	36,718	36,718	-	36,208
Benefits	15,076	15,076	-	13,591
Purchased services	180,498	180,498	-	130,774
Supplies	16,708	16,708	-	17,314
Total general administration	249,000	249,000	-	197,887
Student transportation:				
Purchased services	1,162	1,162	-	7,163
Total undistributed expenditures	252,492	252,492	-	212,069
Total expenditures	274,947	274,259	688	223,750
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balance:				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -

**LINCOLN COUNTY SCHOOL DISTRICT
NONMAJOR SPECIAL REVENUE FUND-ADULT EDUCATION FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2023 AND 2022**

	2023	2022
Assets:		
Pooled cash and investments	\$ 19,174	\$ 26,386
Due from other governments	<u>32,984</u>	<u>24,819</u>
 Total assets	 <u>\$ 52,158</u>	 <u>\$ 51,205</u>
Liabilities:		
Accounts payable	\$ 963	\$ -
Accrued payroll	8,963	8,973
Unearned revenue	<u>42,232</u>	<u>42,232</u>
 Total liabilities	 52,158	 51,205
Fund balance:		
Committed	<u>-</u>	<u>-</u>
 Total liabilities and fund balance	 <u>\$ 52,158</u>	 <u>\$ 51,205</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, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023		Variance-	2022
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
State sources:				
Other	\$ 276,092	\$ 267,916	\$ (8,176)	\$ 243,448
Expenditures:				
Current:				
Adult education:				
Instruction:				
Salaries	35,634	35,634	-	36,349
Benefits	17,626	17,619	7	17,333
Purchased services	3,865	5,121	(1,256)	11,965
Supplies	53,704	52,085	1,619	33,364
Total instruction	<u>110,829</u>	<u>110,459</u>	<u>370</u>	<u>99,011</u>
Student support:				
Purchased services	<u>60</u>	<u>60</u>	<u>-</u>	<u>-</u>
Instructional staff support:				
Salaries	-	-	-	91,052
Benefits	-	-	-	46,890
Purchased services	10,965	8,833	2,132	3,875
Supplies	-	-	-	2,260
Other	-	-	-	360
Total instructional staff support	<u>10,965</u>	<u>8,833</u>	<u>2,132</u>	<u>144,437</u>
General administration:				
Salaries	91,933	90,698	1,235	-
Benefits	49,008	48,819	189	-
Purchased services	8,490	5,958	2,532	-
Supplies	3,482	1,764	1,718	-
Other	75	75	-	-
Total general administration	<u>152,988</u>	<u>147,314</u>	<u>5,674</u>	<u>-</u>
Student transportation:				
Purchased services	<u>1,250</u>	<u>1,250</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>276,092</u>	<u>267,916</u>	<u>8,176</u>	<u>243,448</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, 2023 AND 2022**

	2023	2022
Assets:		
Pooled cash and investments	\$ <u>208,657</u>	\$ <u>239,712</u>
Liabilities:		
Accounts payable	\$ 4,739	\$ 1,338
Accrued payroll	<u>17,405</u>	<u>16,664</u>
Total liabilities	<u>22,144</u>	<u>18,002</u>
Fund balance:		
Restricted for food service	-	62,219
Committed for food service	<u>186,513</u>	<u>159,491</u>
Total fund balance	<u>186,513</u>	<u>221,710</u>
Total liabilities and fund balance	<u>\$ 208,657</u>	<u>\$ 239,712</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, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023		Variance-	2022
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Local sources:				
Food service daily sales - lunch	\$ -	\$ 8,539	\$ 8,539	\$ 4,271
State sources:				
Grant	600	1,363	763	1,763
PCFP auxiliary service - food service	70,000	69,576	(424)	69,515
Total state sources	70,600	70,939	339	71,278
Federal sources:				
School feeding programs (free and reduced)	480,000	173,936	(306,064)	278,353
School breakfast program	-	102,319	102,319	155,945
ARPA breakfast/lunch assistance	-	207,101	207,101	-
Supply chain assistance program	-	-	-	21,128
Emergency operational costs funding	-	-	-	9,930
School feeding program - commodities	27,490	27,490	-	20,126
Total federal sources	507,490	510,846	3,356	485,482
Total revenues	578,090	590,324	12,234	561,031
Expenditures:				
Current:				
Undistributed expenditures:				
Food service:				
Salaries	93,000	92,298	702	84,186
Benefits	48,707	47,654	1,053	43,398
Purchased services	2,000	1,160	840	1,183
Supplies	526,600	383,657	142,943	294,496
Property	156,146	100,752	55,394	-
Total expenditures	826,453	625,521	200,932	423,263
Excess (deficiency) of revenues over expenditures	(248,363)	(35,197)	213,166	137,768
Other financing sources (uses):				
Operating transfers in	40,000	-	(40,000)	-
Net change in fund balances	(208,363)	(35,197)	173,166	137,768
Fund balance:				
Beginning of year	221,710	221,710	-	83,942
End of year	\$ 13,347	\$ 186,513	\$ 173,166	\$ 221,710

**LINCOLN COUNTY SCHOOL DISTRICT
NONMAJOR SPECIAL REVENUE FUND-GIFTS AND DONATIONS
COMPARATIVE BALANCE SHEETS
JUNE 30, 2023 AND 2022**

	2023	2022
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, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)**

	2023		Variance-	
	Budget	Actual	Positive (Negative)	2022 Actual
Revenues:				
Local sources:				
Grant	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Regular programs:				
Instruction:				
Property	-	-	-	-
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
COMPARATIVE BALANCE SHEETS
JUNE 30, 2023 AND 2022**

	2023	2022
Assets:		
Pooled cash and investments	<u>\$ -</u>	<u>\$ 915</u>
Liabilities:		
Accounts payable	\$ -	\$ 915
Fund balance:		
Restricted for other instructional programs	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ 915</u>

**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, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)**

	2023		Variance-	
	Budget	Actual	Positive (Negative)	2022
Revenues:				
State sources:				
Special appropriations PCFP	\$ 45,324	\$ 45,324	\$ -	\$ 45,284
Expenditures:				
Current:				
Other instructional programs:				
Instruction:				
Supplies	<u>45,324</u>	<u>45,324</u>	<u>-</u>	<u>45,284</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balance:				
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**LINCOLN COUNTY SCHOOL DISTRICT
NONMAJOR SPECIAL REVENUE FUND-PCFP ENGLISH LEARNER
COMPARATIVE BALANCE SHEETS
JUNE 30, 2023 AND 2022**

	2023	2022
Assets:		
Pooled cash and investments	\$ <u> -</u>	\$ <u> -</u>
 Liabilities:		
Accounts payable	\$ -	\$ -
 Fund balance:		
Restricted for other instructional programs	<u> -</u>	<u> -</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ -</u>

**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, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)**

	2023		Variance- Positive (Negative)	
	Budget	Actual		2022
Revenues:				
State sources:				
Special appropriations PCFP	\$ 54,299	\$ 54,299	\$ -	\$ 54,252
Expenditures:				
Current:				
Other instructional programs:				
Instruction:				
Salaries	<u>54,299</u>	<u>54,299</u>	<u>-</u>	<u>54,252</u>
Excess (deficiency) of revenues over expenditures	-	-	-	
Fund balance:				
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**LINCOLN COUNTY SCHOOL DISTRICT
NONMAJOR SPECIAL REVENUE FUND-STUDENT ACTIVITY
COMPARATIVE BALANCE SHEETS
JUNE 30, 2023 AND 2022**

	2023	2022
Assets:		
Pooled cash and investments	<u>\$ 417,869</u>	<u>\$ 402,412</u>
Liabilities:		
Accounts payable	\$ -	\$ -
Fund balance:		
Restricted student groups	<u>417,869</u>	<u>402,412</u>
Total liabilities and fund balance	<u>\$ 417,869</u>	<u>\$ 402,412</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, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)**

	2023		Variance-	
	Budget	Actual	Positive (Negative)	2022 Actual
Revenues:				
Local sources:				
Other	\$ 1,075,061	\$ 961,532	\$ (113,529)	\$ 531,236
Expenditures:				
Current:				
Co-curricular programs:				
Other direct support:				
Purchased services	400,000	-	400,000	-
Supplies	370,000	794,341	(424,341)	413,868
Property	200,000	-	200,000	-
Other	15,000	-	15,000	-
Total co-curricular activities	<u>985,000</u>	<u>794,341</u>	<u>190,659</u>	<u>413,868</u>
Athletics:				
Instruction:				
Purchased services	105,000	-	105,000	-
Supplies	105,000	151,734	(46,734)	139,895
Other	5,000	-	5,000	-
Total athletics	<u>215,000</u>	<u>151,734</u>	<u>63,266</u>	<u>139,895</u>
Total expenditures	<u>1,200,000</u>	<u>946,075</u>	<u>253,925</u>	<u>553,763</u>
Excess (deficiency) of revenues over expenditures	(124,939)	15,457	140,396	(22,527)
Fund balance:				
Beginning of year	<u>402,412</u>	<u>402,412</u>	-	<u>424,939</u>
End of year	<u>\$ 277,473</u>	<u>\$ 417,869</u>	<u>\$ 140,396</u>	<u>\$ 402,412</u>

**LINCOLN COUNTY SCHOOL DISTRICT
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023
(With Comparative Totals for June 30, 2022)**

	Bond	Building and Sites	Total	
			2023	2022
Assets:				
Pooled cash and investments	\$ 32,706	\$ 85,090	\$ 117,796	\$ 82,492
Due from other funds	<u>7,650</u>	<u>-</u>	<u>7,650</u>	<u>5,100</u>
Total assets	<u>\$ 40,356</u>	<u>\$ 85,090</u>	<u>\$ 125,446</u>	<u>\$ 87,592</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Fund balance:				
Restricted for capital projects	<u>40,356</u>	<u>85,090</u>	<u>125,446</u>	<u>87,592</u>
Total liabilities and fund balance	<u>\$ 40,356</u>	<u>\$ 85,090</u>	<u>\$ 125,446</u>	<u>\$ 87,592</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, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)**

	Bond	Building and Sites	Totals	
			2023	2022
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Undistributed expenditure:				
Facilities acquisition and construction	-	12,146	12,146	-
Excess (deficiency) of revenues over expenditures	-	(12,146)	(12,146)	-
Other financing sources (uses):				
Operating transfers in	-	50,000	50,000	40,000
Net change in fund balances	-	37,854	37,854	40,000
Fund balance:				
Beginning of year	40,356	47,236	87,592	47,592
End of year	\$ 40,356	\$ 85,090	\$ 125,446	\$ 87,592

**LINCOLN COUNTY SCHOOL DISTRICT
NONMAJOR FUND-BOND CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2023 AND 2022**

	2023	2022
Assets:		
Pooled cash and investments	\$ 32,706	\$ 35,256
Due from other funds	<u>7,650</u>	<u>5,100</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, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)**

	2023		Variance-	
	Budget	Actual	Positive (Negative)	2022 Actual
Revenues:				
Local sources:				
Investment income	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Undistributed expenditure:				
Facilities acquisition and construction:				
Building acquisition and construction:				
Purchased services	<u>39,000</u>	<u>-</u>	<u>39,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(39,000)	-	39,000	-
Fund balance:				
Beginning of year	<u>40,356</u>	<u>40,356</u>	<u>-</u>	<u>40,356</u>
End of year	<u>\$ 1,356</u>	<u>\$ 40,356</u>	<u>\$ 39,000</u>	<u>\$ 40,356</u>

**LINCOLN COUNTY SCHOOL DISTRICT
NONMAJOR FUND-BUILDING AND SITES CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2023 AND 2022**

	2023	2022
Assets:		
Pooled cash and investments	<u>\$ 85,090</u>	<u>\$ 47,236</u>
Liabilities:		
Accounts payable	\$ -	\$ -
Fund balance:		
Restricted	<u>85,090</u>	<u>47,236</u>
Total liabilities and fund balance	<u>\$ 85,090</u>	<u>\$ 47,236</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, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)**

	2023		Variance- Positive (Negative)	2022 Actual
	Budget	Actual		
Revenues:				
Local sources:				
Investment income (loss)	\$ 100	\$ -	\$ (100)	\$ -
Expenditures:				
Undistributed expenditure:				
Facilities acquisition and construction:				
Purchased services	<u>50,000</u>	<u>12,146</u>	<u>37,854</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(49,900)	(12,146)	37,754	-
Other financing sources (uses):				
Operating transfers in	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>40,000</u>
Net change in fund balances	100	37,854	37,754	40,000
Fund balance:				
Beginning of year	<u>47,236</u>	<u>47,236</u>	<u>-</u>	<u>7,236</u>
End of year	<u>\$ 47,336</u>	<u>\$ 85,090</u>	<u>\$ 37,754</u>	<u>\$ 47,236</u>

LINCOLN COUNTY SCHOOL DISTRICT
INTERNAL SERVICE FUND-UNEMPLOYMENT COMPENSATION INTERNAL SERVICE FUND
COMPARATIVE STATEMENTS OF NET POSITION
JUNE 30, 2023 AND 2022

	2023	2022
Assets:		
Pooled cash and investments	\$ 48,535	\$ 48,558
Liabilities:		
Accounts payable	-	-
Net position:		
Restricted	<u>\$ 48,535</u>	<u>\$ 48,558</u>

LINCOLN COUNTY SCHOOL DISTRICT
INTERNAL SERVICE FUND-UNEMPLOYMENT COMPENSATION INTERNAL SERVICE FUND
SCHEDULES OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023		Variance- Positive (Negative)	2022 Actual
	Budget	Actual		
Operating revenues:				
Insurance premiums	\$ -	\$ -	\$ -	\$ -
Operating expenses:				
Benefits	<u>15,000</u>	<u>23</u>	<u>14,977</u>	<u>-</u>
Operating income (loss)	(15,000)	(23)	14,977	-
Transfers in:	<u>15,000</u>	<u>-</u>	<u>(15,000)</u>	<u>15,000</u>
Change in net position	-	(23)	(23)	15,000
Net position:				
Beginning of year	<u>43,558</u>	<u>48,558</u>	<u>5,000</u>	<u>33,558</u>
End of year	<u>\$ 43,558</u>	<u>\$ 48,535</u>	<u>\$ 4,977</u>	<u>\$ 48,558</u>

LINCOLN COUNTY SCHOOL DISTRICT
INTERNAL SERVICE FUND-UNEMPLOYMENT COMPENSATION INTERNAL SERVICE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
Cash flows from operating activities:		
Cash paid for benefits	\$ (23)	\$ -
Cash flows from non-capital financing activities:		
Transfer in	<u>-</u>	<u>15,000</u>
Net in cash and cash equivalents	(23)	15,000
Cash and cash equivalents:		
Beginning of year	<u>48,558</u>	<u>33,558</u>
End of year	<u>\$ 48,535</u>	<u>\$ 48,558</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	<u>\$ (23)</u>	<u>\$ -</u>

**LINCOLN COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

PAGE 1 OF 2

Federal Grantor / Pass-through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Total Federal 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	\$ 117,074
National School Lunch Program	10.555	N/A	200,273
National School Lunch Program (Supply chain assistance)	10.555	N/A	21,128
National School Lunch Program (Commodities)	10.555	N/A	27,490
Total Federal Assistance Listing Number 10.555			248,891
Fresh Fruit and Vegetable Program	10.582	N/A	10,529
Total Child Nutrition Cluster			376,494
Passed through State of Nevada Department of Agriculture:			
Child Nutrition Discretionary Grants Limited Availability	10.579	FND 21EQ08	3,789
Passed through State of Nevada, Office of the Controller:			
Schools and Roads - Grants to Counties	10.666	N/A	10,677
Total Department of Agriculture			\$ 390,960
<u>U.S. Department of Interior</u>			
Direct Programs:			
National Wildlife Refuge Fund	15.659	N/A	\$ 503
<u>U.S Department of Treasury</u>			
Passed through State of Nevada Department of Agriculture:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	SLFRP2634	\$ 207,101
Passed through State of Nevada Department of Education:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027A	23-719-09000	301,333
Total Department of Treasury			\$ 508,434
<u>U.S. Department of Education</u>			
Passed through State of Nevada Department of Education:			
Title I Grants to Local Educational Agencies	84.010	23-633-09000	\$ 128,466
Passed through Division of Child and Family Services-Juvenile Services:			
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013A	23-630-116000	249,834
Special Education Cluster (IDEA)			
Passed through State of Nevada Department of Education:			
Special Education Grants to States	84.027	23-667-09000	153,155
Special Education Grants to States	84.027	23-639-09000	162,949
Special Education Grants to States	84.027	23-641-09000	109,543
Total Federal Assistance Listing Number 84.027			425,647
Special Education Preschool Grants	84.173	23-665-09000	13,658
Total Special Education Cluster (IDEA)			439,305

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, 2023**

PAGE 2 OF 2

Federal Grantor / Pass-through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Total Federal 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	23-631-09000	\$ 9,091
Career and Technical Education Basic Grants to States	84.048	23-635-09000	22,870
Career and Technical Education Basic Grants to States	84.048	23-636-09000	20,000
Total Federal Assistance Listing Number 84.048			51,961
Direct Programs:			
Small, Rural School Achievement Program	84.358A	S358A212955	2,557
Small, Rural School Achievement Program	84.358A	S358A222806	23,189
Total Federal Assistance Listing Number 84.358			25,746
Passed through Pershing County School District:			
English Language Acquisition State Grants	84.365A	23-658-14000	1,349
Passed through State of Nevada Department of Education:			
Supporting Effective Instruction State Grants (Improving Teacher Quality State Grants)	84.367	22-709-09000	843
Supporting Effective Instruction State Grants (Improving Teacher Quality State Grants)	84.367	23-709-09000	23,712
Total Federal Assistance Listing Number 84.367			24,555
Student Support and Academic Enrichment Program	84.424A	23-715-09000	10,000
Passed through State of Nevada Department of Education:			
Education Stabilization Fund:			
COVID-19 - Education Stabilization Fund	84.425	21-741-09000	21,371
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	21-742-09000	622,302
COVID-19 - Education Stabilization Fund	84.425	22-784-09000	45,594
Total Federal Assistance Listing Number 84.425			689,267
Total Department of Education			\$ 1,620,483
Total Federal Financial Assistance			\$ 2,520,380

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, 2023

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, 2023. 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 SIGNIFICANT ACCOUNTING POLICIES

Governmental fund types account for the District's federal grant activity included in the general, federal grants, debt service and food service funds. Therefore, expenditures in the schedule of expenditures of federal awards are recognized on the modified accrual basis – when they become a demand on current available financial resources. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

No federal financial assistance has been provided to a subrecipient.

NOTE 3 - INDIRECT COST RATE

Lincoln County School District has not elected to use the 10% De Minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

General Fund	\$ 10,677
Debt Service Fund	503
Special Revenue Fund – Federal Grants	1,936,134
Special Revenue Fund – Food Service	<u>573,066</u>
Total	<u>\$ 2,520,380</u>

NOTE 5 - FOOD DISTRIBUTION

Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. The amounts shown as expenditures of the National School Lunch Program (Commodities) represent the fair value of commodity food received by the District. At June 30, 2023, 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, 2023**

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 • (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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 19, 2023.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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 "Daniel McHugh". The signature is written in a cursive, flowing style.

Las Vegas, Nevada
October 19, 2023

**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, 2023. 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, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of 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 19, 2023

**LINCOLN COUNTY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

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 or material weaknesses 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*.
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 or material weaknesses in internal control over major federal award programs are reported in the Independent Auditor’s Report on Compliance for Each Major Program and Report on Internal Control Over Compliance 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:

Program	Federal Assistance Listing Number
COVID19-Coronavirus State and Local Fiscal Recovery Fund	21.027
Special Education Cluster	84.027, 84.173
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, 2023**

Page 2 of 2

FINDINGS - FINANCIAL STATEMENTS AUDIT

NONE

FINDINGS AND QUESTIONED COSTS- MAJOR FEDERAL AWARD PROGRAMS AUDIT

NONE

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, 2023, 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

Medium Term Obligation – Financed Purchase

In order for the school district to procure a medium-term obligation or installment purchase agreement, certain procedures are to be followed. The District entered into an installment purchase agreement for four vehicles. Nevada Revised Statutes chapter 350.087 and 350.089 requires the following actions be completed before the District enters into a medium-term obligation or installment purchase agreement.

- Publish a Notice of Intent to Act on a Resolution to authorize a Medium-term Obligation or Installment Purchase agreement in a local newspaper.
- District Board of Trustees approval of the Resolution and submitting the resolution to the Department of Taxation along with supporting documentation.
- Approval of the resolution in writing to the District Board of Trustees by the Executive Director of the Department of Taxation.

Finding

The District entered into a finance purchase agreement for four vehicles. The District did follow the required process as outlined in the Nevada Revised Statutes. The District contacted the Department of Taxation upon notification of this error and is in the process of attempting to cure the lack of compliance to the statutes.

PROGRESS ON PRIOR YEAR STATUTE COMPLIANCE

Expenditures exceeded budgeted appropriations at the function level in two funds. No similar findings occurred during 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 (2024).

Fund Balance Carry-over \$ 25,356

The following expenditures are planned for the next fiscal year.

Building Acquisition/Construction \$ 15,000

The District plans to carry over as fund balance into the fiscal year ending June 30, 2025, the amount of \$10,356.



Las Vegas, Nevada
October 19, 2023