



Financial Statements

Year Ended August 31, 2024

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

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Douglas County School District #0001  
Omaha, Nebraska  
Listing of District Officials  
August 31, 2024

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<u>Name</u>	<u>Position and Subdistrict</u>
<b>Elected Officials</b>	
Spencer Head	President, Subdistrict 5
Ricky Smith	Vice President, Subdistrict 1
Tracy Casady	Member, Subdistrict 9
Jane Erdenberger	Member, Subdistrict 7
Bri Full	Member, Subdistrict 2
Dr. Shavonna Holman	Member, Subdistrict 4
Margo Juarez	Member, Subdistrict 8
Nancy Kratky	Member, Subdistrict 6
Nick Thielen	Member, Subdistrict 3
<b>Appointed Officials</b>	
Matthew Ray	Superintendent
Shane Rhian	Chief Financial Officer



Financial Section

Year Ended August 31, 2024

**Douglas County School District**

**#0001**

**Omaha, Nebraska**



## Independent Auditor's Report

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

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Douglas County School District #0001 ("the District"), as of and for the year ended August 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of August 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Omaha Public Schools Foundation, a blended component unit, which is a major fund and represents 60.17 percent, 71.68 percent and 21.57 percent, respectively, of the assets, net position, and revenues of the business-type activities of the District as of August 31, 2024. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Omaha Public Schools Foundation, is based solely on the report of the other auditors.

We did not audit the financial statements of the Omaha School Employees Retirement System, a blended component unit, which represents 99.98 percent, 99.98 percent and 99.90 percent, respectively, of the assets, net position, and additions of the fiduciary funds of the District as of August 31, 2024. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Omaha School Employees Retirement System, is based solely on the report of the other auditors.

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

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

### ***Correction of Error***

As discussed in Note 12 to the financial statements, certain errors resulting in an overstatement of amounts previously reported right-of-use leased assets and related accumulated amortization and understatement of amounts previously reported as right-of-use subscription IT asset, related accumulated amortization, and subscription IT liabilities as of August 31, 2023, were discovered by management of the District during the current year. Accordingly, a restatement has been made to the governmental activities net position as of September 1, 2023, to correct the error. 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 accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis; statements of revenues, expenditures, and changes in fund balance – budget and actual (with legally adopted budgets) for the general fund and grants fund; schedule of changes in the District's total OPEB liability and related ratios; schedule of changes in the net pension liability and related ratios; and the schedule of employer contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with GAAS which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying budgetary comparison schedules and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Omaha, Nebraska  
March 18, 2025

## **OVERVIEW**

Management's Discussion and Analysis (MD&A) is information required to be presented by the Governmental Accounting Standards Board (GASB). This section will provide an introduction to the basic financial statements and an analytical overview of the activities of Douglas County School District #0001 also known as the Omaha Public School District ("the District") with primary emphasis on the District as a whole. The basic financial statements are comprised of three components: government-wide financial statements, fund financial statements, and notes to the financial statements. It also provides additional information that supplements the financial statements and the notes to the financial statements. Our discussion and analysis of financial performance of the District is for the fiscal year ended August 31, 2024, and it is presented on the accrual basis, in accordance with accounting principles generally accepted in the United States of America. Under the accrual basis of accounting, revenues are recognized when earned and expenditures are recognized when they result in a liability for benefits received, even if they occur in an accounting period other than the current fiscal year.

## **GOVERNANCE ORGANIZATION AND RESPONSIBILITIES**

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

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

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

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

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

### **Fund Financial Statements**

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

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

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

The District has three kinds of funds:

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

### Notes to the Financial Statements

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

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

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

### Other Supplementary Information

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

## CONDENSED FINANCIAL STATEMENTS

### Net Position

The following table presents condensed financial information on the District's net position for the fiscal years ending August 31, 2024 and August 31, 2023.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023*	2024	2023	2024	2023*
<b>Assets</b>						
Current and other assets	\$ 585,744	\$ 552,955	\$ 52,831	\$ 50,149	\$ 638,575	\$ 603,104
Capital assets	908,257	911,343	18,966	19,156	927,223	930,499
Total assets	1,494,001	1,464,298	71,797	69,305	1,565,798	1,533,603
Deferred Outflows of Resources	213,583	288,344	93	77	213,676	288,421
<b>Liabilities</b>						
Current and other liabilities	143,185	160,872	1,521	1,621	144,706	162,493
Long-term liabilities	1,968,424	2,018,277	10,692	10,548	1,979,116	2,028,825
Total liabilities	2,111,609	2,179,149	12,213	12,169	2,123,822	2,191,318
Deferred Inflows of Resources	19,157	19,599	4	457	19,161	20,056
<b>Net position</b>						
Net investment						
in capital assets	22,287	17,438	8,740	8,912	31,027	26,350
Restricted	111,848	95,234	25,361	24,976	137,209	120,210
Unrestricted	(557,317)	(558,778)	25,572	22,868	(531,745)	(535,910)
Total net position	\$ (423,182)	\$ (446,106)	\$ 59,673	\$ 56,756	\$ (363,509)	\$ (389,350)

\*Governmental activities for fiscal year 2023 have been restated to correct certain errors. See Note 12.

The District's combined total assets increased by \$32,195, 2.1%. The increase of \$36,461, 6.0%, in Current and other assets is due to increased cash and cash equivalents from budget favorability realized during the year. Capital assets are 59.2% of the District's total assets and decreased \$3,276, 0.4%. The decrease in capital assets is due to the depreciation and disposal of assets. The District uses these assets to provide services to its students and consequently, these assets are not available for future spending. The resources needed to repay the debt related to these capital assets must be provided from other sources.

Total liabilities decreased \$67,496, 3.1%, primarily due to a \$28,377, 2.4%, decrease in the District's share of the net pension liability.

Approximately \$137,209 of the District's net position represents resources that are subject to external restrictions. The \$16,999, 14.1%, increase in restricted net position is primarily due to activity related to the final year of the Elementary and Secondary School Emergency Relief (ESSER) grant program. Approximately \$31,027 of the District's net position represents investment in capital assets, net of related debt.

The remaining unrestricted net position deficit balance of \$531,745 is a result of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which requires the recognition of the net pension liability for the District's retirement plan, and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, which requires recognition of the net postemployment benefit other than pension (OPEB) liability for medical insurance benefits offered to certain retired employees of the District.

Business-type activities current and other assets increased \$2,492, 3.6%, due to a \$2,494 increase in the balance of investments held by the Omaha Public Schools Foundation.

At August 31, 2024, the District reported an overall negative net position of \$363,509 because of recognition of the total OPEB liability, net pension liability, and the changes in deferred outflows and inflows related to these liabilities. The District's overall total OPEB liability increased \$1,084, 5.5%, to \$20,850, and the overall net pension liability decreased \$28,377, 2.4%, to \$1,057,692. The overall decrease in the net pension liability was the result of positive market returns on the plan assets in calendar year 2023.

The District's combined changes in net position, including both the governmental activities and business-type activities, changed from a year ago and increased by \$25,841, 6.6%. This was generally a result of the overall decrease in the net pension liability noted above.

Douglas County School District #0001

Omaha, Nebraska

Management's Discussion and Analysis

(Dollars in thousands)

August 31, 2024

The following table reflects the condensed statement of activities.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023*	2024	2023	2024	2023*
Revenues						
Program revenues						
Charges for services	\$ 18,008	\$ 12,087	\$ 7,071	\$ 7,889	\$ 25,079	\$ 19,976
Operating grants and contributions	255,233	234,952	16,977	17,429	272,210	252,381
General revenues						
Taxes	394,628	359,326	-	-	394,628	359,326
State funding	345,937	330,858	-	-	345,937	330,858
Federal funding	39,226	3,014	-	-	39,226	3,014
Investment activity, net	17,890	13,294	5,932	3,178	23,822	16,472
Other	18,100	25,393	-	9,440	18,100	34,833
Total revenues	1,089,022	978,924	29,980	37,936	1,119,002	1,016,860
Expenses						
Instruction and student support	623,794	622,105	-	-	623,794	622,105
General administration and board of education	3,011	9,851	-	-	3,011	9,851
School administration and staff support	123,372	140,086	-	-	123,372	140,086
Business support services	55,893	50,502	-	-	55,893	50,502
Building and grounds	84,643	76,274	-	-	84,643	76,274
Building, construction, and renovation	68,768	71,241	-	-	68,768	71,241
Student transportation	35,769	35,849	-	-	35,769	35,849
Community use of facilities and regular preschool use	23,050	22,630	-	-	23,050	22,630
Summer school	17,571	14,301	-	-	17,571	14,301
Adult basic education	680	717	-	-	680	717
Debt service	28,659	26,069	-	-	28,659	26,069
Property tax recapture	888	3,028	-	-	888	3,028
Educare	-	-	19,330	19,479	19,330	19,479
Foundation	-	-	7,287	6,763	7,287	6,763
Other	-	-	446	351	446	351
Total expenses	1,066,098	1,072,653	27,063	26,593	1,093,161	1,099,246
Change in net position	22,924	(93,729)	2,917	11,343	25,841	(82,386)
Beginning net position, as restated	(446,106)	(352,377)	56,756	45,413	(389,350)	(306,964)
Ending net position	\$ (423,182)	\$ (446,106)	\$ 59,673	\$ 56,756	\$ (363,509)	\$ (389,350)

\*Governmental activities for fiscal year 2023 have been restated to correct certain errors. See Note 12.

Total governmental general revenue increased by \$83,896, 11.5%. This increase was primarily due to increases in state funding, \$24,057, 7.84%, and investment income, \$11,530, 653.63%, and increases in taxes of \$21,243, 6.28%. State funding primarily increased due to a \$18,168 increase in state aid and investment income increased primarily due to interest income earned on investments and cash reserves as a result of higher overall interest rates compared to the prior year. Taxes increased due to higher property valuations within the District.

Total governmental expenses decreased \$6,555, 0.6% with significant increases in instruction and student support, \$1,689, 0.3%, and school administration and staff support, \$16,714, 11.9%. These increases were primarily due to activity in the final year of the Elementary and Secondary School Emergency Relief (ESSER) grant program.

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

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

For the fiscal year ended August 31, 2024, the governmental funds had a total fund balance of \$331,307, an increase of \$57,892, 21.2%, from the prior year. This was the result of an increase of \$38,293, 24.9%, in the general fund, an increase of \$7,894, 31.5%, in the special building fund, an increase of \$5,938 in the debt service fund, and an increase of \$3,067, 41.3%, in the grant fund. The increase in the general fund balance was primarily due to budget favorability related to vacancy savings and transportation savings.

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

The District's enterprise funds provide the same category of information found in the business-type activities in government-wide financial statements, but in more detail. The net position of the enterprise funds totaled \$59,673 on August 31, 2024, an increase of \$2,917, or 5.1%. This was primarily due to an increase in the amount of investments held by the Omaha Public Schools Foundation.

The District's internal services are used to account for goods and services provided by an activity to other departments, funds or component units of the District. The consumption of these services and goods is primarily done by the District. The net position of the internal services fund was \$134,836, a decrease of \$4,092, 2.9%. This decrease was primarily due to the increase in the net pension liability in the nutrition services fund.

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

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



# Douglas County School District #0001

Omaha, Nebraska

Management's Discussion and Analysis

(Dollars in thousands)

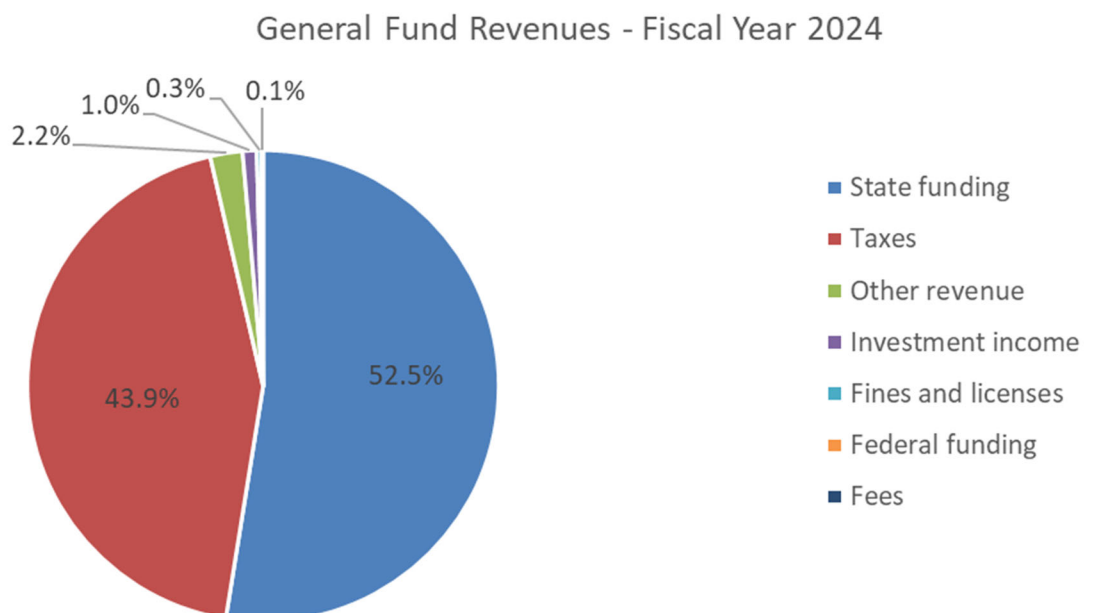
August 31, 2024

The general fund is the District's main operating fund. The general fund's total fund balance on August 31, 2024, was \$192,068, an increase of \$38,293, 24.9%. The following tables and graphs represent significant revenue and expenditure trends for the general fund.

	Year Ended August 31,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	2024	2023		
<b>Revenues</b>				
Taxes	\$ 321,449	\$ 293,222	\$ 28,227	9.63%
Fees	41	39	2	5.13%
Investment income	7,081	5,009	2,072	41.37%
State funding	385,132	355,288	29,844	8.40%
Federal funding	726	1,063	(337)	-31.70%
Fines and licenses	2,384	2,043	341	16.69%
Other revenue	16,248	13,113	3,135	23.91%
<b>Total general fund revenues</b>	<b>\$ 733,061</b>	<b>\$ 669,777</b>	<b>\$ 63,284</b>	<b>9.45%</b>

General Fund revenues increased \$63,284, 9.4% due to an increase in taxes, \$28,227, 9.6%, along with an increase in state funding, \$29,844, 8.4%. The tax revenue increase was due to higher property tax valuations within the District. The state funding increase was primarily due to increased reimbursement of special education expenditures by the State.

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



## Douglas County School District #0001

Omaha, Nebraska

Management's Discussion and Analysis

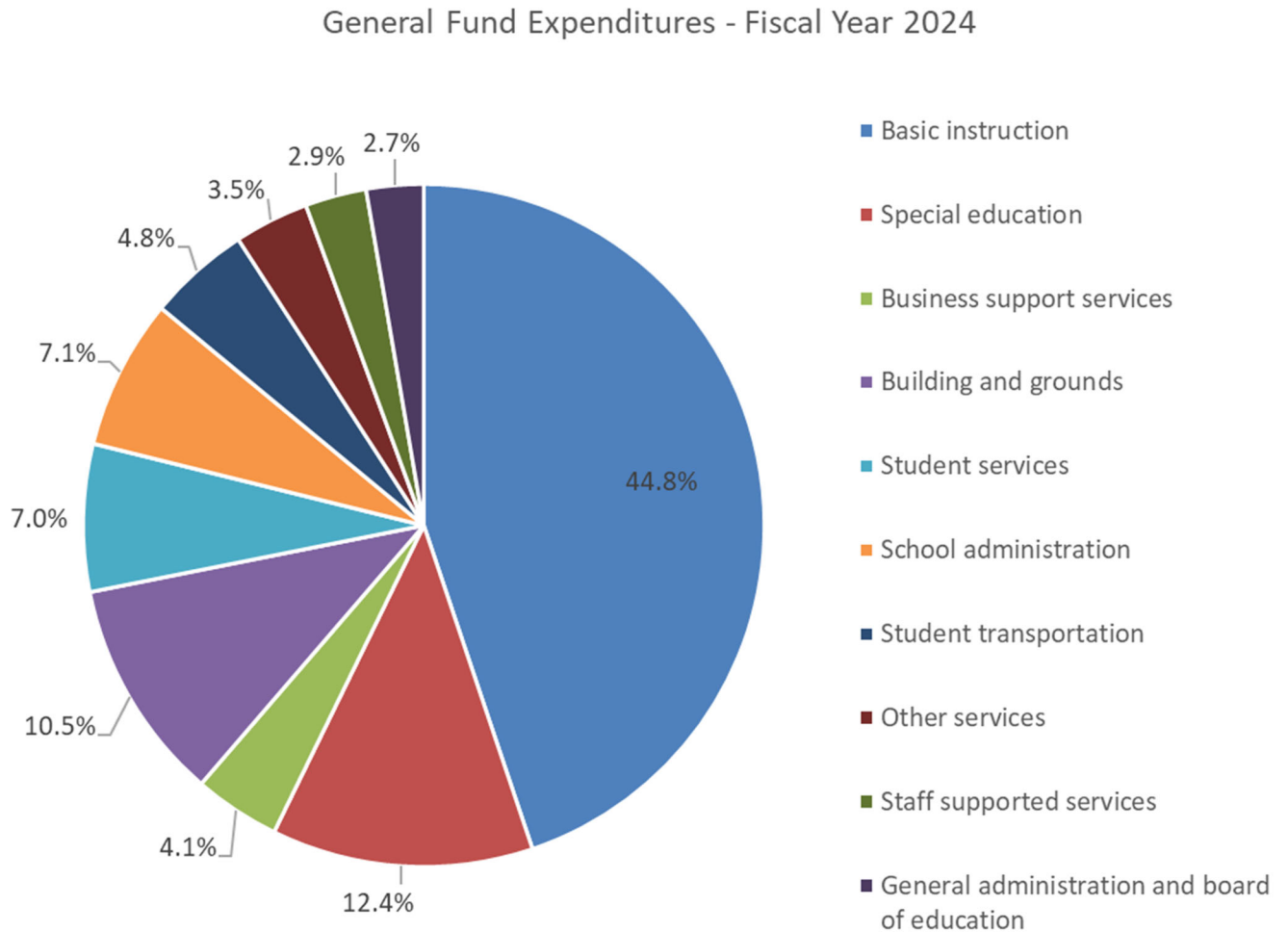
(Dollars in thousands)

August 31, 2024

	Year Ended August 31,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	2024	2023		
Expenditures				
Basic instruction	\$ 311,718	\$ 289,941	\$ 21,777	7.51%
Special education	86,347	70,965	15,382	21.68%
Student services	48,570	44,707	3,863	8.64%
Staff supported services	20,241	18,013	2,228	12.37%
General administration and board of education	18,883	14,322	4,561	31.85%
School administration	49,592	44,534	5,058	11.36%
Business support services	28,453	67,625	(39,172)	-57.93%
Building and grounds	73,262	66,497	6,765	10.17%
Student transportation	33,663	31,961	1,702	5.33%
Community use of facilities and regular preschool education	4,117	4,853	(736)	-15.17%
Early childhood special education	2,062	1,664	398	23.92%
Summer school	16,379	14,651	1,728	11.79%
Adult education	205	219	(14)	-6.39%
Debt service	1,876	4,730	(2,854)	-60.34%
Total general fund expenditures	<u>\$ 695,368</u>	<u>\$ 674,681</u>	<u>\$ 20,687</u>	3.07%

General Fund expenditures increased \$20,687, 3.1%. Basic instruction increased \$21,777, 7.5% primarily due to increased salaries and benefits for staff and additional contributions to the Omaha School Employees Retirement System. Business support services decreased \$39,172, 57.9% due to a decrease in contributions to internal service funds for future obligations and investments in capital assets.

The following graph provides a breakdown of General Fund expenditures:



# Douglas County School District #0001

Omaha, Nebraska

Management's Discussion and Analysis

(Dollars in thousands)

August 31, 2024

## Budgetary Analysis

Annual budgets are prepared in accordance with State statutes on the cash basis of accounting, which is a regulatory basis of accounting, and is not consistent with generally accepted accounting principles in the United States. The budget is prepared by fund, department/building, and account. The only transfers allowed in the general fund are those between departmental budgets. Any number of transfers can occur throughout each fiscal year only if the original budgeted amount does not change. The 2023-2024 budget included \$11,000 for additional required contributions to the Omaha School Employees Retirement System and \$6,000 for additional purchased services. Overall revenue increased due to interest income from the investment of available cash reserves and expenditures were lower due to vacancy savings from unfilled positions and staff turnover and transportation services savings. The overall general fund balance increased as a result of the budget favorability realized in both revenues and expenditures.

	Original Budget	Final Budget	Actual
Revenue			
Local	\$ 353,499	\$ 353,499	\$ 316,830
County and ESU receipts	1,500	1,500	1,346
State receipts	351,176	351,176	385,133
Federal receipts	700	700	1,342
Other local	7,585	7,585	11,875
Total	714,460	714,460	716,526
Expenditures and transfers	727,000	727,000	692,628
Change in fund balance	\$ (12,540)	\$ (12,540)	\$ 23,898

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

At August 31, 2024, the District had \$927,223 invested in capital assets, net of depreciation/amortization, a decrease of \$3,276, 0.4%. Capital assets include land, construction in progress, buildings and improvements, textbooks, equipment, vehicles, and right-of-use assets.

The following table presents a summary of capital assets, net of accumulated depreciation/amortization as of August 31, 2024 and 2023.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023*	2024	2023	2024	2023*
Capital assets (net of accumulated depreciation/amortization where applicable)						
Land	\$ 61,791	\$ 61,791	\$ -	\$ -	\$ 61,791	\$ 61,791
Art	4,423	4,423	-	-	4,423	4,423
Construction in progress	27,508	24,834	396	18	27,904	24,852
Buildings	707,334	752,916	18,295	18,837	725,629	771,753
Furniture	49	66	6	1	55	67
Equipment	9,209	8,185	-	-	9,209	8,185
Computers	21,624	12,307	8	-	21,632	12,307
Software	638	629	-	-	638	629
Textbooks and library books	59,999	31,361	-	-	59,999	31,361
Vehicles	8,398	7,813	-	-	8,398	7,813
Right-of-use lease assets	1,235	1,761	261	300	1,496	2,061
Right-of-use subscription						
IT assets	6,049	5,257	-	-	6,049	5,257
Total capital assets	<u>\$ 908,257</u>	<u>\$ 911,343</u>	<u>\$ 18,966</u>	<u>\$ 19,156</u>	<u>\$ 927,223</u>	<u>\$ 930,499</u>

\*Governmental activities for fiscal year 2023 have been restated to correct certain errors. See Note 12.

Additional information on the District's capital assets can be found in Note 3 of this report.

## Long Term Liabilities

At August 31, 2023, the District had \$1,979,116 in long term liabilities, a decrease of \$49,709, 2.5%. The most significant change was due to the decrease in the net pension liability of \$28,377, 2.4%. This decrease was the result of positive market returns on the plan assets in calendar year 2023.

The following table presents a summary of long term debts as of August 31, 2024 and 2023.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023*	2024	2023	2024	2023*
Build America bonds	\$ 13,365	\$ 14,220	\$ -	\$ -	\$ 13,365	\$ 14,220
Qualified school construction bonds	36,295	36,295	-	-	36,295	36,295
General obligation bonds	786,620	804,085	-	-	786,620	804,085
Unamortized premiums	50,551	55,284	-	-	50,551	55,284
Leases payable	1,222	1,835	266	304	1,488	2,139
Subscription IT liabilities	2,269	723	-	-	2,269	723
Termination benefits	26	304	-	-	26	304
Notes payable	-	-	9,960	9,940	9,960	9,940
Net OPEB liability	20,850	19,766	-	-	20,850	19,766
Net pension liability	1,057,226	1,085,765	466	304	1,057,692	1,086,069
Total long-term liabilities	\$ 1,968,424	\$ 2,018,277	\$ 10,692	\$ 10,548	\$ 1,979,116	\$ 2,028,825

\*Governmental activities for fiscal year 2023 have been restated to correct certain errors. See Note 12.

## Currently Known Facts, Decisions or Conditions

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

Property tax relief and school funding reform continue to be significant topics in the Nebraska Legislature, with new legislation proposed annually. The Nebraska Legislature passed significant school finance reforms proposed by the Governor during the 2023 legislative session. These reforms included \$1,500 per public school student in Foundation Aid, which directly offsets Equalization Aid in the TEEOSA school funding formula, a statutory requirement to reimburse 80% of allowable local special education expenditures, and a 3% soft cap on school district revenues. The 3% soft cap on revenues is in addition to long-standing caps on property tax levies, \$1.05 per \$100 of property valuation, and a 2.5% soft cap on budgeted expenditure growth. It will take a number of years for these reforms to fully impact the District's finances, but the continuing impact of the 3% soft cap on revenues resulted in the District reducing its combined levy by 10.9 cents and the overall property tax ask by \$8,000, providing true property tax relief to the patrons of the District. The District will continue to monitor legislative initiatives in these areas and engage with Legislators and other stakeholders to advocate for access to adequate financial resources for the District.

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

### **Requests for Information**

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

Respectfully submitted by:

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

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

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

## Douglas County School District #0001

Omaha, Nebraska

Statement of Net Position

(Dollars in thousands)

August 31, 2024

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 335,328	\$ 9,763	\$ 345,091
Investments	55,193	41,042	96,235
Receivables (net of allowance for uncollectibles)			
Property taxes	38,089	-	38,089
Accrued interest	201	-	201
Accounts	138,401	1,904	140,305
Interest rebate subsidy	308	-	308
Leases	178	-	178
Noncurrent leases	223	-	223
Internal balances	401	(401)	-
Promises to give donations in the future	-	503	503
Inventories	8,101	-	8,101
Prepaid items	9,321	20	9,341
Capital assets:			
Capital assets not being depreciated	89,299	396	89,695
Capital assets, net of accumulated depreciation	811,674	18,309	829,983
Right to use leased assets, net of accumulated amortization	1,235	261	1,496
Right to use subscription IT assets, net of accumulated amortization	6,049	-	6,049
Total assets	1,494,001	71,797	1,565,798
<b>Deferred Outflows of Resources</b>			
Deferred amount on refunding	670	-	670
Other postemployment benefits	3,323	-	3,323
Pension plans	209,590	93	209,683
Total deferred outflows of resources	213,583	93	213,676



## Douglas County School District #0001

Omaha, Nebraska

Statement of Net Position

(Dollars in thousands)

August 31, 2024

	Governmental Activities	Business-Type Activities	Total
<b>Liabilities</b>			
Accounts payable and accrued liabilities	33,282	262	33,544
Accrued payroll liabilities	87,216	234	87,450
Contract retention	1,506	-	1,506
Accrued interest payable	6,738	-	6,738
Other liabilities	-	1,016	1,016
Unearned revenue	14,443	9	14,452
Long-term liabilities			
Due within one year, other than OPEB and pensions	37,651	40	37,691
Due within one year, total OPEB liability	730	-	730
Due in more than one year, other than OPEB and pensions	852,697	10,186	862,883
Due in more than one year, total OPEB liability	20,120	-	20,120
Due in more than one year, net pension liability	1,057,226	466	1,057,692
Total liabilities	2,111,609	12,213	2,123,822
<b>Deferred Inflows of Resources</b>			
Other postemployment benefits	9,703	-	9,703
Pension plans	9,037	4	9,041
Lease related	417	-	417
Total deferred inflows of resources	19,157	4	19,161
<b>Net Position</b>			
Net investment in capital assets	22,287	8,740	31,027
Restricted for			
Debt service	49,241	-	49,241
Capital projects	62,607	-	62,607
Scholarships	-	20,897	20,897
Other purposes	-	4,464	4,464
Unrestricted	(557,317)	25,572	(531,745)
Total net position	\$ (423,182)	\$ 59,673	\$ (363,509)

## Douglas County School District #0001

Omaha, Nebraska

Statement of Activities

(Dollars in thousands)

Year Ended August 31, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government							
Governmental activities							
Basic instruction	\$ 401,394	\$ -	\$ 37,190	\$ -	\$ (364,204)	\$ -	\$ (364,204)
Special education	97,801	-	53,478	-	(44,323)	-	(44,323)
Student services	106,474	2,895	40,533	-	(63,046)	-	(63,046)
Staff support services	68,746	458	28,084	-	(40,204)	-	(40,204)
General administration and board of education	3,011	-	20,731	-	17,720	-	17,720
School administration	54,626	-	-	-	(54,626)	-	(54,626)
Business support services	55,893	4	17,386	-	(38,503)	-	(38,503)
Building and grounds	84,643	-	13,606	-	(71,037)	-	(71,037)
Building, construction, and renovation	68,768	-	-	-	(68,768)	-	(68,768)
Student transportation	35,769	14,389	-	-	(21,380)	-	(21,380)
Community use of facilities and regular preschool education	23,050	262	14,427	-	(8,361)	-	(8,361)
Early childhood special education	18,125	-	21,413	-	3,288	-	3,288
Regular summer school	17,571	-	8,151	-	(9,420)	-	(9,420)
Adult basic education	680	-	234	-	(446)	-	(446)
Debt service interest	28,659	-	-	-	(28,659)	-	(28,659)
Property tax recapture	888	-	-	-	(888)	-	(888)
Total governmental activities	<u>1,066,098</u>	<u>18,008</u>	<u>255,233</u>	<u>-</u>	<u>(792,857)</u>	<u>-</u>	<u>(792,857)</u>
Business-type activities							
Educare	19,330	177	16,971	-	-	(2,182)	(2,182)
Foundation	7,287	6,046	-	-	-	(1,241)	(1,241)
Other	446	848	6	-	-	408	408
Total business-type activities	<u>27,063</u>	<u>7,071</u>	<u>16,977</u>	<u>-</u>	<u>-</u>	<u>(3,015)</u>	<u>(3,015)</u>
Total primary government	<u>\$ 1,093,161</u>	<u>\$ 25,079</u>	<u>\$ 272,210</u>	<u>\$ -</u>	<u>(792,857)</u>	<u>(3,015)</u>	<u>(795,872)</u>
General revenues							
Taxes					394,628	-	394,628
State funding					345,937	-	345,937
Federal funding					39,226	-	39,226
Investment activity, net					17,890	5,932	23,822
Fines and licenses					2,384	-	2,384
Other revenue					15,716	-	15,716
Total general revenue					<u>815,781</u>	<u>5,932</u>	<u>821,713</u>
Change in net position					22,924	2,917	25,841
Net position - beginning, as previously reported					(446,739)	56,756	(389,983)
Adjustments (Note 12)					633	-	633
Net position, beginning, as restated					<u>(446,106)</u>	<u>56,756</u>	<u>(389,350)</u>
Net position - ending					<u>\$ (423,182)</u>	<u>\$ 59,673</u>	<u>\$ (363,509)</u>

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

## Douglas County School District #0001

## Omaha, Nebraska

## Balance Sheet - Governmental Funds

(Dollars in thousands)

August 31, 2024

	General Fund	Special Building Fund	Grant Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and cash equivalents	\$ 115,578	\$ 33,092	\$ 3,728	\$ 16,561	\$ 22,833	\$ 191,792
Investments	-	51	-	27,435	25,094	52,580
Receivables (net of allowance for uncollectibles)						
Property taxes	30,494	1,718	-	5,044	833	38,089
Accounts	3,541	-	133,852	-	105	137,498
Leases	-	401	-	-	-	401
Accrued interest	-	-	-	201	-	201
Due from other funds	88,634	-	400	-	-	89,034
Inventories	5,074	-	-	-	386	5,460
Prepaid items	3,784	-	3,060	-	794	7,638
<b>Total assets</b>	<b>\$ 247,105</b>	<b>\$ 35,262</b>	<b>\$ 141,040</b>	<b>\$ 49,241</b>	<b>\$ 50,045</b>	<b>\$ 522,693</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>						
<b>Liabilities</b>						
Accounts payable	\$ 4,845	\$ 1,084	\$ 22,581	\$ -	\$ 1,283	\$ 29,793
Payroll liabilities	50,192	-	3,640	-	1,590	55,422
Other payables	-	-	1,172	-	-	1,172
Due to other funds	-	820	87,746	-	67	88,633
Unearned revenue	-	-	13,908	-	535	14,443
Contract retention	-	12	1,494	-	-	1,506
<b>Total liabilities</b>	<b>55,037</b>	<b>1,916</b>	<b>130,541</b>	<b>-</b>	<b>3,475</b>	<b>190,969</b>
<b>Deferred Inflows of Resources</b>						
Lease related	-	417	-	-	-	417
<b>Fund Balance</b>						
Nonspendable	8,858	-	3,060	-	1,180	13,098
Restricted	-	32,929	7,439	49,241	29,990	119,599
Committed	60,352	-	-	-	223	60,575
Assigned	1,229	-	-	-	15,177	16,406
Unassigned	121,629	-	-	-	-	121,629
<b>Total fund balance</b>	<b>192,068</b>	<b>32,929</b>	<b>10,499</b>	<b>49,241</b>	<b>46,570</b>	<b>331,307</b>
<b>Total liabilities, deferred inflows     of resources, and fund balances</b>	<b>\$ 247,105</b>	<b>\$ 35,262</b>	<b>\$ 141,040</b>	<b>\$ 49,241</b>	<b>\$ 50,045</b>	<b>\$ 522,693</b>

Douglas County School District #0001  
Omaha, Nebraska  
Reconciliation of the Governmental Funds  
Balance Sheet to the Statement of Net Position  
(Dollars in thousands)  
August 31, 2024

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Total Fund Balances - Governmental Funds	\$ 331,307
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	899,666
Certain assets and deferred outflows resources related to long-term liabilities do not reflect a current outflow of resources and are not recognized in the funds.	978
Deferred outflows and inflows of resources related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in the funds	189,506
Compensated absences included in accrued payroll liabilities represent amounts that are not due and payable in the current period and, therefore, are not reported in the funds.	(29,081)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(1,950,394)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and vehicles, to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.	<u>134,836</u>
Net Position of Governmental Activities	<u><u>\$ (423,182)</u></u>

Douglas County School District #0001

Omaha, Nebraska

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

(Dollars in thousands)

Year Ended August 31, 2024

	General Fund	Special Building Fund	Grant Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Taxes	\$ 321,449	\$ 16,401	\$ -	\$ 48,664	\$ 8,114	\$ 394,628
Fees	41	-	-	-	-	41
Investment income	7,081	1,527	1,218	1,014	1,191	12,031
State funding	385,132	1,490	1,718	4,453	3,567	396,360
Federal funding	726	-	202,713	-	1,288	204,727
Fines and licenses	2,384	-	-	-	-	2,384
Other revenue	16,248	555	19	-	25,966	42,788
<b>Total revenues</b>	<b>733,061</b>	<b>19,973</b>	<b>205,668</b>	<b>54,131</b>	<b>40,126</b>	<b>1,052,959</b>
<b>Expenditures</b>						
<b>Current</b>						
Basic instruction	311,718	-	78,150	-	3,000	392,868
Special education	86,347	-	5,212	-	-	91,559
Student services	48,570	-	11,093	-	8,190	67,853
Staff supported services	20,241	-	29,247	-	13,246	62,734
General administration and board of education	18,883	-	9,430	-	55	28,368
School administration	49,592	-	-	-	-	49,592
Business support services	28,453	5,669	4,833	132	11,195	50,282
Building and grounds	73,262	-	30,591	-	-	103,853
Building, construction, and renovation	-	6,376	387	-	-	6,763
Student transportation	33,663	-	-	-	-	33,663
Community use of facilities and regular preschool education	4,117	-	17,740	-	-	21,857
Early childhood special education	2,062	-	15,446	-	-	17,508
Summer school	16,379	-	17	-	-	16,396
Adult education	205	-	455	-	-	660
<b>Debt service</b>						
Principal	1,086	-	1,816	17,465	2,604	22,971
Interest and fiscal charges	73	-	-	30,475	2,288	32,836
Property tax recapture	717	34	-	121	16	888
<b>Total expenditures</b>	<b>695,368</b>	<b>12,079</b>	<b>204,417</b>	<b>48,193</b>	<b>40,594</b>	<b>1,000,651</b>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<b>37,693</b>	<b>7,894</b>	<b>1,251</b>	<b>5,938</b>	<b>(468)</b>	<b>52,308</b>
<b>Other Financing Sources</b>						
Leases	434	-	-	-	188	622
Subscription-based information technology arrangements	166	-	1,816	-	2,980	4,962
<b>Total other financing sources</b>	<b>600</b>	<b>-</b>	<b>1,816</b>	<b>-</b>	<b>3,168</b>	<b>5,584</b>
<b>Net Change in Fund Balance</b>	<b>38,293</b>	<b>7,894</b>	<b>3,067</b>	<b>5,938</b>	<b>2,700</b>	<b>57,892</b>
<b>Fund Balance, Beginning of Year</b>	<b>153,775</b>	<b>25,035</b>	<b>7,432</b>	<b>43,303</b>	<b>43,870</b>	<b>273,415</b>
<b>Fund Balance, End of Year</b>	<b>\$ 192,068</b>	<b>\$ 32,929</b>	<b>\$ 10,499</b>	<b>\$ 49,241</b>	<b>\$ 46,570</b>	<b>\$ 331,307</b>

Douglas County School District #0001

Omaha, Nebraska

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

(Dollars in thousands)

Year Ended August 31, 2024

Net Change in Fund Balances - Total Governmental Funds	\$ 57,892
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities the cost of capital assets is allocated over their estimated useful lives as depreciation/ amortization expense.	(4,309)
In the statement of activities compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used.	(6,899)
In the statement of activities OPEB is measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used.	(688)
In the statement of activities the cost of pension benefits earned net of employee contributions is reported as pension expense. In the governmental funds, however, the contributions are reported as expense.	(40,545)
In the statement of activities interest expense is recognized as it accrues. In the governmental funds, however, the expenditure is measured by the amount of financial resources used.	192
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	21,373
Internal service funds are used by management to charge the cost of certain activities to individual funds. The change in net position is reported within the governmental activities.	(4,092)
Change in Net Position of Governmental Activities	<u>\$ 22,924</u>

## Douglas County School District #0001

## Omaha, Nebraska

## Statement of Net Position

## Proprietary Funds

(Dollars in thousands)

August 31, 2024

	Business-type Activities				Governmental
	Nonmajor			Total	Activities
	Educare	Foundation	Enterprise Fund		Internal Service Funds
Assets					
Current Assets					
Cash and cash equivalents	\$ 7,318	\$ 2,009	\$ 436	\$ 9,763	\$ 143,536
Investments	-	41,042	-	41,042	2,613
Receivables (net of allowance for uncollectibles)					
Accounts	1,805	70	29	1,904	903
Promises to give donations in the future	503	-	-	503	-
Inventories	-	-	-	-	2,641
Prepaid items	-	19	1	20	1,683
Total current assets	9,626	43,140	466	53,232	151,376
Noncurrent Assets					
Capital assets, not being depreciated	368	28	-	396	662
Capital assets, net of accumulated depreciation	18,286	15	8	18,309	7,929
Right-to-use leased assets, net of accumulated amortization	-	261	-	261	-
Total noncurrent assets	18,654	304	8	18,966	8,591
Total assets	28,280	43,444	474	72,198	159,967
Deferred Outflows of Resources					
Pension plans	-	-	93	93	4,879
Liabilities					
Current Liabilities					
Accounts payable and accrued liabilities	39	210	13	262	2,317
Accrued payroll liabilities	-	188	46	234	2,713
Other liabilities	1,016	-	-	1,016	-
Due to other funds	-	-	401	401	-
Unearned revenue	-	9	-	9	-
Current portion of long-term debt	-	40	-	40	-
Total current liabilities	1,055	447	460	1,962	5,030
Noncurrent Liabilities					
Long-term debt, net of current portion					
Notes payable	9,960	-	-	9,960	-
Leases payable	-	226	-	226	-
Net pension liability	-	-	466	466	24,768
Total noncurrent liabilities	9,960	226	466	10,652	24,768
Total liabilities	11,015	673	926	12,614	29,798
Deferred Inflows of Resources					
Pension plans	-	-	4	4	212
Net Position					
Net investment in capital assets	8,694	38	8	8,740	8,591
Restricted for:					
Scholarships	-	20,897	-	20,897	-
Other purposes	2,311	2,153	-	4,464	-
Unrestricted	6,260	19,683	(371)	25,572	126,245
Total net position	\$ 17,265	\$ 42,771	\$ (363)	\$ 59,673	\$ 134,836

Douglas County School District #0001  
Omaha, Nebraska  
Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds  
(Dollars in thousands)  
Year Ended August 31, 2024

	Business-type Activities				Governmental Activities
	Nonmajor				Internal
	Educare	Foundation	Enterprise Fund	Total	Service Funds
Operating Revenues					
Charges for services	\$ 177	\$ -	\$ -	\$ 177	\$ 803
Other operating revenues	16,971	6,046	848	23,865	3,267
Total operating revenues	17,148	6,046	848	24,042	4,070
Operating Expenses					
Salaries	11,249	2,247	317	13,813	11,810
Employee benefits	2,446	277	-	2,723	13,303
Purchased services	830	1,352	16	2,198	8,944
Supplies and materials	1,483	768	108	2,359	18,826
Depreciation/amortization	530	51	1	582	1,456
Other expenses	2,666	2,015	4	4,685	5,260
Commodities expense	-	577	-	577	-
Total operating expenses	19,204	7,287	446	26,937	59,599
Operating Income (Loss)	(2,056)	(1,241)	402	(2,895)	(55,529)
Nonoperating Revenues (Expenses)					
Employer contribution	-	-	-	-	5,583
Loss on disposal of assets	-	-	-	-	(15)
Interest and investment income	-	1,149	-	1,149	5,858
Unrealized/realized gain	-	4,783	-	4,783	-
Interest expense and bond fees	(126)	-	-	(126)	-
State subsidies	-	-	6	6	539
Federal subsidies	-	-	-	-	39,472
Total nonoperating revenues (expenses)	(126)	5,932	6	5,812	51,437
Change in Net Position (Deficit)	(2,182)	4,691	408	2,917	(4,092)
Total Net Position (Deficit), Beginning of Year	19,447	38,080	(771)	56,756	138,928
Total Net Position (Deficit), End of Year	\$ 17,265	\$ 42,771	\$ (363)	\$ 59,673	\$ 134,836



## Douglas County School District #0001

## Omaha, Nebraska

## Statement of Cash Flows

## Proprietary Funds

(Dollars in thousands)

Year Ended August 31, 2024

	Business-type Activities				Governmental Activities
				Total	Internal Service Funds
	Educare	Foundation	Nonmajor Enterprise Fund		
Operating Activities					
Receipts from customers and users	\$ 177	\$ 3,212	\$ -	\$ 3,389	\$ 803
Receipts from nonrevenue sources	-	-	771	771	5,122
Receipts from grants and contributions	18,013	3,507	-	21,520	-
Payments to suppliers	(2,575)	(3,599)	(124)	(6,298)	(30,787)
Payments to and on behalf of employees	(13,695)	(2,518)	(608)	(16,821)	(21,611)
Payments for scholarships	-	(480)	-	(480)	-
Payments for grants	-	(536)	-	(536)	-
Payments for other expenses	(2,492)	-	(4)	(2,496)	(5,260)
Net Cash (Used for) from Operating Activities	(572)	(414)	35	(951)	(51,733)
Noncapital Financing Activities					
Federal and state subsidies	-	-	6	6	40,011
Employer contributions	-	-	-	-	5,080
Payments received on interfund borrowing	-	-	226	226	-
Net Cash from Noncapital Financing Activities	-	-	232	232	45,091
Capital and Related Financing Activities					
Acquisition of capital assets	(350)	(33)	(9)	(392)	(2,694)
Debt service					
Principal	-	(38)	-	(38)	-
Interest	(106)	-	-	(106)	-
Net Cash Used for Capital and Related Financing Activities	(456)	(71)	(9)	(536)	(2,694)
Investing Activities					
Proceeds from sale and maturity of investments	-	9,427	-	9,427	289
Purchase of investments	-	(9,944)	-	(9,944)	-
Interest and dividends from investments	-	1,268	-	1,268	5,858
Payments to investment managers	-	(171)	-	(171)	-
Net Cash from Investing Activities	-	580	-	580	6,147
Change in Cash and Cash Equivalents	(1,028)	95	258	(675)	(3,189)
Cash and Cash Equivalents, Beginning of Year	8,346	1,914	178	10,438	146,725
Cash and Cash Equivalents, End of Year	\$ 7,318	\$ 2,009	\$ 436	\$ 9,763	\$ 143,536

Douglas County School District #0001

Omaha, Nebraska

Statement of Cash Flows

Proprietary Funds

(Dollars in thousands)

Year Ended August 31, 2024

	Business-type Activities				Governmental Activities
	Educare	Foundation	Nonmajor Enterprise Fund	Total	Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash (Used for) from Operating Activities					
Operating income (loss)	\$ (2,056)	\$ (1,241)	\$ 402	\$ (2,895)	\$ (55,529)
Adjustments to reconcile operating income (loss) to net cash (used for) from operating activities					
Depreciation/amortization	530	51	1	582	1,456
Credit expense loss	-	59	-	59	-
Changes in assets and liabilities					
Accounts receivable	1,045	(41)	(29)	975	1,855
Promises to give	(3)	729	-	726	-
Prepaid items	14	(4)	(1)	9	(1,289)
Inventories	-	-	-	-	(544)
Pension related deferred outflows	-	-	(16)	(16)	2,332
Accounts payable and accrued liabilities	(276)	101	1	(174)	(1,184)
Accrued payroll liabilities	-	6	16	22	(1,541)
Other liabilities	174	(80)	-	94	-
Unearned revenue	-	6	(48)	(42)	-
Net pension liability	-	-	162	162	2,682
Pension related deferred inflows	-	-	(453)	(453)	29
Net cash (used for) from operating activities	<u>\$ (572)</u>	<u>\$ (414)</u>	<u>\$ 35</u>	<u>\$ (951)</u>	<u>\$ (51,733)</u>
Supplemental Schedule of Noncash Investing and Financing Activities					
Amortization of debt issuance costs	<u>\$ 20</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ -</u>

## Douglas County School District #0001

Omaha, Nebraska

Statement of Fiduciary Net Position

Fiduciary Funds

(Dollars in thousands)

Year Ended August 31, 2024

	Employee Retirement Plan	Private-Purpose Trusts	Custodial Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 10,477	\$ 176	\$ 219
Investments	1,601,493	-	-
Receivables (net of allowance for uncollectibles):			
Accounts	96,603	-	-
Other assets	12,774	-	-
Capital assets, net of accumulated depreciation	-	12	1
<b>Total assets</b>	<b>1,721,347</b>	<b>188</b>	<b>220</b>
<b>Liabilities</b>			
Accounts payable	1,871	15	-
Payroll liabilities	12,471	-	-
Other payables	12,774	-	-
Other liabilities	113,953	-	-
<b>Total liabilities</b>	<b>141,069</b>	<b>15</b>	<b>-</b>
<b>Net Position</b>			
Restricted for			
Pension benefits	1,580,278	-	-
Individuals, organizations, and other governments	-	173	220
<b>Total net position</b>	<b>\$ 1,580,278</b>	<b>\$ 173</b>	<b>\$ 220</b>

## Douglas County School District #0001

## Omaha, Nebraska

## Statement of Changes in Fiduciary Net Position

## Fiduciary Funds

(Dollars in thousands)

Year Ended August 31, 2024

	Employee Retirement Plan	Private-Purpose Trusts	Custodial Funds
Additions			
Contributions			
Plan member contributions	\$ 42,900	\$ -	\$ -
Employer contributions	77,763	-	-
State contributions	9,575	-	-
Total contributions	130,238	-	-
Investment income			
Interest and dividends	29,132	12	11
Securities lending income	1,456	-	-
Net increase in fair value	159,720	-	-
Total investment income	190,308	12	11
Less investment expense	(4,195)	-	-
Securities lending expense	(1,290)	-	-
Net investment income	184,823	12	11
Other	74	266	26
Total additions	315,135	278	37
Deductions			
Retirement annuities	146,402	-	-
Refunds to employees, including interest	9,438	-	-
Administrative expenses			
Personnel costs	288	-	4
Professional fees	574	155	25
Other	41	132	24
Total deductions	156,743	287	53
Change in Net Position	158,392	(9)	(16)
Net Position, Beginning	1,421,886	182	236
Net Position, Ending	\$ 1,580,278	\$ 173	\$ 220

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

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

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

**Reporting Entity**

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

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

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

***Blended Component Units***

- Educational Service Unit No. 19 – On June 19, 1972, the Board of Education of the District, through official resolution and under powers from LB 928 passed by the Nebraska State Legislature, established Educational Service Unit No. 19 ("ESU No. 19"). ESU No. 19 was originally designed to provide educational data processing to the District and, on a cost reimbursable basis, to other districts throughout the State of Nebraska. Currently, its core services include, but are not limited to: staff development, technology, and audio-visual services. The Governing Board of ESU No. 19 maintains a posture of cooperating with other school districts. However, ESU No. 19's first responsibility is to the students and patrons of the District. ESU No. 19 has an August 31 fiscal year end and the information included herein is as of and for the year ended August 31, 2024. ESU No. 19 is included within the other governmental funds.

- Friends of KIOS – Friends of KIOS was created as a fund-raising entity for KIOS-FM, the radio station of the District. The amounts raised are to be exclusively used to benefit the Omaha Public Schools radio station, KIOS-FM. For IRS purposes, this entity is classified as a 501(c)(3) organization. Friends of KIOS has an August 31 fiscal year end and the information included herein is as of and for the year ended August 31, 2024. Friends of KIOS is included within the other governmental funds.
- The Omaha Public Schools Foundation – The Omaha Public Schools Foundation (“the Foundation”) is a not-for-profit entity classified as a 501(c)(3) organization by the IRS. The Foundation was organized to solicit and receive contributions, gifts, grants, devises, or bequests of real or personal property or both and to use the income and principal exclusively for the benefit of the public schools operated by the District. The Foundation also administers programs beneficial to the education of pre-kindergarten or school age children.

The Board of Directors manages the business and affairs of the Foundation. The number of Directors of the Board shall not be less than nine or more than eighteen; one of which shall at all times be a member of the Board of Education of the District; one shall be the President of the Omaha Education Association. The members-at-large are appointed by the Board of Education of the District in consultation with the Superintendent. The Superintendent of the District also serves as the Treasurer of the Foundation as a non-voting member. The Foundation has an August 31 fiscal year end and the information included herein is as of and for the year ended August 31, 2024. The Foundation is presented as a major enterprise fund of the District.

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

The Board of Directors of Educare is comprised of not less than five or more than thirteen members. Five of the Director positions must be comprised by two co-chairpersons of the Educare Policy Committee; two representatives from the Buffett Early Childhood Fund (a Nebraska not-for-profit corporation); and one representative from the District. Educare has a December 31 year end and the information included herein is as of and for the year ended December 31, 2023. Educare is presented as a major enterprise fund of the District.

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

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

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

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

OSERS is included as a pension trust fiduciary fund of the District. The financial information included in the fiduciary fund financial statements is as of and for OSERS' audit year ending December 31, 2023.

### **Basis of Presentation**

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

#### *Government-Wide Financial Statements*

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

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

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

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

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

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

#### *Fund Financial Statements*

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

The District reports the following major governmental funds:

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



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

The District reports the following major proprietary funds:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and deferred outflows of resources, liabilities and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

### **Budget Process**

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

### **Cash and Cash Equivalents**

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

### **Investments**

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

### **Receivables**

All receivables, including property taxes receivable, are shown net of an allowance for uncollectible amounts, if applicable.

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

**Lease Receivables**

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

**Inventories and Prepaid Items**

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

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

**Capital Assets**

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

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

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

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

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

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

#### **Deferred Outflows of Resources**

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

#### **Compensated Absences**

Full-time 12-month employees accrue vacation on a bi-weekly or monthly basis, depending on the applicable pay period. All unused days from prior years are carried over; however, the maximum accumulated vacation days can never exceed the current year authorization plus five days, except for the superintendent as specified per their negotiated contract. Days can be used or paid to the employee if the employee terminates employment or transfers to a position which no longer qualifies for vacation. Payment is the number of days remaining at the employee's daily rate of pay.

All full-time employees are eligible for sick leave benefit days. Days are accrued for sick leave on a semi-monthly or monthly basis depending on the applicable pay period. All unused days from prior years are carried over. Ten-month employees earn 10 days annually and twelve-month employees earn 12 days annually. Employees can carry up to a maximum balance dependent on their number of annual duty days worked and as specified per negotiated contracts.

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

### **Long-Term Obligations**

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

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

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

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

### **Total OPEB Liability**

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

## **Pensions**

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

## **Deferred Inflows of Resources**

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

## **Interfund Transactions**

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

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

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

## **Fund Balance**

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

- **Nonspendable Fund Balance** – Consists of amounts that cannot be spent because they are either (a) not in a spendable form or (b) legally or contractually required to be kept intact.
- **Restricted Fund Balance** – Consists of amounts that are restricted for specific purposes. These restrictions are either 1) externally imposed by creditors, grantors, contributors, or by laws or regulations of other governments or 2) imposed through constitutional provisions or enabling legislation.

- Committed Fund Balance – Consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal actions of the government's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the government removes or changes the specific use by taking the same type of action it used to commit those amounts. The Board of Education is the District's highest level of authority. All actions concerning approving, eliminating, or modifying of minimal fund balances will be accomplished through resolution.
- Assigned Fund Balance – Consists of amounts that are constrained by the government intended to be used for specific purposes but are neither restricted nor committed. The authority for making an assignment is not required to be the government's highest decision-making authority. Furthermore, the nature of the actions necessary to remove or modify an assignment is not as prescriptive as it is with regard to committed fund balances. The District management staff will have the overall responsibilities for monitoring these balances.
- Unassigned Fund Balance – Consists of the residual classification for the general fund. The general fund is the only fund to report a positive unassigned fund balance.

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

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

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

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



## **Income Taxes**

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

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

## **Adoption of New Accounting Standard**

As of August 31, 2024, the District adopted GASB Statement No. 100, *Accounting Changes and Error Corrections*. The implementation of this standard requires additional presentation and disclosure requirements for accounting changes and error corrections. The financial statements have been updated to conform to the presentation requirements related to the error correction in the financial statements for the year ended August 31, 2024. The additional disclosures required by this standard are included in Note 12.

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

The Cooperative Fund, a nonmajor enterprise fund, had a deficit net position of \$363. This deficit will be eliminated through future revenues and, if necessary, transfers from other funds. No remedial action is anticipated or required by the District regarding this deficit.

## **Note 3 - Deposits and Investments**

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

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

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

Obligations that may be pledged are as follows:

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

As of August 31, 2024, the carrying amount of the District's deposits was \$77,070 and the bank balance was \$96,901. The District's deposits were secured by FDIC coverage of \$250 and pledged collateral of \$100,000.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District does not have a formal investment policy that specifically addresses credit risk.

The chart below summarizes the credit quality of the District's deposits.

	Credit Quality Distribution of Securities with Credit Exposure as a Percentage of Each Bond Fund				
	US Bank Sinking QSCB 2009	US Bank Sinking QSCB 2010	US Bank Bond Proceeds GO Bonds 2020	US Bank Bond Proceeds GO Bonds 2021	US Bank Bond Proceeds GO Bonds 2022
Percentage of Nebraska Liquid Asset Fund	0%	0%	0%	0%	100%
Percentage of State and Local Government Securities	92%	86%	0%	0%	0%
Percentage of cash and cash equivalents	8%	14%	100%	100%	0%

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

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's funds at August 31, 2024, contained no individual highly sensitive debt investments with exposure to interest rate changes.

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

Maturity (Years)	As a Percentage of Market Value
0 to 5	100%

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

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

The District has investments in the Nebraska Liquid Asset Fund (NLAF) reported as cash and cash equivalents, which are valued at amortized cost, and investments in certificates of deposit, which are stated at cost. The remaining amount of the District’s investments, including unspent bond proceeds, had the following fair value measurements at August 31, 2024:

	Total	Level 1	Level 2	Level 3
Investments by Fair Value Level				
Common stocks	65	65	-	-
International equities	9	9	-	-
Interest earning investment contracts	2,613	-	2,613	-
U.S. Government and Treasury obligations	49,845	-	49,845	-
Total investments by fair value level	52,532	74	52,458	-
Cash and cash equivalents, at cost	2,662			
Total investments	55,194			

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

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

**Deposit Custodial Credit Risk** – Custodial credit risk is the risk that in the event of a bank failure, the Foundation’s deposits may not be returned. The Foundation does not have a deposit policy for custodial credit risk. At August 31, 2024, the Foundation had credit risk at two banks arising from cash deposits in excess of federally insured limits. The Foundation has not incurred any loss resulting from these excess cash balances during the period under audit. The carrying value of the Foundation’s deposits is \$3,074.

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

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

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

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

The Foundation has investments in certificates of deposit, which are valued at amortized cost, with maturity dates of less than 1 year. The value of the investments in certificates of deposit are \$1,065 at August 31, 2024.

The Foundation had the following recurring fair value measurements at August 31, 2024:

	Total	Level 1	Level 2	Level 3
Investments by Fair Value Level				
Money market funds	\$ 1,804	\$ 1,804	\$ -	\$ -
Mutual funds	24,544	24,544	-	-
Common stocks	6,439	6,439	-	-
Municipal bonds	2,222	-	2,222	-
Corporate bonds	3,852	-	3,852	-
U.S. government obligations	272	-	272	-
Real estate investment trusts	842	-	842	-
Other investments	3	-	3	-
Total investments by fair value level	<u>\$ 39,978</u>	<u>\$ 32,787</u>	<u>\$ 7,191</u>	<u>\$ -</u>

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

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

**Custodial Credit Risk** – The Friends of KIOS does not have a deposit policy for custodial credit risk. KIOS’ deposits are pooled within the District’s deposits, which are fully insured or collateralized as of August 31, 2023.

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

**Interest Rate Risk** – It is the practice of Friends of KIOS to minimize credit risk and to avoid extreme fluctuations in both the market value and the income from investments. The Friends of KIOS does not have a formal policy for interest rate risk and credit risk. The Friends of KIOS currently has an investment in the Weitz Value fund. The cash composite of the fund was 3.4% of the fund balance as of August 31, 2024. The market value of the fund held by Friends of KIOS and the concentration of cash and equity securities on the fund are as follows:

	Equity Securities	Cash	Market value
Weitz Fund	\$ 65	\$ 3	\$ 68

**Fair Value Measurement** – The Friends of KIOS uses the fair value hierarchy established by GAAP based on the valuation used to ensure fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant observable inputs. Level 3 inputs are significant unobservable inputs.

The recurring fair value measurement for the Weitz Fund was determined using the quoted price in active markets (Level 1 inputs).

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

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

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

**Custodial Credit Risk** – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned to it. Educare does not have a deposit policy for custodial credit risk. Educare maintains its cash balances at two financial institutions located in Omaha, Nebraska. Educare, at times, maintains balances in excess of Federal Deposit Insurance Corporation limits. Management believes the risk relating to these deposits is minimal. As of December 31, 2023, the carrying amount of Educare’s deposits was \$7,318 and the bank balance was \$7,302. Educare’s deposits were secured by FDIC coverage of \$750.

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

Douglas County School District #0001

Omaha, Nebraska

Notes to Financial Statements

(Dollars in thousands)

August 31, 2024

**Note 4 - Capital Assets**

Governmental activities capital asset activity for the year ended August 31, 2024, was as follows:

	Beginning Balance, as Restated (Note 12)	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 61,791	\$ -	\$ -	\$ 61,791
Construction in progress	24,834	39,138	36,464	27,508
Total capital assets, not being depreciated/amortized	86,625	39,138	36,464	89,299
Capital assets being depreciated				
Buildings	1,555,439	36,464	-	1,591,903
Furniture	119	-	-	119
Equipment	35,622	4,598	-	40,220
Computers	89,763	18,198	568	107,393
Software	38,401	289	-	38,690
Art	4,423	-	-	4,423
Textbooks and library books	145,317	37,474	-	182,791
Vehicles	24,930	2,525	3,110	24,345
Total capital assets being depreciated	1,894,014	99,548	3,678	1,989,884
Less accumulated depreciation for				
Buildings and improvements	802,523	82,046	-	884,569
Furniture	53	17	-	70
Equipment	27,437	3,574	-	31,011
Computers	77,456	8,881	568	85,769
Software	37,772	280	-	38,052
Textbooks and library books	113,956	8,836	-	122,792
Vehicles	17,117	1,776	2,946	15,947
Total accumulated depreciation	1,076,314	105,410	3,514	1,178,210
Net capital assets being depreciated	817,700	(5,862)	164	811,674
Right-to-use leased asses being amortized				
Right-to-use leased building	2,640	434	-	3,074
Right-to-use leased equipment	941	188	52	1,077
Total right-to-use leased assets being amortized	3,581	622	52	4,151
Less accumulated amortization for				
Right-to-use leased building	1,281	727	-	2,008
Right-to-use leased equipment	539	392	23	908
Total accumulated amortization	1,820	1,119	23	2,916
Net right-to-use leased assets	1,761	(497)	29	1,235
Right-to-use subscription IT assets being amortized	8,332	4,962	2,895	10,399
Less accumulated amortization	3,075	4,170	2,895	4,350
Net right-to-use subscription IT assets	5,257	792	-	6,049
Governmental Activities Capital Assets, Net	\$ 911,343	\$ 33,571	\$ 36,657	\$ 908,257

Douglas County School District #0001

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(Dollars in thousands)

August 31, 2024

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

Governmental activities	
Basic instruction	\$ 10,048
Special education	227
Student services	1,078
Staff support services	942
General administration and board of education	9,373
School administration	18
Business support services	13,133
Building and grounds	1,340
Building, construction, and renovation	72,736
Student transportation	624
Community use of facilities and regular preschool education	808
Early childhood special education	20
Regular summer school	352
	<hr/>
Total depreciation/amortization expense - governmental activities	\$ 110,699
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Douglas County School District #0001

Omaha, Nebraska

Notes to Financial Statements

(Dollars in thousands)

August 31, 2024

Business-type activities capital asset activity for the year ended August 31, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital assets, not being depreciated				
Construction in progress	\$ 18	\$ 378	\$ -	\$ 396
Capital assets, being depreciated				
Buildings and improvements	21,232	-	-	21,232
Furniture	338	5	-	343
Computers	73	9	-	82
Textbooks and library books	15	-	-	15
Total capital assets, being depreciated	21,658	14	-	21,672
Less accumulated depreciation for				
Buildings and improvements	2,395	542	-	2,937
Furniture	337	-	-	337
Computers	73	1	-	74
Textbooks and library books	15	-	-	15
Total accumulated depreciation	2,820	543	-	3,363
Total capital assets, being depreciated, net	18,838	(529)	-	18,309
Right-to-use leased assets being amortized	339	-	-	339
Less accumulated amortization	39	39	-	78
Net right-to-use leased assets	300	(39)	-	261
Business-Type Activities Capital Assets, Net	\$ 19,156	\$ (190)	\$ -	\$ 18,966

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

Business-type activities	
Educare	\$ 530
Foundation	51
Nonmajor enterprise fund	1
Total depreciation/amortization expense - business-type activities	\$ 582



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

The District has accrued a receivable for various leases of land and telecommunications space. The remaining receivable for these leases was \$401 for the year ended August 31, 2024. Deferred inflows related to these leases were \$417 as of August 31, 2024. Interest revenue recognized on these leases was \$24 for the year ended August 31, 2024. Principal receipts of \$404 were recognized during the fiscal year. The interest rate on the leases ranged from 3.25% – 5.50%. Final receipt is expected in fiscal year 2028.

The future principal and interest lease receipts as of August 31, 2024, for the governmental activities are as follows:

Years Ending August 31,	Governmental Activities	
	Principal	Interest
2025	\$ 178	\$ 12
2026	121	7
2027	100	2
2028	2	-
	<u>\$ 401</u>	<u>\$ 21</u>

**Lessee Activities**Governmental Activities

The District has entered into lease agreements for the use of various building spaces and office equipment. The District is required to make principal and interest payments through May 2026. The lease agreements have interest rates between 2.184% and 5.50%. For leases with no interest rate stated, the District utilized its incremental borrowing rate for valuing the lease. Governmental activities leases payable are liquidated by the General Fund and the nonmajor ESU No. 19 fund.

The future principal and interest lease payments as of August 31, 2024, for the governmental activities are as follows:

Years Ending August 31,	Governmental Activities	
	Principal	Interest
2025	\$ 884	\$ 33
2026	265	9
2027	35	2
2028	38	1
	<u>\$ 1,222</u>	<u>\$ 45</u>

Business-type Activities

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

The future principal and interest lease payments as of August 31, 2024, for the business-type activities are as follows:

Years Ending August 31,	Business-Type Activities
2025	\$ 48
2026	49
2027	50
2028	51
2029	52
2030	44
Total lease payments	294
Less interest	(28)
	<u>\$ 266</u>

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

The District has entered into various SBITA contracts for administrative and student learning software. The District is required to make principal and interest payments through May 2024, but the right of use asset will be through a longer period. The SBITA contracts have interest rates between 2.0237% and 3.238%. For SBITA contracts with no interest rate stated, the District utilized its incremental borrowing rate for valuing the SBITA.

Remaining principal and interest payments on subscriptions are as follows:

Years Ending August 31,	Governmental Activities	
	Principal	Interest
2025	\$ 1,244	\$ 68
2026	1,025	31
	<u>\$ 2,269</u>	<u>\$ 99</u>

Douglas County School District #0001

Omaha, Nebraska

Notes to Financial Statements

(Dollars in thousands)

August 31, 2024

**Note 7 - Long-Term Liabilities**

The following is a summary of changes in long-term liabilities of the District for the year ended August 31, 2024:

	Beginning Balance, as Restated (Note 12)	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Bonds payable					
Build America Bonds	\$ 14,220	\$ -	\$ 855	\$ 13,365	\$ 900
Qualified school construction bonds	36,295	-	-	36,295	-
General obligation bonds	804,085	-	17,465	786,620	30,410
Total bonds payable	854,600	-	18,320	836,280	31,310
Premium on bonds payable	55,284	-	4,733	50,551	4,187
Special termination benefits	304	-	278	26	26
Leases payable	1,835	622	1,235	1,222	884
Subscription IT liabilities	723	4,962	3,416	2,269	1,244
	<u>\$ 912,746</u>	<u>\$ 5,584</u>	<u>\$ 27,982</u>	<u>\$ 890,348</u>	<u>\$ 37,651</u>
<b>Business-Type Activities</b>					
Leases payable	\$ 304	\$ -	\$ 38	\$ 266	\$ 48
Notes payable	9,940	20	-	9,960	-
	<u>\$ 10,244</u>	<u>\$ 20</u>	<u>\$ 38</u>	<u>\$ 10,226</u>	<u>\$ 48</u>

Douglas County School District #0001

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Notes to Financial Statements

(Dollars in thousands)

August 31, 2024

**Bonds Payable**

At August 31, 2024, the District had the following bond issuances outstanding:

	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Principal Outstanding</u>
Governmental Activities:				
Build America Bonds				
Build America Bonds, 2009	12/15/2034	0.99 - 6.07%	\$ 22,620	\$ 13,365
Qualified School Construction Bonds				
Qualified School Construction Bonds of 2009	12/15/2025	1.875%	\$ 17,375	\$ 17,375
Qualified School Construction Bonds of 2010	12/9/2027	6.000%	18,920	18,920
Total qualified school construction bonds			36,295	36,295
General Obligation Bonds				
General obligation refunding bonds				
series 2012A	6/1/2025	1.00 - 5.00%	\$ 84,175	\$ 7,135
General obligation bonds, series 2015	6/1/2040	3.00 - 5.00%	141,000	141,000
General obligation bonds, series 2016	12/1/2040	3.00 - 5.00%	141,000	141,000
General obligation bonds, series 2017	12/1/2040	3.00 - 5.00%	105,470	105,470
General obligation bonds, series 2018	12/15/2043	3.125 - 5.00%	80,000	80,000
General obligation bonds, series 2020	12/15/2043	2.125 - 5.00%	125,000	125,000
General obligation refunding bonds,				
series 2020B	12/15/2024	5.00%	47,610	11,090
General obligation bonds, series 2021	12/15/2043	1.75 - 5.00%	140,000	140,000
General obligation bonds, series 2022	12/15/2043	4.00 - 5.00%	35,925	35,925
Total general obligation bonds			900,180	786,620
Total governmental activities			\$ 959,095	\$ 836,280

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

The qualified school construction bonds of 2009 and 2010 require annual payments to a sinking fund for retirement of the bonds in fiscal years 2026 and 2028, respectively. As of August 31, 2024, the sinking funds established to pay for the bonds at maturity had market values of \$15,542 and \$9,447, respectively.

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

The general obligation refunding bonds, series 2012 and series 2020B, resulted in deferred amounts on refunding, reported as a deferred outflow of resources with the governmental activities on the statement of net position. Amounts are amortized on the straight-line basis over the life of the bond. Remaining unamortized balances as of August 31, 2024, are \$448 on the series 2012 bonds and \$222 on the 2020B bonds.

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(Dollars in thousands)

August 31, 2024

The annual requirements to amortize the bonded debt outstanding for the governmental activities as of August 31, 2024, are as follows:

Years Ending August 31,	Build America Bonds		Qualified School Construction Bonds	
	Principal	Interest	Principal	Interest
2025	\$ 900	\$ 769	\$ -	\$ 1,461
2026	950	717	17,375	1,298
2027	1,005	660	-	1,135
2028	1,065	599	-	1,135
2029	1,125	535	18,920	-
2030-2034	6,720	1,550	-	-
2035-2039	1,600	49	-	-
	<u>\$ 13,365</u>	<u>\$ 4,879</u>	<u>\$ 36,295</u>	<u>\$ 5,029</u>
Years Ending August 31,	General Obligation Bonds		Total Governmental Activities	
	Principal	Interest	Principal	Interest
2025	\$ 30,410	\$ 29,437	\$ 31,310	\$ 31,667
2026	21,950	28,029	40,275	30,044
2027	30,050	26,737	31,055	28,532
2028	31,255	25,213	32,320	26,947
2029	32,545	23,627	52,590	24,162
2030-2034	182,700	94,332	189,420	95,882
2035-2039	216,310	58,873	217,910	58,922
2040-2044	241,400	19,927	241,400	19,927
	<u>\$ 786,620</u>	<u>\$ 306,175</u>	<u>\$ 836,280</u>	<u>\$ 316,083</u>

#### Premium on Bonds Payable

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

#### Special Termination Benefits

In March 2006, the District approved a voluntary early retirement plan for employees. Eligible employees must have completed at least 18 credible years service as a full-time employee to the District, must have reached the age of 55 as of the separation date, and must be a certificated employee. The application for early retirement is subject to approval by the Board of Education. The special termination benefits under the early retirement plan was discontinued effective for the 2018-2019 school year.

Early retirement benefits will be equal to the lesser of the monthly Social Security retirement benefit that will be payable to the certificated employee at age 62 (as determined by the District as of the employee's August 31 separation date) or 25% of the certificated employee's scheduled monthly salary in the certificated employee's last full year of employment.

The policy requires early retirement benefits be paid on a monthly basis. Benefit payments will begin in the month following the employee's separation date and will continue until the employee reaches age 62 at which time they will be qualified to receive social security benefits.

At August 31, 2024, the District has obligations to five participants with a total liability of \$26. This amount represents the discounted present value of the gross benefits due to participants each year until they reach age 62. The discount rate used by the District is 4%. Actual early retirement expenditures for the year ended August 31, 2024, amounted to \$292.

#### **Leases Payable**

Leases payable consists of long-term leases as described in Note 4. Leases payable of the governmental activities are liquidated by the general fund and other nonmajor governmental funds.

#### **Subscription IT Liabilities**

Subscription IT liabilities consist of long-term leases as described in Note 5. Subscription IT liabilities of the governmental activities are liquidated by the general fund, grant fund, and other nonmajor governmental funds.

#### **Notes Payable**

Educare has federal and state qualified low-income community investment (QLICI) loans amounting to \$10,463 under the federal and state new market tax credit laws, net of unamortized debt issuance costs of \$503. The proceeds were used to finance the development and construction of early learning center facilities at Kennedy elementary school and are collateralized through facility license agreements. The loans consist of interest only payments at 1.011042% through September 1, 2025. The loans are due September 23, 2048. At December 31, 2023, the unmatured balance was \$9,960.

The annual requirements to amortize the notes payable outstanding of August 31, 2024, are as follows:

Years Ending August 31,	Business-Type Activities	
	Principal	Interest
2025	\$ -	\$ 106
2026	101	106
2027	407	103
2028	411	99
2029	416	95
2030-2034	2,142	410
2035-2039	2,253	300
2040-2044	2,369	183
2045-2049	2,364	60
	10,463	\$ 1,462
Less unamortized issuance costs	503	
	<u>\$ 9,960</u>	

#### Note 8 - Accumulated Sick Leave

The District has a mandatory plan for conversion of accumulated sick leave benefits into a supplemental retirement income benefit and/or post-retirement medical expense reimbursement program upon an employee's retirement from the District. These benefits will be funded by the District on a pay-as-you-go basis at the time of each employee's retirement. The amount of this benefit is equal to one-half of the employee's unused accumulated sick leave at the time of his/her retirement and is solely funded by the District. The District will make a determination based upon an interview with each employee prior to his or her retirement date as to which benefit will be most beneficial for the employee – (1) a tax sheltered annuity 403(b); or (2) health reimbursement account.

The District is the Plan Administrator for this program and may choose to contract with a third party administrator to manage the day-to-day activity associated with these benefits. The obligation is funded through employer contributions on an ongoing basis. This liability is primarily liquidated by the general fund, with smaller amounts liquidated by the grant fund, nonmajor governmental funds, and internal service fund.

Accumulated sick leave payable of \$29,596 is included in accrued payroll liabilities in the statement of net position.

**Note 9 - Other Post-Employments Benefit Plan****Plan Description**

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

**OPEB Benefits**

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

At August 31, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	169
Active employees	6,793
Total	<u>6,962</u>

**Total OPEB Liability**

The District's total OPEB liability of \$20,850 was measured as of August 31, 2024, and was determined by an actuarial valuation as of August 31, 2023.

**Actuarial Assumptions**

The total OPEB liability in the August 31, 2023, actuarial valuation was determined using the following actuarial assumptions and the entry age normal level percent of pay cost method, applied to all periods included in the measurement.

Inflation	2.25% per annum
Salary increases	3.25%, average, including inflation
Discount rate	3.87% per annum
Healthcare cost trend rate	7.20% per annum, grading to 5.00% over 4 years



**Discount Rate**

The discount rate used to measure the total OPEB liability was 3.87% based on the yield for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher, which reflects the High Quality 20 Year Tax-Exempt G.O. Bond Rate as of the measurement date.

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

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

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

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

The actuarial assumptions used in the August 31, 2023, valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

**Changes in the Total OPEB Liability**

Balance at August 31, 2023	\$ 19,766
Changes from the Prior Year:	
Service cost	1,182
Interest cost	739
Changes in assumptions	(102)
Benefit payments	(735)
	<u>1,084</u>
Total Net Changes	<u>1,084</u>
Balance at August 31, 2024	<u><u>\$ 20,850</u></u>

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.87%) or 1% higher (4.87%) than the current discount rate.

	<u>1% Decrease (2.87%)</u>	<u>Current Discount Rate (3.87%)</u>	<u>1% Increase (4.87%)</u>
Total OPEB liability	\$ 22,611	\$ 20,850	\$ 19,200

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (6.20%, grading to 4.00% over the next 4 years) or 1% higher (8.20%, grading to 6.00% over the next 4 years) than the current healthcare cost trend rates.

	<u>1% Decrease (6.20%, grading to 4.00% over the next 4 years)</u>	<u>Healthcare Cost Trend Rate (7.20%, grading to 5.00% over the next 4 years)</u>	<u>1% Increase (8.20%, grading to 6.00% over the next 4 years)</u>
Total OPEB liability	\$ 17,366	\$ 20,850	\$ 22,632

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

For the year ended August 31, 2024, the City recognized OPEB expense of \$1,422. At August 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,787	\$ 6,159
Changes of assumptions	1,536	3,544
	<u>\$ 3,323</u>	<u>\$ 9,703</u>

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

2025	\$	(499)
2026		(499)
2027		(499)
2028		(499)
2029		(499)
Thereafter		(3,885)

## Note 10 - Defined Benefit Retirement Plan

### Plan Description

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

OSERS issues a publicly available financial report that includes financial statements and required supplementary information for OSERS. That report may be obtained by contacting the Omaha School Employees' Retirement System by e-mail at [osers@ops.org](mailto:osers@ops.org), by phone at 531-299-0329, or by mail at 3215 Cuming Street, Omaha, NE 68131-2024.

### Membership Information

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

Retirees and beneficiaries currently receiving benefits	5,340
Inactive members entitled to but not yet receiving benefits	1,539
Inactive nonvested members entitled to refund of contributions	1,476
Active plan members	6,712
	<u>15,067</u>

### Contributions

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

For the year ended August 31, 2024, the actuarial determined contribution resulted in an additional required contribution of \$33,686. Total additional contributions made by the District during the year ended August 31, 2024, amounted to \$45,482. The State of Nebraska also contributes 2% of employees' compensation.

For the fiscal year ending August 31, 2024, total contributions by the District to OSERS, including the additional amounts to maintain solvency, amounted to \$90,295.

### **Benefits Provided**

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

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

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

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

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

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

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

**Actuarial Methods and Assumptions**

The total pension liability was measured as of December 31, 2023, and was determined by an actuarial valuation performed as of January 1, 2024, using standard actuarial formulae and the following key actuarial assumptions:

Price inflation	2.55%
Wage inflation	3.05%
Long-term rate of return	7.20%
Municipal bond index rate	3.38%
Single equivalent interest rate	7.20%
Salary increases	3.05 - 6.45%
Cost of living adjustments	1.50% for members hired before July 1, 2013 1.00% for members hired after July 1, 2013 Medical COLA of \$10/month for each year retired (max of \$250/month), if hired before July 1, 2016

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

The actuarial assumptions used in the January 1, 2024, valuation were based on the results of an actuarial experience study dated December 6, 2021, which covered the four year period ending December 31, 2020.

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

Discount rate – The discount rate used to measure the total pension liability at December, 31, 2023 was 7.20%. The discount rate used to measure the total pension liability at August 31, 2022, was 7.30%.

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

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

Based on those assumptions, OSERS' fiduciary net position was projected to be available to make all projected future benefit payments of current OSERS' members. Therefore, the long-term expected rate of return of 7.20% was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

Municipal bond rate – A municipal bond rate was not used in determining the discount rate. If it were required, the rate would be 3.38% on the measurement date.

Periods of projected benefit payments – Projected future benefit payments for all current OSERS members were projected through 2123.

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

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

Sensitivity analysis – The following presents the net pension liability, calculated using the discount rate of 7.20%, as well as the net pension liability calculated using a discount rate that is 1 percentage-point lower (6.20%) or 1 percentage-point higher (8.20%) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Net pension liability	\$ 1,204,659	\$ 1,086,069	\$ 1,080,049

#### **Pension Plan Fiduciary Net Position**

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

## Douglas County School District #0001

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(Dollars in thousands)

August 31, 2024

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at August 31, 2023	\$ 2,626,546	\$ 1,421,887	\$ 1,204,659
Changes from the Prior Year			
Service cost	50,891	-	50,891
Interest cost	186,150	-	186,150
Differences between expected and actual experience	23,033	-	23,033
Changes of assumptions	29,221	-	29,221
Contributions - employer	-	77,762	(77,762)
Contributions - member	-	42,900	(42,900)
Net investment income	-	184,823	(184,823)
Benefit payments	(155,840)	(155,840)	-
Administrative expense	-	(903)	903
Other	-	1,851	(1,851)
Net Changes	133,455	158,391	(24,936)
Balances at August 31, 2024	\$ 2,760,001	\$ 1,580,278	\$ 1,179,723

OSERS has a special funding situation, in which, by statute, the State of Nebraska contributes 2.0% of members' compensation to fund the benefits provided by OSERS. At August 31, 2024, the District reported a liability of \$1,057,692 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as January 1, 2024. A 30-year projection of contributions discounted back to the measurement date using the current year measurement period discount rate was utilized to determine the ratio of the present value of future contributions. This was used as the basis for determining the employer proportionate share of the collective pension amount as it represents the long-term contribution effort to OSERS. At the December 31, 2023, measurement date, the District's proportionate share was 89.655962%, a decrease of 0.499747%. The State of Nebraska's proportionate share of the collective net pension liability amounted to \$122,031. At the December 31, 2023, measurement date, the State's proportionate share was 10.344038%. The District recognized revenue in the amount of \$14,019 for the support provided by the State of Nebraska.



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August 31, 2024

Douglas County School District #0001	\$ 1,057,692
State of Nebraska	<u>122,031</u>
Total net pension liability	<u><u>\$ 1,179,723</u></u>

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

For the year ended August 31, 2024, the District recognized pension expense of \$135,529. At August 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 21,619	\$ -
Changes of assumptions	34,628	-
Differences between expected and actual experience	67,411	2,300
Changes in proportion and differences between contributions and proportionate share of contributions	8,500	6,741
Employer contributions subsequent to the measurement date	<u>77,525</u>	<u>-</u>
Total	<u><u>\$ 209,683</u></u>	<u><u>\$ 9,041</u></u>

Deferred outflows of resources related to pensions included \$77,525 resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended August 31, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended August 31,	Pension Expense
2025	\$ 30,579
2026	46,422
2027	48,044
2028	(2,241)
2029	313

**Payable to the Pension Plan**

At August 31, 2024, the District reported a payable of \$3,192 for the outstanding amount of legally required District contributions for August 2024 and \$3,224 for legally required employee contributions withheld from employee wages which had not yet been remitted to OSERS.

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August 31, 2024

**Note 11 - Interfund Activity**

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

Due to:	Due from:				Total
	Special Building Fund	Grant Fund	Other Governmental Funds	Other Business-type Activities Funds	
General Fund	\$ 820	\$ 87,746	\$ 67	\$ 1	\$ 88,634
Grant Fund	-	-	-	400	400
	<u>\$ 820</u>	<u>\$ 87,746</u>	<u>\$ 67</u>	<u>\$ 401</u>	<u>\$ 89,034</u>

**Note 12 - Fund Balances**

The District classified fund balances within the governmental funds as follows at August 31, 2024:

	General Fund	Special Building Fund	Grant Fund	Debt Service Fund	Other Governmental Funds	Total
<b>Fund Balances</b>						
Nonspendable						
Inventory	\$ 5,074	\$ -	\$ -	\$ -	\$ 386	\$ 5,460
Prepaid items	3,784	-	3,060	-	794	7,638
Total nonspendable	<u>8,858</u>	<u>-</u>	<u>3,060</u>	<u>-</u>	<u>1,180</u>	<u>13,098</u>
Restricted						
Debt service	-	-	-	49,241	-	49,241
Capital projects	-	32,929	-	-	-	32,929
Grants	-	-	7,439	-	-	7,439
Qualified purpose	-	-	-	-	29,678	29,678
ESU No. 19	-	-	-	-	312	312
Total restricted	<u>-</u>	<u>32,929</u>	<u>7,439</u>	<u>49,241</u>	<u>29,990</u>	<u>119,599</u>
Committed						
KIOS	-	-	-	-	223	223
Subsequent school year	60,352	-	-	-	-	60,352
Total committed	<u>60,352</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>223</u>	<u>60,575</u>
Assigned						
ESU No. 19	-	-	-	-	12,122	12,122
School activity	-	-	-	-	3,015	3,015
Student fees	-	-	-	-	40	40
Central office and school support	1,229	-	-	-	-	1,229
Total assigned	<u>1,229</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,177</u>	<u>16,406</u>
Unassigned	121,629	-	-	-	-	121,629
<b>Total Fund Balances</b>	<u>\$ 192,068</u>	<u>\$ 32,929</u>	<u>\$ 10,499</u>	<u>\$ 49,241</u>	<u>\$ 46,570</u>	<u>\$ 331,307</u>

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(Dollars in thousands)

August 31, 2024

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

Fiscal Year	Financial Statements Unassigned Fund Balance as a Percentage of Total General Fund Expenditures	Regulatory Fund Balance as a Percentage of Total General Fund Expenditures
2024	17.49%	14.38%
2023	19.57%	6.71%
2022	15.92%	14.10%

**Note 13 - Correction of Error**

During fiscal year 2024, the District determined that there were certain errors in amounts previously reported in the 2023 financial statements resulting in a restatement of the beginning net position. The corrections related to an overstatement of right-of-use leased assets and related accumulated amortization and an understatement of subscription IT liabilities and right-of-use subscription IT assets and related accumulated amortization.

Beginning net position was restated as follows:

	Governmental Activities
Net position (deficit) at August 31, 2023, as previously reported	\$ (446,739)
Correct overstatement of right-of-use leased assets at August 31, 2023	(1,828)
Correct overstatement of right-of-use leased assets accumulated amortization at August 31, 2023	1,941
Correct understatement of right-of-use subscription IT assets at August 31, 2023	1,647
Correct understatement of right-of-use subscription IT assets accumulated amortization at August 31, 2023	(409)
Correct understatement of subscription IT liabilities at August 31, 2023	(718)
Net position (deficit) at September 1, 2023, as restated	<u><u>\$ (446,106)</u></u>

If these amounts had been properly recorded in the prior year, the change in net position would have been adjusted as follows for the year ended August 31, 2023:

	<u>Governmental Activities</u>
Change in net position (deficit) at August 31, 2023, as previously reported	\$ (94,362)
Correct overstatement of right-of-use leased assets at August 31, 2023	(1,828)
Correct overstatement of right-of-use leased assets accumulated amortization at August 31, 2023	1,941
Correct understatement of right-of-use subscription IT assets at August 31, 2023	1,647
Correct understatement of right-of-use subscription IT assets accumulated amortization at August 31, 2023	(409)
Correct understatement of subscription IT liabilities at August 31, 2023	<u>(718)</u>
Change in net position (deficit) at August 31, 2023, as restated	<u><u>\$ (93,729)</u></u>

#### **Note 14 - Risk Management**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance for risks of loss including workers' compensation. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The District contracts with reputable carriers for various insurance coverages and has purchased an excess liability coverage insurance policy covering individual claims in excess of \$1,000,000 and retains the risk of loss for individual claims below \$1,000,000. The District has established four separate funds to address the payment of claims that are less than the deductible amounts. Actual claims paid from these funds did not exceed the District's expectations during the fiscal year ended August 31, 2024.

#### **Note 15 - Litigation**

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

**Note 16 - Commitments and Contingencies****Grants and Grants Receivable**

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

**Construction Commitments**

The District has entered into various ongoing construction contracts amounting to approximately \$26,093 for the construction of new school facilities and renovation and improvement to existing facilities. The District has commitments of approximately \$2,240 remaining on various ongoing construction contracts at August 31, 2024.

**Note 17 - Tax Abatements**

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

Property tax revenues of the District were reduced by the following amounts for the year ended August 31, 2024, under agreements entered into by the following entities:

<u>Entity</u>	<u>Tax Abatement Program</u>	<u>Amount</u>
City of Omaha	Tax Increment Financing	\$ 17,481
City of Bellevue	Tax Increment Financing	148
		<u>\$ 17,629</u>

**Note 18 - Subsequent Events**

Subsequent to year end, the District has entered into certain construction commitments for several remodeling and renovation projects in existing buildings. Total construction commitments entered into amount to approximately \$3,884 and are expected to be completed in the 2024-2025 fiscal year.



Required Supplementary Information  
August 31, 2024

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

## Douglas County School District #0001

Omaha, Nebraska

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

General Fund

(Dollars in thousands)

Year Ended August 31, 2024

Function	Final Adopted Budget	Transfers In (Out)	Revised Budget	Actual Amounts Budgetary Basis	Variance With Final Budget
FUND BALANCE, Beginning of year	\$ 178,123	\$ -	\$ 178,123	\$ 178,123	\$ -
RECEIPTS					
Local Sources					
Taxes					
1110 Property taxes - general purpose	316,959	-	316,959	275,998	(40,961)
1111 Property taxes - learning community	-	-	-	20	20
1115 Carline tax	80	-	80	66	(14)
1120 Public power district sales tax	5,000	-	5,000	4,855	(145)
1125 Motor vehicle taxes	29,000	-	29,000	27,263	(1,737)
1260 Adult education tuition and fees	-	-	-	41	41
1410 Interest	1,200	-	1,200	7,081	5,881
1610 Local license fees and fines	-	-	-	3	3
1620 Police court fines	900	-	900	1,035	135
1910 Rental of school facilities	360	-	360	395	35
1925 Categorical grants from corporations	-	-	-	73	73
Total local sources	353,499	-	353,499	316,830	(36,669)
County Sources					
2110 County fines and license fees	1,500	-	1,500	1,346	(154)
State Sources					
3110 State aid	285,176	-	285,176	285,036	(140)
3120 Special education	50,000	-	50,000	48,329	(1,671)
3125 Special education transportation	7,600	-	7,600	14,389	6,789
3130 Homestead exemption	-	-	-	11,708	11,708
3131 Property tax credit	-	-	-	14,588	14,588
3180 Pro-rate motor vehicle	400	-	400	609	209
3200 State apportionment	8,000	-	8,000	10,449	2,449
3990 Other state receipts	-	-	-	25	25
Total state sources	351,176	-	351,176	385,133	33,957
Federal sources					
4450 Medicaid in public schools	200	-	200	-	(200)
4690 Other federal non-categorical	-	-	-	-	-
4850 Universal service fund	-	-	-	688	688
4990 Other federal categorical receipts	500	-	500	654	154
Total federal sources	700	-	700	1,342	642
Nonrevenue receipts					
5400 Sale of property	485	-	485	1,684	1,199
5690 Other nonrevenue receipts	7,100	-	7,100	10,191	3,091
Total nonrevenue receipts	7,585	-	7,585	11,875	4,290
Total receipts	714,460	-	714,460	716,526	2,066

## Douglas County School District #0001

## Omaha, Nebraska

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

## General Fund

(Dollars in thousands)

Year Ended August 31, 2024

Function	Final Adopted Budget	Transfers In (Out)	Revised Budget	Actual Amounts Budgetary Basis	Variance With Final Budget
DISBURSEMENTS					
1100 Regular instruction	340,815	(5,875)	334,940	310,692	24,248
1200 Special education	83,806	640	84,446	85,043	(597)
Support services					
2100 Pupils	44,663	1,553	46,216	48,085	(1,869)
2200 Staff	19,708	342	20,050	20,203	(153)
2520 Vehicle acquisition and maintenance	529	-	529	465	64
2600 Maintenance and operation of building/plant	70,060	2,007	72,067	74,083	(2,016)
2750 Regular pupil transportation	22,602	(400)	22,202	14,585	7,617
2760 Special education pupil transportation	19,231	-	19,231	19,976	(745)
General and administrative					
2310 Board of education	1,878	69	1,947	1,683	264
2320 Executive administration	16,897	915	17,812	17,959	(147)
2400 Office of the principal	43,796	382	44,178	49,161	(4,983)
2510 Business services	41,546	59	41,605	28,044	13,561
3000 State programs	4,748	(740)	4,008	4,249	(241)
4000 Federal programs	2,055	-	2,055	2,076	(21)
6000 Summer school	13,344	1,048	14,392	15,404	(1,012)
7000 Adult education	222	-	222	203	19
5000 Debt service	1,100	-	1,100	717	383
Total disbursements	727,000	-	727,000	692,628	34,372
(DEFICIENCY) EXCESS OF RECEIPTS (UNDER) OVER DISBURSEMENTS	(12,540)	-	(12,540)	23,898	36,438
FUND BALANCE, end of year	\$ 165,583	\$ -	\$ 165,583	\$ 202,021	\$ 36,438
ANALYSIS OF FUND BALANCE					
Cash and cash equivalents				\$ 115,306	
Receivables				86,836	
Prepays				84	
Inventory and other debits				4,908	
Payables				(5,113)	
				\$ 202,021	



## Douglas County School District #0001

## Omaha, Nebraska

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

## Grants Fund

(Dollars in thousands)

Year Ended August 31, 2024

Function	Final Adopted Budget	Revised Budget	Actual Amounts Budgetary Basis	Variance With Final Budget
FUND BALANCE, Beginning of year	\$ (9,009)	\$ (9,009)	\$ (9,009)	\$ -
RECEIPTS				
Local Sources				
1410 Interest	-	-	1,218	1,218
1925 Categorical grants from corporations	17,500	17,500	2,322	(15,178)
Total local sources	17,500	17,500	3,540	(13,960)
State Sources				
3135 High-ability learners	500	500	341	(159)
3155 Textbook loan	-	-	238	238
3540 State early childhood	1,210	1,210	1,153	(57)
Total state sources	1,710	1,710	1,732	22
Federal sources				
4200 Title I	32,136	32,136	11,578	(20,558)
4300 Title II	2,762	2,762	1,662	(1,100)
4400 IDEA	13,548	13,548	24,257	10,709
4450 Medicaid in public schools	-	-	1,774	1,774
4455 Medicaid administrative activities	5,500	5,500	725	(4,775)
4700 Federal vocational and applied technology ed	1,058	1,058	1,615	557
4910 Indian education	213	213	213	-
4915 Title I, Part C	961	961	1,455	494
4925 Title III, Part A	1,608	1,608	964	(644)
4940 Head Start	9,000	9,000	10,770	1,770
4990 Other federal categorical receipts	199,755	199,755	92,848	(106,907)
Total federal sources	266,541	266,541	147,861	(118,680)
Nonrevenue receipts				
5690 Other nonrevenue receipts	-	-	20	20
Total receipts	285,751	285,751	153,153	(132,598)

## Douglas County School District #0001

Omaha, Nebraska

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

Grants Fund

(Dollars in thousands)

Year Ended August 31, 2024

Function	Final Adopted Budget	Revised Budget	Actual Amounts Budgetary Basis	Variance With Final Budget
DISBURSEMENTS				
1100 Regular instruction	125,587	125,587	94,978	30,609
1200 Special education	4,921	4,921	5,526	(605)
Support services				
2100 Pupils	11,681	11,681	11,515	166
2200 Staff	45,639	45,639	41,636	4,003
2591 Building and sites	1,110	1,110	373	737
2600 Maintenance and operation of building/plant	29,038	29,038	26,369	2,669
General and administrative				
2320 Executive administration	23,485	23,485	9,191	14,294
2510 Business services	50	50	235	(185)
3000 State programs	20,144	20,144	16,844	3,300
4000 Federal programs	13,169	13,169	15,581	(2,412)
6000 Summer school	10,488	10,488	17	10,471
7000 Adult education	439	439	451	(12)
Total disbursements	285,751	285,751	222,716	63,035
DEFICIENCY OF RECEIPTS UNDER DISBURSEMENTS				
	-	-	(69,563)	(69,563)
FUND BALANCE, end of year	\$ (9,009)	\$ (9,009)	\$ (78,572)	\$ (69,563)
ANALYSIS OF FUND BALANCE				
Cash and cash equivalents			\$ 3,727	
Receivables			37,909	
Payables			(120,208)	
			\$ (78,572)	

## Douglas County School District #0001

Omaha, Nebraska

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

(Dollars in thousands)

August 31, 2024

The accompanying schedule of receipts, expenditures and change in fund balance budget to actual, presents comparison of legally adopted budget in accordance with the budget process in Note 1 with actual data on the cash basis of accounting. Because accounting principles applied for the purpose of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation of the resultant basis, timing, perspective, and entity deficiencies in revenue or expenses for the year ended August 31, 2024, are presented below.

**General Fund**

Excess of receipts over disbursements (budgetary basis)	\$ 23,898
Adjustments	
Record change in cash and cash equivalents	30
Record change in receivables	15,147
Record change in inventories	(248)
Record change in prepaids	726
Record change in payables	(1,260)
	<u>          </u>
Change in fund balance (GAAP basis)	<u><u>\$ 38,293</u></u>

**Grant Fund**

Deficiency of receipts under disbursements (budgetary basis)	\$ (69,563)
Adjustments	
Record change in receivables	10,722
Record change in prepaids	1,936
Record change in payables	56,637
Record change in unavailable revenue	3,335
	<u>          </u>
Change in fund balance (GAAP basis)	<u><u>\$ 3,067</u></u>

Douglas County School District #0001

Omaha, Nebraska

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

(Dollars in thousands)

August 31, 2024

	2024	2023	2022	2021	2020	2019
Service cost	\$ 1,182	\$ 1,556	\$ 1,934	\$ 1,188	\$ 1,202	\$ 1,254
Interest	739	937	597	823	839	796
Differences between expected and actual experience	-	(7,217)	-	2,583	-	-
Changes of assumptions	(102)	(1,087)	-	2,219	-	-
Changes of benefit terms	-	-	(3,278)	(1,313)	-	-
Benefit payments	(735)	(1,082)	(1,069)	(1,080)	(742)	(785)
Net change in total OPEB liability	1,084	(6,893)	(1,816)	4,420	1,299	1,265
Total OPEB liability - beginning	19,766	26,659	28,475	24,055	22,756	21,491
Total OPEB liability - ending	<u>\$ 20,850</u>	<u>\$ 19,766</u>	<u>\$ 26,659</u>	<u>\$ 28,475</u>	<u>\$ 24,055</u>	<u>\$ 22,756</u>
Covered payroll	\$ 467,905	\$ 452,374	\$ 408,402	\$ 393,199	\$ 381,090	\$ 382,977
District's total OPEB liability as a percentage of covered payroll	4.46%	4.37%	6.53%	7.24%	6.31%	5.94%

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

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

## Changes in benefit terms:

- There were no significant changes in benefit terms.

## Changes in assumptions:

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

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

Douglas County School District #0001

Omaha, Nebraska

Schedule of Changes in Net Pension Liability and Related Ratios

(Dollars in thousands)

August 31, 2024

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

	2023	2022*	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	\$ 50,891	\$ 65,615	\$ 46,029	\$ 43,490	\$ 42,354	\$ 37,704	\$ 37,821	\$ 39,451	\$ 38,242	\$ 36,090
Interest	186,150	242,449	168,343	163,027	159,150	152,896	144,648	138,933	133,950	128,868
Difference between expected and actual experience	23,033	60,409	45,177	2,015	(17,657)	19,474	26,757	7,104	(2,960)	-
Changes of assumption	29,221	24,793	-	-	-	-	141,348	-	-	-
Other	-	-	2,290	1,808	1,992	1,832	2,088	1,946	2,920	2,276
Benefit payments, including refunds of member contributions	(155,840)	(200,566)	(142,546)	(136,485)	(131,896)	(125,272)	(118,997)	(113,106)	(106,735)	(100,810)
Net change in total pension liability	133,455	192,700	119,293	73,855	53,943	86,634	233,665	74,328	65,417	66,424
Beginning of year	2,626,546	2,433,846	2,314,553	2,240,698	2,186,755	2,100,121	1,866,456	1,792,128	1,726,711	1,660,287
End of year	\$ 2,760,001	\$ 2,626,546	\$ 2,433,846	\$ 2,314,553	\$ 2,240,698	\$ 2,186,755	\$ 2,100,121	\$ 1,866,456	\$ 1,792,128	\$ 1,726,711
Plan Fiduciary Net Position										
Contributions - employer	\$ 77,762	\$ 83,341	\$ 61,411	\$ 57,033	\$ 57,267	\$ 55,564	\$ 47,981	\$ 33,903	\$ 33,109	\$ 31,913
Contributions - state	7,798	7,534	7,290	7,302	7,420	7,111	6,897	6,661	6,453	6,285
Contributions - member	42,900	53,324	36,891	35,295	35,614	36,327	34,883	33,764	32,584	31,597
Net investment income	184,823	(157,714)	290,971	118,829	32,447	85,795	73,217	15,375	(51,214)	153,982
Benefit payments, including refunds of member contributions	(155,840)	(200,566)	(142,546)	(136,485)	(131,896)	(125,272)	(118,997)	(113,106)	(106,735)	(100,810)
Administrative expense	(903)	(1,155)	(952)	(890)	(1,087)	(867)	(1,384)	(1,290)	(814)	(897)
Other	1,851	3,382	2,289	1,841	2,012	1,844	2,090	2,082	3,002	2,305
Net change in plan fiduciary net position	158,391	(211,854)	255,354	82,925	1,777	60,502	44,687	(22,611)	(83,615)	124,375
Beginning of year	1,421,887	1,633,741	1,378,387	1,295,462	1,293,685	1,233,183	1,188,496	1,211,107	1,294,722	1,170,347
End of year	\$ 1,580,278	\$ 1,421,887	\$ 1,633,741	\$ 1,378,387	\$ 1,295,462	\$ 1,293,685	\$ 1,233,183	\$ 1,188,496	\$ 1,211,107	\$ 1,294,722
Net Pension Liability	\$ 1,179,723	\$ 1,204,659	\$ 800,105	\$ 936,166	\$ 945,236	\$ 893,070	\$ 866,938	\$ 677,960	\$ 581,021	\$ 431,989

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

Douglas County School District #0001  
Omaha, Nebraska  
Schedule of Employer Contributions  
(Dollars in thousands)  
August 31, 2024

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

	2024	2023*	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution (ADC)	\$ 78,499	\$ 72,213	\$ 61,457	\$ 59,466	\$ 55,501	\$ 54,211	\$ 55,526	\$ 50,777	\$ 31,245	\$ 28,161
Contributions in relation to the ADC										
Employer statutory	44,813	42,781	39,655	37,266	35,676	35,967	36,664	35,231	33,903	33,109
Employer additional	45,482	34,432	29,483	24,145	21,357	21,300	18,900	12,750	-	-
Total contributions	90,295	77,213	69,138	61,411	57,033	57,267	55,564	47,981	33,903	33,109
Contribution deficiency (excess)	\$ (11,796)	\$ (5,000)	\$ (7,681)	\$ (1,945)	\$ (1,532)	\$ (3,056)	\$ (38)	\$ 2,796	\$ (2,658)	\$ (4,948)
Covered Employee Payroll	\$ 453,673	\$ 433,105	\$ 401,451	\$ 377,207	\$ 360,891	\$ 364,154	\$ 371,440	\$ 356,676	\$ 345,231	\$ 333,166
Contributions as a Percent of Covered Payroll	19.90%	17.83%	17.22%	16.28%	15.80%	15.73%	14.96%	13.45%	9.82%	9.94%

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

## Notes to the Schedules

### Changes of Benefit and Funding Terms

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

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

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

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

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

2013: The 2013 session of the Nebraska legislature enacted Legislative Bill 553 (LB 553), which increased the member's contribution rate from 9.3% of pay to 9.78% of pay. The District's contribution rate is equal to 101% of the employee contribution rate so the District's contribution rate increased from 9.393% of pay to 9.878% of pay. The State contribution rate also increased permanently from 1% (plus \$973,301) to 2% of payroll, effective July 1, 2014. LB 553 also created a new benefit structure for members hired on or after July 1, 2013 with the same benefit structure as pre-July 1, 2013 hires except annual cost of living adjustments are the lesser of 1% or CPI and final average compensation is defined as 1/60 of the total compensation received during the five fiscal years of highest compensation.



**Changes in Actuarial Assumptions****1/1/2024 valuation:**

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

**1/1/2023 valuation:**

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

**1/1/2022 valuation:**

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

**1/1/2019 valuation:**

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

1/1/2017 valuation:

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

9/1/2013 valuation:

- The one-year age set forward in mortality rates for active male employees was eliminated.
- Classified members’ retirement rates were adjusted.
- Vested certificated members’ assumption to elect a refund of contributions was adjusted at certain ages.
- The assumed interest rate credited on member contribution accounts was lowered from 7% to 3%.

# Douglas County School District #0001

Omaha, Nebraska

Notes to the Schedule of Changes in Net Pension Liability and Related Ratios  
and Schedule of Employer Contributions  
(Dollars in thousands)  
August 31, 2024

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

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

The following actuarial methods and assumptions were used to determine the Actuarially Determined Contribution reported for the most recent Measurement Date, December 31, 2023 (based on the January 1, 2023 actuarial valuation).

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Layered basis with the Legacy base amortized over a closed 30-year period beginning January 1, 2019. Subsequent bases established prior to January 1, 2022, are amortized over a closed 30-year period beginning on the valuation date. All bases established on or after January 1, 2022, are amortized over a closed 25-year period beginning on the valuation date.
Asset valuation method	Market related smoothed value
Price inflation	2.60%
Salary increases, including wage inflation	3.10% to 6.50%
Long-term rate of return, net Of investment expense, and including inflation	7.30%
Cost-of-living adjustments	1.50% if hired before July 1, 2013 1.00% if hired on or after July 1, 2013 Medical COLA of \$10/month for each year retired (max \$250/month), if hired before July 1, 2016



Other Supplementary Information  
August 31, 2024

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

## Douglas County School District #0001

Omaha, Nebraska

Budgetary Comparison Schedule

Special Building Fund

(Dollars in thousands)

Year Ended August 31, 2024

Function	Final Adopted Budget	Actual Amounts Budgetary Basis	Variance With Final Budget
FUND BALANCE, Beginning of year	\$ 25,961	\$ 25,961	\$ -
RECEIPTS			
Taxes			
1110 Property taxes - general purpose	17,678	15,258	(2,420)
1115 Carline tax	3	3	-
1410 Interest	1,600	1,489	(111)
1990 Other local receipts	325	281	(44)
3990 Other state receipts	27	1,490	1,463
5100 Sale of bonds	-	-	-
5690 Other nonrevenue receipts	2,947	584	(2,363)
Total receipts	22,580	19,105	(3,475)
DISBURSEMENTS			
2515-300 Purchased services	-	6,475	(6,475)
2515-500 Capital outlay	-	49	(49)
2515-520 Building acquisition and improvements	28,585	6,312	22,273
2515-600 Other expenses	-	60	(60)
5000-607 Repayment of taxes paid	15	34	(19)
Total disbursements	28,600	12,930	15,670
(DEFICIENCY) EXCESS OF RECEIPTS (UNDER) OVER DISBURSEMENTS	(6,020)	6,175	12,195
FUND BALANCE, end of year	\$ 19,941	\$ 32,136	\$ 12,195

## Douglas County School District #0001

Omaha, Nebraska

Budgetary Comparison Schedule

Debt Service Fund

(Dollars in thousands)

Year Ended August 31, 2024

Function	Final Adopted Budget	Actual Amounts Budgetary Basis	Variance With Final Budget
FUND BALANCE, Beginning of year	\$ 40,132	\$ 40,132	\$ -
RECEIPTS			
Taxes			
1110 Property taxes - general purpose	52,728	47,997	(4,731)
1115 Carline tax	11	11	-
3130 Homestead exemption	-	1,935	1,935
3180 Pro-rate motor vehicle	107	100	(7)
1410 Interest	16,421	1,038	(15,383)
1990 Other local receipts	921	841	(80)
3990 Other state receipts	4	4	-
Total receipts	70,192	51,926	(18,266)
DISBURSEMENTS			
5000-607 Repayment of taxes paid	200	120	80
5000-610 Redemption of principal	24,080	17,465	6,615
5000-620 Debt service interest	30,039	30,475	(436)
5000-690 Other miscellaneous expense	-	-	-
Total disbursements	54,319	48,060	6,259
EXCESS OF RECEIPTS OVER DISBURSEMENTS	15,873	3,866	(12,007)
FUND BALANCE, end of year	\$ 56,005	\$ 43,998	\$ (12,007)

## Douglas County School District #0001

Omaha, Nebraska

Budgetary Comparison Schedule

Qualified Capital Purpose Fund

(Dollars in thousands)

Year Ended August 31, 2024

Function	Final Adopted Budget	Actual Amounts Budgetary Basis	Variance With Final Budget
FUND BALANCE, Beginning of year	\$ 3,917	\$ 3,917	\$ -
RECEIPTS			
Local Sources			
Taxes			
1110 Property taxes - general purpose	6,222	3,800	(2,422)
1115 Carline tax	14	1	(13)
3130 Homestead exemption	-	149	149
3180 Pro-rate motor vehicle	104	25	(79)
1410 Interest	3	-	(3)
1990 Other local receipts	2,739	56	(2,683)
Total receipts	9,082	4,031	(5,051)
DISBURSEMENTS			
5000-607 Repayment of taxes paid	25	10	15
5000-610 Redemption of principal	3,086	2,631	455
5000-620 Debt service interest	2,253	988	1,265
Total disbursements	5,364	3,629	1,735
EXCESS OF RECEIPTS OVER DISBURSEMENTS	3,718	402	(3,316)
FUND BALANCE, end of year	\$ 7,635	\$ 4,319	\$ (3,316)

## Douglas County School District #0001

Omaha, Nebraska

Budgetary Comparison Schedule

Student Fee Funds

(Dollars in thousands)

Year Ended August 31, 2024

<u>Function</u>		<u>Final Adopted Budget</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget</u>
	FUND BALANCE, Beginning of year	\$ 46	\$ 46	\$ -
	RECEIPTS			
	Local Sources			
1741	Extracurricular activity fees	<u>2,816</u>	<u>2,993</u>	<u>177</u>
	DISBURSEMENTS			
2100-600	Other expenses	<u>3,000</u>	<u>3,000</u>	<u>-</u>
	DEFICIENCY OF RECEIPTS UNDER DISBURSEMENTS	<u>(184)</u>	<u>(7)</u>	<u>177</u>
	FUND BALANCE, end of year	<u>\$ (138)</u>	<u>\$ 39</u>	<u>\$ 177</u>



## Douglas County School District #0001

Omaha, Nebraska

Budgetary Comparison Schedule

Activity Funds

(Dollars in thousands)

Year Ended August 31, 2024

Function	Final Adopted Budget	Actual Amounts Budgetary Basis	Variance With Final Budget
FUND BALANCE, Beginning of year	\$ 2,400	\$ 2,400	\$ -
RECEIPTS			
1410 Interest	-	2	2
1710 Activities receipts	-	958	958
1990 Other local receipts		1,646	1,646
5690 Other nonrevenue receipts	4,640	5,555	915
Total receipts	4,640	8,161	3,521
DISBURSEMENTS			
2515-300 Purchased services	-	1,295	(1,295)
2515-400 Supplies and materials	-	1,181	(1,181)
2515-600 Other expenses	6,500	4,889	1,611
Total disbursements	6,500	7,365	(865)
(DEFICIENCY) EXCESS OF RECEIPTS (UNDER) OVER DISBURSEMENTS	(1,860)	796	2,656
FUND BALANCE, end of year	\$ 540	\$ 3,196	\$ 2,656

## Douglas County School District #0001

Omaha, Nebraska

Budgetary Comparison Schedule

ESU No. 19 Fund

(Dollars in thousands)

Year Ended August 31, 2024

Function	Final Adopted Budget	Transfers In (Out)	Revised Budget	Actual Amounts Budgetary Basis	Variance With Final Budget
FUND BALANCE, Beginning of year	\$ 14,763	\$ -	\$ 14,763	\$ 14,763	\$ -
RECEIPTS					
1000 Local sources	16,394	-	16,394	16,320	(74)
3000 State sources	2,823	-	2,823	3,213	390
4000 Federal sources	-	-	-	523	
5000 Nonrevenue receipts	2,331	-	2,331	2,494	163
Total receipts	21,548	-	21,548	22,550	479
DISBURSEMENTS					
2100 Student non-instructional support services	3,593	-	3,593	3,523	70
2200 Support services - staff	668	-	668	668	-
2300 Board of control and general administration	17	-	17	42	(25)
2900 Materials and equipment services	1,431	(57)	1,374	1,372	2
3550 Core services & technology infrastructure	17,586	(105)	17,481	16,493	988
5000 Debt service	105	57	162	6	156
Total disbursements	23,400	(105)	23,295	22,104	1,191
(DEFICIENCY) EXCESS OF RECEIPTS (UNDER) OVER DISBURSEMENTS	(1,852)	105	(1,747)	446	1,670
FUND BALANCE, end of year	\$ 12,911	\$ 105	\$ 13,016	\$ 15,209	\$ 1,670

## Douglas County School District #0001

Omaha, Nebraska

Budgetary Comparison Schedule

KIOS Fund

(Dollars in thousands)

Year Ended August 31, 2024

<u>Function</u>		<u>Final Adopted Budget</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget</u>
	FUND BALANCE, Beginning of year	\$ 730	\$ 730	\$ -
	RECEIPTS			
	Local Sources			
1410	Interest	-	8	8
1925	Categorical grants from corporations	1,250	-	(1,250)
1990	Other local receipts	-	772	772
	Total local sources	<u>1,250</u>	<u>780</u>	<u>(470)</u>
	Nonrevenue receipts			
5690	Other nonrevenue receipts	-	48	(48)
	Total receipts	<u>1,250</u>	<u>828</u>	<u>(518)</u>
	DISBURSEMENTS			
	Support services			
2200	Staff	<u>1,250</u>	<u>1,133</u>	<u>117</u>
	DEFICIENCY OF RECEIPTS UNDER DISBURSEMENTS	<u>-</u>	<u>(305)</u>	<u>(305)</u>
	FUND BALANCE, end of year	<u>\$ 730</u>	<u>\$ 425</u>	<u>\$ (305)</u>

## Douglas County School District #0001

Omaha, Nebraska

Budgetary Comparison Schedule

Depreciation Funds

(Dollars in thousands)

Year Ended August 31, 2024

<u>Function</u>		<u>Final Adopted Budget</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget</u>
	FUND BALANCE, Beginning of year	\$ 75,784	\$ 75,784	\$ -
	RECEIPTS			
1410	Interest	-	2,839	2,839
5500	Transfers from general fund	104	70	(34)
	Total receipts	104	2,909	2,805
	DISBURSEMENTS			
2500-500	Capital outlay	46,000	6,782	39,218
	DEFICIENCY OF RECEIPTS UNDER DISBURSEMENTS	(45,896)	(3,873)	42,023
	FUND BALANCE, end of year	\$ 29,888	\$ 71,911	\$ 42,023

## Douglas County School District #0001

Omaha, Nebraska

Budgetary Comparison Schedule

Employee Benefit Fund

(Dollars in thousands)

Year Ended August 31, 2024

Function	Final Adopted Budget	Actual Amounts Budgetary Basis	Variance With Final Budget
FUND BALANCE, Beginning of year	\$ 16,005	\$ 16,005	\$ -
RECEIPTS			
1410 Interest	-	121	121
5500 Transfers from general fund	-	5,637	5,637
5690 Other nonrevenue receipts	417	1,788	1,371
Total receipts	417	7,546	7,129
DISBURSEMENTS			
2500-200 Employee benefits	15,300	8,017	7,283
DEFICIENCY OF RECEIPTS UNDER DISBURSEMENTS	(14,883)	(471)	14,412
FUND BALANCE, end of year	\$ 1,122	\$ 15,534	\$ 14,412

## Douglas County School District #0001

Omaha, Nebraska

Budgetary Comparison Schedule

Contingency Fund

(Dollars in thousands)

Year Ended August 31, 2024

<u>Function</u>		<u>Final Adopted Budget</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget</u>
	FUND BALANCE, Beginning of year	\$ 21,872	\$ 21,872	\$ -
	RECEIPTS			
1410	Interest	-	839	839
5500	Transfers from general fund	2,785	1,638	(1,147)
	Total receipts	2,785	2,477	(308)
	DISBURSEMENTS			
2310-643	Judgments/settlements	20,200	3,131	17,069
	DEFICIENCY OF RECEIPTS UNDER DISBURSEMENTS	(17,415)	(654)	16,761
	FUND BALANCE, end of year	\$ 4,457	\$ 21,218	\$ 16,761

## Douglas County School District #0001

Omaha, Nebraska

Budgetary Comparison Schedule

School Lunch Fund

(Dollars in thousands)

Year Ended August 31, 2024

Function	Final Adopted Budget	Actual Amounts Budgetary Basis	Variance With Final Budget
FUND BALANCE, Beginning of year	\$ 35,868	\$ 35,868	\$ -
RECEIPTS			
1410 Interest	2	1,612	1,610
1720 Sale of lunches/milk	2,601	733	(1,868)
1990 Other local receipts	-	78	78
3150 State reimbursement	183	211	28
4800 Federal reimbursement	13,344	38,129	24,785
4945 Child and adult food care program	984	1,344	360
5690 Other nonrevenue receipts	-	38	38
Total receipts	17,114	42,145	25,031
DISBURSEMENTS			
2100-100 Salaries	14,846	12,004	2,842
2100-200 Employee benefits	3,840	5,781	(1,941)
2100-300 Purchased services	3,276	2,702	574
2100-400 Supplies and materials (excluding food)	3,186	2,210	976
2100-470 Food	20,322	16,420	3,902
2100-500 Capital outlay	5,820	1,617	4,203
2100-600 Other expenses	32	30	2
Total disbursements	51,322	40,764	10,558
(DEFICIENCY) EXCESS OF RECEIPTS (UNDER) OVER DISBURSEMENTS	(34,208)	1,381	35,589
FUND BALANCE, end of year	\$ 1,660	\$ 37,249	\$ 35,589

## Douglas County School District #0001

Omaha, Nebraska

Budgetary Comparison Schedule

Cooperative Fund

(Dollars in thousands)

Year Ended August 31, 2024

Function		Final Adopted Budget	Actual Amounts Budgetary Basis	Variance With Final Budget
FUND BALANCE, Beginning of year		\$ (7)	\$ (7)	\$ -
RECEIPTS				
1990	Other local receipts	-	627	627
5690	Other nonrevenue receipts	1,500	144	(1,356)
Total receipts		1,500	771	(729)
DISBURSEMENTS				
1160-110	Salary - teachers	-	453	(453)
1160-140	Salary - clerical and paraprofessional staff	-	5	(5)
1160-200	Employee benefits	-	144	(144)
1160-300	Purchased services	-	10	(10)
1160-400	Supplies and materials	-	119	(119)
1160-600	Other expenses	-	4	(4)
2510	General administration - business services	1,500	2	1,498
4990	Other federal categorical expenses	-	1	(1)
Total disbursements		1,500	738	762
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS		-	33	33
FUND BALANCE, end of year		\$ (7)	\$ 26	\$ 33



Douglas County School District #0001  
Omaha, Nebraska  
Schedule of Expenditures of Federal Awards  
Year Ended August 31, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-through Entity Identifying Number	Expenditures	Passed Through to Subrecipients
Department of Agriculture				
Child Nutrition Cluster				
<i>Passed through Nebraska Department of Education</i>				
School Breakfast Program	10.553	13898414	\$ 9,316,448	\$ -
National School Lunch Program	10.555	13898414	27,110,999	-
Summer Food Service Program for Children	10.559	13898114	990,823	-
Local Food for Schools	10.185	13898114	6,470	-
Fresh Fruit and Vegetable Program	10.582	13897314	703,916	-
<i>Passed through Nebraska Department of Health and Human Services</i>				
School Breakfast Program (noncash)	10.553	47600262900	2,752,137	-
Total Child Nutrition Cluster			\$ 40,880,793	-
<i>Passed through Nebraska Department of Education</i>				
Child and Adult Food Care Program	10.558	13899414	1,343,842	-
Total Department of Agriculture			\$ 42,224,635	-
Department of Defense				
ROTC Language and Culture Training Grants	12.357	N/A	653,379	-
Department of Education				
Indian Education Grants to Local Educational Agencies	84.060A	N/A	189,624	-
<i>Passed through Nebraska Department of Education</i>				
Title I Grants to Local Educational Agencies	84.010A	24-6200-00-19-028-0001	27,180,392	-
Title I Grants to Local Educational Agencies	84.010	24-6230-00-19-028-0001	203,061	-
Title I Grants to Local Educational Agencies	84.010	23-6122-XX-19-028-0001	3,020,446	-
Total Title I Grants to Local Educational Agencies			30,403,899	-
Migrant Education State Grant Program	84.011	24-6915-00-19-028-0001	999,831	-
Special Education Cluster				
Special Education Grants to States	84.027	24-6408-00-19-028-0001	17,422,969	-
Special Education Grants to States	84.027	24-6418-132-28-0001P	357,237	-
COVID-19 Special Education Grants to States	84.027	24-6412-00-19-028-0001	628,949	-
COVID-19 Special Education Preschool Grants	84.173	24-6406-00-19-028-0001	270,444	-
Total Special Education Cluster			18,679,599	-
Career and Technical Education - Basic Grants to States	84.048	22-6700-00-19-028-0001	1,006,453	-
Special Education - Grants for Infants and Families	84.181	22-6416-00-19-028-0001	37,611	-
Education for Homeless Children and Youth	84.196	22-6991-00-19-028-0001	202,624	-
English Language Acquisition State Grants	84.365A	22-6925-00-19-028-0001	2,752,488	-
Supporting Efection Instruction State Grants	84.367A	22-6310-00-19-028-0001	1,915,943	-
Student Support and Academic Enrichment	84.424A	24-6969-00-19-028-0001	1,637,149	-
Student Support and Academic Enrichment	84.424A	23-6424-00-19-028-0001	264,990	-
Total Student Support and Academic Enrichment			1,902,139	-
COVID-19 Education Stabilization Fund	84.425D	21-6997-00-19-028-0001	19,693,505	-
COVID-19 Education Stabilization Fund	84.425U	21-6998-00-19-028-0001	124,979,965	-
COVID-19 Education Stabilization Fund	84.425W	22-6993-00-19-028-0001	87,817	-
COVID-19 Education Stabilization Fund	84.425W	22-6993-00-19-028-0001	838,767	-
Total COVID-19 Education Stabilization Fund			145,600,054	-
Total Department of Education			203,690,265	-
Department of Health and Human Services				
Head Start Cluster				
Head Start	93.600	N/A	9,207,498	3,404,366
COVID-19 Head Start	93.600	N/A	17,511	9,298
COVID-19 Head Start	93.600	N/A	207,576	207,532
Total Head Start Cluster			9,432,585	3,621,196
<i>Passed through Nebraska Department of Education</i>				
Refugee School Impact Grant	93.566	23-4530-00-028-0001	255,075	-
<i>Passed through Nebraska Department of Health and Human Services</i>				
Refugee School Impact Grant	93.566	2101NERSSS	119,880	-
Refugee School Impact Grant	93.566	2201NERSSS	114,701	-
Refugee School Impact Grant	93.566	2301NERSSS	26,740	-
Total Refugee School Impact Grant			516,396	-
Medical Assistance Program	93.778	052105NE5ADM	725,337	-
Total Department of Health and Human Services			10,674,318	3,621,196
Total Federal Financial Assistance			\$ 257,242,597	\$ 3,621,196

**Note 1 – Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the District under programs of the federal government for the year ended August 31, 2024. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position or fund balance of the District.

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

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

**Note 3 – Indirect Cost Rate**

The District has not elected to use the 10% de minimis cost rate.

**Note 4 – Food Donation**

Nonmonetary assistance is reported in this schedule at the fair market value of commodities received and disbursed. At August 31, 2024 the District had food commodities totaling \$2,640,387 in inventory.



Additional Reports  
August 31, 2024

# Douglas County School District #0001 Omaha, Nebraska



**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Douglas County School District #0001 ("the District"), as of and for the year ended August 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 18, 2025.

**Report on Internal Control over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District'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 have not been identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001, that we consider to be a material weakness.

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

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

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

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

## **Purpose of this Report**

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

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Omaha, Nebraska  
March 18, 2025



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

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

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

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

We have audited Douglas County School District #0001 ("the District")'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2024.

#### ***Basis for Opinion on Each Major Federal Program***

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

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

#### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

### **Report on Internal Control over Compliance**

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

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

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

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

A handwritten signature in cursive script that reads "Eide Sallie LLP".

Omaha, Nebraska  
March 18, 2025



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

**FINANCIAL STATEMENTS**

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	None reported
Noncompliance material to financial statements noted?	No

**FEDERAL AWARDS**

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	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 Uniform Guidance 2 CFR 200.516(a):	No

**Identification of major programs:**

<u>Name of Federal Program</u>	<u>Federal Assistance Listing Number</u>
Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D/84.425U/ 84.425W
Title I Grants to Local Educational Agencies	84.010/84.010A
Dollar threshold used to distinguish between Type A and Type B programs:	\$ 3,000,000
Auditee qualified as low-risk auditee?	No

**Section II – Financial Statement Findings****2024-001      Preparation of Financial Statements, Including Adjusting Journal Entries and Correction of Error Material Weakness**

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

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

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

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

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

*Views of Responsible Officials:* Management is aware of this deficiency in internal control over financial reporting and adjusting journal entries. Management will review and revise where necessary the processes for preparing financial statements and adjust account balances for reporting. This review will focus on areas that inhibit the timely and accurate preparation of the District's financial statements and will include:

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

Management expects this finding to be resolved by August 31, 2025.

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

None reported.