

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10

ELKHORN PUBLIC SCHOOLS

ELKHORN, NEBRASKA

FINANCIAL STATEMENTS

AUGUST 31, 2023



**DANA F. COLE
& COMPANY** LLP
CERTIFIED PUBLIC ACCOUNTANTS

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
 ELKHORN PUBLIC SCHOOLS
 ELKHORN, NEBRASKA
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ELKHORN, NEBRASKA
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**DANA F. COLE
& COMPANY^{LLP}**
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Douglas County School District No. 10
Elkhorn Public Schools
Elkhorn, Nebraska

Report on the Audited Financial Statements

Opinions

We have audited the accompanying cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Douglas County School District No. 10, Elkhorn Public Schools, Elkhorn, Nebraska, as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise Douglas County School District No. 10, Elkhorn Public Schools, Elkhorn, Nebraska'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 cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Douglas County School District No. 10, Elkhorn Public Schools, Elkhorn, Nebraska, as of August 31, 2023, and the respective changes in cash basis financial position and, where applicable, cash flows thereof for the year then ended in accordance with the cash basis of accounting as described in Note 1.

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 Douglas County School District No. 10, Elkhorn Public Schools, Elkhorn, Nebraska, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 1, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in this

circumstance. Management is also responsible 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.

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 Douglas County School District No. 10, Elkhorn Public Schools, Elkhorn, Nebraska'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 Douglas County School District No. 10, Elkhorn Public Schools, Elkhorn, Nebraska'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.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Douglas County School District No. 10, Elkhorn Public Schools, Elkhorn, Nebraska's basic financial statements. The management's discussion and analysis on pages 4 - 11 and supplementary information on pages 37 - 54 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures of federal awards on pages 34 - 36 is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The supplementary information on pages 37 - 39 and the schedule of expenditures of federal awards on pages 34 - 36 are the responsibility of management and were derived from and relate 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 supplementary information on pages 37 - 54, and schedule of expenditures of federal awards on pages 34 -36 are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the management's discussion and analysis on pages 4 - 11 and supplementary information on pages 40 - 54 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2023, on our consideration of Douglas County School District No. 10, Elkhorn Public Schools, Elkhorn, Nebraska's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Douglas County School District No. 10, Elkhorn Public Schools, Elkhorn, Nebraska'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 Douglas County School District No. 10, Elkhorn Public Schools, Elkhorn, Nebraska's internal control over financial reporting and compliance.


Dana J. Cole + Company, LLP

Lincoln, Nebraska
November 1, 2023

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
ELKHORN PUBLIC SCHOOLS
ELKHORN, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the annual report presents the management's discussion and analysis of the financial performance of the fiscal year ending August 31, 2023. Please read it in conjunction with the financial statements, which follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report is presented in a format consistent with the requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

The accompanying basic financial statements have been prepared on the cash basis of accounting. Under the cash basis of accounting, revenues are recognized when cash is received, and expenditures are recognized when cash is disbursed. Accordingly, the financial statements and supplemental schedules are not intended to present the financial position and results of operations in conformity with accounting principles generally accepted in the United States of America. The use of the cash basis of accounting is permissible under Title 92, Nebraska Administrative Code, Chapter 2 - Uniform System of Accounting for Nebraska Public School Districts.

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

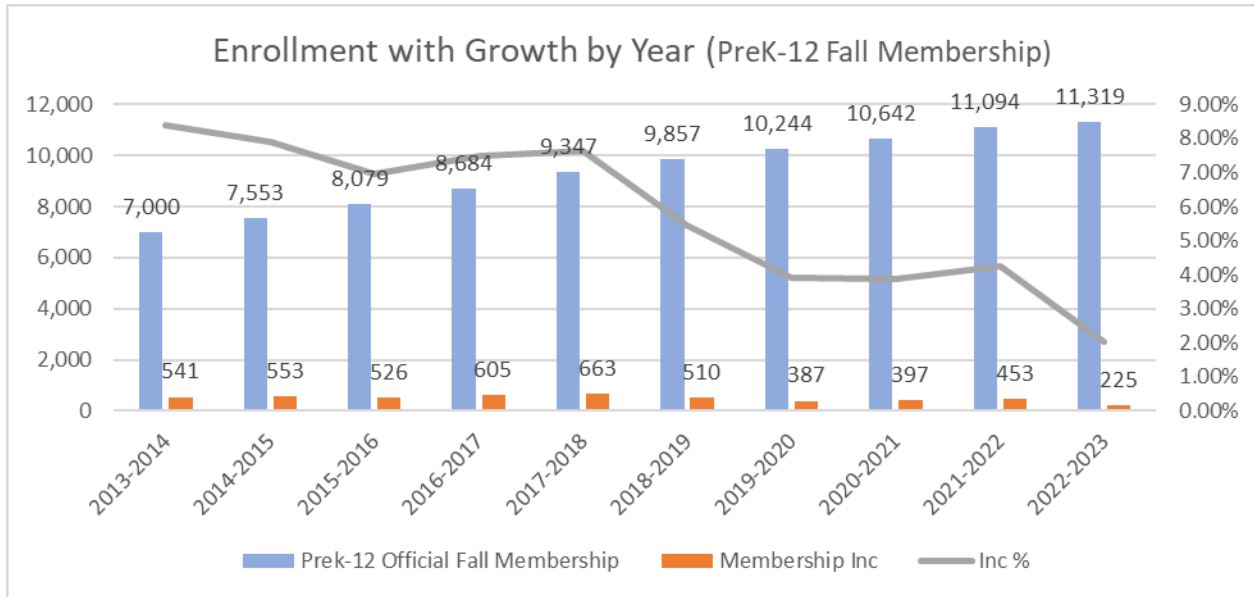
Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. The governmental funds utilized by Douglas County School District No. 10, Elkhorn Public Schools, Elkhorn, Nebraska (the District), include: General Fund, Depreciation Fund, School Nutrition Fund, Bond Fund, and Special Building Fund. Proprietary funds are used to account for business-type activities. The District has no funds classified as business-type activities. Fiduciary funds report assets held in a trustee or agency capacity for others and, therefore, cannot be used to support the District's own programs. The Activities Fund, Student Fee Fund and Employee Benefit Fund are fiduciary funds. Each of the funds maintained by the District is authorized through the Nebraska State Statutes or Department of Education accounting guidance for school districts.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data about the financial statements and commitments, contingencies, and long-term debt obligations that are not reported in the cash basis financial statements. The statements and notes are followed by a section of Supplementary Information that further explains and supports the information in the financial statements.

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
ELKHORN PUBLIC SCHOOLS
ELKHORN, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

- The District began the 2022 - 2023 school year with 225 (2%) more students in Pre-kindergarten through Grade 12. Growth has continued at the start of the 2023 - 2024 school year with 139 (1.23%) more students in Pre-kindergarten through Grade 12 in September. The following chart reflects final official enrollment as filed with the Nebraska Department of Education on October 1. This continued growth has been steady for more than 10 years.



- New portables were purchased and installed at both Blue Sage and Woodbrook Elementary for the start of the 2023 - 2024 school year.
- The taxable valuation growth continues. The assessed property valuation for the 2022 - 2023 fiscal year increased 9.52%, compared to 16.50% for the 2023 - 2024 fiscal year. The Real Growth Percentage from new construction in the District was 4.07% for fiscal year 2022 - 2023, compared to 4.88% for the 2023 - 2024 fiscal year.
- In March 2018, the voters approved a \$149.615 million bond issue. These funds were used to: pay the costs of construction, acquisition, and improvement of high school, middle school and elementary school facilities; finance additions, renovations and improvements to the District's existing buildings and facilities; provide necessary equipment and apparatus for such buildings and facilities; and acquire sites for school facilities of the District.

The following table illustrates the combined assets, liabilities, and net position for the governmental funds. (General, Depreciation, School Nutrition, Bond, and Special Building Funds)

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
ELKHORN PUBLIC SCHOOLS
ELKHORN, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS (Continued)

The total net position increased from \$88,286,144 at August 31, 2022, to \$92,894,729 at August 31, 2023. The \$9.557 million in 2023 referenced as Assigned for Subsequent Year's Budget reflects the difference between the September 1, 2023, General Fund budgeted cash on hand and the August 31, 2024, General Fund budgeted cash reserves.

Statement of District's Net Position

	2022	2023	Percentage Change
Assets			
Current Assets	<u>88,286,144</u>	<u>92,894,729</u>	5.2%
Net Position restricted - debt service	20,435,984	23,012,120	12.6%
Restricted - capital projects and outlays	3,168,135		(100.0%)
Assigned for capital projects and outlays	12,327,518	9,629,852	(21.9%)
Assigned for Lunch Fund	3,198,516	3,672,074	14.8%
Assigned for next year's budget	6,982,089	9,557,043	36.9%
Unassigned	<u>42,173,902</u>	<u>47,023,640</u>	11.5%
Total Net Position	<u>88,286,144</u>	<u>92,894,729</u>	

The following table summarizes the changes in net position for each of the governmental funds:

Fund	Net Position 8/31/2022	Receipts & Transfers In*	Disbursements & Transfers Out*	Net Position 8/31/2023	Change in Net Position
General	\$49,155,991	\$129,870,432	\$122,452,455	\$56,580,683	\$7,418,007
Depreciation	\$5,868,278	\$260,641	\$1,913,726	\$4,215,193	\$(1,653,085)
School Nutrition	\$3,198,516	\$6,857,428	\$6,383,870	\$3,672,074	\$473,558
Bond	\$20,435,984	\$30,023,903	\$27,447,767	\$23,012,120	\$2,576,136
Building	\$9,627,375	\$2,683,601	\$6,896,317	\$5,414,659	\$(4,212,716)
Total	\$88,286,144	\$169,696,035	\$165,094,136	\$92,894,729	\$4,601,900

*Receipts & Transfers In and Disbursements & Transfers Out include the impact to both funds for the \$36,309 "expenditure" from the General Fund for transfer to the Depreciation Fund.

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
ELKHORN PUBLIC SCHOOLS
ELKHORN, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS (Continued)

- The change in the General Fund balance reflects a decrease in funds on hand with the County on August 31, 2023, as well as the year-to-year differences in actual receipts compared to budgeted receipts and actual expenditures compared to budgeted expenditures. Based on conservative budgeting, it is common for the District's actual receipts to exceed the budgeted receipts and actual expenditures to be less than budgeted expenditures.
- General Fund money may be set aside in the Depreciation Fund to assist with future capital outlay purchases. During 2022 - 2023, General Fund dollars from computer sales were transferred to the Depreciation Fund. During the year, Depreciation funds were used for technology, classroom equipment, playground/athletic fields, mechanical system, and vehicle replacement.
- As noted above, in March of 2018 the voters approved additional site acquisition, construction and renovation through a \$149.615 million bond authorization. The bonds have been issued over a four-year period: \$30.275 million was issued in May 2018; \$69.960 million was issued in April 2019; \$31.400 million was issued in July 2020; and \$15.835 million was issued in April 2021. The remaining authorized but unissued bond funding is \$2.145 million.
- The District continues to assure that the Bond Fund balance remains adequate to address the payment of bond principal and interest expenditures that supported the continued student growth and resulting construction needs.
- Based on the status of the individual projects underway in each of the two fiscal years, the Building Fund balance was approximately \$4.2 million lower as of August 31, 2023, as capital projects planned with bond financing were wrapped up by the end of the fiscal year.
- The results of this year's operations as a whole are reported in the Statement of Activities and Net Position - Cash Basis immediately following the Management's Discussion and Analysis. All disbursements are reported in the first column. Specific charges, grants, receipts, and subsidies that directly relate to specific disbursement categories are represented to determine the final amount of the activities that are supported by general receipts. The largest receipts are property taxes (\$115.50 million), state aid (\$17.20 million), motor vehicle taxes (\$8.86 million), federal nutrition reimbursement (\$1.97 million), and special education reimbursement (\$5.90 million).

The following table reflects the information from the Statement of Activities and Net Position, rearranged slightly, so that total receipts and disbursements may be compared for a two-year period. The transfer between the General and Depreciation Funds was excluded.

Program Receipts - Charges for services were impacted primarily by the phase out of free meals for all students at the end of the 2021 - 2022 school year. As expected, non-reimbursable food sales (primarily a la carte) and student account deposits increased \$3.3 million. Extra-curricular activities continued to grow in both participation and attendance with continued student successes and enrollment growth.

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
ELKHORN PUBLIC SCHOOLS
ELKHORN, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS (Continued)

Operating Grants and Contributions - General Fund federally sourced receipts included roughly \$1.5 million for COVID-19 related Federal Disaster Relief and ESSER grant reimbursements in the 2021 - 2022 fiscal year, and dropped to roughly \$400,000 in the 2022 - 2023 fiscal year. Federal meal reimbursements also dropped by \$4.6 million. These decreases were offset by increased SPED reimbursement receipts from the state of \$1.285 million, and increased IDEA funding (a portion of this was COVID-19 related). No COVID-19 related receipts are anticipated for future fiscal years.

The decrease in State Receipts for the 2022 - 2023 school year was a direct result of the \$2.37 million drop in State Aid which was offset by increases in State Apportionment (\$545,600), Homestead Exemption (\$163,800), and Property Tax Credit (\$313,500).

No bond issue or refunding proceeds were received in fiscal year 2022 - 2023.

Interest Income became the largest component for Receipts from Other Sources in Fiscal Year 2022 - 2023 which increased \$1.66 million over the prior year.

**Condensed Statement of Activities and Net
Position - Cash Basis**

	<u>2022</u>	<u>2023</u>	<u>Change</u>	<u>Percentage Change</u>
Receipts				
Program receipts				
Charges for services	3,714,557	7,444,077	3,729,533	100.4%
Operating grants and contributions	16,779,175	11,940,529	(4,838,646)	(28.8%)
General receipts				
Taxes (property and other)	116,696,133	124,982,981	8,286,848	7.1%
State receipts	27,510,334	25,722,126	(1,788,208)	(6.5%)
Other (fines, licenses, interest, etc.)	1,121,383	2,171,390	1,050,007	93.6%
Total receipts	<u>165,821,569</u>	<u>172,261,102</u>	<u>6,443,007</u>	3.9%
Disbursements				
Instruction and support services - students and staff - includes state and federal funded, Activity Fund	92,907,562	100,398,520	7,490,958	8.1%
Administration (District, building level, and legal services)	9,384,651	9,574,859	190,208	2.0%

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
ELKHORN PUBLIC SCHOOLS
ELKHORN, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS (Continued)

**Condensed Statement of Activities and Net
Position - Cash Basis (Continued)**

	<u>2022</u>	<u>2023</u>	<u>Change</u>	<u>Percentage Change</u>
Disbursements (Continued)				
Operation and maintenance				
includes safety and security	12,251,956	13,136,531	884,575	7.2%
Student transportation	1,934,614	2,260,077	325,464	16.8%
Local grants - Corp and other	223,635	321,311	97,676	43.7%
Capital outlay	10,729,111	8,067,208	(2,661,903)	(24.8%)
Nutrition Program	6,452,012	6,383,870	(68,142)	(1.1%)
Debt service	26,925,620	27,447,767	522,147	1.9%
Total governmental activity	<u>160,678,980</u>	<u>167,590,144</u>	<u>6,780,983</u>	4.2%
Change in Net Position	5,012,408	4,670,959		
Beginning Net Position	<u>85,237,522</u>	<u>90,249,930</u>		5.9%
Ending Net Position	<u><u>90,249,930</u></u>	<u><u>94,920,889</u></u>		5.1%

Much of the increases in expense categories are attributed to consistent student growth, second year operating costs for the new middle school building opened in fiscal year 2022. The significant decrease in Capital Outlay resulted from completion of most major construction projects during fiscal year 2023.

BUDGETARY HIGHLIGHTS

The District relies heavily on property taxes for funding. The table below lists the assessed valuation and property tax levies by fund for 2021 - 2022 compared to 2022 - 2023. The Certified Valuation for 2023 - 2024 has increased by 16.5% for setting levy rates for the 2023 - 2024 fiscal year.

	2021 - 2022	2022 - 2023	Change	% Change
Assessed Valuation	\$7,809,486,265	\$8,552,750,045	\$743,263,780	9.52%
General Fund Levy - District	1.00596	1.02263	0.01667	1.66%
Bond Fund Levy*	0.36800	0.33307	(0.03493)	(9.49)%
Building Fund	0.04404	0.02737	(0.01667)	(37.85)%
Total District Levies	1.41800	1.38307	(.03493)	(2.6)%

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
ELKHORN PUBLIC SCHOOLS
ELKHORN, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS

GENERAL FUND HIGHLIGHTS

As a result of student growth and increased day-to-day operational costs, the 2022 - 2023 official General Fund budget reflected expenditures of \$132.98 million, an increase of \$6.7 million (5.27%) over the prior year budget. The budget included expenditures for the second operating year at Elkhorn North Ridge Middle School, and the additional staffing and operational costs that result from continued student enrollment growth, especially on the north side of the District, where significant new home construction has most recently occurred.

The budgeted tax proceeds for the General Fund increased from \$77.77 million in 2021 - 2022 to \$86.59 million in 2022 - 2023. Actual 2022 - 2023 property tax revenues were roughly \$81.9 million. Receipts within the General Fund that exceeded the budgeted amount include: Public Power District Sales Tax, Motor Vehicle Taxes, Interest Income, State Apportionment, state funds provided for special education & transportation reimbursement, IDEA ARP Grant funds, and Presidential Disaster Aid relief funds.

The actual General Fund expenditures and transfers were approximately \$10.5 million (7.9%) less than the official budget submitted to the State.

The following table illustrates changes in key receipt and disbursement areas within the General Fund.

RECEIPTS	Year Ended 8/31/22	% Of Total	Year Ended 8/31/23	% Of Total
Property Taxes - excluding any state funding in lieu of payments from property owner	\$73,233,280	60.2%	\$81,902,777	61.6%
State Aid (Tax Equity & Ed Opp Support Act)	\$20,014,228	16.4%	\$17,271,454	13.0%
Other Local, State, Federal Receipts	\$28,486,972	23.4%	\$33,765,844	25.4%
Total Receipts	\$121,734,480		\$132,940,075	
DISBURSEMENTS & TRANSFERS	Year Ended 8/31/22	% Of Total	Year Ended 8/31/23	% Of Total
Instruction & Support (Including Summer School)	\$88,819,007	76.67%	\$94,782,377	77.41%
Administration & Central Services	\$9,384,655	8.10%	\$9,574,859	7.82%
Operation & Maintenance/Safety & Security	\$12,242,183	10.57%	\$12,393,696	10.12%
Transportation	\$1,934,620	1.67%	\$2,260,078	1.85%
Local, State & Federal Grants - funds are focused toward the classroom or birth to age 5 services	\$3,041,126	2.62%	\$3,275,181	2.67%
Transfers	\$439,769	0.38%	\$159,548	0.13%
Total Disbursements & Transfers	\$115,861,360		\$122,445,739	

Fluctuation within categories from year to year reflects the impact from a new middle school building opening in fiscal year 2022, continued student growth, increased transportation needs, and growth throughout the District for Special Education services and English Language Learners.

Debt Administration

As of August 31, 2023, the bonded indebtedness was \$289,600,000 compared to \$307,460,000 as of August 31, 2022. Throughout the year, the District made principal payments totaling \$17.86 million.

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
ELKHORN PUBLIC SCHOOLS
ELKHORN, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS

SIGNIFICANT FACTORS THAT MAY IMPACT FINANCIAL FUTURE

As of the date of this report, the 2023 - 2024 budget has been approved and the necessary property taxes have been requested. The anticipated General Fund expenditures are budgeted to increase by \$7.1 million (a 5.34% increase) over the officially submitted 2022 - 2023 General Fund budget. The increase provides for staffing needs district-wide including increasing costs for wages and benefits, increased property and liability insurance premiums, increased needs in areas such as Limited English Proficiency, Special Education, and increased costs with the inflation increases over the past year for supplies and utilities.

The taxable valuation for 2023 - 2024 increased by 16.5% (\$1,412,062,150) compared to an increase of 9.5% (\$743,263,780) in 2022 - 2023.

The District's State Aid for 2023-2024 reflects an increase of \$2,796,304 or 16.2% from 2022 - 2023.

The 2022 - 2023 General Fund tax rate was decreased from \$1.022626 cents per \$100 of assessed valuation to \$0.899579 which will still allow the District to address increased staffing costs, as well as the increased special needs of students. The Building Fund levy was reduced from 0.027374 to 0.010137 and will generate roughly \$1,000,000 to address necessary items as they occur (such as the need for portable classrooms and/or mechanical system upgrades, roofing, and concrete repairs).

The Bond Fund levy for 2023 - 2024 decreased from \$0.333 to \$0.2999 (0.033 cents) and will fund the principal and interest payments associated with existing bonds.

The 2023 - 2024 October fall membership of 11,458 includes an increase of 139 students (1.23%) in Pre-Kindergarten through Grade 12.

District administration continues to monitor state and national activity regarding school finances and general business issues. As is typical in any year, the 2024 session of the Nebraska Legislature could include proposals that impact funding of Nebraska school districts.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and bond-buyers with a general overview of the District's finances and to demonstrate the District's accountability for the money with which it is entrusted. If you have questions about this report or need additional information, contact the Elkhorn Public Schools District Office, 20650 Glenn Street, Elkhorn, Nebraska, 68022. Telephone: (402) 289-2579, Fax: (402) 289-2585, and Website: www.elkhornweb.org.

This Management's Discussion and Analysis is submitted this 1st day of November, 2023.

Bary Habrock - Superintendent

Heather Shepard - Chief Financial Officer

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
ELKHORN PUBLIC SCHOOLS
ELKHORN, NEBRASKA
STATEMENT OF ACTIVITIES AND NET POSITION - CASH BASIS
FOR THE YEAR ENDED AUGUST 31, 2023

		<u>Program Receipts</u>		Net (Disbursements) Receipts and Changes in Net Position
	Disbursements	Charges for Services	Operating Grants and Contributions	Primary Government Total Governmental Activities
FUNCTIONS/PROGRAMS				
Governmental activities				
Instruction	83,979,285	95,742	9,404,802	(74,478,741)
Support services - students	10,981,019	2,568,628		(8,412,391)
Support services - instruction	5,438,216			(5,438,216)
General administration	846,880			(846,880)
School administration	6,298,395			(6,298,395)
Central services	2,429,584			(2,429,584)
Operation and maintenance of plant	13,136,531			(13,136,531)
Student transportation	2,260,078		238,641	(2,021,437)
Categorical grants from corporations and other private interests	321,311		282,363	(38,948)
Capital outlay and supplies	8,067,208			(8,067,208)
Nutrition Program	6,383,870	4,779,707	2,014,723	410,560
Debt service	<u>27,447,767</u>			<u>(27,447,767)</u>
Total governmental activities	<u>167,590,144</u>	<u>7,444,077</u>	<u>11,940,529</u>	<u>(148,205,538)</u>
General receipts				
Taxes				
Property taxes - general purpose				84,121,617
Property taxes - debt service				26,736,262
Carline tax				6,558
Public Power District sales tax				5,185,149
Motor vehicle taxes				8,933,396
Other local receipts				77,545

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
 ELKHORN PUBLIC SCHOOLS
 ELKHORN, NEBRASKA
 STATEMENT OF ACTIVITIES AND NET POSITION - CASH BASIS
 FOR THE YEAR ENDED AUGUST 31, 2023

				Net (Disbursements) Receipts and Changes in Net Position
	Program Receipts		Primary Government	
Disbursements	Charges for Services	Operating Grants and Contributions	Total Governmental Activities	
General receipts (Continued)				
County fines and license fees				236,106
State aid				17,271,454
Other state receipts				8,450,670
Interest				1,851,689
Other nonrevenue receipts				6,050
Total general receipts				152,876,496
Change in net position resulting from receipts and disbursements				4,670,958
NET POSITION, beginning of year				90,249,931
NET POSITION, end of year				94,920,889
ASSETS				
Cash and cash equivalents				88,648,381
Cash at county treasurer				6,272,508
TOTAL ASSETS				94,920,889
NET POSITION				
Restricted for				
Debt services				23,012,120
Unrestricted				71,908,769
TOTAL NET POSITION				94,920,889

See accompanying notes to financial statements.

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
 ELKHORN PUBLIC SCHOOLS
 ELKHORN, NEBRASKA
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH BASIS AND
 STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES - CASH BASIS
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2023

		Major Funds				
		General Fund	Bond Fund	Special Building Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS						
Taxes						
	Property taxes - general purpose	81,902,777		2,218,840		84,121,617
	Property taxes - debt service		26,736,262			26,736,262
	Carline tax	4,849	1,579	130		6,558
	Public Power District sales tax	3,833,850	1,248,673	102,626		5,185,149
	Motor vehicle taxes	8,933,396				8,933,396
	Preschool tuition and fees	95,742				95,742
	Interest	1,070,967	455,243	229,702	95,777	1,851,689
	Contributions and donations from private sources	1,080				1,080
	Local license fees and fines	70,860				70,860
	Categorical grants from corporations and other private interests	282,363				282,363
	Meal sales				4,779,707	4,779,707
	Student activities				2,568,628	2,568,628
	Other postsecondary receipts	5,605				5,605
	County fines and license fees	236,106				236,106
	State receipts	30,509,567	1,582,146	132,303	46,067	32,270,083
	Federal receipts	3,141,551			1,968,656	5,110,207
	Other nonrevenue receipts	6,050				6,050
	Total receipts	<u>130,094,763</u>	<u>30,023,903</u>	<u>2,683,601</u>	<u>9,458,835</u>	<u>172,261,102</u>
DISBURSEMENTS						
	Instruction	83,979,285				83,979,285
	Support services - students	8,282,437			2,698,582	10,981,019
	Support services - instruction	5,438,216				5,438,216
	General administration	846,880				846,880
	School administration	6,298,395				6,298,395
	Central services	2,429,584				2,429,584
	Operation and maintenance of plant	13,136,531				13,136,531
	Student transportation	2,260,078				2,260,078

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
 ELKHORN PUBLIC SCHOOLS
 ELKHORN, NEBRASKA
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH BASIS AND
 STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES - CASH BASIS
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2023

		Major Funds				
		General Fund	Bond Fund	Special Building Fund	Other Governmental Funds	Total Governmental Funds
DISBURSEMENTS (Continued)						
	Categorical grants from corporations and other private interests	321,311				321,311
	Capital outlay and supplies	1,170,891		6,896,317		8,067,208
	Nutrition Program				6,383,870	6,383,870
	Debt service		27,447,767			27,447,767
	Total disbursements	<u>124,163,608</u>	<u>27,447,767</u>	<u>6,896,317</u>	<u>9,082,452</u>	<u>167,590,144</u>
15	EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>5,931,155</u>	<u>2,576,136</u>	<u>(4,212,716)</u>	<u>376,383</u>	<u>4,670,958</u>
OTHER FINANCING SOURCES (USES)						
	Transfers	<u>(159,548)</u>			<u>159,548</u>	
	NET CHANGE IN FUND BALANCES	5,771,607	2,576,136	(4,212,716)	535,931	4,670,958
	FUND BALANCES, beginning of year	<u>55,024,269</u>	<u>20,435,984</u>	<u>9,627,375</u>	<u>5,162,303</u>	<u>90,249,931</u>
	FUND BALANCES, end of year	<u>60,795,876</u>	<u>23,012,120</u>	<u>5,414,659</u>	<u>5,698,234</u>	<u>94,920,889</u>

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
 ELKHORN PUBLIC SCHOOLS
 ELKHORN, NEBRASKA
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH BASIS AND
 STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES - CASH BASIS
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2023

		Major Funds				
		General Fund	Bond Fund	Special Building Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
ASSETS						
	Cash and cash equivalents	55,927,556	21,714,479	5,308,112	5,698,234	88,648,381
	County treasurer's balances	4,868,320	1,297,641	106,547		6,272,508
TOTAL ASSETS		<u>60,795,876</u>	<u>23,012,120</u>	<u>5,414,659</u>	<u>5,698,234</u>	<u>94,920,889</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
		- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
FUND BALANCES						
	Restricted for					
	Debt services		23,012,120			23,012,120
	Committed				2,026,160	2,026,160
	Assigned for					
	Capital projects and outlay	4,215,193		5,414,659		9,629,852
	School Nutrition				3,672,074	3,672,074
	Subsequent year's budget	9,557,043				9,557,043
	Unassigned	47,023,640				47,023,640
	Total fund balances	<u>60,795,876</u>	<u>23,012,120</u>	<u>5,414,659</u>	<u>5,698,234</u>	<u>94,920,889</u>
TOTAL LIABILITIES AND FUND BALANCES		<u>60,795,876</u>	<u>23,012,120</u>	<u>5,414,659</u>	<u>5,698,234</u>	<u>94,920,889</u>

See accompanying notes to financial statements.

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
ELKHORN PUBLIC SCHOOLS
ELKHORN, NEBRASKA
STATEMENT OF NET POSITION - CASH BASIS
FIDUCIARY FUNDS
AUGUST 31, 2023

	Flex Benefit Fund
ASSETS	
Cash and cash equivalents	<u>149,329</u>
TOTAL ASSETS	<u>149,329</u>
LIABILITIES	
Due to others	<u>149,329</u>
NET POSITION	<u><u>- 0 -</u></u>

See accompanying notes to financial statements.

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
ELKHORN PUBLIC SCHOOLS
ELKHORN, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant accounting policies of Douglas County School District No. 10, Elkhorn Public Schools, Elkhorn, Nebraska (the District).

Reporting Entity

Douglas County School District No. 10, Elkhorn Public Schools, Elkhorn, Nebraska's Board of Education (the Board) is the basic level of government, which has financial accountability and control over all activities related to public school education in the District. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" as defined by the GASB pronouncement, since the District's board members are elected by the public and have decision-making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters. In addition, there are no component units, as defined in GASB Statement 14, which are included in the District's reporting entity.

All significant activities and organizations on which the District exercises oversight responsibility have been included in the District's financial statements.

Basic Financial Statements - Government-Wide Statements

The District utilizes the provisions of GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. Statement 34 established standards for external financial reporting for all state and local government entities, which includes government-wide financial statements, fund financial statements, and the classification of net position into the following components: restricted and unrestricted.

The statement of net position and statement of activities report information on the District as a whole. They include all funds of the District except for fiduciary funds. The effects of interfund activity have been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental receipts, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District does not report any business-type activities.

The statement of activities demonstrates the degree to which the direct disbursements of a given function or segment are offset by program receipts. Direct disbursements are those that are clearly identifiable with a specific function or segment. Program receipts include (1) charges to customers or applicants who purchase, use, or directly benefit

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
ELKHORN PUBLIC SCHOOLS
ELKHORN, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basic Financial Statements - Government-Wide Statements (Continued)

from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program receipts are reported instead as general receipts.

Basic Financial Statements - Fund Financial Statements

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements as applicable.

The financial transactions of the District are reported in individual funds in the fund financial statements. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, receipts, and disbursements.

The fund financial statements of the reporting entity are organized into funds, each of which is considered a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, receipts, and expenditures. All of the District's funds are considered governmental funds. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the District, meets specific mathematical criteria set forth by GASB, or is identified as a major fund by the District's management. All remaining governmental funds by category are summarized into a single column as nonmajor governmental funds.

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District and accounts for all receipts and disbursements of the District not encompassed within other funds. It may finance all facets of services rendered by the District, inclusive of operation and maintenance. General Fund receipts are classified according to source while its disbursements are classified according to specific functions. All property tax receipts and other receipts that are not allocated by law, budgetary requirement, or contractual agreement to some other fund are accounted for in this fund. General operating disbursements and the new replacement capital outlay costs that are not paid through other funds are paid from the General Fund. General Fund disbursements are limited by the Tax Equity and Educational Opportunities Support Act.

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
ELKHORN PUBLIC SCHOOLS
ELKHORN, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basic Financial Statements - Fund Financial Statements (Continued)

Depreciation Fund - The Depreciation Fund is established by the District in order to facilitate the eventual purchase of a costly capital outlay by reserving such monies from the General Fund. To allocate monies from the General Fund, the District will show the movement of monies as a disbursement from the General Fund and the Depreciation Fund will show the receipt as a "transfer from the General Fund." The District may divide this fund into more than one account to allocate a portion of this fund for different valid purposes. The purpose of a depreciation fund is to spread replacement costs of capital outlay over a period of years to avoid a disproportionate tax effect in a single year to meet such an expense. This fund is restricted as part of the Allowable Reserve by the Tax Equity and Educational Opportunities Support Act. The Depreciation Fund is considered a component of the General Fund.

Bond Fund - The Bond Fund is used to record tax receipts and disbursements for the payment of bond principal and interest, and other related costs (i.e. investment interest, trustee fees, etc.). Receipts from a levy to retire bonds in the District are retained in a separate fund by the county treasurer, the financial institution serving as a fiscal agent, or the District. Funds are disbursed upon appropriate demand. All records of the transaction are maintained in this fund. Proceeds from bond issuance are deposited and recorded as a receipt in the Special Building Fund to be expended on the actual building project. The General Fund is used to make interest and bond retirement payments if the Bond Fund balance is not sufficient to meet these requirements.

Special Building Fund - The Special Building Fund is established for acquiring or improving sites and buildings, including the construction, alteration, or improvement of buildings. The primary sources of receipts for the Special Building Fund include the sale of bonds, the sale of property, and tax receipts. Regardless of the source, all receipts for this purpose are accountable through this fund. General Fund disbursements for the purpose of this fund are not allowable. Special Building Fund accounting provides a more effective means of identifying those disbursements associated with construction activities and provides a complete and consolidated record of all costs of the building program at the conclusion of a project(s). If more than one Special Building Fund activity is active at the same time, separate accounts for each project may be established within the single Special Building Fund. The tax levy for this fund is restricted. The Board of Education may approve a budget with a levy limitation of \$0.140 per \$100 of valuation, or a tax levy not to exceed \$0.175 per \$100 of valuation may be established for this fund by a vote of the people within the District for a term not to exceed 10 years.

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
ELKHORN PUBLIC SCHOOLS
ELKHORN, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basic Financial Statements - Fund Financial Statements (Continued)

The District reports the following nonmajor governmental funds:

School Nutrition Fund - The School Nutrition Fund is used to accommodate the financial activities of the Child Nutrition Programs. These include the School Lunch, School Breakfast, After School Snack, Special Milk, Child and Adult Care Food, and the Summer Food Service Programs. The fund accounts for all receipts and disbursements of all Child Nutrition Programs. Receipts in this fund include the federal and state program cost reimbursements received by the District and General Fund support of the lunch program. All food purchases and other supplies are accounted for as disbursements of the School Nutrition Fund; accordingly, no inventories are maintained in this fund.

Activities Fund - The Activities Fund is used to account for the financial operations of quasi-independent student organizations, interschool athletics, and other self-supporting or partially self-supporting school activities not part of another fund. The Activities Fund shall not be used to record general operation receipts or disbursements, nor shall the Activities Fund be used as a clearing account for the General Fund. The District may divide this fund into more than one account to allocate a portion of this fund for different purposes.

Student Fee Fund - The Student Fee Fund is established to collect fees from students for participation in extracurricular activities, postsecondary education costs, and summer school or night school. The money is disbursed for the purposes for which it was collected from the students.

The District reports the following fiduciary funds:

Flex Benefit Fund - The Flex Benefit Fund is established to facilitate the funding and operation of the District's cafeteria plan which is an Internal Revenue Code Section 125 Plan used by employees to fund medical and dependent care reimbursements on a pretax basis.

Basis of Accounting

The District prepares its financial statements on the cash basis, which is in conformity with the accounting practices prescribed or permitted by the State of Nebraska Department of Education; consequently, these statements represent a summary of the cash activity of the various funds of the District and do not include certain transactions that would be included if the District prepared its financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. Under the cash basis, receipts are recognized when collected rather than when earned and disbursements are recognized when paid rather than when incurred. Consequently, these financial statements are not intended to present financial position or results of operations in conformity with GAAP, as applicable to governmental units.

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
ELKHORN PUBLIC SCHOOLS
ELKHORN, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

Taxes and other receipts collected by the county treasurers are included in receipts of the District in the year collected by the counties, and the District funds held by the county treasurers at year end are included as assets of the District. This is in accordance with the requirements of the State of Nebraska Department of Education.

Capital Assets

Capital assets are not recorded as assets on the government-wide or fund financial statements, and depreciation is not recognized. Purchases of capital assets are recorded as disbursements by function in the financial statements.

Long-Term Obligations

Long-term debt is not reported as a liability in the government-wide or fund financial statements. Proceeds from long-term debt are reported as receipts and payments of principal are reported as disbursements in both the government-wide and fund financial statements.

Equity Classification

Government-Wide Statements

Equity is classified as net position and displayed in two components:

Restricted net position consists of net assets with constraints placed on the use either by external groups, such as creditors, grantors, contributors, or laws and regulations of other governments, or through constitutional provisions or enabling legislation.

Unrestricted net position consists of net assets that do not meet the definition of restricted.

It is the District's policy to use restricted net assets first, prior to the use of unrestricted net assets, when a disbursement is paid for purposes in which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance.

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
ELKHORN PUBLIC SCHOOLS
ELKHORN, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classification (Continued)

Fund Financial Statements (Continued)

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable

This classification includes amounts that cannot be spent because they either (a) are not in spendable form or (b) are legally or contractually required to be maintained intact. The District currently has no amounts classified in this category.

Restricted

This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed

This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District currently has no amounts classified in this category.

Assigned

This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board delegating this responsibility to the District administrator through the budgetary process.

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
ELKHORN PUBLIC SCHOOLS
ELKHORN, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classification (Continued)

Fund Financial Statements (Continued)

Fund Balance Classification (Continued)

Unassigned

This classification includes the residual fund balance for the General Fund.

The District would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

Interfund Balances and Activities

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

Budget Process and Property Taxes

The District is required by state law to hold public hearings and adopt annual budgets for all funds on the cash basis of accounting. Total disbursements for each fund may not exceed the total budgeted disbursements. The General Fund is also subject to a total non-special education disbursement limit. Appropriations for disbursements lapse at year end. Any revisions to the adopted budget of total disbursements to any fund require a public hearing. State statutes of the Nebraska Budget Act provide the prescribed budget practices and procedures that governing bodies are required to follow. The amounts that may be budgeted for certain specific funds are subject to various disbursements and/or tax levy limitations.

The property tax requirement resulting from the budget process is utilized to establish the tax levy in accordance with state statutes, which tax levy attaches as an enforceable lien on property within the District as of January 1. Taxes are due as of that date. One-half of the real estate taxes due January 1 become delinquent after the following April 1, with the second one-half becoming delinquent after August 1.

Compensated Absences

Vacation, personal leave, and sick leave are recorded when paid. The superintendent, administrators, certified staff, and other staff members paid from the teacher salary schedule as well as support staff members who work less than 260 days per year are granted up to 3 days of personal leave per year and may accumulate up to 5 days.

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
ELKHORN PUBLIC SCHOOLS
ELKHORN, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences (Continued)

Vacation leave based on years of continuous service for hourly maintenance staff members is as follows: 0 - 5 years of service = 80 hours, 6 - 9 years of service = 104 hours, 10 - 14 years of service = 120 hours, and 15 or more years of service = 136 hrs.

A maximum vacation accrual of 160 hours is allowed for all support staff.

Administrators working 260 days per year are granted up to 20 days of vacation leave per year which may not accumulate beyond 20 days.

The superintendent is granted up to 35 days of vacation per contract year with a maximum accumulation of 35 days. The superintendent may receive payment for up to 15 vacation days at the end of each contract year based on the daily rate of the annual salary.

All staff members receive payment, based on their current pay rate, for unused vacation or personal leave when they leave District employment.

Certified staff and other staff members paid from the teacher salary schedule who have 15 or more continuous years of service may also receive payment for unused sick leave when they leave District employment. These individuals are granted 10 days of sick leave per year and may accumulate up to 60 days of sick leave. The most the District will pay under this program is an amount equal to the base teacher salary for the year. The individual payments to staff members are based on half the daily substitute teacher rate, multiplied by the number of unused sick leave days, and prorated as necessary to not exceed the District maximum. For the 2022 - 2023 school year, the maximum that could have been paid under this program was \$37,302. The amount actually paid was \$13,283.

The liability for accumulated unpaid vacation and personal leave benefits as of August 31, 2023, was approximately \$507,941.

Use of Estimates

The preparation of financial statements in conformity with the cash basis of accounting used by the District requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
 ELKHORN PUBLIC SCHOOLS
 ELKHORN, NEBRASKA
 NOTES TO FINANCIAL STATEMENTS

NOTE 2. CASH AND INVESTMENTS

For the following disclosures, deposits - including checking accounts, savings accounts, money market accounts, and certificates of deposit - are all classified as cash or cash and cash equivalents on the financial statements.

The District's cash and cash equivalents are reported as follows:

Governmental activities	88,648,381
Fiduciary funds	149,329
Total cash and cash equivalents	88,797,710

Investments

Nebraska statutes allow the District to make any investment allowed by the State Investment Officer. This includes bank certificates of deposit.

As defined by GASB Statement 3, the District had no investments as of August 31, 2023.

Listed below is a summary of the investment portfolio that comprises the cash and cash equivalents on the District's August 31, 2023, basic financial statements.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of August 31, 2023, the District held bank deposits and also held funds in certificates of deposits with the Nebraska Liquid Asset Fund (NLAF).

The NLAF was formed in 1988 under the Interlocal Cooperation Act to provide a cash management program for school districts, educational service units and community colleges, public agencies, and other governmental subdivisions. The NLAF was established to assist public bodies throughout the State of Nebraska with the investment of their available cash reserves. Participation in the investment fund is voluntary for its members. The objective of the fund is to provide a means for investors to achieve a high rate of return while preserving principal and maintaining liquidity, while investing only in instruments permitted by applicable Nebraska statutes. NLAF seeks to achieve its investment objective through professionally managed investment funds governed by the investment policies and restrictions specified. The NLAF Board of Trustees is elected from representatives of various participants in the fund. The NLAF Board of Trustees has engaged PFM Asset Management, LLC, as administrator and investment advisor. For a copy of the most recent audit report for the NLAF, contact NLAF at 1-877-667-3523 or via the NLAF website at <https://www.nlafpool.org/>.

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
ELKHORN PUBLIC SCHOOLS
ELKHORN, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 2. CASH AND INVESTMENTS (Continued)

Custodial Credit Risk - Deposits (Continued)

Bank Deposits

As of August 31, 2023, all of the District's deposits with financial institutions were fully insured or collateralized by securities held in the District's name in the form of joint safekeeping receipts. State law requires all funds in depositories to be fully insured or collateralized, and the District's policy is to require depositories to provide pledged securities to cover deposits in excess of Federal Deposit Insurance Corporation (FDIC) limits.

NLAF Deposits

State law required collateralization of deposits with Federal depository insurance or with U.S. Treasury and U.S. Agency securities having an aggregate value at least equal to the balance of deposits. As of August 31, 2023, all of NLAF's deposits were insured and collateralized by securities held by the pledging financial institution in other than the NLAF's name.

Investments

The NLAF is a pooled cash account that invests primarily in U.S. government & agency obligations and repurchase agreements. The NLAF seeks to maintain a stable net asset value of \$1 per share, but it is possible to lose money investing in the NLAF. The NLAF is not insured or guaranteed by the FDIC or any other governmental agency.

At August 31, 2023, the District had \$8,286,214 in NLAF investments. These investments consisted of government agency securities and repurchase agreements that were collateralized by U.S. government securities.

The District is exposed to the risks noted below in relation to its investments in the NLAF. The District does not have a policy for these risks. The following NLAF risk policies below were taken from footnotes in the NLAF audit report.

Interest Rate Risk

The NLAF investment policy limits its exposure to market value fluctuations due to changes in interest rates by requiring that the portfolio maintain a dollar-weighted average maturity of not greater than 60 days. The weighted average maturity of the entire portfolio at May 31, 2023, the date of the latest NLAF audit report, was 27 days.

Credit Risk

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. According to the latest audit report on the NLAF, as of May 31, 2023, the NLAF limits the investments to certain fixed income instruments which

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
ELKHORN PUBLIC SCHOOLS
ELKHORN, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 2. CASH AND INVESTMENTS (Continued)

Investments (Continued)

Credit Risk (Continued)

school entities are permitted to invest in under Nebraska law. As of May 31, 2023, the investment portfolio was comprised of investments that were, in aggregate, rated by Standard & Poor's (S&P) as shown in the table below. The rates include the ratings of collateral underlying repurchase agreements in effect at May 31, 2023.

<u>S&P Rating</u>	<u>Percent of Portfolio</u>
AA+	51.49%
A-1+	05.28%
Exempt*	43.23%

* Represents investments in U.S. Treasury securities, which are not considered to be subject to overall credit risk per GASB.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the NLAf will not be able to recover the value of its investment or collateral securities that are in the possession of the outside party. The NLAf has no specific policy as to custodial credit risk. All of the underlying securities for the NLAf investments in repurchase agreements at May 31, 2023, the latest audit report date for the NLAf, were collateralized at 102% of the obligation's principal and interest value. In the event of default on the obligation to repurchase, the NLAf has the right to liquidate the collateral and apply the proceeds in satisfaction of the obligation.

Concentration of Credit Risk

The NLAf investment policy establishes certain restrictions on investments and limitations on portfolio composition. The investment portfolio at May 31, 2023, included the issuers shown in the table below, which individually represented greater than 5% of the total investment portfolio.

Issuer	Percent of Fund
BNP Paribas (NY) *	06.57%
BofA Securities Inc *	14.81%
Credit Agricole Corporate & Investment Bank (NY) *	13.54%
Federal Farm Credit Banks	21.96%
Federal Home Loan Bank	25.35%
Goldman Sachs & Co *	10.95%

* These issuers are also counterparties to repurchase agreements entered into by the Fund. These repurchase agreements are collateralized by U.S. government and agency obligations.

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
ELKHORN PUBLIC SCHOOLS
ELKHORN, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 3. RETIREMENT PLAN

Plan Description

Douglas County School District No. 10, Elkhorn Public Schools, Elkhorn, Nebraska, contributes to the Nebraska School Employees Retirement System, a cost-sharing multiple-employer defined benefit pension plan administered by the Nebraska Public Employees Retirement System (NPERS). NPERS provides retirement and disability benefits to plan members and beneficiaries. The School Employees Retirement Act establishes benefit provisions.

In 1945, the Nebraska Legislature enacted the law establishing a retirement plan for school employees of the State. During the NPERS fiscal year ended June 30, 2022, there were 263 participating school districts. These were the districts that had contributions during the fiscal year. All regular public school employees in Nebraska, other than those who have their own retirement plans (Class V school districts, Nebraska State Colleges, University of Nebraska, and Nebraska Community Colleges), are members of the plan.

Normal retirement is at age 65. For an employee who became a member before July 1, 2013, the monthly benefit is equal to the greater of the following: (1) the sum of a savings annuity, which is the actuarial equivalent of the member's accumulated contributions and a service annuity equal to \$3.50 per year of service; or (2) the average of the three 12-month periods of service as a school employee in which such compensation was the greatest, multiplied by total years of creditable service, multiplied by a formula factor of two percent, and an actuarial factor based on age.

For an employee who became a member on or after July 1, 2013, the monthly benefit is equal to the greater of the following: (1) the sum of a savings annuity, which is the actuarial equivalent of the member's accumulated contributions and a service annuity equal to \$3.50 per year of service; or (2) the average of the five 12-month periods of service as a school employee in which such compensation was the greatest, multiplied by total years of creditable service, multiplied by a formula factor of two percent, and an actuarial factor based on age.

Benefit calculations vary with early retirement. Employees' benefits are vested after five years of plan participation or when termination occurs at age 65 or later.

For school employees who became members prior to July 1, 2013, the benefit paid to a retired member or beneficiary receives an annual cost-of-living adjustment, which is increased by the lesser of the percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers or two and one-half percent. The current benefit paid to a retired member or beneficiary is adjusted so that the purchasing power of the benefit being paid is not less than 75 percent of the purchasing power of the initial benefit.

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
ELKHORN PUBLIC SCHOOLS
ELKHORN, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 3. RETIREMENT PLAN (Continued)

Plan Description (Continued)

For school employees who became members on or after July 1, 2013, the benefit paid to a retired member or beneficiary receives an annual cost-of-living adjustment, which is increased by the lesser of the percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers or one percent. There is no purchasing power floor for employees who fall under this tier.

Contributions

The State's contribution is based on an annual actuarial valuation. In addition, the State contributes an amount equal to two percent of the compensation of all members. This contribution is considered a nonemployer contribution since school employees are not employees of the State. The employee contribution was equal to 9.78 percent from July 1, 2021 to June 30, 2022, (and from July 1, 2022 through August 31, 2023). The school district (employer) contribution is 101 percent of the employee contribution. The District's contribution to the Plan for the year ended August 31, 2023, was \$7,363,841.

For the District's year ended August 31, 2023, the District's total payroll for all employees was \$77,685,520. Total covered payroll was \$74,541,342. Covered payroll refers to all compensation paid by the District to active employees covered by the Plan.

Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued Nebraska Public Employees Retirement Systems Plan financial report. NPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained via the internet at <http://www.auditors.nebraska.gov>.

NOTE 4. EARLY RETIREMENT INCENTIVE PLAN

The District has an early retirement incentive plan available to certified employees who have completed at least 15 years of service with the District and who meet specified criteria regarding placement on the District's salary schedule. For each individual, there is a specific "window" of eligibility in which he or she can elect to participate in the plan. As of 2011 - 2012, the funds provided to early retirees are deposited into a 403(b) account. The cost of the plan is accounted for on a pay-as-you-go basis. Approximately \$242,692 from the General Fund was spent for payments and benefits to 16 individuals during the year ended August 31, 2023. The estimated payment of payments and benefits is \$263,618 for the year ended August 31, 2024.

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
ELKHORN PUBLIC SCHOOLS
ELKHORN, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 5. LONG-TERM DEBT

Long-term debt at August 31, 2023, consisted of the following:

Issue Date	Original Issue	Balance 9/1/22	2022 - 2023		Balance 8/31/23
			Bond Proceeds	Bond Payments	
9/13/13	16,565,000	135,000		(135,000)	
1/30/15	25,000,000	3,270,000		(1,040,000)	2,230,000
1/6/16	25,000,000	8,540,000		(1,000,000)	7,540,000
12/20/16	18,505,000	5,760,000		(770,000)	4,990,000
5/10/18	30,275,000	27,160,000		(1,110,000)	26,050,000
4/1/19	69,960,000	65,335,000		(2,415,000)	62,920,000
9/25/19	10,540,000	6,800,000		(2,435,000)	4,365,000
9/25/19	102,850,000	99,515,000		(1,380,000)	98,135,000
7/1/20	31,400,000	30,330,000		(1,105,000)	29,225,000
10/15/20	46,580,000	44,780,000		(5,925,000)	38,855,000
4/6/21	15,835,000	15,835,000		(545,000)	15,290,000
		<u>307,460,000</u>		<u>(17,860,000)</u>	<u>289,600,000</u>

Assets of \$20,435,984 are available in the Bond Fund to service General Obligation Bonds. During the year ended August 31, 2023, principal and interest payments made out of the Bond Fund totaled \$27,442,567, of which interest was \$9,582,567.

The principal and interest maturities are as follows:

Years Ending August 31,	Principal	Interest	Total
2024	18,000,000	9,092,024	27,092,024
2025	18,595,000	8,571,473	27,166,473
2026	19,385,000	7,933,002	27,318,002
2027	19,915,000	7,355,380	27,270,380
2028	20,465,000	6,766,686	27,231,686
2029 - 2033	109,745,000	23,983,774	133,728,774
2034 - 2038	60,840,000	9,521,787	70,361,787
2039 - 2042	22,655,000	1,085,613	23,740,613
	<u>289,600,000</u>	<u>74,309,739</u>	<u>363,909,739</u>

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
ELKHORN PUBLIC SCHOOLS
ELKHORN, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 5. LONG-TERM DEBT (Continued)

Interest rates on the outstanding General Obligation Bonds are as follows:

Issue Date	Interest Rates
9/13/13	3.00% - 4.75%
1/30/15	1.75% - 5.00%
1/6/16	0.88% - 5.00%
12/20/16	2.00% - 5.00%
5/10/18	1.80% - 5.00%
4/1/19	1.65% - 5.00%
9/25/19A	2.00% - 5.00%
9/25/19B	2.00% - 2.91%
7/1/20	3.00% - 4.00%
10/15/20	0.265% - 2.168%
4/6/21	3.00% - 4.00%

NOTE 6. FEDERAL AWARD PROGRAMS

The District received funds under various federal grant programs, and such assistance is to be expended in accordance with the provisions of the various grants. Compliance with the grants is subject to audit by various government agencies, which may impose sanctions in the event of noncompliance. Management believes that they have complied with all aspects of the various grant provisions and the results of adjustments, if any, relating to such audits would not have any material financial impact.

NOTE 7. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has purchased commercial insurance to offset these certain risks. Settled claims have not significantly exceeded this commercial coverage in any of the past three fiscal years.

NOTE 8. INTERFUND ACTIVITY

Interfund transfers for the year consisted of the following:

General Fund to the Activities Fund for support	<u>159,548</u>
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NOTE 9. COMMITMENTS

As of August 31, 2023, the District had outstanding commitments totaling \$1,155,828 for various construction projects not completed.

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
ELKHORN PUBLIC SCHOOLS
ELKHORN, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 10. TAX ABATEMENTS

The District is subject to property tax abatements granted by the City of Omaha, Nebraska, through Tax Incremental Financing (TIF) agreements with various developers. The incremental increase in valuation from the development is not included in the District's available valuation base until the TIF agreement has expired which is generally 15 years. The incremental taxes, including the District's share is returned to the developer, effectively rebating the taxes on the increased valuation.

Information relevant to the tax abatements impacting the District for the year ending August 31, 2023, is as follows:

Total TIF valuation 2022	152,171,200
District's total levy (per \$100 valuation)	1.022626
District share of tax abatement	1,556,142

NOTE 11. SUBSEQUENT EVENT

In preparing the financial statements, the District has evaluated events and transactions for potential recognition or disclosure through November 1, 2023, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
 ELKHORN PUBLIC SCHOOLS
 ELKHORN, NEBRASKA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED AUGUST 31, 2023

Federal Grantor/Pass-Through Grantor/ Program Title	Pass-Through Entity Identifying Number	CFDA Number	Expenditures
<u>U.S. Department of Health and Human Services</u>			
Medicaid Cluster			
Passed through Omaha Public Schools			
Medicaid in Administration		93.778	50,491
Passed through Nebraska Department of Health and Human Services			
Medicaid in Administration		93.778	<u>157,761</u>
Total U.S. Department of Health and Human Services/Medicaid Cluster			<u>208,252</u>
<u>U.S. Department of Education</u>			
Elementary and Secondary School			
Emergency Relief - ESSER III	23-6998-00-03-028-0010	84.425	324,843
Passed through Nebraska Department of Education			
Special Education Cluster (IDEA)			
IDEA Preschool (619) Base Allocation	23-6406-00-03-028-0010	84.173	23,034
IDEA Part B Proportionate Share	23-6412-00-03-028-0010	84.027	58,916
IDEA Part B PEAK Projects	23-28-0010-4415-P-127	84.027	70,103
IDEA Enrollment/Poverty	23-6408-00-03-028-0010	84.027	<u>1,922,339</u>
Total Special Education Cluster (IDEA)			<u>2,074,392</u>
Title II, Part A	23-6310-00-03-028-0010	84.367	87,485
Title III, Part A ESEA/ESSA	23-6925-00-03-028-0010	84.365	15,106
Carl Perkins	23-6700-00-03-028-0010	84.048	34,961
SPED Planning Region Team (PRT)	23-6416-00-03-028-0010	84.181	<u>6,976</u>
Total U.S. Department of Education			<u>2,543,763</u>

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
 ELKHORN PUBLIC SCHOOLS
 ELKHORN, NEBRASKA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED AUGUST 31, 2023

Federal Grantor/Pass-Through Grantor/ Program Title	Pass-Through Entity Identifying Number	CFDA Number	Expenditures
<u>U.S. Department of Agriculture</u>			
Child Nutrition Cluster			
Passed through Nebraska Department of Education			
School Breakfast Program		10.553	153,593
National School Lunch Program		10.555	1,815,063
Passed through Nebraska Department of Social Services			
Food Distribution Program	47600263500	10.555	<u>434,201</u>
Total U.S. Department of Agriculture/ Child Nutrition Cluster			<u>2,402,857</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>5,154,872</u></u>

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
ELKHORN PUBLIC SCHOOLS
ELKHORN, NEBRASKA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2023

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Douglas County School District No. 10, Elkhorn Public Schools, Elkhorn, Nebraska, under programs of the federal government for the year ended August 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) 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 Douglas County School District No. 10, Elkhorn Public Schools, Elkhorn, Nebraska, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Douglas County School District No. 10, Elkhorn Public Schools, Elkhorn, Nebraska.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting.

NOTE 3. SUBRECIPIENTS

Of the federal expenditures presented in the Schedule, Douglas County School District No. 10, Elkhorn Public Schools, Elkhorn, Nebraska, provided no federal awards to subrecipients.

NOTE 4. INDIRECT COST RATE

Douglas County School District No. 10, Elkhorn Public Schools, Elkhorn, Nebraska, has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 5. FOOD DISTRIBUTION

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed.

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
ELKHORN PUBLIC SCHOOLS
ELKHORN, NEBRASKA
GENERAL FUND COMPONENTS
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCE - CASH BASIS
YEAR ENDED AUGUST 31, 2023

	General Fund	Depreciation Fund	Reclassifications	Total
RECEIPTS				
Local sources				
Taxes				
Property taxes - general purpose	81,902,777			81,902,777
Carline tax	4,849			4,849
Public Power District sales tax	3,833,850			3,833,850
Motor vehicle taxes	8,933,396			8,933,396
Preschool tuition and fees	95,742			95,742
Interest	846,635	224,332		1,070,967
Contributions and donations from private sources	1,080			1,080
Local license fees and fines	70,860			70,860
Categorical grants from corporations and other private interests	282,363			282,363
Other postsecondary receipts	5,605			5,605
County fines and license fees	236,106			236,106
State receipts	30,509,567			30,509,567
Federal receipts	3,141,551			3,141,551
Other nonrevenue receipts	6,050			6,050
Transfers from other funds		36,309	(36,309)	
Total receipts	<u>129,870,431</u>	<u>260,641</u>	<u>(36,309)</u>	<u>130,094,763</u>
DISBURSEMENTS				
Instruction	81,061,724		2,917,561	83,979,285
Support services - students	8,282,437			8,282,437
Support services - instruction	5,438,216			5,438,216
General administration	846,880			846,880
School administration	6,298,395			6,298,395
Central services	2,429,584			2,429,584
Operation and maintenance of plant	12,393,696	742,835		13,136,531
Student transportation	2,260,078			2,260,078

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
 ELKHORN PUBLIC SCHOOLS
 ELKHORN, NEBRASKA
 GENERAL FUND COMPONENTS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CHANGES IN FUND BALANCE - CASH BASIS
 YEAR ENDED AUGUST 31, 2023

	General Fund	Depreciation Fund	Reclassifications	Total
DISBURSEMENTS (Continued)				
Categorical grants from corporations and other private interests	321,311			321,311
Other state categorical programs	172,947		(172,947)	
High ability learners	75,939		(75,939)	
Federal programs	2,704,984		(2,704,984)	
Transfers to other funds	159,548			159,548
Capital outlay		1,170,891		1,170,891
Total disbursements	<u>122,445,739</u>	<u>1,913,726</u>	<u>(36,309)</u>	<u>124,323,156</u>
RECEIPTS OVER DISBURSEMENTS	7,424,692	(1,653,085)		5,771,607
FUND BALANCE, beginning of year	<u>49,155,991</u>	<u>5,868,278</u>		<u>55,024,269</u>
FUND BALANCE, end of year	<u><u>56,580,683</u></u>	<u><u>4,215,193</u></u>		<u><u>60,795,876</u></u>

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
 ELKHORN PUBLIC SCHOOLS
 ELKHORN, NEBRASKA
 NONMAJOR FUNDS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CHANGES IN FUND BALANCE - CASH BASIS
 YEAR ENDED AUGUST 31, 2023

	Activities Fund	School Nutrition Fund	Student Fee Fund	Total
RECEIPTS				
Local receipts				
Interest	27,431	62,998	5,348	95,777
Meal sales		4,779,707		4,779,707
Student activities	2,341,823		226,805	2,568,628
State receipts		46,067		46,067
Federal receipts		1,968,656		1,968,656
Transfers from other funds	159,548			159,548
Total receipts	<u>2,528,802</u>	<u>6,857,428</u>	<u>232,153</u>	<u>9,618,383</u>
DISBURSEMENTS				
Support services - students	2,577,028		121,554	2,698,582
Nutrition Program		6,383,870		6,383,870
Total disbursements	<u>2,577,028</u>	<u>6,383,870</u>	<u>121,554</u>	<u>9,082,452</u>
RECEIPTS OVER DISBURSEMENTS	(48,226)	473,558	110,599	535,931
FUND BALANCE, beginning of year	<u>1,638,427</u>	<u>3,198,516</u>	<u>325,360</u>	<u>5,162,303</u>
FUND BALANCE, end of year	<u>1,590,201</u>	<u>3,672,074</u>	<u>435,959</u>	<u>5,698,234</u>

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
ELKHORN PUBLIC SCHOOLS
ELKHORN, NEBRASKA
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE
CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND
(UNAUDITED)
YEAR ENDED AUGUST 31, 2023

	Original and Final Budget	Actual
FUND BALANCE, beginning of year		<u>49,155,991</u>
RECEIPTS		
Local sources		
Taxes		
1100 Property taxes - general purpose	86,588,000	81,902,777
1115 Carline tax	7,600	4,849
1120 Public Power District sales tax	3,000,000	3,833,850
1125 Motor vehicle taxes	8,200,000	8,933,396
1323 Tuition received from other districts	15,000	
1370 Preschool tuition and fees	90,000	95,742
1510 Interest	100,000	846,635
1920 Contributions and donations from private sources		1,080
1921 Local license fees and fines	65,000	70,860
1925 Categorical grants from corporations and other private interests	168,193	282,363
1955 Other postsecondary receipts		5,605
Total local sources	<u>98,233,793</u>	<u>95,977,157</u>
County sources		
2110 County fines and license fees	<u>240,000</u>	<u>236,106</u>
State sources		
3110 State aid	17,271,454	17,271,454
3120 Special education	5,600,000	5,943,115
3125 Special education transportation	180,000	238,641
3130 Homestead exemption		1,041,866
3131 Property tax credit		3,671,518
3155 Textbook loan	38,000	95,215
3166 Flex funding - school age support services	85,000	
3180 Pro-rate motor vehicle	170,000	196,374
3400 State apportionment	1,280,000	1,826,463
3535 High ability learners	72,000	75,939
3599 State categorical programs	136,205	148,982
Total state sources	<u>24,832,659</u>	<u>30,509,567</u>

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
ELKHORN PUBLIC SCHOOLS
ELKHORN, NEBRASKA
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE
CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND
(UNAUDITED)
YEAR ENDED AUGUST 31, 2023

	Original and Final Budget	Actual
RECEIPTS (Continued)		
Federal sources		
4416 IDEA Part C, planning region team (PRT)	25,500	6,635
4418 IDEA Part B, PEAK projects	70,103	84,753
4421 IDEA Part B (611) ARP - Base/Enrollment Poverty		250,220
4422 IDEA Preschool (619) ARP - Base/Enrollment Poverty		2,541
4423 IDEA Part B ARP Proportionate Share		15,336
4509 Title II, Part A: ESSA Supporting Effective Instruction	73,840	67,772
4516 IDEA base preschool	23,034	22,020
4518 IDEA enrollment/poverty	1,678,320	1,684,635
4521 IDEA Part B proportionate share		43,911
4525 Federal vocational and applied technology education (Carl Perkins)	34,961	34,961
4527 ESSA Title III Part A		16,234
4530 Other federal categorical receipts	200,461	292,050
4708 Medicaid In Public Schools (MIPS)	125,000	157,761
4709 Medicaid Administrative Activities (MAAPS)	60,000	50,491
4995 Presidential Declared Disaster Aid		256,256
4998 Elementary & Secondary School Emergency Relief (ARP - ESSER III)	400,000	155,975
Total federal sources	2,691,219	3,141,551
Other nonrevenue receipts		
5300 Proceeds from the disposal of real or personal property		898
5301 Insurance adjustments		2,804
6400 Extraordinary items		2,258
Total other nonrevenue receipts		6,050
Total receipts	125,997,671	129,870,431
TOTAL FUNDS AVAILABLE		179,026,422

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
ELKHORN PUBLIC SCHOOLS
ELKHORN, NEBRASKA
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE
CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND
(UNAUDITED)
YEAR ENDED AUGUST 31, 2023

		Original and Final Budget	Actual
DISBURSEMENTS			
Instruction			
1100	Regular instruction	74,003,932	66,012,040
1125	Regular instruction - flex-spending	218,631	204,933
1150	Limited English proficiency	527,697	582,376
1160	Poverty programs	375,600	272,534
1190	Early childhood	145,842	130,425
1200	Special education instruction	13,268,911	12,563,881
1291	Early childhood special education - ages 3 - 5	1,244,279	1,016,876
1292	Early childhood special education - ages 0 - 2	109,586	39,114
1295	Special education instruction - unified sports	15,485	11,246
1300	Summer school	413,428	228,299
Support services - students			
2110	Attendance and social work services	501,534	504,979
2120	Guidance services	3,516,459	3,232,516
2130	Health services	298,850	295,089
2131	Health services - SPED school age	319,000	256,449
2141	Psychological services - SPED school age	1,267,705	1,163,290
2142	Psychological services - ages 3 - 5	60,264	9,525
2143	Psychological services - ages 0 - 2	66,469	75,145
2151	Speech pathology and audiology services - SPED school age	1,579,511	1,560,922
2152	Speech pathology and audiology services - ages 3 - 5	243,701	143,024
2153	Speech pathology and audiology services - ages 0 - 2	16,500	6,938
2161	Occupational therapy - related services - SPED school age	323,405	236,944
2162	Occupational therapy - related services - ages 3 - 5	63,592	38,781
2163	Occupational therapy - related services - ages 0 - 2	36,275	49,403
2171	Physical therapy - related services - SPED school age	270,010	157,886
2172	Physical therapy - related services - ages 3 - 5	62,601	29,913
2173	Physical therapy - related services - ages 0 - 2	51,383	95,627
2181	Visually impaired/vision - related services - school age	83,000	51,208
2182	Visually impaired/vision - related services - ages 3 - 5	8,000	
2183	Visually impaired/vision - related services - ages 0 - 2	3,000	11,618
2190	Support services - student - other disbursements	428,222	363,180

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
ELKHORN PUBLIC SCHOOLS
ELKHORN, NEBRASKA
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE
CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND
(UNAUDITED)
YEAR ENDED AUGUST 31, 2023

		Original and Final Budget	Actual
DISBURSEMENTS (Continued)			
	Support services - instruction		
2211	School improvement	26,180	7,045
2212	Instruction and curriculum	160,725	144,533
2213	Instructional staff training	1,138,420	898,276
2214	Implementation of standards	214,472	119,208
2219	Other instruction services	55,712	110,805
2220	Library/media services	2,151,000	2,152,697
2223	Audio/visual services	5,000	2,537
2230	Technology services	1,892,648	1,764,377
2240	Academic student assessment	279,649	231,507
2290	Instruction - other	58,092	7,231
	General administration		
2310	Board of Education	174,000	146,302
2320	Executive administration	589,943	590,588
2330	District legal services	65,000	109,990
	School administration		
2410	Office of the Principal	6,369,713	6,298,395
	Central services		
2510	Business services - fiscal	1,478,574	1,516,540
2560	Business services - public information	209,669	188,485
2570	Business services - personnel	717,390	724,559
	Operation and maintenance of plant		
2610	Operations of buildings	8,275,049	7,870,414
2620	Maintenance of buildings	2,084,879	2,786,817
2630	Care and upkeep of grounds	470,618	314,480
2640	Care and upkeep of equipment	850,000	642,512
2650	Vehicle operation and maintenance	148,500	156,672
2660	Security of buildings	519,000	426,443
2670	Safety of buildings	137,000	196,358
	Student transportation		
2710	Regular pupil transportation	1,068,818	1,065,119
2712	Special education pupil transportation	673,974	735,825
2713	Below age 5 pupil transportation	399,655	459,134

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
ELKHORN PUBLIC SCHOOLS
ELKHORN, NEBRASKA
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE
CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND
(UNAUDITED)
YEAR ENDED AUGUST 31, 2023

	Original and Final Budget	Actual
DISBURSEMENTS (Continued)		
3400 Categorical grants from corporations and other private interests	177,342	321,311
State programs		
3535 High ability learners	72,400	75,939
3599 Other state categorical programs	164,905	172,947
Federal programs		
6310 Title II, Part A ESSA Supporting Effective Instruction	68,744	87,485
6406 IDEA preschool (619) base allocation	23,267	23,034
6408 IDEA Part B (611) base	1,642,192	1,678,320
6412 IDEA Part B proportionate share	66,456	42,373
6416 IDEA Part C planning regional team (PRT)	25,000	6,976
6418 IDEA Part B PEAK projects	77,953	70,103
6421 IDEA Part B (611) ARP - Base/Enrollment Poverty		244,019
6423 IDEA Part B ARP Proportionate Share		16,543
6700 Federal vocational and applied technology education (Carl Perkins)	34,961	34,961
6925 Title III, Part A ESEA/ESSA		15,106
6990 Other federal categorical programs	200,461	161,221
6998 Elementary & Secondary School Emergency Relief (ESSER III - ARP)	339,527	324,843
8000 Transfers	350,000	159,548
Total disbursements	<u>132,979,760</u>	<u>122,445,739</u>
FUND BALANCE, end of year		<u>56,580,683</u>
ANALYSIS OF FUND BALANCE		
Cash in bank		
Checking and savings accounts		<u>51,712,364</u>
County treasurers		<u>4,868,320</u>
TOTAL FUND BALANCE		<u>56,580,684</u>

See accompanying notes to budgetary schedules.

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
 ELKHORN PUBLIC SCHOOLS
 ELKHORN, NEBRASKA
 SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE
 CASH BASIS - BUDGET AND ACTUAL
 DEPRECIATION FUND
 (UNAUDITED)
 YEAR ENDED AUGUST 31, 2023

	Original and Final Budget	Actual
FUND BALANCE, beginning of year		<u>5,868,278</u>
RECEIPTS		
Transfer - General Fund (as disbursed from the General Fund)		36,309
Interest received		<u>224,332</u>
Total receipts		<u>260,641</u>
TOTAL FUNDS AVAILABLE		<u>6,128,919</u>
DISBURSEMENTS		
Supplies		742,835
Capital outlay		<u>1,170,891</u>
Total disbursements	<u>5,000,000</u>	<u>1,913,726</u>
FUND BALANCE, end of year		<u>4,215,193</u>
ANALYSIS OF FUND BALANCE		
Cash in bank		
Checking and savings accounts		<u>4,215,193</u>

See accompanying notes to budgetary schedules.

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
 ELKHORN PUBLIC SCHOOLS
 ELKHORN, NEBRASKA
 SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE
 CASH BASIS - BUDGET AND ACTUAL
 FLEX BENEFIT FUND
 (UNAUDITED)
 YEAR ENDED AUGUST 31, 2023

	Original and Final Budget	Actual
FUND BALANCE, beginning of year		<u>146,635</u>
RECEIPTS		
Transfer - General Fund (as disbursed from the General Fund)		523,588
Interest		3,875
Total receipts	<u>837,120</u>	<u>527,463</u>
TOTAL FUNDS AVAILABLE		<u>674,098</u>
DISBURSEMENTS		
Employee claims	<u>950,000</u>	<u>524,769</u>
FUND BALANCE, end of year		<u>149,329</u>
ANALYSIS OF FUND BALANCE		
Cash in bank		
Checking and savings accounts		<u>149,329</u>

See accompanying notes to budgetary schedules.

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
 ELKHORN PUBLIC SCHOOLS
 ELKHORN, NEBRASKA
 SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE
 CASH BASIS - BUDGET AND ACTUAL
 ACTIVITIES FUND
 (UNAUDITED)
 YEAR ENDED AUGUST 31, 2023

	Original and Final Budget	Actual
FUND BALANCE, beginning of year		<u>1,638,427</u>
RECEIPTS		
Interest		27,431
Admissions		359,830
Activities receipts		1,981,993
Transfers from the General Fund		159,548
Total receipts	<u>3,124,061</u>	<u>2,528,802</u>
TOTAL FUNDS AVAILABLE		<u>4,167,229</u>
DISBURSEMENTS		
Activities expenses	<u>3,750,000</u>	<u>2,577,028</u>
FUND BALANCE, end of year		<u>1,590,201</u>
ANALYSIS OF FUND BALANCE		
Cash in bank		
Checking and savings accounts		<u>1,590,201</u>

See accompanying notes to budgetary schedules.

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
 ELKHORN PUBLIC SCHOOLS
 ELKHORN, NEBRASKA
 SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE
 CASH BASIS - BUDGET AND ACTUAL
 SCHOOL NUTRITION FUND
 (UNAUDITED)
 YEAR ENDED AUGUST 31, 2023

	Original and Final Budget	Actual
FUND BALANCE, beginning of year		<u>3,198,516</u>
RECEIPTS		
Meal sales		4,779,707
State reimbursement		46,067
Federal reimbursement		1,968,656
Interest		62,998
Total receipts	<u>5,507,200</u>	<u>6,857,428</u>
TOTAL FUNDS AVAILABLE		<u>10,055,944</u>
DISBURSEMENTS		
Food service operations		5,877,199
Capital outlay		506,671
Total disbursements	<u>7,445,884</u>	<u>6,383,870</u>
FUND BALANCE, end of year		<u>3,672,074</u>
ANALYSIS OF FUND BALANCE		
Cash in bank		
Checking and savings accounts		<u>3,672,074</u>

See accompanying notes to budgetary schedules.

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
 ELKHORN PUBLIC SCHOOLS
 ELKHORN, NEBRASKA
 SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE
 CASH BASIS - BUDGET AND ACTUAL
 BOND FUND
 (UNAUDITED)
 YEAR ENDED AUGUST 31, 2023

	Original and Final Budget	Actual
FUND BALANCE, beginning of year		<u>20,435,984</u>
RECEIPTS		
Taxes		
Property taxes - debt service	28,201,443	26,736,262
Carline tax		1,579
Public Power District sales tax		1,248,673
Homestead exemption		339,200
Property tax credit		1,195,711
Pro-rate motor vehicle		47,235
Interest		455,243
Other nonrevenue receipts	40,928,350	
Total receipts	<u>69,129,793</u>	<u>30,023,903</u>
TOTAL FUNDS AVAILABLE		<u>50,459,887</u>
DISBURSEMENTS		
Debt service		
Principal		17,860,000
Interest		9,582,567
Other		5,200
Total debt service		<u>27,447,767</u>
Total disbursements	<u>67,451,000</u>	<u>27,447,767</u>
FUND BALANCE, end of year		<u>23,012,120</u>

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
 ELKHORN PUBLIC SCHOOLS
 ELKHORN, NEBRASKA
 SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE
 CASH BASIS - BUDGET AND ACTUAL
 BOND FUND
 (UNAUDITED)
 YEAR ENDED AUGUST 31, 2023

	Original and Final Budget	Actual
ANALYSIS OF FUND BALANCE		
Cash in bank		
Checking and savings accounts		<u>21,714,479</u>
County treasurers		<u>1,297,641</u>
TOTAL FUND BALANCE		<u><u>23,012,120</u></u>

See accompanying notes to budgetary schedules.

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
 ELKHORN PUBLIC SCHOOLS
 ELKHORN, NEBRASKA
 SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE
 CASH BASIS - BUDGET AND ACTUAL
 SPECIAL BUILDING FUND
 (UNAUDITED)
 YEAR ENDED AUGUST 31, 2023

	Original and Final Budget	Actual
FUND BALANCE, beginning of year		<u>9,627,375</u>
RECEIPTS		
Taxes		
Property taxes - Learning Community Common Levy		
Property taxes - general purpose	2,317,800	2,218,840
Carline tax		130
Public Power District sales tax		102,626
Homestead exemption		27,820
Property tax credit		98,254
Pro-rate motor vehicle		6,229
Interest		229,702
Other nonrevenue receipts	<u>60,019,200</u>	
Total receipts	<u>62,337,000</u>	<u>2,683,601</u>
TOTAL FUNDS AVAILABLE		<u>12,310,976</u>
DISBURSEMENTS		
Buildings and sites	<u>71,444,352</u>	<u>6,896,317</u>
FUND BALANCE, end of year		<u>5,414,659</u>

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
 ELKHORN PUBLIC SCHOOLS
 ELKHORN, NEBRASKA
 SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE
 CASH BASIS - BUDGET AND ACTUAL
 SPECIAL BUILDING FUND
 (UNAUDITED)
 YEAR ENDED AUGUST 31, 2023

	Original and Final Budget	Actual
ANALYSIS OF FUND BALANCE		
Cash in bank		
Checking and savings accounts		<u>5,308,112</u>
County treasurers		<u>106,547</u>
TOTAL FUND BALANCE		<u><u>5,414,659</u></u>

See accompanying notes to budgetary schedules.

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
 ELKHORN PUBLIC SCHOOLS
 ELKHORN, NEBRASKA
 SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE
 CASH BASIS - BUDGET AND ACTUAL
 STUDENT FEE FUND
 (UNAUDITED)
 YEAR ENDED AUGUST 31, 2023

	Original and Final Budget	Actual
FUND BALANCE, beginning of year		<u>325,360</u>
RECEIPTS		
Activities receipts		226,805
Interest		5,348
Total receipts	<u>280,200</u>	<u>232,153</u>
TOTAL FUNDS AVAILABLE		<u>557,513</u>
DISBURSEMENTS		
Activities expenses	<u>450,000</u>	<u>121,554</u>
FUND BALANCE, end of year		<u><u>435,959</u></u>
ANALYSIS OF FUND BALANCE		
Cash in bank		
Checking and savings accounts		<u>435,959</u>

See accompanying notes to budgetary schedules.

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
 ELKHORN PUBLIC SCHOOLS
 ELKHORN, NEBRASKA
 NOTES TO BUDGETARY SCHEDULES

NOTE 1. SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE - CASH BASIS - BUDGET AND ACTUAL

Basis of Accounting

The accompanying schedules of receipts, disbursements, and changes in fund balance - cash basis - budget and actual are presented on the cash basis of accounting. This basis is consistent with the basis of accounting used in preparing the basic financial statements. All undisbursed appropriations lapse at the end of the budget year.

Budget Law

The District is required by state law to hold public hearings and adopt annual budgets for all funds on the cash basis of accounting. Total disbursements for each fund may not exceed the total budgeted disbursements. The General Fund is also subject to a total non-special education disbursement limit. Appropriations for disbursements lapse at year end. Any revisions to the adopted budget of total disbursements to any fund require a public hearing.

Reconciliation

The Nebraska Department of Education requires separate budgets for those funds considered as General Fund components for budget purposes.

A reconciliation of the General Fund financial reporting basis to the budgetary basis is as follows:

Net change in fund balance - financial reporting basis	
General Fund	5,771,607
Receipts - budgetary basis	
General Fund	129,870,431
Depreciation Fund	260,641
Disbursements - budgetary basis	
General Fund	(122,445,739)
Depreciation Fund	(1,913,726)
Receipts over disbursements - budgetary basis	5,771,607



**DANA F. COLE
& COMPANY^{LLP}**
CERTIFIED PUBLIC ACCOUNTANTS

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 Board of Education
Douglas County School District No. 10
Elkhorn Public Schools
Elkhorn, Nebraska

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 Douglas County School District No. 10, Elkhorn Public Schools, Elkhorn, Nebraska, as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise Douglas County School District No. 10, Elkhorn Public Schools, Elkhorn, Nebraska's basic financial statements, and have issued our report thereon dated November 1, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Douglas County School District No. 10, Elkhorn Public Schools, Elkhorn, Nebraska's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Douglas County School District No. 10, Elkhorn Public Schools, Elkhorn, Nebraska's internal control. Accordingly, we do not express an opinion on the effectiveness of Douglas County School District No. 10, Elkhorn Public Schools, Elkhorn, Nebraska's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 Douglas County School District No. 10, Elkhorn Public Schools, Elkhorn, Nebraska'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 Douglas County School District No. 10, Elkhorn Public Schools, Elkhorn, Nebraska's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Douglas County School District No. 10, Elkhorn Public Schools, Elkhorn, Nebraska's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Dana F Cole + Company, LLP

Lincoln, Nebraska
November 1, 2023



**DANA F. COLE
& COMPANY^{LLP}**
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Education
Douglas County School District No. 10
Elkhorn Public Schools
Elkhorn, Nebraska

Report on Compliance for Each Major Program

Opinion on Each Major Federal Program

We have audited Douglas County School District No. 10, Elkhorn Public Schools, Elkhorn, Nebraska's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Douglas County School District No. 10, Elkhorn Public Schools, Elkhorn, Nebraska's major federal programs for the year ended August 31, 2023. Douglas County School District No. 10, Elkhorn Public Schools, Elkhorn, Nebraska'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, Douglas County School District No. 10, Elkhorn, Nebraska, 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 August 31, 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 Douglas County School District No. 10, Elkhorn Public Schools, Elkhorn, Nebraska, 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 Douglas County School District No. 10, Elkhorn Public Schools, Elkhorn, Nebraska'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 and grant agreements applicable to Douglas County School District No. 10, Elkhorn Public Schools, Elkhorn, Nebraska'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 Douglas County School District No. 10, Elkhorn Public Schools, Elkhorn, Nebraska'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 judgement made by a reasonable user of the report on compliance about Douglas County School District No. 10, Elkhorn Public Schools, Elkhorn, Nebraska's compliance with the requirements for 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 judgement 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 Douglas County School District No. 10, Elkhorn Public Schools, Elkhorn, Nebraska'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 Douglas County School District No. 10, Elkhorn Public Schools, Elkhorn, Nebraska'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 Douglas County School District No. 10, Elkhorn Public Schools, Elkhorn, Nebraska'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 our testing based on those requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Dana F Cole + Company, LLP

Lincoln, Nebraska
November 1, 2023

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
 ELKHORN PUBLIC SCHOOLS
 ELKHORN, NEBRASKA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED AUGUST 31, 2023

SECTION I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness identified: ___Yes X No

Significant deficiencies identified that are not considered to be material weaknesses: ___Yes X None reported

Noncompliance matter to the financial statements disclosed: ___Yes X No

Federal Awards

Internal control over major programs:

Material weakness identified: ___Yes X No

Significant deficiencies identified that are not considered to be material weaknesses: ___Yes X None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a): ___Yes X No

Identification of major programs:

ESSER III	84.425
IDEA Enrollment/Poverty	84.027

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as a low-risk auditee: ___Yes X No

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
ELKHORN PUBLIC SCHOOLS
ELKHORN, NEBRASKA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2023

SECTION II. FINANCIAL STATEMENT FINDINGS

None noted.

SECTION III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted.

DOUGLAS COUNTY SCHOOL DISTRICT NO. 10
ELKHORN PUBLIC SCHOOLS
ELKHORN, NEBRASKA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED AUGUST 31, 2023

There were no findings in the year ended August 31, 2022.