

**HUMBOLDT COUNTY  
SCHOOL DISTRICT  
JUNE 30, 2019**

# HUMBOLDT COUNTY SCHOOL DISTRICT ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2019

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ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2019**

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## Independent Auditor's Report

To the Board of Trustees of the  
Humboldt County School District  
Humboldt County, Nevada

### *Report on the Financial Statements*

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Humboldt County School District, Humboldt County, Nevada (the "District"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Special Education Fund, Federal Grants Fund, and the State Grants Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4a through 4m, budgetary comparison information on pages 14 through 17, and the schedules related to other post-employment benefits and pensions beginning on page 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other 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 combining and individual nonmajor fund financial statements and schedules, including budgetary comparisons, the auditor's comments for the year ended June 30, 2019, and the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, including budgetary comparisons, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with

auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, including budgetary comparisons, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The auditor's comments have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2019, 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.

*Blake Row* : Associates, LLC

Winnemucca, Nevada  
October 31, 2019



**Humboldt County School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019**

Humboldt County School District's management discussion and analysis is designed to accomplish the following objectives: (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the District's financial activities, (c) identify changes in the District's financial position (its ability to address the next and subsequent years' challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

We encourage readers to review this information in conjunction with the financial statements and notes to gain a more comprehensive picture of the information presented.

**Financial Highlights**

- The auditor's report offers an unqualified opinion on the financial statements, the highest opinion that can be attained.
- As of June 30, 2019, Government-wide Net Position was at (\$16.1) million, up \$2.3 million from the beginning balance of (\$18.4) million.
- The District's total revenues were \$46.8 million. The greatest revenue sources included property tax (Ad Valorem) at \$11.6 million, local school support taxes (sales tax) at \$11.9 million, non-restricted state aid at \$9.2 million, and operating grants and contributions at \$10.5 million. The Governmental Services taxes were \$1.8 million.
- The District's total expenses increased from \$40.3 million to \$44.5 million. The greatest expenses were in regular instruction at \$20.2 million, special education instruction at \$5.6 million, and operation and maintenance at \$5 million.
- Net capital assets increased from \$29.2 million to \$30.5 million. The major additions to the District's capital assets were HVAC projects, Electrical Upgrade projects, Exterior building resurfacing projects and Playground installations. In addition, the District enhanced its capital assets through the purchase of a school bus and fleet vehicles. Depreciation is reflected on all District-owned assets and current infrastructure is recorded. Depreciation expense totaling \$2.1 million is included in the government-wide statements.
- The District's General Fund ending balance is \$6,231,373, which represents a \$.9 million decrease from the previous year's ending fund balance of \$7,147,615. This decrease in ending fund balance is the result of a slight decrease in overall revenue of \$2.6 million and an increase in expenses of \$.8 million over the prior year.

## **Government-wide Financial Statements**

The government-wide financial statements are designed to provide an overview of the District's finances, in a manner similar to a private-sector business.

The statement of Net Position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful 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 the related cash flows. Thus, revenues and expenses are reported in the statement despite the fact that some items will only result in cash flows in future fiscal periods.

In many government entities, the government-wide financial statements distinguish functions that are supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges by reporting them as business-type activities. The District currently has no business-type activities, thus the entire report represents governmental activities.

## **Fund Financial Statements**

The Fund Financial Statements presentation is more common. 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's funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

*Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide statements described above. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. To provide a better understanding of the relationship between the fund statements and the government-wide statements, both the governmental fund balance sheet and governmental fund statement of revenues, expenditures and changes in fund balances provide reconciliations between the two statement types.

The focus of the governmental fund statements is on major funds. The District has 13 individual governmental funds of which the General Fund, Special Education Fund, Federal Grants Fund, State Grants Fund, and Debt Service Fund are considered major. These funds are disclosed separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances. The remaining 8 non-major governmental funds are combined into a single aggregated presentation in these statements. Individual fund data for each of these non-major funds is reported in combining statements in this report.

*Proprietary funds* are comprised of enterprise funds and internal service funds. As reported previously, the District has no business-type activities to be accounted for in enterprise funds. Internal service funds are used to accumulate and allocate costs internally among the District's various programs and functions. The District uses an internal service fund to account for unemployment insurance costs. Beginning July 1, 2012, the district elected to become self-insured for Worker's Compensation Insurance and added an internal service fund to account for Worker's Comp insurance costs. Because internal service fund operations primarily benefit governmental funds, they are included in the governmental fund activities column in the government-wide statements.

The internal service funds are presented in the proprietary fund financial statement. Individual fund data for internal service funds are also provided in the combining statements in this report.

*Fiduciary funds* account for resources held for other governments or individuals outside of the District. As these resources do not support District activities, they are not included in the government-wide statements.

## **Notes to the Financial Statements**

The notes provide required disclosure and information necessary to understand the District's activities.

### **Other**

The individual fund statements, which provide budget to actual comparisons, are presented as supplementary information after the other government-wide financial statements. These schedules test compliance with budgetary constraints and management directives to enhance accountability at the fund and function level.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The government-wide financial statements are designed to provide readers with an overview of the District's financial position.

The following table illustrates the changes in net position in the fiscal year ending in June 2019. In order to enhance analysis, comparative information is provided for assets, deferred outflows, liabilities, deferred inflows, net position, revenues, and expenses.

## HUMBOLDT COUNTY SCHOOL DISTRICT'S NET POSITION

	2019	2018
<b>Assets</b>		
Current and other assets	\$15,270,957	\$15,516,676
Net capital assets	30,578,302	29,176,805
Total assets	45,789,259	44,693,481
 <b>Deferred Outflows of Resources</b>		
Related to pension liabilities	11,705,998	9,943,906
Other postemployment benefits related amounts	457,656	430,374
Total deferred outflows of resources	12,163,654	10,374,280
 <b>Liabilities</b>		
Current liabilities	6,536,386	5,676,337
Long-term liabilities	58,084,731	55,436,470
Total liabilities	64,621,117	61,112,807
 <b>Deferred Inflows of Resources</b>		
Related to pension liabilities	9,060,167	11,950,389
Other postemployment benefits related amounts	372,777	414,899
Total deferred inflows of resources	9,432,944	12,365,288
 <b>Net Position</b>		
Invested in capital assets, net of related debt	28,440,302	26,919,742
Restricted	5,077,597	6,198,837
Unrestricted	(49,619,047)	(51,528,913)
Total Net Position	(\$16,101,148)	(\$18,410,334)

For more detailed information, see the Government-Wide Statement of Net Position and the Notes to the Financial Statements.

**Net Position:** The District's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$16.1 million on June 30, 2019. This deficit is due in large part to the adoption of GASB 75 to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions and also GASB 82 requirement to record PERS liabilities. The largest portion of the net position reflects its investment in capital assets (e.g., land, buildings and equipment) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; therefore, they are not available for future spending. Although the investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since capital assets cannot be used to liquidate these liabilities.

Governmental activities decreased the District's net position by \$2.3 million. The details of the changes are noted in the following table:

## HUMBOLDT COUNTY SCHOOL DISTRICT CHANGE IN NET POSITION

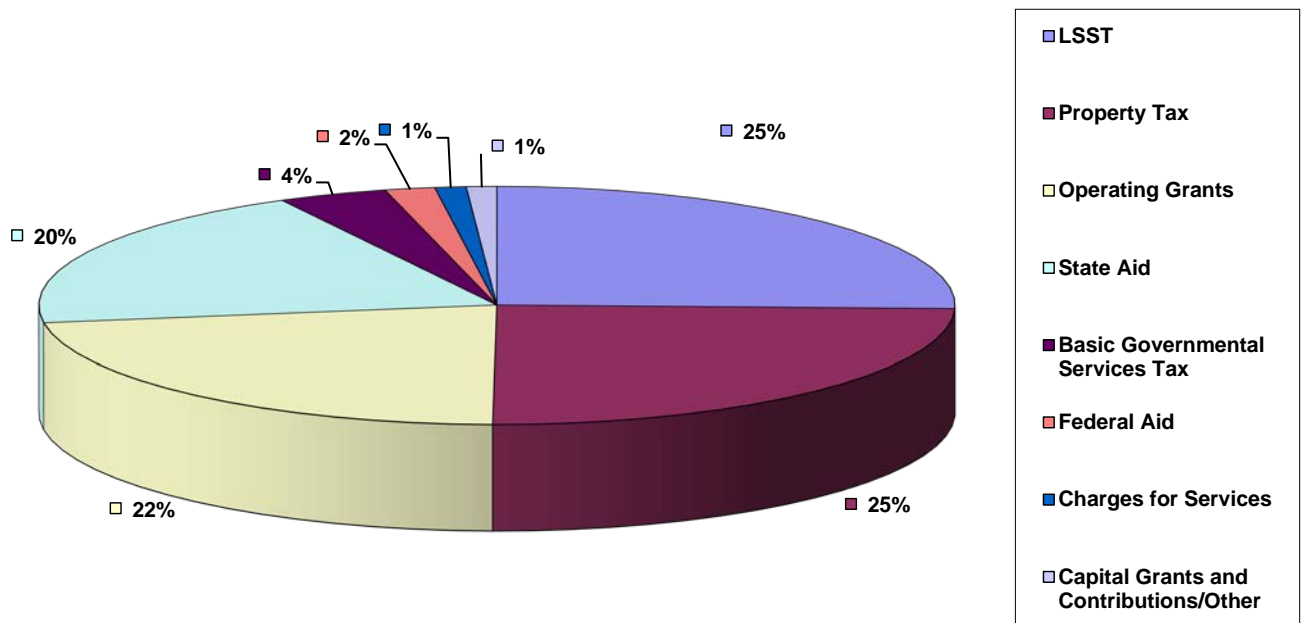
	<u>2019</u>	<u>2018</u>
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 366,969	\$ 382,744
Operating grants and contributions	10,520,160	9,259,031
Capital Grants and Contributions	65,606	-
General revenues:		
Property taxes	11,550,583	12,401,152
Local school support taxes	11,937,770	10,167,895
Government service taxes	1,810,427	1,689,235
Unrestricted investment earnings	148,262	59,479
State aid not restricted to specific purposes	9,186,736	12,838,071
Federal aid not restricted to specific purposes	826,498	755,865
Other	433,555	234,813
Total revenues	<u>\$ 46,846,566</u>	<u>\$ 47,788,285</u>
<b>Expenses</b>		
Instruction:		
Regular instruction	20,229,370	17,771,463
Special instruction	5,586,204	4,735,048
Vocational instruction	1,105,057	1,035,076
Other instruction	1,254,823	1,235,159
Co-curricular/athletics	690,982	640,740
Adult education	145,446	115,444
Community service	54,683	1,225
Support services:		
Student support	1,045,940	1,091,756
Instructional staff support	855,327	738,172
General administration	1,268,008	1,234,716
School administration	2,798,657	2,492,068
Administration support	730,368	630,520
Operation and maintenance	5,009,316	4,812,326
Student transportation	1,026,803	1,192,771
Facilities acquisition and construction	1,463,764	1,287,358
Other support	18,734	16,203
Food services	1,128,920	1,140,839
Interest on long-term debt	124,978	102,300
Total expenses	<u>\$ 44,537,380</u>	<u>\$ 40,273,184</u>
Increase/(Decrease) in Net Position	\$ 2,309,186	\$ 7,515,101
Net Position July 1	<u>\$ (18,410,334)</u>	<u>\$ (25,925,435)</u>
Net Position June 30	<u>\$ (16,101,148)</u>	<u>\$ (18,410,334)</u>

**Total Revenues:** Total revenue decreased 2% when compared to the previous year's revenue. General revenues mainly comprised of taxes, federal aid, unrestricted state aid, local sources and investment earnings, represented 76.6% of total revenue. Program revenues are revenues directly related to service activities of a function and include charges for services, grants and contributions, and related investment earnings, when restricted for use in programs.

**General Revenues:** General revenues decreased by 5.9% from the prior fiscal year due mostly to decreased State Aid.

**Program Revenues:** Program revenues related to specific functions provided approximately 24.6% of the resources necessary to pay costs of providing program services. Program revenues are generally grant funding with limited longevity. The remaining program costs were financed from general revenues.

### REVENUES BY SOURCE – GOVERNMENTAL ACTIVITIES



#### Governmental Activities

- The largest revenue sources for the District are property taxes (Ad Valorem), Local School Support Taxes (LSST) and Operating grants. These funds comprised 72.6% of total revenues.
- Combined Ad Valorem taxes decreased by 6.9% from the prior year. Property tax Ad Valorem decreased by 1.2% while net mine proceeds decreased from \$3.4 million to \$2.6 million.

- Local School Support Taxes (LSST) increased by 17.4% in response to increased taxable sales.
- State revenue, as provided through the Nevada Plan (State aid guaranteed funding), decreased to \$9.2 million from \$12.8 million last year funding as a result of decreased per pupil funding levels and the formula used to calculate DSA.

**FINANCIAL ANALYSIS OF THE DISTRICT’S MAJOR FUNDS**

The Humboldt County School District uses fund accounting and budgetary integration to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds:** The focus of the District’s governmental funds is to provide information on current inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District’s current funding requirements. In particular, unrestricted fund balance may serve as a useful measure of net resources available for spending at the end of the fiscal year.

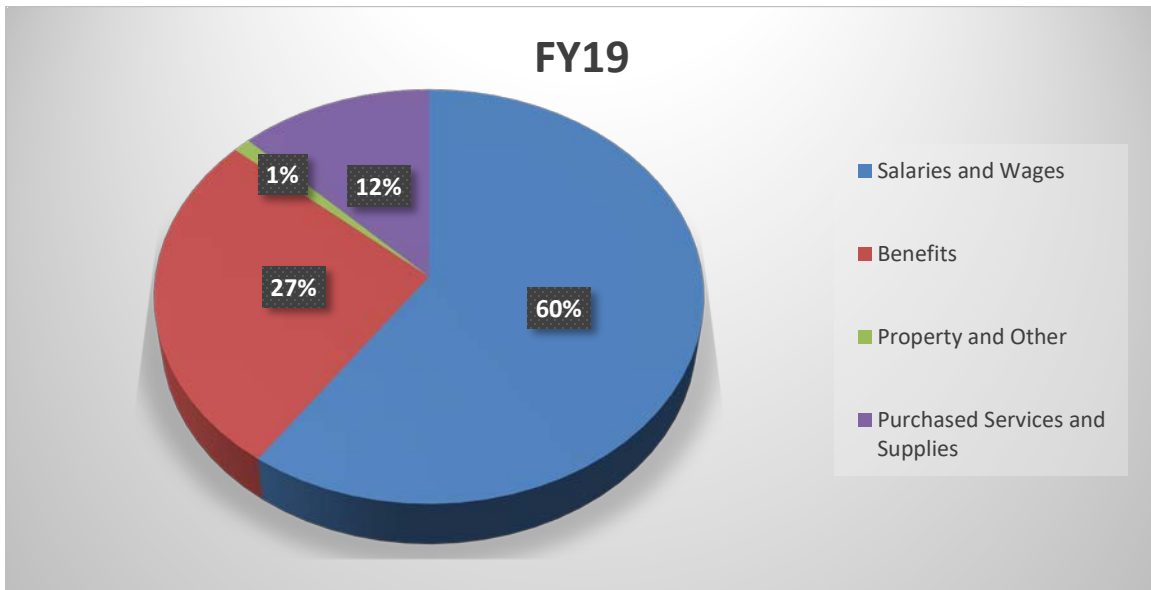
As of the current fiscal year, the District’s governmental funds provide combined ending fund balances of \$7.89 million, down from \$9.26 million last year.

In 1993 the State Legislature enacted legislation that required the special education program (previously accounted within the general fund) to be accounted for in a separate special revenue fund. Because of its size and relationship to the general fund, it is included in the following analysis:

**GENERAL AND SPECIAL EDUCATION FUNDS EXPENDITURES BY TYPE**

	<u>2019</u>	<u>2018</u>
Salaries	\$ 21,123,878	\$ 20,869,886
Benefits	9,417,051	8,874,701
Purchased Services	1,645,117	1,689,810
Supplies	2,757,646	2,622,899
Property	283,256	118,300
Other	113,240	107,223
Totals	<u>\$ 35,340,188</u>	<u>\$ 34,282,819</u>

## GENERAL AND SPECIAL EDUCATION FUNDS EXPENDITURES BY TYPE



- Salaries and wages comprise 59.8% of total expenditures. School Districts by their nature are labor intensive requiring a significant proportion of available funds.
- Employee benefits average 44.6% of salaries and wages and 26.7% of total expenditures. Benefits include contributions on the behalf of employees for retirement (Public Employees Retirement), health insurance, Medicare, life insurance and workers' compensation.
- Purchased services, supplies, other, and property comprise 13.6% of total expenditures.

**The General Fund** is the primary operating fund of the District. At the conclusion of the 2019 fiscal year, the unrestricted fund balance of the General Fund was \$3.60 million compared to \$3.68 million in the prior year and total fund balance was \$6.2 million compared to \$7.1 million in the prior year. As a measure of the General Fund's liquidity, it may be useful to compare both unrestricted fund balance and total fund balance to total fund expenditures. Unrestricted fund balance represents 11.5% of total fund expenditures while total fund balance represents 20% of that same amount.

The fund balance within the General Fund decreased by \$.9 million because of expenditures and transfers out exceeding revenues.

**The Special Education Fund** accounts for resources (state-aid, Medicaid and transfers from the General Fund) used to provide special education to eligible students. Resources and transfers totaled \$4.16 million; expenditures totaled \$4.16 million. Transfers from the general fund in the amount of \$2.29 million accounted for 55% of the resources in the fund. State aid totaled \$1.77 million.



**The Federal Grants Fund** is utilized to support a variety of student and support programs and projects such as professional development, curriculum development, and enhanced instruction in literacy, math, science, ELL, and special programs. The Federal Grants Fund had total revenue of \$4.5 million.

**The State Grants Fund** is utilized to support a variety of student and support programs and projects such as professional development, curriculum development, and enhanced instruction in literacy, math, science, ELL, Pre-K, Early Childhood, and special programs. The State Grants Fund had total revenue of just over \$2.7 million.

**The Debt Service Fund** has a total fund balance of \$.92 million, all of which is restricted for the payment of debt service and use in capital projects. There was a slight decrease in the fund balance of \$0.03 million due to more transfers for bond projects. A total of \$1.87 million was transferred to the District Bond Capital Projects fund for approved capital improvements and updates. The debt service fund's balance equals approximately three years' debt service requirement. The minimum fund balance required by state regulation is one year's requirement.

**District Bond Initiative Fund** is utilized in support of capital improvements and repairs. Funding is generated through the HC 1 bond proceeds. Funds are supported through voter approved property tax rate of 13.5 cents per \$100 of assessed valuation. This initiative has been approved by the voters through 2018 and extended to 2028 as a result of SB207 of the 2015 legislature session. Total expenditures were identified as \$2,043,741, with a fund balance of \$89,097 identified as of June 30<sup>th</sup> to support ongoing projects.

**Proprietary Funds:** The proprietary fund statements provide the same type of information found in the government-wide financial statements, but in greater detail. Beginning July 1, 2012, the district elected to make the transition from participation in the State POOL-PACT Worker's Comp Insurance to a Self-Insured Worker's Comp Fund. In the sixth year of operating the fund, revenues exceeded expenses, resulting in an ending net position of \$1,217,792.

The District's unemployment insurance fund finished the year with a net position of \$84,018.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

Prior to the beginning of the fiscal year, the District is required to adopt its original (tentative) budget on or before June 8. The District is required to amend the budget by January 1 of the fiscal year to reflect the official enrollment count and any state DSA adjustments made following the tentative budget. During the year, the Chief Financial Officer is authorized to transfer appropriations between accounts and funds, subject to the subsequent approval by the Board. The District may also augment the budget by a majority vote of the Board if resources actually available during the year exceed those estimated.

The District augmented the budget on December 11, 2018 to reflect actual enrollment and other adjustments in anticipated resources. The District again amended/augmented the budget on June 25, 2019. The significant changes from the original to the final budget are summarized below.

Historically, school districts in Nevada are funded in large part based on student enrollment at the end of the first school month. This funding mechanism was identified as a “count day.” However, during the 2015 legislative session, funding was shifted from this count day to an Average Daily Enrollment (ADE) analysis. The 2015-2016 school year represents the first year in which a shift in this funding mechanism was implemented. In reviewing the impact for Humboldt County School District during 2018-2019, the district saw an overall decrease in weighted enrollment of 119.42 students from the projected enrollment figure used for budgetary purposes.

Upon completion of the Final Financial Audit, as well as with an understanding of enrollment figures under the ADE calculation, the district takes the opportunity to adjust the final budget as part of the December August. At this time, budgeted resources showed an increase by a net total of \$3.3 million from the original budget with the majority to reflect the anticipation of increased federal revenue and adjust opening fund balances. Budgets were adjusted to reflect grant funding approved by grantor agencies and donations received from private parties.

While most revenue is fairly predictable, net proceeds of minerals (NPM) for the preceding fiscal year is not certified by the Department of Taxation until April 20<sup>th</sup> of the subsequent year. In response, state statute (NRS 387.195) was enacted requiring school districts to restrict current year net proceeds revenue for subsequent year expenditures. This year the District received \$2.57 million in net mine proceeds, which accounted for 41% of the overall \$6.2 million ending fund balance.

State DSA reflected a budgeted decrease of \$3,222,813. Overall, actual revenue was less than the final budgeted resources in the general fund for all sources by \$30,563 or .09%. The general fund actual expenditures were 6.1% below appropriations compared to 4.4% last year.

**Capital Assets and Debt Administration**

**Capital Assets**

The District enhanced its capital assets through purchases of tangible fixed assets comprised primarily of electrical upgrade projects and various other building and infrastructure improvements. Additional information on Humboldt County School District’s capital assets can be found in the notes to the financial statements of this report.

**HUMBOLDT COUNTY SCHOOL DISTRICT CAPITAL ASSETS  
(Net of Depreciation)**

	<b><u>2019</u></b>	<b><u>2018</u></b>
Land	\$ 1,215,700	\$ 1,215,700
Construction in progress	664,020	188,788
Buildings and improvements	21,720,921	22,524,491
Site improvements	1,697,696	1,090,968
Machinery and equipment	<u>5,219,965</u>	<u>4,156,858</u>
Total	<u>\$ 30,518,302</u>	<u>\$ 29,176,805</u>

## Debt Administration

The District's outstanding debt decreased slightly during the current fiscal year with the regularly scheduled payment. State statute (NRS 387.400) limits the amount of general obligation debt a school district may issue to 15% of its total assessed valuation. The district is significantly below this limit. Additional information on Humboldt County School District's long-term debt can be found in the notes to the financial statements of this report.

### HUMBOLDT COUNTY SCHOOL DISTRICT OUTSTANDING DEBT

	<u>2019</u>	<u>2018</u>
General Obligation Bonds	\$ 1,931,000	\$ 2,005,000
Medium Term Bonds	\$ 147,000	\$ 215,000
Notes Payable	<u>\$ -</u>	<u>\$ 37,063</u>
Total	<u>\$ 2,078,000</u>	<u>\$ 2,257,063</u>

### ECONOMIC FACTORS AND FISCAL IMPACT

By way of background information, the Humboldt County School District is a mid-size rural county school district in the State of Nevada. The District's funding primarily comes from local ad valorem, sales and government services taxes. Additionally, the State provides a basic support guarantee through a per pupil funding basis. With this background, the following factors are provided:

Humboldt County is on the verge of potentially significant countywide growth. Following the merger of Newmont and Barrick to form Nevada Gold, a local mine, Hycroft, is expanding its efforts and increasing employment. In addition, Lithium Nevada is on final BLM paperwork for the implementation of a Lithium mine located between Orovida and Kings River. In particular, this project has the potential of generating significant local tax revenues, in addition to increased numbers of employees, which may influence overall student enrollment figures. This all provides strong economic indicators following a trend of relatively stable gold prices, which have now approached \$1,500 per ounce after many years around \$200 lower. This increase, over projected tax payments provide the issuance of "true up" calculations, which have, and are anticipated to provide additional revenues. Despite these positive indicators, overall student enrollment figures have remained stagnant with slight decrease in overall enrollment figures. As a result, the district must carefully balance staffing patterns and expenditures to match enrollment trends.

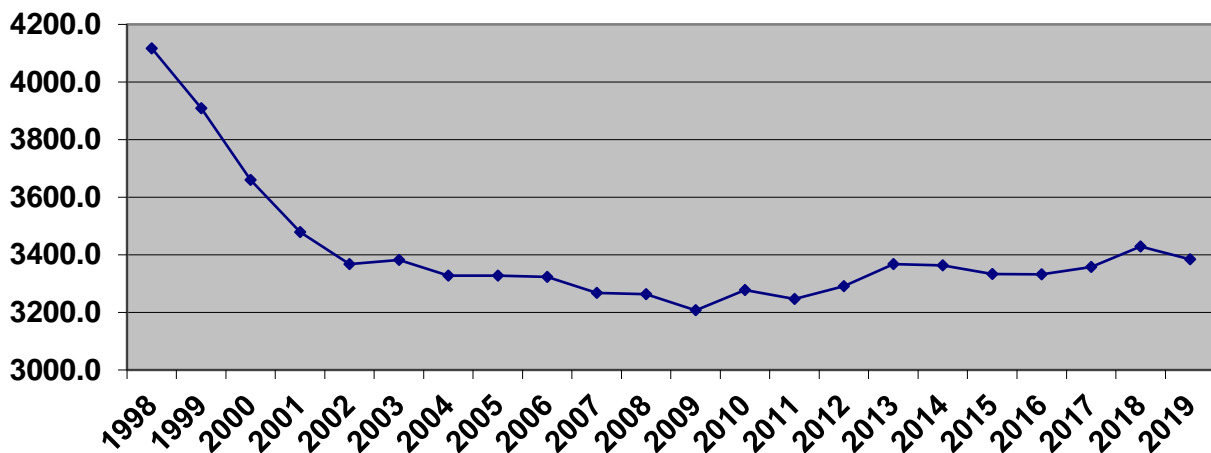
With the fluctuation of revenue streams, the current "Nevada Plan" is not designed to provide immediate adjustments. Rather, the district will see impacts as part of the upcoming fiscal year as budgets are developed and have the potential to decrease the state share of the formula. The impact of Nevada's funding formula is further impacted with the passage of SB 543 during the 2019 legislative session, Nevada's education funding formula is in the process of being revamped which has the potential to negatively impact rural school districts, including Humboldt County. However,

as the transition is defined and introduced over the next biennium, actual impacts on school districts, including Humboldt County, remain unknown.

The combination of the various factors, including increased gold prices, expansion of local mining companies, and the potential introduction of the new lithium mine, have the potential of providing positive impacts and enrollment figures over the next several years. This potential benefit will be impacted by the finalization of the new Pupil Centered Funding Plan (PCFP) as required and defined in SB 543 (2019).

Despite a general flat economic market in Humboldt County, HCSD is seeing a slight decreased trend in enrollment figures. The district closed out the 2018-2019 school year slightly lower than at the start, as previously noted, and the 2019-2020 school year has noted a continued slight reduction in enrollment figures. At the height of growth within the school district, a count day weighted enrollment of 4,117 was identified in 1998. By comparison, the average weighted enrollment during fiscal year 2019 was 3,384.58. Over a 21-year period, this reflects a decrease in weighted student enrollment of 732.42 students.

WEIGHTED COUNT DAY COMPARISON BY YEAR



The guaranteed basic support per pupil revenue amount as provided through the State's Distributive School Account (DSA) was \$7,324 resulting in a decrease of \$106 per pupil from the previous year final DSA allocation of \$7,430. The District was funded at an average weighted count of 3,384.58, a decrease of 44.47 in enrollment population from the prior year.

Presentation of final DSA numbers is of significance for several reasons: under NRS and in accordance with negotiated agreements with local bargaining groups, any reduction in personnel must be determined no later than May 1<sup>st</sup>; and as a result, contract agreements must consider final allocations when considering fiscal considerations.

## **REQUESTS FOR INFORMATION**

The report is designed to provide a general overview of the Humboldt County School District's finances for all interested parties. Questions concerning the information provided in this report or requests for additional financial information should be addressed to:

Dr. David Jensen, Superintendent  
Humboldt County School District  
310 E. Fourth Street  
Winnemucca, NV 89445  
(775) 623-8100

**HUMBOLDT COUNTY SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2019**

	<b>GOVERNMENTAL ACTIVITIES</b>
<b>ASSETS</b>	
Current assets:	
Cash and investments	\$ 9,900,547
Receivables:	
Ad valorem taxes	71,206
Interest	12,619
Other	82,096
Intergovernmental receivable	4,937,491
Inventories	73,898
Total current assets	15,077,857
Noncurrent assets:	
Restricted cash	193,100
Capital assets not being depreciated:	
Land	1,215,700
Construction in progress	664,020
Other capital assets, net of depreciation	28,638,582
Total noncurrent assets	30,711,402
Total assets	45,789,259
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension-related amounts	11,705,998
Other postemployment benefits-related amounts	457,656
Total deferred outflows of resources	12,163,654
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	926,559
Claims liabilities	61,908
Accrued liabilities	4,345,320
Contract retainage payable	17,584
Interest payable	15,810
Intergovernmental payable	139,499
Unearned revenues	514,668
Current portion of long-term obligations	515,038
Total current liabilities	6,536,386
Noncurrent liabilities:	
General obligation bonds payable	2,078,000
Accrued compensated absences	1,248,444
Net pension liability	45,216,167
Other postemployment benefits (OPEB) liability	10,057,158
Less: current portion of long-term obligations	(515,038)
Total noncurrent liabilities	58,084,731
Total liabilities	64,621,117
	<b>(CONTINUED)</b>

See accompanying notes.

**HUMBOLDT COUNTY SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2019**

		<u>GOVERNMENTAL ACTIVITIES</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension-related amounts	\$	9,060,167
Other postemployment benefits-related amounts		372,777
Total deferred inflows of resources		<u>9,432,944</u>
<b>NET POSITION</b>		
Net investment in capital assets		28,440,302
Restricted for:		
Capital projects		410,299
Debt service		718,454
Self-insured programs		1,301,810
Other purposes		2,647,034
Unrestricted (deficit)		<u>(49,619,047)</u>
Total net position (deficit)	\$	<u><u>(16,101,148)</u></u>

**HUMBOLDT COUNTY SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION	
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CON- TRIBUTIONS		CAPITAL GRANTS AND CON- TRIBUTIONS
<b>Governmental activities:</b>					
Instruction:					
Regular instruction	\$ 20,229,370	\$ 69,579	\$ 4,846,772	\$ -	(15,313,019)
Special instruction	5,586,204	-	3,469,280	65,606	(2,051,318)
Vocational instruction	1,105,057	-	178,607	-	(926,450)
Other instruction	1,254,823	-	468,973	-	(785,850)
Co-Curricular	690,982	15,825	7,615	-	(667,542)
Adult education	145,446	-	150,319	-	4,873
Community service	54,683	-	57,697	-	3,014
Total instruction	<u>29,066,565</u>	<u>85,404</u>	<u>9,179,263</u>	<u>65,606</u>	<u>(19,736,292)</u>
Support services:					
Student support	1,045,940	-	101,032	-	(944,908)
Instructional staff support	855,327	-	68,447	-	(786,880)
General administration	1,268,008	-	59,534	-	(1,208,474)
School administration	2,798,657	-	123,610	-	(2,675,047)
Admin support	730,368	-	37,684	-	(692,684)
Operation and maintenance	5,009,316	-	20,440	-	(4,988,876)
Student transportation	1,026,803	-	-	-	(1,026,803)
Facilities acquisition and construction	1,463,764	-	27,052	-	(1,436,712)
Other support	18,734	-	18,734	-	-
Food service operations	1,128,920	281,565	884,364	-	37,009
Interest on long-term debt	124,978	-	-	-	(124,978)
Total support	<u>15,470,815</u>	<u>281,565</u>	<u>1,340,897</u>	<u>-</u>	<u>(13,848,353)</u>
Total governmental activities	<u>\$ 44,537,380</u>	<u>\$ 366,969</u>	<u>\$ 10,520,160</u>	<u>\$ 65,606</u>	<u>(33,584,645)</u>

**General revenues:**

Property taxes, levied for general purposes	\$ 9,786,402
Property taxes, levied for debt service	1,764,181
Local school support taxes	11,937,770
Government service taxes for general purposes	1,491,790
Government service taxes for capital purposes	318,637
Interest earnings	148,262
State aid not restricted to specific purposes	9,186,736
Other local sources - general	65,720
Other local sources - other	367,835
Federal aid not restricted to specific purposes	826,498

Total general revenues 35,893,831

Change in Net Position 2,309,186

**NET POSITION (DEFICIT) - JULY 1** (18,410,334)

**NET POSITION (DEFICIT) - JUNE 30** \$ (16,101,148)

See accompanying notes.



**HUMBOLDT COUNTY SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2019**

	GENERAL FUND	SPECIAL EDUCATION FUND	FEDERAL GRANTS FUND
<b>ASSETS</b>			
Cash and investments	\$ 5,960,177	\$ 611,647	\$ 3,979
Receivables:			
Ad valorem taxes	60,345	-	-
Interest	-	-	-
Other	6,504	-	-
Due from other funds	1,481,553	-	145
Intergovernmental receivable	2,150,597	-	1,189,209
Inventories	60,696	-	-
Cash and investments - restricted	-	-	-
	<u>\$ 9,719,872</u>	<u>\$ 611,647</u>	<u>\$ 1,193,333</u>
Total assets			
<b>LIABILITIES</b>			
Accounts payable	\$ 140,558	\$ 11,409	\$ 145,825
Contract retainage payable	-	-	-
Accrued liabilities	3,095,145	588,697	261,445
Due to other funds	52,952	11,541	770,000
Intergovernmental payable	139,499	-	-
Unearned revenues	-	-	16,063
	<u>3,428,154</u>	<u>611,647</u>	<u>1,193,333</u>
Total liabilities			
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	60,345	-	-
	<u>60,345</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
Nonspendable:			
Inventories	60,696	-	-
Restricted for:			
NRS 387.1235 - net proceeds of mines	2,573,136	-	-
NRS 350.020 - debt service	-	-	-
2009 bond capital projects	-	-	-
NRS 387.328 - capital projects	-	-	-
Assigned to:			
Food service	-	-	-
2020 budget appropriations	283,865	-	-
Special projects	-	-	-
Other capital projects	-	-	-
Unassigned	3,313,676	-	-
	<u>6,231,373</u>	<u>-</u>	<u>-</u>
Total fund balances			
Total liabilities, deferred inflows, and fund balances	<u>\$ 9,719,872</u>	<u>\$ 611,647</u>	<u>\$ 1,193,333</u>

See accompanying notes.

<u>STATE GRANTS FUND</u>	<u>DEBT SERVICE FUND</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
\$ 2,703	\$ 723,403	\$ 1,282,206	\$ 8,584,115
-	10,861	-	71,206
-	-	12,619	12,619
4,903	-	23,403	34,810
19,457	-	122,946	1,624,101
1,318,785	-	278,900	4,937,491
-	-	13,202	73,898
-	193,100	-	193,100
<u>\$ 1,345,848</u>	<u>\$ 927,364</u>	<u>\$ 1,733,276</u>	<u>\$ 15,531,340</u>
\$ 209,089	\$ -	\$ 419,678	\$ 926,559
-	-	17,584	17,584
203,748	-	196,285	4,345,320
460,012	-	329,596	1,624,101
-	-	-	139,499
467,999	-	30,606	514,668
<u>1,340,848</u>	<u>-</u>	<u>993,749</u>	<u>7,567,731</u>
<u>-</u>	<u>10,861</u>	<u>-</u>	<u>71,206</u>
-	-	13,202	73,898
-	-	-	2,573,136
-	193,100	-	193,100
-	723,403	-	723,403
-	-	217,199	217,199
-	-	27,838	27,838
-	-	-	283,865
5,000	-	35,000	40,000
-	-	446,288	446,288
-	-	-	3,313,676
<u>5,000</u>	<u>916,503</u>	<u>739,527</u>	<u>7,892,403</u>
<u>\$ 1,345,848</u>	<u>\$ 927,364</u>	<u>\$ 1,733,276</u>	<u>\$ 15,531,340</u>

**HUMBOLDT COUNTY SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2019**

Total Fund Balances for Governmental Funds	\$	7,892,403
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital Assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.</p>		
Governmental capital assets	\$ 69,902,428	
Less accumulated depreciation	<u>(39,384,126)</u>	30,518,302
<p>Some liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.</p>		
Other postemployment benefits asset (liability)		(10,057,158)
Net pension asset (liability)		(45,216,170)
<p>Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds.</p>		
Governmental bonds payable	(2,078,000)	
Compensated absences	<u>(1,248,444)</u>	(3,326,444)
Interest payable		(15,807)
<p>Deferred revenue represents amounts that were not available to fund current expenditures and therefore are not reported in the governmental funds.</p>		
		71,206
<p>Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the governmental funds.</p>		
Deferred outflows of resources related to pensions		11,705,998
Deferred inflows of resources related to pensions		(9,060,167)
Deferred outflows of resources related to other postemployment benefits		457,656
Deferred inflows of resources related to other postemployment benefits		(372,777)
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. Net assets of the internal service funds are reported with governmental activities.</p>		
		<u>1,301,810</u>
Total Net Position of Governmental Activities	\$	<u><u>(16,101,148)</u></u>

See accompanying notes.

**HUMBOLDT COUNTY SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2019**

	<b>GENERAL FUND</b>	<b>SPECIAL EDUCATION FUND</b>	<b>FEDERAL GRANTS FUND</b>
<b>REVENUES</b>			
Local sources	\$ 23,364,107	\$ -	\$ -
State sources	9,186,736	1,769,442	-
Federal sources	70,269	103,282	4,468,687
	<u>32,621,112</u>	<u>1,872,724</u>	<u>4,468,687</u>
Total revenues	<u>32,621,112</u>	<u>1,872,724</u>	<u>4,468,687</u>
<b>EXPENDITURES</b>			
Current:			
Regular programs	16,591,743	-	1,744,127
Special programs	-	4,161,476	1,628,573
Vocational programs	963,801	-	21,646
Other instructional programs	843,435	-	127,599
Co-curricular/athletic programs	681,874	-	-
Adult education programs	-	-	-
Community services programs	-	-	57,697
Undistributed expenditures:			
Student support	1,016,106	-	-
Instructional staff support	774,090	-	90,219
General administration	1,242,456	-	79,381
School administration	2,866,392	-	123,610
Administrative support	531,725	-	117,684
Operation and maintenance	4,481,498	-	450,609
Student transportation	1,109,063	-	-
Food service programs	-	-	28,489
Facilities acquisition and construction service	-	-	-
Other support services	-	-	-
Debt service:			
Principal	68,000	-	-
Interest	8,529	-	-
Refunding bond issuance costs	-	-	-
Other costs	-	-	-
	<u>31,178,712</u>	<u>4,161,476</u>	<u>4,469,634</u>
Total expenditures	<u>31,178,712</u>	<u>4,161,476</u>	<u>4,469,634</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,442,400</u>	<u>(2,288,752)</u>	<u>(947)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Bond proceeds	-	-	-
Payments for refunded bonds	-	-	-
Transfers in	-	2,288,752	-
Transfers out	(2,358,642)	-	-
	<u>(2,358,642)</u>	<u>2,288,752</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,358,642)</u>	<u>2,288,752</u>	<u>-</u>
Net change in fund balances	(916,242)	-	(947)
<b>FUND BALANCES, July 1</b>	<u>7,147,615</u>	<u>-</u>	<u>947</u>
<b>FUND BALANCES, June 30</b>	<u>\$ 6,231,373</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes.

<b>STATE GRANTS FUND</b>	<b>DEBT SERVICE FUND</b>	<b>OTHER GOVERNMENTAL FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
\$ -	\$ 1,768,322	\$ 1,142,050	\$ 26,274,479
2,709,373	-	1,234,136	14,899,687
-	-	852,803	5,495,041
<u>2,709,373</u>	<u>1,768,322</u>	<u>3,228,989</u>	<u>46,669,207</u>
1,946,791	-	1,197,038	21,479,699
132,607	-	4,264	5,926,920
156,961	-	-	1,142,408
305,829	-	35,545	1,312,408
-	-	7,615	689,489
-	-	150,319	150,319
-	-	-	57,697
101,032	-	150	1,117,288
54,883	-	-	919,192
-	-	7,726	1,329,563
-	-	-	2,990,002
-	-	92,874	742,283
6,270	-	1,121,399	6,059,776
-	-	-	1,109,063
-	-	1,116,289	1,144,778
-	-	1,463,764	1,463,764
-	-	18,734	18,734
-	173,000	37,063	278,063
-	90,861	2,937	102,327
-	56,388	-	56,388
-	500	-	500
<u>2,704,373</u>	<u>320,749</u>	<u>5,255,717</u>	<u>48,090,661</u>
<u>5,000</u>	<u>1,447,573</u>	<u>(2,026,728)</u>	<u>(1,421,454)</u>
-	1,964,000	-	1,964,000
-	(1,865,000)	-	(1,865,000)
-	-	1,592,871	3,881,623
-	(1,572,981)	-	(3,931,623)
-	(1,473,981)	1,592,871	49,000
5,000	(26,408)	(433,857)	(1,372,454)
-	942,911	1,173,384	9,264,857
<u>\$ 5,000</u>	<u>\$ 916,503</u>	<u>\$ 739,527</u>	<u>\$ 7,892,403</u>

**HUMBOLDT COUNTY SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

Net Change in Fund Balances - Governmental Funds \$ (1,372,454)

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.

Expenditures for capital assets	\$	3,303,657	
Less current year depreciation		<u>(2,134,367)</u>	
			1,169,290

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental fund statements.

Donated capital assets		173,844
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Repayment of debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.		2,143,063
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Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due and thus requires current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		9,056
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Because some property taxes will not be collected in time to pay for obligations of the current period, they are not considered available revenues in the governmental funds and are instead reported as deferred revenues. These revenues are accounted for as revenue in the statement of activities.		3,514
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Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

District pension contributions		3,179,491	
Cost of pension benefits earned		(908,039)	
District OPEB contributions		423,686	
Cost of OPEB benefits earned		<u>(724,078)</u>	
			1,971,060

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Bonds issued		(1,964,000)	
Obsolete assets		(1,637)	
Amortization of current year bond premium		25,184	
Change in long-term compensated absences		<u>(84,648)</u>	
			(2,025,101)

Internal service funds are used by management to charge the costs of certain insurance activities to individual funds. The net revenue of the internal service funds is reported with governmental activities.		<u>236,914</u>
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Change in Net Position of Governmental Activities		<u>\$ 2,309,186</u>	
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**HUMBOLDT COUNTY SCHOOL DISTRICT  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
Local sources	\$ 20,690,211	\$ 22,688,438	\$ 23,364,107	\$ 675,669
State sources	13,116,339	9,893,526	9,186,736	(706,790)
Federal sources	-	69,711	70,269	558
	<u>33,806,550</u>	<u>32,651,675</u>	<u>32,621,112</u>	<u>(30,563)</u>
<b>EXPENDITURES</b>				
Regular programs	16,422,144	17,547,263	16,591,743	955,520
Vocational programs	981,568	985,768	963,801	21,967
Other instructional programs	940,830	903,537	843,435	60,102
Co-curricular/athletic programs	731,246	731,246	681,874	49,372
Undistributed expenditures:				
Student support	1,206,310	1,045,697	1,016,106	29,591
Instructional staff support	852,487	907,062	774,090	132,972
General administration	1,315,658	1,339,783	1,242,456	97,327
School administration	3,073,057	3,022,366	2,866,392	155,974
Administrative support	548,578	578,226	531,725	46,501
Operation and maintenance	4,529,788	4,733,445	4,481,498	251,947
Student transportation	1,345,822	1,339,532	1,109,063	230,469
Debt service:				
Principal	68,000	68,000	68,000	-
Interest	8,536	8,536	8,529	7
	<u>32,024,024</u>	<u>33,210,461</u>	<u>31,178,712</u>	<u>2,031,749</u>
Excess (deficiency) of revenues over (under) expenditures	1,782,526	(558,786)	1,442,400	2,001,186
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(2,800,134)	(2,579,138)	(2,358,642)	220,496
Net change in fund balance	(1,017,608)	(3,137,924)	(916,242)	2,221,682
<b>FUND BALANCE, July 1</b>	<u>4,603,315</u>	<u>7,147,615</u>	<u>7,147,615</u>	<u>-</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 3,585,707</u>	<u>\$ 4,009,691</u>	<u>\$ 6,231,373</u>	<u>\$ 2,221,682</u>

See accompanying notes.

**HUMBOLDT COUNTY SCHOOL DISTRICT  
SPECIAL EDUCATION FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
State sources	\$ 1,755,769	\$ 1,769,442	\$ 1,769,442	\$ -
Federal sources	68,000	78,859	103,282	24,423
Total revenues	<u>1,823,769</u>	<u>1,848,301</u>	<u>1,872,724</u>	<u>24,423</u>
<b>EXPENDITURES</b>				
Special programs	<u>4,424,309</u>	<u>4,287,549</u>	<u>4,161,476</u>	<u>126,073</u>
Excess (deficiency) of revenues over expenditures	(2,600,540)	(2,439,248)	(2,288,752)	150,496
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>2,600,540</u>	<u>2,439,248</u>	<u>2,288,752</u>	<u>(150,496)</u>
Net change in fund balance	-	-	-	-
<b>FUND BALANCE, July 1</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**HUMBOLDT COUNTY SCHOOL DISTRICT  
FEDERAL GRANTS FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE TO FINAL BUDGET</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
Federal sources	\$ 3,400,391	\$ 4,750,776	\$ 4,468,687	\$ (282,089)
<b>EXPENDITURES</b>				
Regular programs	1,218,790	1,908,987	1,744,127	164,860
Special programs	1,415,271	1,703,062	1,628,573	74,489
Vocational programs	14,104	21,727	21,646	81
Other instructional programs	110,073	160,613	127,599	33,014
Community services programs	5,250	61,435	57,697	3,738
Undistributed expenditures:				
Student support	8,378	-	-	-
Instructional staff support	56,669	90,219	90,219	-
General administration	37,869	83,491	79,381	4,110
School administration	34,460	123,610	123,610	-
Administrative support	89,981	117,716	117,684	32
Operation and maintenance	384,538	452,109	450,609	1,500
Student transportation	387	-	-	-
Food services	24,621	28,754	28,489	265
Total expenditures	<u>3,400,391</u>	<u>4,751,723</u>	<u>4,469,634</u>	<u>282,089</u>
Net change in fund balance	-	(947)	(947)	-
<b>FUND BALANCE, July 1</b>	<u>-</u>	<u>947</u>	<u>947</u>	<u>-</u>
<b>FUND BALANCE, June 30</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**HUMBOLDT COUNTY SCHOOL DISTRICT  
STATE GRANTS FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
State sources	\$ 2,507,615	\$ 3,225,065	\$ 2,709,373	\$ (515,692)
<b>EXPENDITURES</b>				
Regular programs	1,751,338	1,983,419	1,946,791	36,628
Special programs	227,071	132,607	132,607	-
Vocational programs	116,320	156,961	156,961	-
Other instructional programs	267,716	314,443	305,829	8,614
Community services programs	-	7,430	-	7,430
Undistributed expenditures:				
Student support	136,487	101,032	101,032	-
Instructional staff support	7,123	522,903	54,883	468,020
Administrative support	-	-	-	-
Operations and maintenance	1,560	6,270	6,270	-
Total expenditures	<u>2,507,615</u>	<u>3,225,065</u>	<u>2,704,373</u>	<u>520,692</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>
<b>FUND BALANCE, July 1</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>

See accompanying notes.

**HUMBOLDT COUNTY SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2019**

		<b>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS</b>
<b>ASSETS</b>		
Current assets:		
Cash and investments	\$	1,316,432
Accounts receivable		47,286
		47,286
Total assets		1,363,718
 <b>LIABILITIES</b>		
Current liabilities:		
Claims payable		61,908
		61,908
Total liabilities		61,908
 <b>NET POSITION</b>		
Restricted		1,301,810
		1,301,810
Total net position	\$	1,301,810

**HUMBOLDT COUNTY SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2019**

	<b>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS</b>
<b>OPERATING REVENUES:</b>	
Interfund charges	\$ <u>372,237</u>
<b>OPERATING EXPENSES:</b>	
Claims	97,499
Insurance premiums	45,792
Administrative expenses	<u>42,032</u>
Total operating expenses	<u>185,323</u>
Operating income (loss)	186,914
<b>TRANSFERS IN (OUT)</b>	
Transfer in	<u>50,000</u>
Change in net position	236,914
<b>NET POSITION - July 1</b>	<u>1,064,896</u>
<b>NET POSITION - June 30</b>	\$ <u><u>1,301,810</u></u>

**HUMBOLDT COUNTY SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2019**

	<u><b>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS</b></u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	
Cash flows from operating activities:	
Cash received for interfund services provided	\$ 380,145
Cash payments for claims and services	<u>(190,549)</u>
Net cash provided (used) by operating activities	<u>189,596</u>
<b>Cash and cash equivalents, beginning of year</b>	<u>1,076,836</u>
<b>Cash and cash equivalents, end of year</b>	<u><u>\$ 1,316,432</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	
Operating income (loss)	\$ <u>186,914</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	7,908
Increase (decrease) in claims payable	<u>(5,226)</u>
Total adjustments	<u>2,682</u>
Net cash provided (used) by operating activities	<u><u>\$ 189,596</u></u>

**HUMBOLDT COUNTY SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2019**

	<b>PRIVATE- PURPOSE TRUST FUND</b>	<b>AGENCY FUNDS</b>	<b>TOTAL</b>
<b>ASSETS</b>			
Cash and investments	\$ 90,430	\$ 568,701	\$ 659,131
Interest receivable	185	-	185
	90,615	568,701	659,316
Total assets	90,615	568,701	659,316
<b>LIABILITIES</b>			
Due to student groups	-	568,701	568,701
	-	568,701	568,701
Total liabilities	-	568,701	568,701
<b>NET POSITION</b>			
Reserved for scholarships	\$ 90,615	\$ -	\$ 90,615
	90,615	-	90,615

**HUMBOLDT COUNTY SCHOOL DISTRICT  
 FIDUCIARY FUNDS  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2019**

		<b><u>PRIVATE- PURPOSE TRUST FUND</u></b>
<b>ADDITIONS</b>		
Interest	\$	2,277
Donations		<u>800</u>
Total Additions		<u>3,077</u>
<b>DEDUCTIONS</b>		
Scholarships		<u>4,000</u>
Change in net position		(923)
<b>NET POSITION - July 1</b>		<u>91,538</u>
<b>NET POSITION - June 30</b>	\$	<u><u>90,615</u></u>

**HUMBOLDT COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements of the Humboldt County School District, Humboldt County, Nevada (the District) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of existing Government and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. A summary of the more significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

**A. Reporting Entity**

The District is the basic level of government having oversight responsibility and control over all activities related to the public-school education in Humboldt County, Nevada. The governing board consists of seven members elected by the voters in the district for four-year terms, and has authority to adopt and administer budgets. The District receives funding from Local, State, and Federal government sources and must comply with the related requirements of these funding source entities. However, the District is not included in any other governmental “reporting entity,” since trustees are elected by the public, it is a legally separate government and it is fiscally independent of any other governmental entity. In addition, the District is not financially accountable for any other entity.

**B. Basic Financial Statements – Government-wide Statements**

The basic financial statements include both government-wide (based on the District as a whole) and fund financial statements. The reporting focus is on either the District as a whole or major individual funds and nonmajor funds in the aggregate (within the fund financial statements).

The government-wide financial statements (the Statement of Net Position and Statement of Activities) report information on all of the non-fiduciary activities of the District. Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated. In the Statement of Activities, internal service fund transactions have been eliminated.

In the government-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis, and is reflected on a full accrual, economic resource basis which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District’s net position is reported in three parts – net investment in capital assets, restricted, and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the District’s programs. The programs are also supported by the general government revenues (ad valorem taxes, school support taxes, distributive school funds, government services tax and interest income not legally restricted for specific programs, etc.). The Statement of Activities reduces gross



**HUMBOLDT COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

expenses (including depreciation) by related program revenues and operating grants. Program revenues include operating grants and contributions and investment earnings legally restricted to support a specific program. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary grants. The net costs (by function) are normally covered by general revenue.

**C. Basic Financial Statements – Fund Financial Statements**

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, fund equity, revenues and expenditures. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are intended and the means by which spending activities are controlled. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

The emphasis in the fund financial statements is on major funds in the governmental type activity category. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues, or expenditures) for the determination of major funds. District management may electively add funds as major funds when it is determined the funds have specific community or management focus. Major individual governmental funds are reported as separate columns in the fund financial statements.

The focus of the governmental funds' measurement in the fund statements is upon determination of the financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income.

The focus for proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds distinguish operating revenue 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. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The generally accepted accounting principles applicable are those similar to businesses in the private sector.

The District's internal service funds are presented in the proprietary fund's financial statements. Because the principal users of the internal services are the District's governmental activities, the financial statements of the internal service funds are consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the costs of these services are reported in the appropriate program activity.

The District's fiduciary funds are presented in the fiduciary fund financial statement by type. Since, by definition, these assets are held for the benefit of a third party and cannot be used to address

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

activities or obligations of the District, these funds are not incorporated into the government-wide statements.

The District reports the following major governmental funds:

The *General Fund* is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.

The *Special Education Fund* is used to account for transactions of the District relating to educational services provided to children with special needs supported by state and local sources. The major revenue source for this fund is state DSA.

The *Federal Grants Fund* is used to account for the proceeds of specific federal revenue sources that are legally restricted to expenditures for specified purposes.

The *State Grants Fund* is used to account for the proceeds of specific state revenue sources that are legally restricted to expenditures for specified purposes.

The *Debt Service Fund* is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Additionally, the District reports the following fund types:

**Proprietary Funds:**

*Internal Service Funds* are used to account for the financing of services provided by one department to other departments of the District on a cost-reimbursement basis. Currently, the District has two Internal Service Funds.

*Nevada Unemployment Compensation* is used to account for the self-funded unemployment claims as they arise.

*Self-Insured Workers' Compensation* is used to account for the self-funded worker's compensation claims and related costs as they arise.

**Fiduciary Funds:**

*Private Purpose Trust Funds* are used to account for resources legally held in trust for the purpose of awarding future student scholarships.

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Agency Funds* are custodial in nature and do not involve measurement of results of operations. The funds account for assets held by the District in a trustee capacity or as an agent for students and student groups.

**D. Measurement Focus and Basis of Accounting**

The measurement focus describes the types of transactions and events that are reported in a fund's operating statement. Basis of accounting refers to point at which revenues or expenditures/expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. When revenues are due but will not be collected within 60 days after year-end, the receivable is recorded and an offsetting deferred revenue account is established. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Most major sources of revenue reported in governmental funds are susceptible to accrual under the modified accrual basis of accounting.

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Below is a summary of revenue recognition policies for all major revenue sources.

Type of Revenue	Accrued When Measurable and Available	Recognized When Received	Accrued When Earned
AD VALOREM TAXES	X		
LOCAL SCHOOL SUPPORT TAX	X		
GOVERNMENT SERVICES TAXES	X		
DISTRIBUTIVE SCHOOL FUND	X		
INTEREST			X
GRANTS-IN-AID			X
MISCELLANEOUS REVENUE		X	
TUITION PAYMENTS			X

**Proprietary Funds:**

Proprietary Funds are accounted for on a flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Accrued liabilities include provisions for claims reported and claims incurred but not reported. The provision for reported claims is determined by estimating the amount which will ultimately be paid. The provision for claims incurred but not yet reported is estimated based on District experience since the inception of the program.

Proprietary funds distinguish operating revenues and expenses from non-operating items. The principal operating revenues of the District's internal service funds are charges for insurance premiums. Operating expenses for internal service funds include the cost of claims and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Fiduciary Funds:**

The accounting records for the Private Purpose Trust Funds are maintained on the economic resources measurement focus and accrual basis of accounting. The accounting records for the agency funds do not have a measurement focus and are maintained on the accrual basis of accounting.

**E. Financial Statement Presentation**

***1. Budgets and Budgetary Accounting:***

Annual budgets are adopted on a basis consistent with GAAP for all funds except trust and agency funds, which do not require budgets. All annual appropriations lapse at fiscal year-end.

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- (1) Prior to April 15, the Superintendent submits to the Board of Trustees and to both the Nevada Department of Taxation and Department of Education a tentative budget for the fiscal year commencing the following July 1. The tentative budget includes proposed expenditures and the means of financing them.
- (2) Prior to the third Wednesday in May, a minimum of seven days' notice of public hearing on the final budget is published in a local newspaper. Public hearings are conducted prior to the adoption of the budget to obtain taxpayer comments.
- (3) On or before June 8, the budget is legally adopted by a majority vote of the Board of Trustees.
- (4) On or before January 1, the Board of Trustees adopts an amended final budget reflecting any adjustments necessary as a result of the completed count of students.
- (5) NRS 354.598005 provides that the Board of Trustees may augment the budget at any time by a majority vote of the Board providing the Board publishes notice of intention to act in a newspaper of general circulation in the county at least three days before the date set for adoption of the resolution.
- (6) The legal level of budgetary control is at the program level for the General Fund, Special Revenue and Capital Projects Funds, and the sum of operating and non-operating expenses in the Internal Service Funds. State statute does not require that debt service payments be limited by the budget.
- (7) The Budget Officer and/or the Board of Trustees may transfer appropriations within and between funds if amounts do not exceed the original budget. Augmentations in excess of the original budgetary amounts may be made only with prior approval of the Board of Trustees, following a scheduled and noticed public hearing.
- (8) Formal budgetary integration in the financial records is employed to enhance management control during the year. The ensuing year's budget is augmented to provide for the payment of prior year encumbrances.
- (9) All budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all funds except agency funds, which do not require budgets.

All budgets presented in the accompanying financial statements reflect the original budget and final budget (which has been adjusted for legally authorized revisions of the annual budgets during the year). Appropriations lapse at the end of each fiscal year.

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

In accordance with state statute, actual expenditures may not exceed budgetary appropriations of the various programs of the individual funds except for bond repayments, short-term financing repayment, any other long-term contracts expressly authorized by law, and certain other items specified in NRS 354.626. For Proprietary Funds, the sum of operating and non-operating expenses may not exceed the sum of the budgeted operating and non-operating expenses.

**2. Cash and Investments:**

For purposes of the statements of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to cash and have an original maturity date of three months or less to be cash and cash equivalents.

Cash balances from all funds are combined and, to the extent practicable, invested as permitted by law. In accordance with NRS 355.175(3), the Board passed a resolution that all interest earned on these investments is to be allocated to the Building and Sites Fund, except for amounts credited to various other funds in accordance with law, contract, District policy, or as the result of conditions related to grant awards.

Investments are carried at fair value as determined by quoted market prices, net of accrued interest as provided by the pool sponsors.

The District may invest in the following types of securities per Nevada Revised Statutes 355.170 and 355.167:

- Bonds and debentures of the United States maturing within ten (10) years from the date of purchase.
- Certain farm loan bonds.
- Bills and notes of the United States Treasury maturing within ten (10) years from the date of purchase.
- Obligations of the United States or a corporation sponsored by the government, maturing within ten (10) years from the date of purchase.
- Obligations of state and local governments if:
  - (1) the interest is exempt for federal income tax purposes; and
  - (2) the obligation has been rated “A” or higher by a nationally recognized bond credit rating agency.
- Negotiable certificates of deposit issued by commercial banks or insured savings and loan associations.
- State of Nevada Local Government Pooled Investment Fund.

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

- Certain securities issued by local governments of the State of Nevada.
- Other securities expressly provided by the other statutes, including repurchase agreements.
- Certain bankers' acceptances.
- Certain short-term paper issued by U.S. Corporations.
- Certain "AAA" rated mutual funds that invest in federal securities.

**3. *Property Taxes Receivable:***

Humboldt County, Nevada, bills and collects property taxes for the District. All real property in Humboldt County is assigned a parcel number in accordance with state law, with each parcel being subject to physical reappraisal every five years. A factoring system is used to adjust the appraised value during the years between physical appraisals. The valuation of the property and its improvements is being assessed at 35 percent of "taxable value" as defined by statute. The amount of tax levied is developed by multiplying the assessed value by the tax rate applicable to the area in which the property is located. The maximum tax rate was established in the State Constitution at \$5 per hundred dollars of assessed valuation; however, as a result of legislative action the tax rate was further limited to \$3.64 per hundred dollars of assessed valuation except in cases of severe financial emergency as defined in NRS 354.705.

Taxes on real property are a lien on the property and attach on July 1 (the levy date) of the year for which the taxes are levied.

Taxes may be paid in four installments payable on the third Monday in August and the first Mondays in October, January, and March to the Treasurer of Humboldt County in which the District is located. Penalties are assessed if a taxpayer fails to pay an installment within ten days of the installment due date. After a two-year waiting period, if taxes remain unpaid, a tax deed is issued conveying the property to the County with a lien for back taxes and accumulated charges. Redemption may be made by the owner and such persons as described by statute by paying all back taxes and accumulated penalties, interest, and costs before sale.

Secured roll property taxes receivable reflect only those taxes receivable from the last two delinquent roll years. Delinquent taxes from all roll years prior to fiscal year 2017-2018 have been written off. No provision for uncollectible accounts has been established since management does not anticipate any material collection loss in respect to the remaining balances.

Taxes on personal property are collected currently. Personal property declarations are mailed out annually and the tax is computed using percentages of taxable values established by the Department of Taxation and tax rates described above.

The major classifications of personal property are commercial, agricultural and mobile homes.

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4. Inventories:**

All District inventories are maintained on a consumption basis of accounting, where items are purchased for inventory and charged to the budgetary accounts as the items are consumed. Inventory in the General Fund consists principally of general office printing, paper, and maintenance supplies. Inventory in the Food and Nutrition Special Revenue Fund consist of food and commodities. Inventories are stated at cost on a first-in, first-out basis, except for commodities, which are stated at fair value.

**5. Capital Assets:**

Capital assets, which include land, building and improvements, site improvements, and equipment and vehicles, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$500 for tangible personal property and \$50,000 for land, buildings, and improvements; and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed.

Donated capital assets are recorded at estimated fair market value at the date of donation.

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.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Significant projects in process are depreciated once the projects are placed in service. Prior to that time, they are reported as construction in progress.

Property, plant, and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements to Buildings	20-30
Site Improvements	20
Equipment and Vehicles	5-15

**6. Allowance for Uncollectible Receivables:**

An allowance for uncollectible taxes receivable has not been established since Nevada law provides for the sale of property where a lien exists for the payment of property taxes.

**7. Accrued Liabilities:**

Accrued liabilities consist principally of teacher, administrator, and other District employee salaries and benefits relating to the school program year ended June 30, 2019, not paid as of that date.



**HUMBOLDT COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**8. Expenditures:**

Expenditure data is characterized by major program classifications pursuant to the provisions of the U.S. Department of Education “Financial Accounting for Local and State School Systems” published by the National Center for Education Statistics and adopted by the Nevada Department of Education. Below is a brief description of these program classifications.

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

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

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

**Other instructional programs** are activities that provide students in prekindergarten through K-12 with learning experiences not included in other programs.

**Co-curricular/athletic programs** are activities that provide elementary and secondary students with learning experiences in school-sponsored activities, athletics, and summer school.

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

**Community service programs** are activities that are not directly related to the provision of educational services in a school district, including such services as community recreation programs, civic activities, public libraries, programs of custody and care of children, and community welfare activities provided by the district for the community as a whole or for some segment of the community.

**Undistributed expenditures** are charges not readily assignable to a specific program. Student and instructional staff support, overall general, administrative, and business costs are classified as undistributed expenditures. Also included in this line item are costs of operating, maintaining, and constructing the physical facilities of the District, providing transportation for students, and food service programs.

**HUMBOLDT COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***9. Compensated Absences:***

The majority of the employees of the District are teachers who have contracts providing for unlimited accumulation of sick leave with no vacation time provided. The District pays \$60 a day of unused sick leave to certain eligible employees upon retirement. In governmental funds, the current portion is recorded as a payroll expenditure. Additionally, classified employees required to work overtime may accumulate a maximum of 40 hours compensatory time, with the exception of the maintenance and transportation supervisor, who can accumulate a maximum of 60 hours.

Personal leave is also accrued by all district employees at a rate of three days per year for those certified individuals on step 20 and classified individuals on step 16 of the salary schedule, and two days per year for all other employees. Employees can carry over three days of personal leave into the next year. The excess is paid out at \$40 per day for certified and \$30 per day for classified, or can be rolled to the sick leave bank in the case of certified employees and administrators. Compensated absences are generally liquidated by a combination of the major and nonmajor governmental funds with the majority liquidated from the general fund. The estimated long-term liability for compensated absences is accounted for in the government-wide financial statements.

***10. Long-Term Obligations:***

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

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 or not withheld from the actual debt proceeds received, are reported as debt expenditures.

***11. Deferred Inflows/Outflows of Resources:***

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category: *deferred outflows* for pension-related amounts and for other postemployment benefits-related amounts. These amounts are comprised of various balances, some of which are actuarially-determined and deferred and amortized over the expected remaining service lives of covered employees or five years, depending on component being amortized.

**HUMBOLDT COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The others are comprised of the District's contributions related to pensions and other postemployment benefits made subsequent to the measurement date.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has three deferred inflow items. The first, unavailable revenue, arises only under a modified accrual basis of accounting and qualifies for reporting in this category. Accordingly, the item is reported only in the governmental funds balance sheet. The amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The unavailable revenues are from one source: property taxes. The second and third items are the collective deferred inflows related to net pension liability and other postemployment benefits liability arising under the economic resources measurement and accrual basis of account, which is reported in the statement of financial position. These amounts are actuarially-determined and are deferred and amortized over either the expected remaining service lives of covered employees or five years, depending on component being amortized.

***12. Net Position and Fund Balance:***

In government-wide and proprietary fund statements, equity is classified as net position and displayed in three components, if applicable:

- a. Net investment in capital assets – consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – consists of net position with constraints placed on their use, either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Restricted assets are classified by function, debt service, projects, or claims.
  - a) Restricted for Debt Service – represents assets legally restricted by statute or bond covenants for future debt service requirements of both principal and interest.
  - b) Restricted for Capital Projects – consists of unspent grants, donations, funds restricted by statute, and debt proceeds with third party restrictions for use on specific projects or programs.
  - c) Restricted for Self-Insured Programs – represents assets restricted by statute for future payment of benefits and costs related to the Nevada Unemployment and workers' compensation programs.

**HUMBOLDT COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

- d) Restricted for Other Purposes – represents assets restricted by statute and nonspendable assets.
- c. Unrestricted net position – consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District's fund balance categories are as follows:

- a. Nonspendable fund balance – amounts that are not in spendable form (such as inventory or prepaids) or are legally required to remain intact (such as notes receivable or principal of a permanent fund).
- b. Restricted fund balance – amounts constrained to specific purposes by their external providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- c. Committed fund balance – amounts constrained to specific purposes by the District, using its highest level of decision-making authority, the Board of Trustees. Committed resources cannot be used for any other purpose unless the Board of Trustees takes the same highest-level action to remove or change the constraint.
- d. Assigned fund balance – amounts the District intends to use for a specific purpose as expressed by the Board of Trustees or an official or body to which the Board of Trustees delegates the authority. This is the residual classification for all governmental funds other than the general fund.
- e. Unassigned fund balance – represents the residual classification for the general fund or deficit balances in other funds.

The Board of Trustees establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. The Superintendent or his designee and the Finance Supervisor have been delegated authority to assign ending fund balance and to report any assigned funds to the Board of Trustees at their next regular scheduled board meeting.

It is the policy of the District to spend restricted fund balance first (unless legal requirements dictate otherwise) followed by committed, assigned and unassigned fund balance.

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

In the general fund, the District strives to maintain an unrestricted fund balance to be used for unanticipated emergencies of approximately 5% of the total expenditures of that fund.

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***13. Reclassifications:***

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

***14. Use of Estimates:***

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

***15. Comparative Data:***

Comparative data for the year ended June 30, 2018 has been extracted from the fiscal year 2018 financial statements. It has been provided to add comparability, but is not considered full disclosure of transactions for fiscal year 2018. Such information can only be obtained by referring to the audited financial statements for that year.

**NOTE 2 – COMPLIANCE**

The District conformed to all significant statutory and administrative code constraints on its financial administration during the fiscal year with the following exception:

The District internally-performed two HVAC public works projects under NRS 338.1386, but failed to prepare the required signed attestation, an apparent violation of NRS 338.13864.

**NOTE 3 – CASH AND INVESTMENTS**

The District maintains a cash and investment pool available for use by all funds. At June 30, 2019, this pool is displayed by major and other governmental funds on the governmental funds balance sheet as "Cash and Investments."

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 3 – CASH AND INVESTMENTS (continued)**

The following schedule summarizes cash and investments for the District at June 30, 2019:

Cash and Investment Balances Held By:	
Governmental Funds	\$ 8,777,215
Internal Service Funds	1,316,432
Fiduciary Funds	659,131
Total Cash and Investments	\$ 10,752,778
Balances at Fair Value Classified By:	
US Bank Checking	\$ 19,189
Wells Fargo Savings	520,022
Wells Fargo Checking	3,085,482
State of Nevada Investment Pool	6,213,853
Humboldt County Investment Pool	914,232
Total Cash and Investments	\$ 10,752,778

Investments are carried at fair value. The following is a listing of investments at June 30, 2019:

Investment Type	Maturities (Average Weighted Maturity)	Fair Value
State of Nevada Local Government Investment Pool	116 Days	\$ 6,213,853
Cash		3,624,693
Humboldt County Investment Pool		914,232
Total Cash and Investments		\$ 10,752,778

The District is a voluntary participant in the State of Nevada Local Government Investment Pool (LGIP), which has regulatory oversight from the State of Nevada Board of Finance. The District's investments in the LGIP are equal to its original investment plus monthly allocations of interest income, and realized and unrealized gains and losses, which is the same as the value of the pool shares. The District's investment in the LGIP is reported at fair value. Wells Fargo determines the fair value of the investments on a monthly basis.

In addition, the District is a voluntary participant in Humboldt County's unrated external investment pool. The Board of County Commissioners has overall responsibility for investment of the funds in accordance with Nevada Revised Statute 355.175. The Humboldt County Treasurer is delegated investment authority by the Board of County Commissioners. The District's funds held in Humboldt County's external investment pool are invested in a general savings account with Wells Fargo.

The District's investment in the Humboldt County external pool is equal to its original investment plus monthly allocations of interest income and realized gains and losses. Fair value of the District's position in the pool is the same as the value of the pool shares.

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 3 – CASH AND INVESTMENTS (continued)**

Nevada Revised Statutes NRS 355.170 sets forth acceptable investments for Nevada local governments. The District has not adopted a formal investment policy that would further limit its investment choices nor further limit its exposure to certain risks as set forth below.

*Interest Rate Risk* – Interest rate risk is the risk of possible reduction in the value of a security, especially a bond, resulting from a rise in interest rates. As noted above, the District 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 beyond those specified in the Statute.

*Credit Risk* – Credit risk is the risk an issuer or other counterparty to an investment will not fulfill its obligation and is a function of the credit quality ratings of investments. The LGIP and Humboldt County Investment Pools are unrated external investment pools. As noted above the District does not have a formal investment policy that specifies minimum acceptable credit ratings beyond those specified in the Nevada Revised Statutes.

*Custodial Credit Risk* – Custodial credit risk is the risk in the event of a bank failure, the District’s deposits may not be returned. The District's bank deposits are covered by Federal Deposit Insurance Corporation (FDIC) insurance and collateralized by the Office of the State Treasurer/Nevada Collateral Pool.

**Fair Value Measurements:**

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of an 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 the following recurring fair value measurements as of June 30, 2019:

Investment Type	Fair Value	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
State of Nevada Local Government Investment Pool	\$ 6,213,853	\$ 1,145,213	\$ 5,068,640	\$ -

Investments classified in Level 1 of the fair value hierarchy are valued using quoted market prices. Investments classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value investments based on the investment’s relationship to benchmark quoted prices.

**HUMBOLDT COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2019 was as follows:

	July 01, 2018 Balance	Additions	Deletions	Transfers	June 30, 2019 Balance
Capital assets, not being depreciated:					
Land	\$ 1,215,700	\$ -	\$ -	\$ -	\$ 1,215,700
Construction in progress	188,788	547,029	-	(71,797)	664,020
Total capital assets, not being depreciated	<u>1,404,488</u>	<u>547,029</u>	<u>-</u>	<u>(71,797)</u>	<u>1,879,720</u>
Capital assets, being depreciated:					
Building and improvements	51,893,440	389,418	(74,100)	37,115	52,245,873
Site improvements	1,853,866	674,370	-	34,682	2,562,918
Equipment and vehicles	11,619,209	1,866,684	(271,976)	-	13,213,917
Total capital assets, being depreciated	<u>65,366,515</u>	<u>2,930,472</u>	<u>(346,076)</u>	<u>71,797</u>	<u>68,022,708</u>
Less accumulated depreciation for:					
Building and improvements	(29,368,949)	(1,230,103)	74,100	-	(30,524,952)
Site improvements	(762,898)	(102,324)	-	-	(865,222)
Equipment and vehicles	(7,462,351)	(801,940)	270,339	-	(7,993,952)
Total accumulated depreciation	<u>(37,594,198)</u>	<u>(2,134,367)</u>	<u>344,439</u>	<u>-</u>	<u>(39,384,126)</u>
Total net capital assets, being depreciated	<u>27,772,317</u>	<u>796,105</u>	<u>(1,637)</u>	<u>71,797</u>	<u>28,638,582</u>
Governmental activities capital assets, net	<u>\$ 29,176,805</u>	<u>\$ 1,343,134</u>	<u>\$ (1,637)</u>	<u>\$ -</u>	<u>\$ 30,518,302</u>



**HUMBOLDT COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 4 – CAPITAL ASSETS (continued)**

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

Regular Instruction	\$ 1,566,321
Special Instruction	11,329
Vocational Instructional	114,520
Other Instruction	9,274
Co-Curricular/Athletics	3,865
Adult Education	3,940
Support Services:	
Student Support	1,380
Instructional Staff Support	60,454
General Administration	5,873
School Administration	2,261
Administrative Support	19,729
Operation and Maintenance	147,114
Student Transportation	158,008
Food Services	30,299
Total governmental activities depreciation expense	<u><u>\$ 2,134,367</u></u>

**NOTE 5 – INTERFUND BALANCES AND TRANSFERS**

The composition of interfund balances as of June 30, 2019, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Major Federal Grants Fund	\$ 770,000
	Major State Grants Fund	460,012
	Major Special Education Fund	11,541
	Nonmajor Governmental Funds	240,000
		<u>1,481,553</u>
Major Federal Grants Fund	General Fund	145
Major State Grants Fund	General Fund	<u>19,457</u>
Nonmajor Governmental Funds	General Fund	33,350
	Nonmajor Governmental Funds	89,596
		<u>122,946</u>
		<u><u>\$ 1,624,101</u></u>

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 5 – INTERFUND BALANCES AND TRANSFERS (continued)**

Interfund receivables and payables include charges incurred by one fund for the benefit of another fund. These include expenditures covered by the general fund for federal programs and interfund transfers recorded subsequent to year end.

Interfund transfers for the year ended June 30, 2019, are as follows:

Transfers from:	Transfers to:	Amount
General Fund	Major Special Education Fund	\$ 2,288,752
	Nonmajor Governmental Funds	19,890
	Proprietary Fund	<u>50,000</u>
		<u>2,358,642</u>
Major Debt Service Fund	Nonmajor Governmental Funds	<u>1,572,981</u>
	Total interfund transfers	<u>\$ 3,931,623</u>

Transfers are used to supplement expected deficits, in accordance with grant awards, and in accordance with the voter-approved bond initiative. Transfers are reported as other financing sources or uses, as appropriate, in all funds other than Proprietary Funds, where they are reported as operating transfers.

**NOTE 6 – COMMITMENTS**

The District entered into several construction and asset purchase contracts during the fiscal year for various site and facilities improvements and upgrades and other capital projects. As of June 30, 2019, the District had outstanding construction contracts and asset purchases totaling \$714,862 that will be financed from operating funds.

	Construction Commitments
Nonmajor Governmental Funds:	
FFMS EIFS project	\$ 217,620
LHS gym floor replacement	22,657
LHS HVAC & electrical projects	<u>474,585</u>
	<u>\$ 714,862</u>

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 7 – LONG TERM DEBT**

Long-term liabilities at June 30, 2019 consisted of the following:

<u>General Obligation (Limited Tax) School Improvement Bonds</u>					
<u>Series</u>	<u>Date Issued</u>	<u>Date of Maturity</u>	<u>Interest Rate (%)</u>	<u>Amount Issued</u>	<u>Balance June 30, 2019</u>
2019	02/21/19	04/01/29	2.74%	\$ 1,964,000	\$ 1,931,000
<u>Medium Term Bonds</u>					
<u>Series</u>	<u>Date Issued</u>	<u>Date of Maturity</u>	<u>Interest Rate (%)</u>	<u>Amount Issued</u>	<u>Balance June 30, 2019</u>
2010	11/18/10	02/01/21	3.16-4.87%	\$ 5,675,000	\$ 147,000
<u>Note Payable</u>					
<u>Series</u>	<u>Date Issued</u>	<u>Date of Maturity</u>	<u>Interest Rate (%)</u>	<u>Amount Issued</u>	<u>Balance June 30, 2019</u>
Chartwells	04/01/14	07/01/19	7.924%	\$ 160,030	\$ -

Long-term liability activity for the year ended June 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
General obligation bonds	\$ 2,220,000	\$ 1,964,000	\$ 2,106,000	\$ 2,078,000	\$ 244,000
Deferred amounts for issuance premium	25,184	-	25,184	-	-
<b>Total bonds payable</b>	<b>2,245,184</b>	<b>1,964,000</b>	<b>2,131,184</b>	<b>2,078,000</b>	<b>244,000</b>
Long-term note payable	37,063	-	37,063	-	-
Compensated absences	1,163,796	380,792	296,144	1,248,444	271,038
<b>Total</b>	<b>\$ 3,446,043</b>	<b>\$ 2,344,792</b>	<b>\$ 2,464,391</b>	<b>\$3,326,444</b>	<b>\$ 515,038</b>

Total interest paid on long-term debt for the year ended June 30, 2019 was \$102,333.

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 7 – LONG TERM DEBT (continued)**

As of June 30, 2019, annual debt service requirements to maturity are as follows:

Year Ending June 30,	<u>General Obligation Bonds</u>	
	Principal	Interest
2020	\$ 244,000	\$ 58,250
2021	243,000	50,023
2022	172,000	43,593
2023	180,000	38,881
2024	188,000	33,949
2025 – 2029	1,051,000	88,392
Total requirements	\$ 2,078,000	\$ 313,088

The District was, in accordance with Nevada Revised Statutes 387.400, within the legal debt limit at June 30, 2019.

Debt Service Reserve Fund. Nevada Revised Statute 350.020 requires that the Board establish a reserve account for bonds authorized pursuant to this section within its debt service fund for payment of the outstanding bonds of the District. Currently, the account must be established and maintained in an amount at least equal to the lesser of the amount of principal and interest payments due in the next fiscal year on the General Obligation School Improvement Bonds issued in 2019 or 10% of the outstanding principal amount of this bond. The amounts on deposit in the reserve account are not directly pledged to pay debt service on the debt, and if permitted, may be used for other purposes. As of June 30, 2019, the amount required to fund the reserve account was \$193,100 and was fully funded by the District.

Refunding. The Humboldt County School District issued \$1,964,000 in bonds with an interest rate of 2.74%. The net proceeds of \$1,900,508, after payment of \$63,492 of issuance costs, were used to refund \$1,865,000 of outstanding 2009 General Obligation (Limited Tax) School Improvement Bonds which had interest rates ranging from 3.0% to 4.625%. The proceeds were deposited in an irrevocable trust with an escrow agent to provide funds for payment of the refunded bonds. The Humboldt County School District refunded the bonds to reduce its total debt service payments by \$121,753 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$104,810.

**NOTE 8 – RISK MANAGEMENT**

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters, as are all entities.

The District has joined together with similar public agencies (cities, counties, and special districts) throughout the State of Nevada to create a pool under the Nevada Interlocal Cooperation Act. The

**HUMBOLDT COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 8 – RISK MANAGEMENT (continued)**

Nevada Public Agency Insurance Pool (Pool) is a public entity risk pool currently operating as a common risk management and insurance program for its members.

The District pays an annual premium and specific deductibles, as necessary, to the Pool for its general insurance coverage. The pool is considered a self-sustaining risk pool that will provide liability coverage for its members up to \$10,000,000 per event and a \$10,000,000 general aggregate per member. Property, crime and equipment breakdown coverage is provided to its members up to \$300,000,000 per loss with various sub-limits established for earthquake, flood, equipment breakdown, and money and securities.

The District has a self-insured unemployment compensation plan which is accounted for in the Nevada Unemployment Compensation Fund. Under this plan, the District reimburses the State of Nevada as claims are filed. The claims liability is the amount of claims relating to the fiscal year ended June 30, 2019, but not yet paid, and is based on actual claims filed subsequent to June 30, 2019, but relating to that period.

The District also has a self-insured worker's compensation plan which is accounted for in the Self-Insured Worker's Compensation Fund. Under this plan, the District has contracted with a third-party administrator to process claims. The District retains the risk for the first \$400,000 per occurrence. Excess insurance coverage is purchased to cover claims in excess of \$400,000. In the case of employer liability, there is a maximum limit of indemnity for all claims of \$1,000,000. There were no settlements in excess of the insurance coverage this year.

The Self-Insured Workers' Compensation Fund is funded by charges to the District's other funds, and is based primarily upon the contributing funds' actual gross payroll expense and an assessment rate that is applied to all funds. Liabilities of the fund are reported when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. An estimated amount of claims that have been incurred but not reported (IBNRs) is required to be included in the liabilities. Prior to the fiscal year end, incidents had occurred that may result in claims payable from the Self-Insured Workers' Compensation Fund. Management has estimated these probable claims, based on consideration of the types of claims open at the end of the fiscal year, to be approximately \$60,000, and has recorded this amount as additional claims expense and liability as of June 30, 2019 in that fund.

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 8 – RISK MANAGEMENT (continued)**

Changes in the balance of claims liabilities during the past two years are as follows:

	Nevada Unemployment Compensation	Self-Insured Worker's Compensation	Total
Claims liability, June 30, 2017	\$ 1,960	\$ 210,605	\$ 212,565
Prior year change in estimate	-	(185,000)	(185,000)
Current year claims and changes in estimates	7,713	113,964	121,677
Claim payments	(7,039)	(75,069)	(82,108)
Claims liability, June 30, 2018	2,634	64,500	67,134
Current year claims and changes in estimates	10,058	87,441	97,499
Claim payments	(11,134)	(91,591)	(102,725)
Claims liability, June 30, 2019	\$ 1,558	\$ 60,350	\$ 61,908

**NOTE 9 – PENSION PROGRAM**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of PERS and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by PERS. 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.

Plan Description. The District participates in a cost sharing multiple employer defined benefit pension plan administered by the Public Employees Retirement System of the State of Nevada (PERS). All full-time and certain part-time employees of the District are covered by PERS. The Public Employees Retirement System of the State of Nevada issues a publicly available financial report that includes financial statements and required supplementary information for PERS. That report may be obtained on the PERS website at [www.nvpers.org](http://www.nvpers.org) under Quick Links – Publications.

Benefits Provided. PERS provides retirement benefits, disability benefits, and survivor benefits, including annual cost of living adjustments, to plan members and their beneficiaries. Benefits, as required by Nevada Revised Statute 286, are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the System on or after January 1, 2010 and July 1, 2015.

Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this

**HUMBOLDT COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 9 – PENSION PROGRAM (continued)**

multiplier is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.5% service time factor and for regular members entering the System on or after July 1, 2015, there is a 2.25% factor. The System offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during their lifetime and various optional monthly payments to a named beneficiary after their death. Post-retirement increases are provided by authority of NRS 286.575 - .579.

Regular members entering the System prior to January 1, 2010, are eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, or at any age with thirty years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with ten years of service, or any age with thirty years of service. Regular members entering the System on or after July 1, 2015 are eligible for retirement at age 65 with five years of service, age 62 with ten years of service, age 55 with thirty years of service, or any age with thirty-three and one-third years of service.

Police/Fire members are eligible for retirement at age 65 with five years of service, at age 55 with ten years of service, at age 50 with twenty years of service, or at any age with twenty-five years of service. Police/Fire members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 60 with ten years of service, or age 50 with twenty years of service, or at any age with thirty years of service. Police/Fire members entering the System on or after July 1, 2015, are eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, at age 50 with twenty years of service and at any age with 33 1/3 years of service. Only service performed in a position as a police officer or firefighter may be counted towards eligibility for retirement as Police/Fire accredited service.

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

Contributions. The authority for establishing and amending the obligation to make contributions, and member contribution rates, is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. One plan provides for matching employee and employer contributions, while the other plan provides for employer-pay contributions only. Under the matching Employee/Employer Contribution plan a member may, upon termination of service for which contribution is required, withdraw employee contributions which have been credited to their account. All membership rights and active service credit in PERS are canceled upon withdrawal of contributions from the member's account. If EPC was elected, the member cannot convert to the Employee/Employer Contribution plan and cannot withdraw these contributions. The District is required to contribute all amounts due for plan members under the Employer-Pay Contribution plan. The contribution requirements of the

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 9 – PENSION PROGRAM (continued)**

District are established by Chapter 286 of the Nevada Revised Statutes. The funding mechanism may only be amended through legislation.

PERS' basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due.

PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund PERS on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450.

For the fiscal year ended June 30, 2019, the Statutory Employer/Employee matching rate was 14.50% for Regular and 20.75% for Police/Fire. The Employer-Pay contribution rate was 28.00% for Regular and 40.50% for Police/Fire.

District contributions of \$3,075,804 were paid during the fiscal year ended June 30, 2018 and were recognized as additions to the plan's fiduciary net position, reducing the District's proportionate share of net pension liability for the fiscal year ended June 30, 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2019, the District reported a liability of \$45,216,167 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's total contributions due on wages relative to the total contributions for all employers for the period ended June 30, 2018. The District's proportion was 0.33155%, as of June 30, 2018, which was a decrease of 0.00948% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of \$908,039. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:



**HUMBOLDT COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 9 – PENSION PROGRAM (continued)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,416,496	\$ 8,015,952
Changes of assumptions	4,697,101	-
Net difference between projected and actual earnings on pension plan investments	1,582,293	-
Changes in proportion and differences between actual and proportionate share of contributions	830,621	1,044,215
District contributions subsequent to the measurement date	3,179,487	-
Total	\$ 11,705,998	\$ 9,060,167

\$3,179,487 reported as deferred outflows related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended June 30,</b>	
2020	\$ (533,709)
2021	84,777
2022	(493,792)
2023	(68,963)
2024	(184,782)
Thereafter	(293,249)

Actuarial assumptions. The total pension liability in the June 30, 2018 actuarial valuation was determined using the following assumptions, applied to all periods including the measurement:

Inflation Rate	2.75%
Payroll Growth	5.00%, including inflation
Projected Salary Increases	Regular: 4.25% to 9.15%, depending on service Police/Fire: 4.55% to 13.9%, depending on service Rates include inflation and productivity increases
Investment Rate of Return	7.50%
Productivity Pay Increase	0.50%
Consumer Price Index	2.75%

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of the experience review completed in 2017. Mortality rates for non-disabled male regular members were based on the RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA. Mortality rates for non-disabled female regular members were based on the RP-2000 Combined Healthy Mortality Table, projected to 2013 with Scale AA, set back one year. Mortality rates for all

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 9 – PENSION PROGRAM (continued)**

non-disabled police/fire members were based on the RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA, set forward one year. The mortality table used in the actuarial valuation to project mortality rates for all disabled regular members and all disabled police/fire members is the RP-2000 Disabled Retiree Mortality Table projected to 2013 with Scale AA, set forward three years.

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

The following was the Board-adopted policy target asset allocation as of June 30, 2018:

Asset Class	Target Allocation	Long-Term Geometric Expected Real Rate of Return*
Domestic equity	42%	5.50%
International equity	18%	5.75%
U.S. Bonds	30%	0.25%
Private markets	10%	6.80%
Total	100%	

\*As of June 30, 2018, PERS' long-term inflation assumption was 2.75%.

Discount rate. The discount rate used to measure the total pension liability was 7.50% as of June 30, 2018. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position at June 30, 2018, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2018.

Pension liability sensitivity. The following presents the District's proportionate share of the net pension liability, calculated using the discount rate of 7.50%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current discount rate:

	1% Decrease (6.50%)	Current Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	\$68,952,468	\$45,216,170	\$25,425,945

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 9 – PENSION PROGRAM (continued)**

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in a separately-issued PERS' Comprehensive Annual Financial Report (CAFR), available on the PERS website [www.nvpers.org](http://www.nvpers.org).

**NOTE 10 – CONTINGENCIES**

The District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the overall financial position of the District.

**NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS**

Plan Descriptions. The District administers a single-employer defined benefit healthcare plan, Humboldt County School District Employee Health Benefit Plan (HCSDEHBP). Additionally, the District participates in the State of Nevada's Public Employees' Benefits Plan (PEBP), an agent multiple-employer defined benefit postemployment healthcare plan. Each plan provides medical, vision, dental, and life insurance benefits to eligible retired District employees and beneficiaries. No assets are accumulated in a trust that meets all of the criteria in GASB Statement No. 75, paragraph 4.

Benefits Provided. Benefit provisions for the HCSDEHBP are established pursuant to NRS 287.023 and amended through negotiations between the District and the respective associations. NRS 288.150 assigns the authority to establish benefit provisions to the Board of Trustees. The plan provides healthcare insurance for eligible retirees and their beneficiaries through the District's group health insurance plan, which covers both active and retired members. Under NRS 287.023 eligible retirees are able to participate in the plan with blended rates, thereby benefitting from an implicit subsidy. Retirees are required to pay 100% of their premiums under the plan. To be eligible for coverage as a retiree, the employee must have qualified for and started his or her retirement benefits from Nevada Public Employee Retirement System (PERS), must have been eligible for benefits while employed by the District, and must have retired from the District at the time of their election to participate. As of June 30, 2019, 72 retirees were using this plan. The HCSDEHBP does not issue a publicly available financial report.

Benefit provisions for the PEBP are administered by the State of Nevada. NRS 287.043 assigns the authority to establish and amend benefit provisions to the PEBP nine-member board of trustees. District employees who met the eligibility requirements effective September 1, 2008 for retirement within the Public Employee Retirement System had the option upon retirement to enroll in coverage under the PEBP. NRS 287.023 sunsetted the option to join PEBP for District employees who retired after November 29, 2008. Local governments are required to pay the same portion of cost of coverage for those persons joining PEBP that the State of Nevada pays for those persons retired

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (continued)**

from state service who have continued to participate in the plan. As of June 30, 2019, 92 school district retirees were utilizing this benefit. The PEBP issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Public Employee’s Benefits Program, 901 S. Stewart Street, Suite 1001, Carson City, NV, 89701, by calling (775) 684-7000 or (800) 326-5496, or by accessing the website at [www.pebp.state.nv.us/resources/fiscal-utilization-reports](http://www.pebp.state.nv.us/resources/fiscal-utilization-reports).

Employees Covered by Benefit Terms. As of the January 2017 valuation date, the following employees were covered by benefit terms:

	<u>HCSDEHBP</u>	<u>PEBP</u>
Active members currently receiving benefit payments	345	N/A – no active
Active members entitled to but not currently receiving benefit payments	81	employees in this
Inactive members currently receiving benefit payments	53	plan
Total	<u>479</u>	<u>93</u>

Contributions. For HCSDEHBP, contribution requirements of the plan members and the District are established and may be amended through negotiations between the District and the associations. Retirees pay 100% of the pay-as-you-go premiums based on a blended rate that blends active participants and retirees. The District’s contribution requirements for retirees relate to the implicit subsidy that results from using the blended rates and is determined in actuarial studies contracted for by the District. The implicit subsidy as determined by the actuary for fiscal year 2019 is \$187,426.

For the PEBP, NRS 287.046 establishes the subsidies to be contributed toward the premium costs of the eligible retired district employees. Plan members receiving benefits have their monthly contribution deducted from their pension checks based on the health plan chosen by the retiree as reduced by the amount of the subsidy therefore, their contributions are not available. Subsidy rates vary with the type of plan and coverage elected by the retiree. The contribution requirements of plan members and the District are established and amended by the PEBP board of trustees. As a participating employer, the District is billed for the subsidy on a monthly basis and is legally required under NRS 287.023 to provide for it. For fiscal year 2019, the District contributed \$236,260 to the plan for current premiums. The District did not prefund any future benefits.

Total OPEB Liability. The District’s total OPEB liability of \$10,057,158 was measured as of June 30, 2018, and was determined by actuarial valuations of both plans as of that date.

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)**

Actuarial Assumptions. The total OPEB liability in the January 2017 actuarial valuations was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2018:

	HCSDEHBP	PEBP
Inflation	2.75% per year	2.75% per year
Salary Increase	4.0% per year	N/A – no active employees in this plan
Funding Method	Entry Age Normal Cost, closed group, level percent of pay	Entry Age Normal Cost, closed group, level percent of pay

Healthcare Cost Trend Rates:

Effective July 1	District Medical Premium and Pre-Medicare PEBP Subsidy Increase	Medicare PEBP Subsidy Increase
2017	Actual	Actual
2018	6.50%	4.50%
2019	6.00%	4.50%
2020	5.75%	4.50%
2021	5.50%	4.50%
2022	5.25%	4.50%
2023 & Later	5.00%	4.50%

Discount rate. A discount rate of 2.98% was applied in the measurement of the total OPEB liability. The discount rate is based on the index rate for S&P General Obligation Municipal Bond 20 Year High Grade.

Mortality rates were based on the most recently published report of the Nevada Public Employees Retirement System, dated June 30, 2015, as being reasonably representative of mortality experience as of that measurement date.

These rates were derived from the RP-2000 Combined Healthy Table for males and the same set back one year for females. Adjustments for mortality improvements were made by applying the MacLeod Watts Scale 2017.

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)**

Changes in the Total OPEB Liability. Changes in the total OPEB liability were as follows:

	<u>HCSDEHBP</u>	<u>PEBP</u>	<u>Total OPEB</u>
<b>Balance at June 30, 2018</b>	\$5,589,436	\$4,097,926	\$9,687,362
Changes for the year:			
Service cost	349,407	-	349,407
Interest	182,961	124,454	307,415
Changes of assumptions	37,419	105,929	143,348
Benefit payments	(186,861)	(243,513)	(430,374)
Net changes	<u>382,926</u>	<u>(13,130)</u>	<u>369,796</u>
<b>Balance at June 30, 2019</b>	<u>\$ 5,972,362</u>	<u>\$4,084,796</u>	<u>\$ 10,057,158</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.13% in 2017 to 2.98% in 2018.

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-percentage-point lower (1.98%) or 1-percentage-point higher (3.98%) than the current discount rate.

	<u>1% Decrease (1.98%)</u>	<u>Current Rate (2.98%)</u>	<u>1% Increase (3.98%)</u>
HCSDEHBP	\$ 7,156,630	\$ 5,972,362	\$ 5,056,628
PEBP	4,639,793	4,084,796	3,627,680
Total OPEB Liability	<u>\$ 11,796,423</u>	<u>\$ 10,057,158</u>	<u>\$ 8,684,308</u>

Sensitivity of the total OPEB liability to changes in the healthcare 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-percentage-point lower (6% decreasing to 4%) or 1-percentage-point higher (8% decreasing to 6%) than the current healthcare cost trend rates.

	<u>1% Decrease (6% decreasing to 4%)</u>	<u>Healthcare Cost Trend Rates (7% decreasing to 5%)</u>	<u>1% Increase (8% decreasing to 6%)</u>
HCSDEHBP	\$ 4,100,369	\$ 5,972,362	\$ 9,024,057
PEBP	3,594,834	4,084,796	4,669,325
Total OPEB Liability	<u>\$ 7,695,203</u>	<u>\$ 10,057,158</u>	<u>\$ 13,693,382</u>

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)**

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB. For the year ended June 30, 2019, the HCSDEHBP recognized OPEB expense of \$493,695 and the PEBP plan recognized OPEB expense of \$230,383 for a total OPEB expense of \$724,078. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
<b>HCSDEHBP</b>		
Changes in Assumptions	\$ 33,970	\$ 372,777
Contributions Made Subsequent to the Measurement Date	187,426	-
<b>Total HCSDEHBP</b>	<b>\$ 221,396</b>	<b>\$ 372,777</b>
 <b>PEBP</b>		
Changes in Assumptions	\$ -	\$ -
Contributions Made Subsequent to the Measurement Date	236,260	-
<b>Total PEBP</b>	<b>\$ 236,260</b>	<b>\$ -</b>
 <b>Total Combined</b>		
Changes in Assumptions	\$ 33,970	\$ 372,777
Contributions Made Subsequent to the Measurement Date	423,686	-
<b>Total Combined</b>	<b>\$ 457,656</b>	<b>\$ 372,777</b>

The District will recognize the Contributions Made Subsequent to the Measurement Date in the next fiscal year. Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year Ended June 30,</b>	
2020	\$ (38,673)
2021	(38,673)
2022	(38,673)
2023	(38,673)
2024	(38,673)
Thereafter	(145,442)

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 12 – RELATED PARTY TRANSACTIONS**

During the fiscal year ending June 30, 2019, the District had transactions with the son of a Board member. The District paid the individual \$29,268 for electrical services during the year.



**HUMBOLDT COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**

**Last 10 Fiscal Years**

	<u>2019</u>	<u>2018</u>
<b>PEBP</b>		
Service Cost	\$ -	\$ -
Interest on the total OPEB Liability	124,454	116,577
Changes in assumptions	105,929	(237,840)
Benefit payments	<u>(243,513)</u>	<u>(261,402)</u>
<b>Net changes</b>	<b>(13,130)</b>	<b>(382,665)</b>
<b>Total OPEB liability - beginning</b>	<b><u>4,097,926</u></b>	<b><u>4,480,591</u></b>
<b>Total OPEB liability - ending</b>	<b><u>\$ 4,084,796</u></b>	<b><u>\$ 4,097,926</u></b>
<b>Covered-employee payroll</b>	<b>N/A</b>	<b>N/A</b>
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	<b>N/A</b>	<b>N/A</b>
<b>HCSDEHBP</b>		
Service Cost	\$ 349,407	\$ 383,598
Interest on the total OPEB Liability	182,961	160,153
Changes in assumptions	37,419	(457,021)
Benefit payments	<u>(186,861)</u>	<u>(179,115)</u>
<b>Net changes</b>	<b>382,926</b>	<b>(92,385)</b>
<b>Total OPEB liability - beginning</b>	<b><u>5,589,436</u></b>	<b><u>5,681,821</u></b>
<b>Total OPEB liability - ending</b>	<b><u>\$ 5,972,362</u></b>	<b><u>\$ 5,589,436</u></b>
<b>Covered-employee payroll</b>	<b>\$ 19,904,018</b>	<b>\$ 18,983,119</b>
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	<b>30%</b>	<b>29%</b>
<b>Total Combined OPEB Liability</b>		
Service Cost	\$ 349,407	\$ 383,598
Interest on the total OPEB Liability	307,415	276,730
Changes in assumptions	143,348	(694,861)
Benefit payments	<u>(430,374)</u>	<u>(440,517)</u>
<b>Net changes</b>	<b>369,796</b>	<b>(475,050)</b>
<b>Total OPEB liability - beginning</b>	<b><u>9,687,362</u></b>	<b><u>10,162,412</u></b>
<b>Total OPEB liability - ending</b>	<b><u>\$ 10,057,158</u></b>	<b><u>\$ 9,687,362</u></b>

Note: Complete data for this schedule is not available prior to 2018.

The notes to the required supplementary information are an integral part of this schedule.

**HUMBOLDT COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION  
LIABILITY - PUBLIC EMPLOYEE'S RETIREMENT SYSTEM OF NEVADA (PERS)**

**Last 10 Fiscal Years**

Year Ended June 30	District's proportion of the net pension liability (asset)	District's proportionate share of the net pension liability (asset)	District's covered- employee payroll	District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2019	0.33155%	\$ 45,216,170	\$ 22,712,347	199.08%	~
2018	0.32207%	42,835,308	21,970,021	194.97%	75.24%
2017	0.33413%	44,964,894	20,665,924	217.58%	74.42%
2016	0.32288%	37,000,589	20,199,760	183.17%	72.23%
2015	0.33008%	34,400,719	19,360,490	177.69%	75.13%
2014	*	43,404,765	19,342,306	224.40%	76.31%
2013	*	*	18,492,720	*	68.68%
2012	*	*	18,286,862	*	*
2011	*	*	18,795,596	*	*
2010	*	*	18,747,365	*	*

\*Perspective implementation as of June 30, 2015.

~Information not yet available.

The notes to the required supplementary information are an integral part of this schedule.

**HUMBOLDT COUNTY SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS - PUBLIC EMPLOYEE'S RETIREMENT  
 SYSTEM OF NEVADA (PERS)**

**Last 10 Fiscal Years**

Year Ended June 30	Statutorily Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution deficiency (excess)	Covered Employee Payroll	Contributions as a percentage of covered-employee payroll
2019	\$ 3,179,487	\$ 3,179,487	\$ -	\$ 22,712,347	14.00%
2018	3,075,804	3,075,804	-	21,970,021	14.00%
2017	2,892,684	2,892,684	-	20,665,924	14.00%
2016	2,832,851	2,832,851	-	20,199,760	14.02%
2015	4,985,328	4,985,328	-	19,360,490	25.75%
2014	4,972,386	4,972,386	-	19,342,306	25.71%
2013	4,391,758	4,391,758	-	18,492,720	23.75%
2012	4,333,270	4,333,270	-	18,286,862	23.70%
2011	4,006,455	4,006,455	-	18,795,596	21.32%
2010	4,026,709	4,026,709	-	18,747,365	21.48%

Note: Beginning with the year ended June 30, 2016, all contributions shown reflect employer-paid contributions only, and employer-paid member contributions are excluded as required by Government Accounting Standards Board (GASB) Statement No. 82.

The notes to the required supplementary information are an integral part of this schedule.

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2019**

**OPEB - Changes of Assumptions.** Changes of assumptions and other inputs reflect a change in the discount rate from 3.13% in 2017 to 2.98% in 2018.

**OPEB - Plan Assets.** No assets are accumulated in a trust that meets all of the following criteria of GASBS No. 75, paragraph 4, to pay benefits:

- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing OPEB to Plan members in accordance with benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

**HUMBOLDT COUNTY SCHOOL DISTRICT  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2018</u>
<b>REVENUES</b>					
Local sources:					
Ad valorem taxes	\$ 9,811,547	\$ 9,864,006	\$ 9,783,423	\$ (80,583)	\$ 10,533,641
School support taxes	9,306,090	11,306,090	11,937,770	631,680	10,167,895
Government services tax	1,375,513	1,375,513	1,491,790	116,277	1,393,115
Franchise fees	-	-	10,785	10,785	-
Tuition	68,561	66,279	69,579	3,300	74,528
Private donations	5,000	8,800	5,420	(3,380)	9,853
Pay to play	21,000	21,000	15,825	(5,175)	18,650
Boat registration fees	7,500	6,250	8,578	2,328	8,555
Other	95,000	40,500	40,937	437	110,586
	<u>20,690,211</u>	<u>22,688,438</u>	<u>23,364,107</u>	<u>675,669</u>	<u>22,316,823</u>
State sources:					
Distributive school fund	13,116,339	9,893,526	9,186,736	(706,790)	12,384,480
Full day kindergarten	-	-	-	-	453,591
	<u>13,116,339</u>	<u>9,893,526</u>	<u>9,186,736</u>	<u>(706,790)</u>	<u>12,838,071</u>
Federal sources:					
Schools and roads - grants to counties	-	69,711	69,711	-	81,455
Forest reserve	-	-	558	558	487
	<u>-</u>	<u>69,711</u>	<u>70,269</u>	<u>558</u>	<u>81,942</u>
Total revenues	<u>33,806,550</u>	<u>32,651,675</u>	<u>32,621,112</u>	<u>(30,563)</u>	<u>35,236,836</u>
<b>EXPENDITURES</b>					
Regular programs:					
Instruction					
Salaries	10,572,510	10,414,598	10,192,433	222,165	10,146,955
Benefits	4,802,894	5,393,469	4,919,026	474,443	4,568,961
Purchased services	107,850	111,700	74,706	36,994	90,046
Supplies	770,835	1,427,335	1,259,605	167,730	1,105,710
Other	1,250	1,250	895	355	1,618
	<u>16,255,339</u>	<u>17,348,352</u>	<u>16,446,665</u>	<u>901,687</u>	<u>15,913,290</u>

(CONTINUED)

**HUMBOLDT COUNTY SCHOOL DISTRICT  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2018</u>
Instructional staff support					
Salaries	\$ 35,000	\$ 50,000	\$ 47,671	\$ 2,329	\$ 30,534
Benefits	1,655	2,761	21,104	(18,343)	1,319
Purchased services	42,100	42,100	7,579	34,521	6,153
Supplies	27,000	27,000	6,773	20,227	20,576
Total instructional staff support	<u>105,755</u>	<u>121,861</u>	<u>83,127</u>	<u>38,734</u>	<u>58,582</u>
Student transportation					
Salaries	25,000	25,000	20,480	4,520	12,063
Benefits	8,050	8,050	6,430	1,620	3,613
Purchased services	28,000	44,000	35,041	8,959	26,942
Total student transportation	<u>61,050</u>	<u>77,050</u>	<u>61,951</u>	<u>15,099</u>	<u>42,618</u>
Total regular programs	<u>16,422,144</u>	<u>17,547,263</u>	<u>16,591,743</u>	<u>955,520</u>	<u>16,014,490</u>
Vocational programs:					
Instruction					
Salaries	661,156	664,256	654,448	9,808	637,958
Benefits	278,687	279,787	273,982	5,805	266,773
Purchased services	3,280	3,280	767	2,513	1,543
Supplies	37,445	37,445	33,979	3,466	29,236
Total instruction	<u>980,568</u>	<u>984,768</u>	<u>963,176</u>	<u>21,592</u>	<u>935,510</u>
Student transportation					
Purchased services	1,000	1,000	625	375	-
Total vocational programs	<u>981,568</u>	<u>985,768</u>	<u>963,801</u>	<u>21,967</u>	<u>935,510</u>
Other instructional programs:					
Instruction					
Salaries	659,814	614,028	572,705	41,323	631,068
Benefits	241,782	250,275	244,306	5,969	261,532
Purchased services	6,000	6,000	-	6,000	2,140
Supplies	1,200	1,200	1,194	6	1,902
Other	-	-	150	(150)	150
Total instruction	<u>908,796</u>	<u>871,503</u>	<u>818,355</u>	<u>53,148</u>	<u>896,792</u>

(CONTINUED)

**HUMBOLDT COUNTY SCHOOL DISTRICT  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2018</u>
Instructional staff support					
Purchased services	\$ 15,000	\$ 15,000	\$ 10,763	\$ 4,237	\$ 12,087
Supplies	1,750	1,750	-	1,750	-
Total instructional staff support	<u>16,750</u>	<u>16,750</u>	<u>10,763</u>	<u>5,987</u>	<u>12,087</u>
Administrative Support					
Salaries	8,609	8,609	8,609	-	8,135
Benefits	4,805	4,805	4,727	78	4,509
Total administrative support	<u>13,414</u>	<u>13,414</u>	<u>13,336</u>	<u>78</u>	<u>12,644</u>
Student transportation					
Salaries	1,500	1,500	462	1,038	-
Benefits	370	370	143	227	-
Purchased Services	-	-	376	(376)	100
Total student transportation	<u>1,870</u>	<u>1,870</u>	<u>981</u>	<u>889</u>	<u>100</u>
Total other instructional programs	<u>940,830</u>	<u>903,537</u>	<u>843,435</u>	<u>60,102</u>	<u>921,623</u>
Co-curricular/athletic programs:					
Instruction					
Salaries	387,129	387,129	351,594	35,535	336,684
Benefits	29,892	29,892	19,258	10,634	17,648
Purchased services	46,600	46,600	35,546	11,054	36,609
Supplies	48,100	48,100	35,655	12,445	40,959
Other	6,000	6,000	4,815	1,185	5,677
Total instruction	<u>517,721</u>	<u>517,721</u>	<u>446,868</u>	<u>70,853</u>	<u>437,577</u>
Student transportation					
Purchased services	213,525	213,525	235,006	(21,481)	213,416
Total co-curricular/athletic programs	<u>731,246</u>	<u>731,246</u>	<u>681,874</u>	<u>49,372</u>	<u>650,993</u>
Undistributed expenditures:					
Student support					
Salaries	832,570	705,471	690,096	15,375	790,388
Benefits	349,870	311,356	306,381	4,975	332,204

**(CONTINUED)**

**HUMBOLDT COUNTY SCHOOL DISTRICT  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2018</u>
Purchased services	\$ 4,775	\$ 7,275	\$ 5,277	\$ 1,998	\$ 2,935
Supplies	18,945	21,445	14,217	7,228	13,724
Other	150	150	135	15	135
<b>Total student support</b>	<b>1,206,310</b>	<b>1,045,697</b>	<b>1,016,106</b>	<b>29,591</b>	<b>1,139,386</b>
<b>Instructional staff support</b>					
Salaries	485,005	513,599	500,115	13,484	441,454
Benefits	207,195	222,676	218,567	4,109	179,770
Purchased services	45,375	45,375	6,413	38,962	68,543
Supplies	114,862	125,362	48,995	76,367	60,770
Other	50	50	-	50	-
<b>Total instructional staff support</b>	<b>852,487</b>	<b>907,062</b>	<b>774,090</b>	<b>132,972</b>	<b>750,537</b>
<b>General administration</b>					
Salaries	707,307	707,307	699,171	8,136	677,373
Benefits	262,876	270,001	264,448	5,553	253,250
Purchased services	287,100	287,100	228,601	58,499	225,065
Supplies	35,375	47,375	26,259	21,116	21,033
Other	23,000	28,000	23,977	4,023	16,502
<b>Total general administration</b>	<b>1,315,658</b>	<b>1,339,783</b>	<b>1,242,456</b>	<b>97,327</b>	<b>1,193,223</b>
<b>School administration</b>					
Salaries	2,003,033	1,967,710	1,951,444	16,266	1,838,766
Benefits	813,252	818,368	780,900	37,468	732,294
Purchased services	239,412	217,742	117,316	100,426	213,605
Supplies	13,810	14,996	14,452	544	13,413
Other	3,550	3,550	2,280	1,270	1,800
<b>Total school administration</b>	<b>3,073,057</b>	<b>3,022,366</b>	<b>2,866,392</b>	<b>155,974</b>	<b>2,799,878</b>
<b>Administrative support</b>					
Salaries	317,124	317,124	313,656	3,468	269,520
Benefits	150,845	150,845	132,794	18,051	124,866
Purchased services	20,200	41,348	25,185	16,163	12,562
Supplies	59,909	67,909	59,716	8,193	46,635
Other	500	1,000	374	626	-
<b>Total administrative support</b>	<b>548,578</b>	<b>578,226</b>	<b>531,725</b>	<b>46,501</b>	<b>453,583</b>

(CONTINUED)



**HUMBOLDT COUNTY SCHOOL DISTRICT  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2018</u>
Operation and maintenance					
Salaries	\$ 1,916,760	\$ 1,823,174	\$ 1,746,363	\$ 76,811	\$ 1,803,664
Benefits	874,742	838,281	800,932	37,349	818,778
Purchased services	641,833	710,835	629,836	80,999	571,537
Supplies	994,328	1,075,774	1,018,783	56,991	1,026,427
Property	100,000	283,256	283,256	-	6,600
Other	2,125	2,125	2,328	(203)	2,214
	<u>4,529,788</u>	<u>4,733,445</u>	<u>4,481,498</u>	<u>251,947</u>	<u>4,229,220</u>
Total operation and maintenance					
Student transportation					
Salaries	651,272	626,972	578,315	48,657	569,698
Benefits	258,710	243,710	232,311	11,399	219,927
Purchased services	155,590	157,600	94,953	62,647	130,736
Supplies	277,150	308,150	201,776	106,374	208,625
Property	-	-	-	-	111,700
Other	3,100	3,100	1,708	1,392	2,295
	<u>1,345,822</u>	<u>1,339,532</u>	<u>1,109,063</u>	<u>230,469</u>	<u>1,242,981</u>
Total student transportation					
Total undistributed expenditures	<u>12,871,700</u>	<u>12,966,111</u>	<u>12,021,330</u>	<u>944,781</u>	<u>11,808,808</u>
Debt service					
Principal	68,000	68,000	68,000	-	65,000
Interest	8,536	8,536	8,529	7	11,383
	<u>76,536</u>	<u>76,536</u>	<u>76,529</u>	<u>7</u>	<u>76,383</u>
Total debt service					
Total expenditures	<u>32,024,024</u>	<u>33,210,461</u>	<u>31,178,712</u>	<u>2,031,749</u>	<u>30,407,807</u>
Excess of revenues over expenditures	1,782,526	(558,786)	1,442,400	2,001,186	4,829,029
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	<u>(2,800,134)</u>	<u>(2,579,138)</u>	<u>(2,358,642)</u>	<u>220,496</u>	<u>(2,288,966)</u>
Net change in fund balance	(1,017,608)	(3,137,924)	(916,242)	2,221,682	2,540,063
<b>FUND BALANCE, July 1</b>	<u>4,603,315</u>	<u>7,147,615</u>	<u>7,147,615</u>	<u>-</u>	<u>4,607,552</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 3,585,707</u>	<u>\$ 4,009,691</u>	<u>\$ 6,231,373</u>	<u>\$ 2,221,682</u>	<u>\$ 7,147,615</u>

**HUMBOLDT COUNTY SCHOOL DISTRICT  
SPECIAL EDUCATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE TO FINAL BUDGET</b>	<b>2018</b>
	<b>ORIGINAL</b>	<b>FINAL</b>			
<b>REVENUES</b>					
State grants	\$ 5,500	\$ -	\$ -	\$ -	\$ -
Distributive school fund	1,750,269	1,769,442	1,769,442	-	1,601,231
Total state sources	1,755,769	1,769,442	1,769,442	-	1,601,231
Federal sources:					
Medicaid	68,000	78,859	103,282	24,423	100,223
Total revenues	1,823,769	1,848,301	1,872,724	24,423	1,701,454
<b>EXPENDITURES</b>					
Special programs:					
Instruction					
Salaries	2,249,086	2,172,023	2,132,840	39,183	1,937,940
Benefits	935,814	917,263	891,918	25,345	779,923
Purchased services	25,000	63,100	46,316	16,784	52,218
Supplies	22,500	29,000	21,803	7,197	20,199
Other	200	200	-	200	22
Total instruction	3,232,600	3,181,586	3,092,877	88,709	2,790,302
Student support					
Salaries	574,423	476,367	487,739	(11,372)	535,797
Benefits	244,319	216,878	212,505	4,373	214,906
Purchased services	16,485	81,610	70,450	11,160	15,695
Supplies	5,800	7,084	3,609	3,475	5,617
Other	400	400	50	350	427
Total student support	841,427	782,339	774,353	7,986	772,442
Instructional staff support					
Salaries	86,845	50,139	49,939	200	77,920
Benefits	32,312	23,577	23,418	159	29,625
Purchased services	12,650	21,150	17,171	3,979	10,218
Supplies	5,740	10,740	10,093	647	5,026
Total instructional staff support	137,547	105,606	100,621	4,985	122,789
Administrative support					
Salaries	2,743	5,181	5,180	1	-
Benefits	848	1,603	1,609	(6)	-
Total administrative support	3,591	6,784	6,789	(5)	-

**(CONTINUED)**

**HUMBOLDT COUNTY SCHOOL DISTRICT  
SPECIAL EDUCATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE TO</b>	
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>	
Student transportation					
Salaries	\$ 131,095	\$ 131,095	\$ 120,618	\$ 10,477	\$ 123,969
Benefits	68,299	68,299	62,292	6,007	64,803
Purchased services	1,750	3,840	3,189	651	(2,340)
Supplies	8,000	8,000	737	7,263	3,047
	<u>209,144</u>	<u>211,234</u>	<u>186,836</u>	<u>24,398</u>	<u>189,479</u>
Total student transportation					
	<u>209,144</u>	<u>211,234</u>	<u>186,836</u>	<u>24,398</u>	<u>189,479</u>
Total expenditures	<u>4,424,309</u>	<u>4,287,549</u>	<u>4,161,476</u>	<u>126,073</u>	<u>3,875,012</u>
Excess (deficiency) of revenues over expenditures	(2,600,540)	(2,439,248)	(2,288,752)	150,496	(2,173,558)
<b>OTHER FINANCING SOURCES</b>					
Transfers in	<u>2,600,540</u>	<u>2,439,248</u>	<u>2,288,752</u>	<u>(150,496)</u>	<u>2,173,558</u>
Net change in fund balance	-	-	-	-	-
<b>FUND BALANCE, July 1</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, June 30</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**HUMBOLDT COUNTY SCHOOL DISTRICT  
FEDERAL GRANTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2018</u>
<b>REVENUES</b>					
Federal sources:					
Federal direct	\$ 592,159	\$ 755,519	\$ 739,456	\$ (16,063)	\$ 590,854
Federal indirect	2,724,789	3,884,255	3,618,229	(266,026)	2,918,108
E-Rate funds	83,443	111,002	111,002	-	116,499
	<u>3,400,391</u>	<u>4,750,776</u>	<u>4,468,687</u>	<u>(282,089)</u>	<u>3,625,461</u>
Total revenues					
<b>EXPENDITURES</b>					
Regular programs:					
Instruction					
Salaries	220,021	209,330	209,330	-	201,785
Benefits	83,265	85,398	85,389	9	77,262
Purchased services	5,150	1,685	1,685	-	1,512
Supplies	172,313	529,427	492,691	36,736	162,385
Property	51,877	-	-	-	27,471
	<u>532,626</u>	<u>825,840</u>	<u>789,095</u>	<u>36,745</u>	<u>470,415</u>
Total instruction					
Student support					
Supplies	1,069	27,015	20,769	6,246	1,069
	<u>1,069</u>	<u>27,015</u>	<u>20,769</u>	<u>6,246</u>	<u>1,069</u>
Instructional staff support					
Salaries	92,194	246,464	200,150	46,314	161,843
Benefits	33,813	55,920	53,064	2,856	37,374
Purchased services	508,727	662,567	601,979	60,588	573,282
Supplies	26,185	32,615	28,261	4,354	47,209
	<u>660,919</u>	<u>997,566</u>	<u>883,454</u>	<u>114,112</u>	<u>819,708</u>
Total instructional staff support					
Student transportation					
Purchased services	24,176	25,491	17,734	7,757	19,422
Supplies	-	33,075	33,075	-	-
	<u>24,176</u>	<u>58,566</u>	<u>50,809</u>	<u>7,757</u>	<u>19,422</u>
Total student transportation					
Total regular programs	<u>1,218,790</u>	<u>1,908,987</u>	<u>1,744,127</u>	<u>164,860</u>	<u>1,310,614</u>

(CONTINUED)

**HUMBOLDT COUNTY SCHOOL DISTRICT  
FEDERAL GRANTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2018</u>
Special programs:					
Instruction					
Salaries	\$ 580,465	\$ 571,728	\$ 567,272	\$ 4,456	\$ 582,180
Benefits	231,040	248,925	246,874	2,051	234,541
Supplies	63,596	38,215	34,438	3,777	76,069
Total instruction	<u>875,101</u>	<u>858,868</u>	<u>848,584</u>	<u>10,284</u>	<u>892,790</u>
Student support					
Salaries	156,835	189,963	189,963	-	129,927
Benefits	65,643	128,629	128,629	-	122,387
Purchased services	103,907	96,811	91,526	5,285	68,083
Supplies	20,961	6,739	6,629	110	5,944
Total student support	<u>347,346</u>	<u>422,142</u>	<u>416,747</u>	<u>5,395</u>	<u>326,341</u>
Instructional staff support					
Salaries	15,000	31,920	29,424	2,496	17,700
Benefits	445	1,210	981	229	522
Purchased services	114,070	164,979	111,500	53,479	63,239
Supplies	7,733	10,229	7,940	2,289	10,294
Total instructional staff support	<u>137,248</u>	<u>208,338</u>	<u>149,845</u>	<u>58,493</u>	<u>91,755</u>
Administrative support					
Salaries	42,443	57,897	57,897	-	40,076
Benefits	13,133	22,060	22,049	11	12,400
Total administrative support	<u>55,576</u>	<u>79,957</u>	<u>79,946</u>	<u>11</u>	<u>52,476</u>
Student transportation					
Property	-	131,207	131,207	-	-
Community service					
Purchased services	-	2,550	2,244	306	-
Total special programs	<u>1,415,271</u>	<u>1,703,062</u>	<u>1,628,573</u>	<u>74,489</u>	<u>1,363,362</u>

(CONTINUED)

**HUMBOLDT COUNTY SCHOOL DISTRICT  
FEDERAL GRANTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2018</u>
Vocational programs:					
Instruction					
Purchased services	\$ 1,000	\$ 2,556	\$ 2,555	\$ 1	\$ 1,000
Supplies	11,104	12,493	12,413	80	11,070
Property	-	6,226	6,226	-	-
	<u>12,104</u>	<u>21,275</u>	<u>21,194</u>	<u>81</u>	<u>12,070</u>
Instructional staff support					
Purchased services	-	452	452	-	-
Student transportation					
Purchased services	2,000	-	-	-	2,000
	<u>14,104</u>	<u>21,727</u>	<u>21,646</u>	<u>81</u>	<u>14,070</u>
Other instructional programs:					
Instruction					
Salaries	-	46,886	40,906	5,980	17,330
Benefits	-	3,202	2,333	869	1,114
Purchased services	2,061	492	492	-	425
Supplies	19,516	28,988	25,073	3,915	25,676
	<u>21,577</u>	<u>79,568</u>	<u>68,804</u>	<u>10,764</u>	<u>44,545</u>
Student support					
Salaries	20,722	20,632	17,734	2,898	24,339
Benefits	6,415	5,048	5,035	13	6,196
	<u>27,137</u>	<u>25,680</u>	<u>22,769</u>	<u>2,911</u>	<u>30,535</u>
Instructional staff support					
Salaries	5,600	2,352	2,352	-	5,911
Benefits	206	216	215	1	216
Purchased services	49,177	39,026	21,745	17,281	26,717
Supplies	2,514	500	197	303	2,837
	<u>57,497</u>	<u>42,094</u>	<u>24,509</u>	<u>17,585</u>	<u>35,681</u>

(CONTINUED)

**HUMBOLDT COUNTY SCHOOL DISTRICT  
FEDERAL GRANTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2018</u>
Community support					
Salaries	\$ -	\$ 6,484	\$ 6,484	\$ -	\$ -
Benefits	-	3,145	3,117	28	-
Supplies	3,862	3,642	1,916	1,726	1,030
Total community support	<u>3,862</u>	<u>13,271</u>	<u>11,517</u>	<u>1,754</u>	<u>1,030</u>
Total other instructional programs	<u>110,073</u>	<u>160,613</u>	<u>127,599</u>	<u>33,014</u>	<u>111,791</u>
Community services programs:					
Community service operations					
Salaries	-	33,233	33,233	-	-
Benefits	-	16,391	16,363	28	-
Supplies	5,250	11,811	8,101	3,710	715
Total community services programs	<u>5,250</u>	<u>61,435</u>	<u>57,697</u>	<u>3,738</u>	<u>715</u>
Undistributed expenditures:					
Student support					
Property	8,378	-	-	-	8,378
Instructional staff support					
Purchased services	11,409	27,262	27,262	-	50,813
Supplies	45,260	5,585	5,585	-	27,253
Property	-	57,372	57,372	-	-
Total instructional staff support	<u>56,669</u>	<u>90,219</u>	<u>90,219</u>	<u>-</u>	<u>78,066</u>
General administration					
Salaries	-	24,219	24,219	-	93,281
Benefits	-	7,668	7,671	(3)	36,852
Purchased services	22,796	24,104	19,991	4,113	15,253
Supplies	15,073	27,500	27,500	-	15,072
Total general administration	<u>37,869</u>	<u>83,491</u>	<u>79,381</u>	<u>4,110</u>	<u>160,458</u>
School administration					
Salaries	-	20,361	20,361	-	-
Benefits	-	10,444	10,444	-	-

(CONTINUED)

**HUMBOLDT COUNTY SCHOOL DISTRICT  
FEDERAL GRANTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE TO</b>	
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>	<b>2018</b>
Purchased services	\$ 24,637	\$ 89,059	\$ 89,059	\$ -	\$ 11,405
Supplies	9,823	3,746	3,746	-	3,086
Total school administration	<u>34,460</u>	<u>123,610</u>	<u>123,610</u>	<u>-</u>	<u>14,491</u>
Administrative support					
Salaries	-	15,455	15,455	-	-
Benefits	-	8,261	8,229	32	-
Purchased services	89,033	94,000	94,000	-	88,053
Supplies	948	-	-	-	1,363
Total administrative support	<u>89,981</u>	<u>117,716</u>	<u>117,684</u>	<u>32</u>	<u>89,416</u>
Operation and maintenance					
Purchased services	366,500	452,109	450,609	1,500	405,126
Supplies	18,038	-	-	-	44,219
Total operation and maintenance	<u>384,538</u>	<u>452,109</u>	<u>450,609</u>	<u>1,500</u>	<u>449,345</u>
Student transportation					
Purchased services	387	-	-	-	387
Food service programs					
Salaries	-	1,016	1,016	-	1,786
Benefits	-	313	313	-	552
Supplies	24,621	5,516	5,251	265	21,083
Property	-	21,909	21,909	-	-
Total food service	<u>24,621</u>	<u>28,754</u>	<u>28,489</u>	<u>265</u>	<u>23,421</u>
Total undistributed expenditures	<u>636,903</u>	<u>895,899</u>	<u>889,992</u>	<u>5,907</u>	<u>823,962</u>
Total expenditures	<u>3,400,391</u>	<u>4,751,723</u>	<u>4,469,634</u>	<u>282,089</u>	<u>3,624,514</u>
Net change in fund balance	-	(947)	(947)	-	947
<b>FUND BALANCE, July 1</b>	<u>-</u>	<u>947</u>	<u>947</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 947</u>



**HUMBOLDT COUNTY SCHOOL DISTRICT  
STATE GRANTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE TO</b>	
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>	<b>2018</b>
<b>REVENUES</b>					
State sources:					
Special appropriations	\$ 2,507,615	\$ 3,225,065	\$ 2,709,373	\$ (515,692)	\$ 2,431,864
<b>EXPENDITURES</b>					
Regular programs:					
Instruction					
Salaries	311,630	297,201	300,701	(3,500)	286,061
Benefits	73,074	68,400	68,400	-	62,817
Purchased services	58,341	9,149	1,031	8,118	2,687
Supplies	809,316	684,630	672,880	11,750	800,748
Property	-	-	-	-	8,398
Total instruction	<u>1,252,361</u>	<u>1,059,380</u>	<u>1,043,012</u>	<u>16,368</u>	<u>1,160,711</u>
Student support					
Other	-	5,800	5,800	-	-
Instructional staff support					
Salaries	248,391	441,973	438,659	3,314	314,322
Benefits	67,732	131,824	131,656	168	88,112
Purchased services	175,827	331,462	319,383	12,079	184,198
Supplies	1,833	12,980	8,281	4,699	1,633
Other	5,194	-	-	-	-
Total instructional staff support	<u>498,977</u>	<u>918,239</u>	<u>897,979</u>	<u>20,260</u>	<u>588,265</u>
Total regular programs	<u>1,751,338</u>	<u>1,983,419</u>	<u>1,946,791</u>	<u>36,628</u>	<u>1,748,976</u>
Special programs:					
Student support					
Salaries	154,007	130,841	130,841	-	128,800
Benefits	73,064	-	-	-	-
Supplies	-	1,766	1,766	-	-
Total special programs	<u>227,071</u>	<u>132,607</u>	<u>132,607</u>	<u>-</u>	<u>128,800</u>

**(CONTINUED)**

**HUMBOLDT COUNTY SCHOOL DISTRICT  
STATE GRANTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2018</u>
Vocational programs:					
Instruction					
Salaries	\$ -	\$ 1,728	\$ 1,632	\$ 96	\$ 1,536
Benefits	-	158	149	9	141
Purchased services	11,899	3,559	3,284	275	12,093
Supplies	91,500	58,112	57,940	172	97,053
Property	7,990	61,297	61,297	-	7,990
Total instruction	<u>111,389</u>	<u>124,854</u>	<u>124,302</u>	<u>552</u>	<u>118,813</u>
Instructional staff support					
Supplies	<u>1,170</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,159</u>
Student transportation					
Purchased services	<u>3,761</u>	<u>32,107</u>	<u>32,659</u>	<u>(552)</u>	<u>3,761</u>
Total vocational programs	<u>116,320</u>	<u>156,961</u>	<u>156,961</u>	<u>-</u>	<u>123,733</u>
Other instructional programs:					
Instruction					
Salaries	102,275	169,764	163,448	6,316	154,795
Benefits	46,566	47,568	46,843	725	57,416
Purchased services	67	77	77	-	67
Supplies	91,040	58,347	57,058	1,289	91,086
Property	5,000	-	-	-	-
Total instruction	<u>244,948</u>	<u>275,756</u>	<u>267,426</u>	<u>8,330</u>	<u>303,364</u>
Instructional staff support					
Purchased services	14,740	3,695	3,555	140	7,850
Supplies	<u>801</u>	<u>625</u>	<u>623</u>	<u>2</u>	<u>1,394</u>
Total instructional staff support	<u>15,541</u>	<u>4,320</u>	<u>4,178</u>	<u>142</u>	<u>9,244</u>

**(CONTINUED)**

**HUMBOLDT COUNTY SCHOOL DISTRICT  
STATE GRANTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2018</u>
Student transportation					
Purchased services	\$ -	\$ 2,090	\$ 2,088	\$ 2	\$ -
Supplies	6,103	-	-	-	6,103
Total student transportation	<u>6,103</u>	<u>2,090</u>	<u>2,088</u>	<u>2</u>	<u>6,103</u>
Community support					
Salaries	-	17,835	17,835	-	-
Benefits	-	9,828	9,825	3	-
Purchased services	624	684	547	137	515
Supplies	500	3,930	3,930	-	436
Total community support	<u>1,124</u>	<u>32,277</u>	<u>32,137</u>	<u>140</u>	<u>951</u>
Total other instructional programs	<u>267,716</u>	<u>314,443</u>	<u>305,829</u>	<u>8,614</u>	<u>319,662</u>
Community services programs:					
Community support					
Supplies	-	7,430	-	7,430	-
Undistributed expenditures:					
Student support					
Salaries	93,560	85,551	85,551	-	89,010
Benefits	42,927	15,481	15,481	-	15,481
Total student support	<u>136,487</u>	<u>101,032</u>	<u>101,032</u>	<u>-</u>	<u>104,491</u>
Instructional staff support					
Salaries	-	32,261	32,261	-	-
Benefits	-	18,238	18,238	-	-
Supplies	7,123	4,405	4,384	21	4,644
Property	-	467,999	-	467,999	-
Total instructional staff support	<u>7,123</u>	<u>522,903</u>	<u>54,883</u>	<u>468,020</u>	<u>4,644</u>

**(CONTINUED)**

**HUMBOLDT COUNTY SCHOOL DISTRICT  
STATE GRANTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2018</u>
Operation and maintenance					
Purchased services	\$ -	\$ 6,270	\$ 6,270	\$ -	\$ -
Supplies	1,560	-	-	-	1,558
Total operation and maintenance	<u>1,560</u>	<u>6,270</u>	<u>6,270</u>	<u>-</u>	<u>1,558</u>
Total undistributed expenditures	<u>145,170</u>	<u>630,205</u>	<u>162,185</u>	<u>468,020</u>	<u>110,693</u>
Total expenditures	<u>2,507,615</u>	<u>3,225,065</u>	<u>2,704,373</u>	<u>520,692</u>	<u>2,431,864</u>
Net change in fund balance	-	-	5,000	5,000	-
<b>FUND BALANCE, July 1</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, June 30</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,000</u></u>	<u><u>\$ 5,000</u></u>	<u><u>\$ -</u></u>

**HUMBOLDT COUNTY SCHOOL DISTRICT**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2019**  
*(With Comparative Totals for the Year Ended June 30, 2018)*

	<b>SPECIAL REVENUE FUNDS</b>	<b>CAPITAL PROJECTS FUNDS</b>	<b>TOTALS</b>	
			<b>2019</b>	<b>2018</b>
<b>ASSETS</b>				
Cash and investments	\$ 349,083	\$ 933,123	\$ 1,282,206	\$ 808,552
Receivables:				
Interest	-	12,619	12,619	5,962
Other	23,403	-	23,403	18,139
Due from other funds	-	122,946	122,946	-
Intergovernmental receivable	225,524	53,376	278,900	93,790
Inventories	13,202	-	13,202	2,466
 Total assets	 \$ 611,212	 \$ 1,122,064	 \$ 1,733,276	 \$ 928,909
<b>LIABILITIES</b>				
Accounts payable	\$ 68,281	\$ 351,397	\$ 419,678	\$ 43,078
Contract retainage payable	-	17,584	17,584	-
Accrued liabilities	196,285	-	196,285	171,403
Due to other funds	240,000	89,596	329,596	75,190
Intergovernmental payable	-	-	-	194
Unearned revenues	30,606	-	30,606	23,427
 Total liabilities	 535,172	 458,577	 993,749	 313,292
<b>FUND BALANCES</b>				
Nonspendable:				
Inventory	13,202	-	13,202	2,466
Restricted for:				
Construction of capital assets	-	217,199	217,199	207,593
Assigned to:				
Food service	27,838	-	27,838	37,533
Special projects	35,000	-	35,000	30,976
Other capital projects	-	446,288	446,288	337,049
 Total fund balances	 76,040	 663,487	 739,527	 615,617
 Total liabilities and fund balances	 \$ 611,212	 \$ 1,122,064	 \$ 1,733,276	 \$ 928,909

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2019  
(With Comparative Totals for the Year Ended June 30, 2018)**

	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUNDS	TOTALS	
			2019	2018
<b>REVENUES</b>				
Local sources	\$ 649,448	\$ 492,602	\$ 1,142,050	\$ 909,536
State sources	1,234,136	-	1,234,136	1,217,322
Federal sources	852,803	-	852,803	778,832
	<u>2,736,387</u>	<u>492,602</u>	<u>3,228,989</u>	<u>2,905,690</u>
<b>EXPENDITURES</b>				
Current:				
Regular programs	1,197,038	-	1,197,038	1,274,638
Special programs	4,264	-	4,264	926
Vocational programs	-	-	-	15,000
Other instructional programs	35,545	-	35,545	13,266
Co-curricular/athletic programs	7,615	-	7,615	-
Adult education programs	150,319	-	150,319	118,110
Community service programs	-	-	-	510
Undistributed expenditures:				
Student support	150	-	150	-
General administration	7,653	73	7,726	11,387
Administrative support	174	92,700	92,874	-
Operation and maintenance	146,379	975,020	1,121,399	234,942
Food service programs	1,116,289	-	1,116,289	1,107,962
Facilities acquisition and construction service	27,052	1,436,712	1,463,764	176,055
Other support services	18,734	-	18,734	16,203
Debt service:				
Principal	37,063	-	37,063	34,342
Interest	2,937	-	2,937	5,658
	<u>2,751,212</u>	<u>2,504,505</u>	<u>5,255,717</u>	<u>3,008,999</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,825)</u>	<u>(2,011,903)</u>	<u>(2,026,728)</u>	<u>(103,309)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	19,890	1,572,981	1,592,871	115,408
Net change in fund balances	5,065	(438,922)	(433,857)	12,099
FUND BALANCES, July 1	70,975	1,102,409	1,173,384	603,518
FUND BALANCES, June 30	<u>\$ 76,040</u>	<u>\$ 663,487</u>	<u>\$ 739,527</u>	<u>\$ 615,617</u>

## **SPECIAL REVENUE FUNDS**

Special Revenue funds account for the proceeds of specific revenue sources (other than major capital projects or private-purpose trusts) that are legally restricted to expenditures for specified purposes. Individual funds include the following:

ADULT EDUCATION – to account for funds received from the state for adults returning to school to receive their diploma.

CLASS SIZE REDUCTION – to account for state funds provided to reduce student-teacher ratios in kindergarten through grade three.

FOOD AND NUTRITION – to account for funds used to provide lunch and breakfast to

GIFTS AND DONATIONS – to account for the proceeds of specific gifts and donations.

NEVADA EDUCATION FUNDING PLAN - to account for state funds provided to assist with providing assistance to certain underperforming English Learners.

**HUMBOLDT COUNTY SCHOOL DISTRICT**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2019**  
*(With Comparative Totals for the Year Ended June 30, 2018)*

	<u>ADULT EDUCATION</u>	<u>CLASS SIZE REDUCTION</u>	<u>FOOD AND NUTRITION</u>
<b>ASSETS</b>			
Cash and investments	\$ 3,800	\$ 147,324	\$ 149,824
Other receivables	-	-	1,075
Intergovernmental receivable	75,205	-	11,960
Inventories	-	-	13,202
	<hr/>	<hr/>	<hr/>
Total assets	\$ <u>79,005</u>	\$ <u>147,324</u>	\$ <u>176,061</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 3,726	\$ -	\$ 17,226
Accrued liabilities	5,279	147,324	31,808
Due to other funds	70,000	-	70,000
Intergovernmental payable	-	-	-
Unearned revenues	-	-	15,987
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>79,005</u>	<u>147,324</u>	<u>135,021</u>
<b>FUND BALANCES</b>			
Nonspendable			
Inventory	-	-	13,202
Assigned to:			
Food service	-	-	27,838
Special projects	-	-	-
	<hr/>	<hr/>	<hr/>
Total fund balances	<u>-</u>	<u>-</u>	<u>41,040</u>
Total liabilities and fund balances	\$ <u>79,005</u>	\$ <u>147,324</u>	\$ <u>176,061</u>



<u>GIFTS AND DONATIONS</u>	<u>NEVADA EDUCATION FUNDING PLAN</u>	<u>TOTALS</u>	
		<u>2019</u>	<u>2018</u>
\$ 4,285	\$ 43,850	\$ 349,083	\$ 299,222
22,328	-	23,403	18,139
138,359	-	225,524	62,440
<u>-</u>	<u>-</u>	<u>13,202</u>	<u>2,466</u>
<u>\$ 164,972</u>	<u>\$ 43,850</u>	<u>\$ 611,212</u>	<u>\$ 382,267</u>
\$ 15,353	\$ 31,976	\$ 68,281	\$ 41,078
-	11,874	196,285	171,403
100,000	-	240,000	75,190
-	-	-	194
<u>14,619</u>	<u>-</u>	<u>30,606</u>	<u>23,427</u>
<u>129,972</u>	<u>43,850</u>	<u>535,172</u>	<u>311,292</u>
-	-	13,202	2,466
-	-	27,838	37,533
<u>35,000</u>	<u>-</u>	<u>35,000</u>	<u>30,976</u>
<u>35,000</u>	<u>-</u>	<u>76,040</u>	<u>70,975</u>
<u>\$ 164,972</u>	<u>\$ 43,850</u>	<u>\$ 611,212</u>	<u>\$ 382,267</u>

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2019  
(With Comparative Totals for the Year Ended June 30, 2018)**

	<u>ADULT EDUCATION</u>	<u>CLASS SIZE REDUCTION</u>	<u>FOOD AND NUTRITION</u>
<b>REVENUES</b>			
Local sources	\$ -	\$ -	\$ 281,565
State sources	150,319	917,042	3,072
Federal sources	-	-	852,803
	<hr/>	<hr/>	<hr/>
Total revenues	150,319	917,042	1,137,440
<b>EXPENDITURES</b>			
Regular programs	-	917,042	-
Special programs	-	-	-
Vocational programs	-	-	-
Other instructional programs	-	-	-
Co-curricular/athletic programs	-	-	-
Adult education programs	150,319	-	-
Community service programs	-	-	-
Undistributed expenditures:			
Student support	-	-	-
General administration	-	-	-
Administrative support	-	-	-
Operation and maintenance	-	-	-
Food service programs	-	-	1,116,289
Facilities acquisition and construction service	-	-	-
Other support services	-	-	-
Debt service			
Principal	-	-	37,063
Interest	-	-	2,937
	<hr/>	<hr/>	<hr/>
Total expenditures	150,319	917,042	1,156,289
Excess (deficiency) of revenues over (under) expenditures	<hr/>	<hr/>	<hr/>
	-	-	(18,849)
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	<hr/>	<hr/>	<hr/>
	-	-	19,890
Net change in fund balances	<hr/>	<hr/>	<hr/>
	-	-	1,041
<b>FUND BALANCES, July 1</b>	<hr/>	<hr/>	<hr/>
	-	-	39,999
<b>FUND BALANCES, June 30</b>	<hr/>	<hr/>	<hr/>
	\$ -	\$ -	\$ 41,040

<b>GIFTS AND DONATIONS</b>	<b>NEVADA EDUCATION FUNDING PLAN</b>	<b>TOTALS</b>	
		<b>2019</b>	<b>2018</b>
\$ 367,883	\$ -	\$ 649,448	\$ 561,586
-	163,703	1,234,136	1,217,322
-	-	852,803	778,832
<u>367,883</u>	<u>163,703</u>	<u>2,736,387</u>	<u>2,557,740</u>
156,102	123,894	1,197,038	1,274,638
-	4,264	4,264	926
-	-	-	15,000
-	35,545	35,545	13,266
7,615	-	7,615	-
-	-	150,319	118,110
-	-	-	510
150	-	150	-
7,653	-	7,653	11,241
174	-	174	-
146,379	-	146,379	5,785
-	-	1,116,289	1,107,962
27,052	-	27,052	-
18,734	-	18,734	16,203
-	-	37,063	34,342
-	-	2,937	5,658
<u>363,859</u>	<u>163,703</u>	<u>2,751,212</u>	<u>2,603,641</u>
<u>4,024</u>	<u>-</u>	<u>(14,825)</u>	<u>(45,901)</u>
<u>-</u>	<u>-</u>	<u>19,890</u>	<u>115,408</u>
4,024	-	5,065	69,507
<u>30,976</u>	<u>-</u>	<u>70,975</u>	<u>1,468</u>
<u>\$ 35,000</u>	<u>\$ -</u>	<u>\$ 76,040</u>	<u>\$ 70,975</u>

**HUMBOLDT COUNTY SCHOOL DISTRICT  
ADULT EDUCATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2018</u>
<b>REVENUES</b>					
State sources:					
High school diploma program	\$ 133,749	\$ 151,080	\$ 150,319	\$ (761)	\$ 118,110
<b>EXPENDITURES</b>					
Adult education programs:					
Instruction					
Salaries	23,450	27,126	27,262	(136)	50,183
Benefits	577	800	804	(4)	16,942
Purchased services	3,344	2,330	2,262	68	4,464
Supplies	12,665	19,614	18,804	810	4,663
Total instruction	40,036	49,870	49,132	738	76,252
Administrative support					
Salaries	56,566	59,023	59,023	-	24,406
Benefits	32,472	32,711	32,711	-	13,526
Purchased services	3,675	5,554	5,496	58	617
Supplies	1,000	3,922	3,957	(35)	3,309
Total administrative support	93,713	101,210	101,187	23	41,858
Total expenditures	133,749	151,080	150,319	761	118,110
Net change in fund balance	-	-	-	-	-
<b>FUND BALANCE, July 1</b>	-	-	-	-	-
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ -	\$ -	\$ -

**HUMBOLDT COUNTY SCHOOL DISTRICT  
CLASS SIZE REDUCTION FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2018</u>
<b>REVENUES</b>					
State sources:					
Distributive school fund	\$ 861,471	\$ 917,042	\$ 917,042	\$ -	\$ 977,919
<b>EXPENDITURES</b>					
Regular programs:					
Instruction					
Salaries	608,208	632,415	632,415	-	674,736
Benefits	253,263	284,627	284,627	-	303,183
Total expenditures	861,471	917,042	917,042	-	977,919
Net change in fund balance	-	-	-	-	-
<b>FUND BALANCE, July 1</b>	-	-	-	-	-
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ -	\$ -	\$ -

**HUMBOLDT COUNTY SCHOOL DISTRICT  
FOOD AND NUTRITION FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2018</u>
<b>REVENUES</b>					
Local sources:					
Daily sales	\$ 301,103	\$ 281,491	\$ 281,565	\$ 74	\$ 289,566
State sources:					
State lunch program	2,796	3,072	3,072	-	2,687
Federal sources:					
National school lunch program	585,855	559,221	639,826	80,605	605,117
School breakfast program	123,422	113,207	129,011	15,804	127,396
Commodity food program	68,519	78,405	78,405	-	46,319
Special snack program	-	4,467	5,161	694	-
Other grants	-	400	400	-	-
Total federal sources	777,796	755,700	852,803	97,103	778,832
Total revenues	1,081,695	1,040,263	1,137,440	97,177	1,071,085
<b>EXPENDITURES</b>					
Undistributed expenditures:					
Food service programs:					
Salaries	172,255	148,836	148,810	26	168,261
Benefits	71,065	57,687	57,641	46	69,215
Purchased services	866,950	832,107	819,518	12,589	816,788
Supplies	79,519	88,922	87,789	1,133	51,898
Other	1,500	2,600	2,531	69	1,800
Total food service programs	1,191,289	1,130,152	1,116,289	13,863	1,107,962
Debt service					
Principal	37,063	37,063	37,063	-	34,342
Interest	2,937	2,937	2,937	-	5,658
Total debt service	40,000	40,000	40,000	-	40,000
Total expenditures	1,231,289	1,170,152	1,156,289	13,863	1,147,962
Excess (deficiency) of revenues over expenditures	(149,594)	(129,889)	(18,849)	111,040	(76,877)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	149,594	89,890	19,890	(70,000)	115,408
Net change in fund balance	-	(39,999)	1,041	41,040	38,531
<b>FUND BALANCE, July 1</b>	-	39,999	39,999	-	1,468
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ 41,040	\$ 41,040	\$ 39,999

**HUMBOLDT COUNTY SCHOOL DISTRICT  
GIFTS AND DONATIONS FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2018</u>
<b>REVENUES</b>					
Local sources:					
Private donations	\$ 118,539	\$ 218,890	\$ 204,271	\$ (14,619)	\$ 178,020
Other	58,085	194,588	163,612	(30,976)	94,000
Total revenues	<u>176,624</u>	<u>413,478</u>	<u>367,883</u>	<u>(45,595)</u>	<u>272,020</u>
<b>EXPENDITURES</b>					
Regular programs:					
Instruction					
Supplies	107,852	149,265	113,678	35,587	127,190
Instructional staff support					
Salaries	-	3,188	3,188	-	2,332
Benefits	-	185	185	-	213
Purchased services	41,000	36,571	36,571	-	44,121
Supplies	17,085	2,480	2,480	-	10,062
Total instructional staff support	<u>58,085</u>	<u>42,424</u>	<u>42,424</u>	<u>-</u>	<u>56,728</u>
Total regular programs	<u>165,937</u>	<u>191,689</u>	<u>156,102</u>	<u>35,587</u>	<u>183,918</u>
Special programs:					
Instruction					
Supplies	-	-	-	-	926
Vocational programs:					
Instruction					
Purchased services	-	-	-	-	5,595
Supplies	9,405	-	-	-	2,869
Property	-	-	-	-	6,536
Total vocational programs	<u>9,405</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,000</u>
Other instructional programs:					
Instruction					
Supplies	-	-	-	-	7,461
Co-curricular/athletic programs:					
Instruction					
Supplies	-	20,000	7,615	12,385	-

(CONTINUED)

**HUMBOLDT COUNTY SCHOOL DISTRICT  
GIFTS AND DONATIONS FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2018</u>
Community services programs:					
Community services					
Other	\$ -	\$ -	\$ -	\$ -	\$ 510
Undistributed expenditures:					
Student support					
Supplies	-	150	150	-	-
General administration					
Purchased services	1,282	6,498	5,216	1,282	5,100
Supplies	-	2,437	2,437	-	6,141
Total general administration	1,282	8,935	7,653	1,282	11,241
Administrative support					
Supplies	-	174	174	-	-
Operation and maintenance					
Supplies	-	8,020	8,020	-	5,785
Property	-	138,359	138,359	-	-
Total operation and maintenance	-	146,379	146,379	-	5,785
Facilities acquisition and construction					
Site improvement					
Property	-	27,052	27,052	-	-
Other support services					
Other	-	19,099	18,734	365	16,203
Total undistributed expenditures	1,282	201,789	200,142	1,647	33,229
Total expenditures	176,624	413,478	363,859	49,619	241,044
Net change in fund balance	-	-	4,024	4,024	30,976
<b>FUND BALANCE, July 1</b>	-	-	30,976	30,976	-
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ 35,000	\$ 35,000	\$ 30,976



**HUMBOLDT COUNTY SCHOOL DISTRICT  
NEVADA EDUCATION FUNDING PLAN FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2018</u>
<b>REVENUES</b>					
State sources:					
Nevada Education					
Funding Plan - SB178	\$ 182,400	\$ 182,400	\$ 163,703	\$ (18,697)	\$ 118,606
<b>EXPENDITURES</b>					
Regular programs:					
Instruction					
Salaries	-	15,675	15,675	-	-
Benefits	-	4,855	4,869	(14)	-
Supplies	182,400	106,762	88,519	18,243	100,712
Total instruction	182,400	127,292	109,063	18,229	100,712
Student support					
Supplies	-	7,800	7,548	252	-
Instructional staff support					
Salaries	-	6,672	6,672	-	4,473
Benefits	-	611	611	-	431
Purchased services	-	-	-	-	7,185
Total instructional staff support	-	7,283	7,283	-	12,089
Total regular programs	182,400	142,375	123,894	18,481	112,801
Special programs:					
Student support					
Purchased services	-	4,264	4,264	-	-
Other instructional programs:					
Instruction					
Salaries	-	29,031	28,684	347	5,180
Benefits	-	6,730	6,861	(131)	625
Total other instructional programs	-	35,761	35,545	216	5,805
Total expenditures	182,400	182,400	163,703	18,697	118,606
Net change in fund balance	-	-	-	-	-
<b>FUND BALANCE, July 1</b>	-	-	-	-	-
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ -	\$ -	\$ -

## **DEBT SERVICE FUND**

The debt service fund is a major fund which accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

**HUMBOLDT COUNTY SCHOOL DISTRICT  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2018</u>
<b>REVENUES</b>					
Local sources:					
Ad valorem taxes	\$ 1,310,263	\$ 1,636,904	\$ 1,763,646	\$ 126,742	\$ 1,895,332
Earnings on investments	950	3,200	4,676	1,476	2,294
Total revenues	<u>1,311,213</u>	<u>1,640,104</u>	<u>1,768,322</u>	<u>128,218</u>	<u>1,897,626</u>
<b>EXPENDITURES</b>					
Debt service:					
Principal	140,000	173,000	173,000	-	135,000
Interest	84,881	90,861	90,861	-	88,931
Refunding bond issuance costs	-	56,388	56,388	-	-
Other	750	750	500	250	750
Total expenditures	<u>225,631</u>	<u>320,999</u>	<u>320,749</u>	<u>250</u>	<u>224,681</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,085,582</u>	<u>1,319,105</u>	<u>1,447,573</u>	<u>128,468</u>	<u>1,672,945</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Refunding bonds issued	-	1,964,000	1,964,000	-	-
Payment to refunded bond escrow agent	-	(1,865,000)	(1,865,000)	-	-
Transfers out	(1,340,330)	(1,572,981)	(1,572,981)	-	(1,085,750)
Total other financing sources (uses)	<u>(1,340,330)</u>	<u>(1,473,981)</u>	<u>(1,473,981)</u>	<u>-</u>	<u>(1,085,750)</u>
Net change in fund balance	(254,748)	(154,876)	(26,408)	128,468	587,195
<b>FUND BALANCE, July 1</b>	<u>652,858</u>	<u>942,911</u>	<u>942,911</u>	<u>-</u>	<u>355,716</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 398,110</u>	<u>\$ 788,035</u>	<u>\$ 916,503</u>	<u>\$ 128,468</u>	<u>\$ 942,911</u>

## **CAPITAL PROJECTS FUNDS**

Capital projects funds account for financial resources to be used for the construction and/or acquisition of major capital facilities. Individual funds include the following:

### **NONMAJOR CAPITAL PROJECT FUND**

BUILDING RESERVE (DMV) – to account for the portion of the governmental services tax in accordance with NRS 387.328. Expenditures are limited to the purposes described in NRS 387.335 and include site acquisition and improvement, building acquisition and construction, remodeling and repair, and furniture and equipment acquisition.

BUILDING AND SITES – to account for financial resources received and used for the acquisition, construction, major maintenance, remodeling or replacement of major capital facilities such as school buildings and related improvements. Expenditures are limited to the purposes described in NRS 387.335 and include site acquisition and improvement, building acquisition and construction, remodeling and repair, and furniture and equipment acquisition.

DISTRICT BOND INITIATIVE FUND – to account for HC1 bond proceeds provided for district-wide capital improvements and repairs.

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NONMAJOR CAPITAL PROJECTS FUND  
COMBINING BALANCE SHEET  
JUNE 30, 2019  
(With Comparative Totals for June 30, 2018)**

	<b>BUILDING RESERVE (DMV)</b>	<b>BUILDING AND SITES FUND</b>	<b>DISTRICT BOND INITIATIVE FUND</b>	<b>TOTALS</b>	
				<b>2019</b>	<b>2018</b>
<b>ASSETS</b>					
Cash and investments	\$ 205,793	\$ 434,273	\$ 293,057	\$ 933,123	\$ 509,330
Interest receivable	-	12,015	604	12,619	5,962
Due from other funds	-	-	122,946	122,946	-
Intergovernmental receivable	33,376	-	20,000	53,376	31,350
<b>Total assets</b>	<b>\$ 239,169</b>	<b>\$ 446,288</b>	<b>\$ 436,607</b>	<b>\$ 1,122,064</b>	<b>\$ 546,642</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 21,471	\$ -	\$ 329,926	\$ 351,397	\$ 2,000
Contract retainage payable	-	-	17,584	17,584	-
Due to other funds	89,596	-	-	89,596	-
<b>Total liabilities</b>	<b>111,067</b>	<b>-</b>	<b>347,510</b>	<b>458,577</b>	<b>2,000</b>
<b>FUND BALANCES</b>					
Restricted for:					
Construction of capital assets	128,102	-	89,097	217,199	207,593
Assigned to:					
Other capital projects	-	446,288	-	446,288	337,049
<b>Total fund balances</b>	<b>128,102</b>	<b>446,288</b>	<b>89,097</b>	<b>663,487</b>	<b>544,642</b>
<b>Total liabilities and fund balances</b>	<b>\$ 239,169</b>	<b>\$ 446,288</b>	<b>\$ 436,607</b>	<b>\$ 1,122,064</b>	<b>\$ 546,642</b>

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NONMAJOR CAPITAL PROJECT FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2019  
(With Comparative Totals for the Year Ended June 30, 2018)**

	<b>BUILDING RESERVE (DMV)</b>	<b>BUILDING AND SITES FUND</b>	<b>DISTRICT BOND INITIATIVE FUND</b>	<b>TOTALS</b>	
				<b>2019</b>	<b>2018</b>
<b>REVENUES</b>					
Local sources	\$ 322,738	\$ 167,774	\$ 2,090	\$ 492,602	\$ 347,950
<b>EXPENDITURES</b>					
Undistributed expenditures:					
General administration	-	73	-	73	146
Administrative support	-	-	92,700	92,700	-
Operation and maintenance	251,935	-	723,085	975,020	229,157
Facilities acquisition and construction service	150,294	58,462	1,227,956	1,436,712	176,055
Total expenditures	402,229	58,535	2,043,741	2,504,505	405,358
Excess (deficiency) of revenues over (under) expenditures	(79,491)	109,239	(2,041,651)	(2,011,903)	(57,408)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	1,572,981	1,572,981	-
Net change in fund balances	(79,491)	109,239	(468,670)	(438,922)	(57,408)
<b>FUND BALANCES, July 1</b>	207,593	337,049	557,767	1,102,409	602,050
<b>FUND BALANCES, June 30</b>	\$ 128,102	\$ 446,288	\$ 89,097	\$ 663,487	\$ 544,642

**HUMBOLDT COUNTY SCHOOL DISTRICT  
BUILDING RESERVE (DMV) FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2018</u>
<b>REVENUES</b>					
Local sources:					
Governmental service tax	\$ 293,443	\$ 293,443	\$ 318,635	\$ 25,192	\$ 296,120
Other	-	4,103	4,103	-	27
Total revenues	<u>293,443</u>	<u>297,546</u>	<u>322,738</u>	<u>25,192</u>	<u>296,147</u>
<b>EXPENDITURES</b>					
Undistributed expenditures:					
Operation and maintenance					
Purchased services	125,000	107,225	174,398	(67,173)	161,085
Supplies	53,000	107,090	77,537	29,553	44,374
Property	15,762	10,594	-	10,594	21,698
Total operation and maintenance	<u>193,762</u>	<u>224,909</u>	<u>251,935</u>	<u>(27,026)</u>	<u>227,157</u>
Student transportation					
Supplies	24,000	-	-	-	-
Property	18,000	-	-	-	-
Total student transportation	<u>42,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Facilities acquisition and construction service					
Site improvement					
Property	32,230	32,230	-	32,230	-
Building acquisition					
Property	77,000	50,000	48,490	1,510	-
Architecture and engineering					
Purchased services	-	-	-	-	2,500
Building improvement					
Property	-	123,000	101,804	21,196	-
Total facilities acquisition and construction service	<u>109,230</u>	<u>205,230</u>	<u>150,294</u>	<u>54,936</u>	<u>2,500</u>
Total expenditures	<u>344,992</u>	<u>430,139</u>	<u>402,229</u>	<u>27,910</u>	<u>229,657</u>
Net change in fund balance	(51,549)	(132,593)	(79,491)	53,102	66,490
<b>FUND BALANCE, July 1</b>	<u>126,549</u>	<u>207,593</u>	<u>207,593</u>	<u>-</u>	<u>141,103</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 75,000</u>	<u>\$ 75,000</u>	<u>\$ 128,102</u>	<u>\$ 53,102</u>	<u>\$ 207,593</u>

**HUMBOLDT COUNTY SCHOOL DISTRICT  
BUILDING AND SITES FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE TO</b>	
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>	<b>2018</b>
<b>REVENUES</b>					
Local sources:					
Earnings on investments	\$ 28,800	\$ 140,000	\$ 141,496	\$ 1,496	\$ 51,803
Private donations	-	36,278	26,278	(10,000)	-
Total revenues	<u>28,800</u>	<u>176,278</u>	<u>167,774</u>	<u>(8,504)</u>	<u>51,803</u>
<b>EXPENDITURES</b>					
Undistributed expenditures:					
General administration					
Other	<u>75</u>	<u>75</u>	<u>73</u>	<u>2</u>	<u>146</u>
Operation and maintenance					
Purchased services	-	50,287	-	50,287	-
Supplies	<u>-</u>	<u>29,000</u>	<u>-</u>	<u>29,000</u>	<u>2,000</u>
Total operation and maintenance	<u>-</u>	<u>79,287</u>	<u>-</u>	<u>79,287</u>	<u>2,000</u>
Facilities acquisition and construction service					
Building acquisition					
Property	<u>-</u>	<u>50,000</u>	<u>49,822</u>	<u>178</u>	<u>-</u>
Building improvement					
Supplies	198,000	142,687	8,640	134,047	102,928
Property	<u>73,837</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,627</u>
Total building improvement	<u>271,837</u>	<u>142,687</u>	<u>8,640</u>	<u>134,047</u>	<u>173,555</u>
Total facilities acquisition and construction service	<u>271,837</u>	<u>192,687</u>	<u>58,462</u>	<u>134,225</u>	<u>173,555</u>
Total expenditures	<u>271,912</u>	<u>272,049</u>	<u>58,535</u>	<u>213,514</u>	<u>175,701</u>
Net change in fund balance	(243,112)	(95,771)	109,239	205,010	(123,898)
<b>FUND BALANCE, July 1</b>	<u>318,112</u>	<u>337,049</u>	<u>337,049</u>	<u>-</u>	<u>460,947</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 75,000</u>	<u>\$ 241,278</u>	<u>\$ 446,288</u>	<u>\$ 205,010</u>	<u>\$ 337,049</u>



**HUMBOLDT COUNTY SCHOOL DISTRICT  
DISTRICT BOND INITIATIVE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2018</u>
<b>REVENUES</b>					
Local sources:					
Earnings on investments	\$ 5,000	\$ 5,000	\$ 2,090	\$ (2,910)	\$ 5,382
Private Donations	-	-	-	-	5,803
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>2,090</u>	<u>(2,910)</u>	<u>11,185</u>
<b>EXPENDITURES</b>					
Undistributed expenditures:					
Administrative support					
Purchased services	100,000	92,700	92,700	-	113,633
Operation and maintenance					
Purchased services	190,000	315,000	170,763	144,237	148,580
Supplies	40,000	10,000	-	10,000	2,848
Property	-	562,176	552,322	9,854	49,056
Total operation and maintenance	<u>230,000</u>	<u>887,176</u>	<u>723,085</u>	<u>164,091</u>	<u>200,484</u>
Facilities acquisition and construction service					
Architecture and engineering					
Purchased services	2,000	6,500	-	6,500	4,900
Site improvement					
Property	370,000	656,669	627,319	29,350	229,748
Building acquisition and construction					
Property	222,000	-	-	-	-
Building improvement					
Property	795,000	482,703	600,637	(117,934)	876,655
Total facilities acquisition and construction service	<u>1,389,000</u>	<u>1,145,872</u>	<u>1,227,956</u>	<u>(82,084)</u>	<u>1,111,303</u>
Total expenditures	<u>1,719,000</u>	<u>2,125,748</u>	<u>2,043,741</u>	<u>82,007</u>	<u>1,425,420</u>
Excess (deficiency) of revenues over expenditures	<u>(1,714,000)</u>	<u>(2,120,748)</u>	<u>(2,041,651)</u>	<u>79,097</u>	<u>(1,414,235)</u>

(CONTINUED)

**HUMBOLDT COUNTY SCHOOL DISTRICT  
DISTRICT BOND INITIATIVE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2018</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	\$ 1,340,330	\$ 1,572,981	\$ 1,572,981	\$ -	\$ 1,085,750
Net change in fund balance	(373,670)	(547,767)	(468,670)	79,097	(328,485)
<b>FUND BALANCE, July 1</b>	<u>383,670</u>	<u>557,767</u>	<u>557,767</u>	<u>-</u>	<u>886,252</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 89,097</u>	<u>\$ 79,097</u>	<u>\$ 557,767</u>

## **INTERNAL SERVICE FUNDS**

Internal service funds account for transactions relating to risk management services provided to other departments of the District on a cost-reimbursement basis. The funds in this category are:

NEVADA UNEMPLOYMENT COMPENSATION – to account for funds accumulated to pay unemployment claims as they arise.

SELF-INSURED WORKERS' COMPENSATION – to account for the self insured worker's compensation plan. The District charges the other funds a predetermined rate per payroll, per employee and payments of employee medical worker's compensation claims and related costs are made from these funds.

**HUMBOLDT COUNTY SCHOOL DISTRICT  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2019  
(With Comparative Totals for June 30, 2018)**

	<b>NEVADA UNEMPLOYMENT COMPENSATION FUND</b>	<b>SELF-INSURED WORKERS' COMPENSATION FUND</b>	<b>TOTAL</b>	
			<b>2019</b>	<b>2018</b>
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 85,576	\$ 1,230,856	\$ 1,316,432	\$ 1,076,836
Accounts receivable	-	47,286	47,286	55,194
Total assets	85,576	1,278,142	1,363,718	1,132,030
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	-	-	-	4,500
Claims payable	1,558	60,350	61,908	62,634
Total liabilities	1,558	60,350	61,908	67,134
<b>NET POSITION</b>				
Restricted	84,018	1,217,792	1,301,810	1,064,896
Total net position	\$ 84,018	\$ 1,217,792	\$ 1,301,810	\$ 1,064,896

**HUMBOLDT COUNTY SCHOOL DISTRICT  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2019  
(With Comparative Totals for the Year Ended June 30, 2018)**

	NEVADA UNEMPLOYMENT COMPENSATION FUND	SELF-INSURED WORKERS' COMPENSATION FUND	TOTAL	
			2019	2018
<b>OPERATING REVENUES</b>				
Interfund charges	\$ -	\$ 372,237	\$ 372,237	\$ 363,925
<b>OPERATING EXPENSES</b>				
Claims	10,058	87,441	97,499	121,677
Insurance premiums	-	45,792	45,792	35,282
Administrative expenses	-	42,032	42,032	32,673
Total operating expenses	10,058	175,265	185,323	189,632
Operating income (loss)	(10,058)	196,972	186,914	174,293
<b>TRANSFERS IN (OUT)</b>				
Transfers in	50,000	-	50,000	-
Change in net position	39,942	196,972	236,914	174,293
<b>NET POSITION - July 1</b>	44,076	1,020,820	1,064,896	890,603
<b>NET POSITION - June 30</b>	\$ 84,018	\$ 1,217,792	\$ 1,301,810	\$ 1,064,896

**HUMBOLDT COUNTY SCHOOL DISTRICT  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2019  
(With Comparative Totals for the Year Ended June 30, 2018)**

	<b>NEVADA UNEMPLOYMENT COMPENSATION FUND</b>	<b>SELF-INSURED WORKERS' COMPENSATION FUND</b>	<b>TOTAL</b>	
			<b>2019</b>	<b>2018</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>				
Cash flows from operating activities:				
Cash received for interfund services provided	\$ -	\$ 380,145	\$ 380,145	\$ 351,491
Cash payments for claims and services	(11,134)	(179,415)	(190,549)	(153,548)
Net cash provided (used) by operating activities	(11,134)	200,730	189,596	197,943
Cash flows from noncapital financing activities:				
Transfers in	50,000	-	50,000	-
Net cash provided (used) by noncapital financing activities	50,000	-	50,000	-
Net increase (decrease) in cash and cash equivalents	38,866	200,730	239,596	197,943
<b>Cash and cash equivalents, July 1</b>	46,710	1,030,126	1,076,836	878,893
<b>Cash and cash equivalents, June 30</b>	\$ 85,576	\$ 1,230,856	\$ 1,316,432	\$ 1,076,836
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (10,058)	\$ 196,972	\$ 186,914	\$ 174,293
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	-	7,908	7,908	(12,434)
Increase (decrease) in claims payable	(1,076)	(4,150)	(5,226)	36,084
Total adjustments	(1,076)	3,758	2,682	23,650
Net cash provided (used) by operating activities	\$ (11,134)	\$ 200,730	\$ 189,596	\$ 197,943

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NEVADA UNEMPLOYMENT COMPENSATION FUND  
SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019**

*(With Comparative Actual Amounts for the Year Ended June 30, 2018)*

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE TO</b>	
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>	<b>2018</b>
<b>OPERATING REVENUES</b>					
Interfund charges	\$ -	\$ -	\$ -	\$ -	\$ -
<b>OPERATING EXPENSES</b>					
Unemployment claims	25,000	25,000	10,058	14,942	7,713
Operating income (loss)	(25,000)	(25,000)	(10,058)	14,942	(7,713)
<b>TRANSFERS IN (OUT)</b>					
Transfers in	50,000	50,000	50,000	-	-
Change in net position	25,000	25,000	39,942	14,942	(7,713)
<b>NET POSITION - July 1</b>	<u>41,789</u>	<u>44,076</u>	<u>44,076</u>	<u>-</u>	<u>51,789</u>
<b>NET POSITION - June 30</b>	<u>\$ 66,789</u>	<u>\$ 69,076</u>	<u>\$ 84,018</u>	<u>\$ 14,942</u>	<u>\$ 44,076</u>

**HUMBOLDT COUNTY SCHOOL DISTRICT**  
**NEVADA UNEMPLOYMENT COMPENSATION FUND**  
**SCHEDULE OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2019**  
*(With Comparative Totals for the Year Ended June 30, 2018)*

	<u>2019</u>	<u>2018</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
Cash flows from operating activities:		
Cash payments for claims and services	\$ <u>(11,134)</u>	\$ <u>(7,039)</u>
Net cash provided (used) by operating activities	<u>(11,134)</u>	<u>(7,039)</u>
Cash flows from noncapital financing activities:		
Transfers in	<u>50,000</u>	<u>-</u>
Net cash provided (used) by noncapital financing activities	<u>50,000</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	38,866	(7,039)
<b>Cash and cash equivalents, July 1</b>	<u>46,710</u>	<u>53,749</u>
<b>Cash and cash equivalents, June 30</b>	<u><u>\$ 85,576</u></u>	<u><u>\$ 46,710</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ <u>(10,058)</u>	\$ <u>(7,713)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Changes in assets and liabilities:		
Increase (decrease) in claims payable	<u>(1,076)</u>	<u>674</u>
Total adjustments	<u>(1,076)</u>	<u>674</u>
Net cash provided (used) by operating activities	<u><u>\$ (11,134)</u></u>	<u><u>\$ (7,039)</u></u>



**HUMBOLDT COUNTY SCHOOL DISTRICT  
SELF-INSURED WORKERS' COMPENSATION FUND  
SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE TO</b>	
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>	<b>2018</b>
<b>OPERATING REVENUES</b>					
Interfund charges	\$ 355,000	\$ 355,000	\$ 372,237	\$ 17,237	\$ 363,925
<b>OPERATING EXPENSES</b>					
Workers compensation claims	191,000	191,000	87,441	103,559	113,964
Insurance premiums	50,000	50,000	45,792	4,208	35,282
Administrative expenses	64,000	64,000	42,032	21,968	32,673
Total operating expenses	305,000	305,000	175,265	129,735	181,919
Operating income (loss)	50,000	50,000	196,972	146,972	182,006
<b>NET POSITION - July 1</b>	771,454	1,020,820	1,020,820	-	838,814
<b>NET POSITION - June 30</b>	\$ 821,454	\$ 1,070,820	\$ 1,217,792	\$ 146,972	\$ 1,020,820

**HUMBOLDT COUNTY SCHOOL DISTRICT  
 SELF-INSURED WORKERS' COMPENSATION FUND  
 SCHEDULE OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2019  
 (With Comparative Totals for the Year ended June 30, 2018)**

	<u>2019</u>	<u>2018</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
Cash flows from operating activities:		
Cash received for interfund services provided	\$ 380,145	\$ 351,491
Cash payments for claims and services	<u>(179,415)</u>	<u>(146,509)</u>
Net cash provided (used) by operating activities	<u>200,730</u>	<u>204,982</u>
<b>Cash and cash equivalents, July 1</b>	<u>1,030,126</u>	<u>825,144</u>
<b>Cash and cash equivalents, June 30</b>	<u>\$ 1,230,856</u>	<u>\$ 1,030,126</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ <u>196,972</u>	\$ <u>182,006</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	7,908	(12,434)
Increase (decrease) in claims payable	<u>(4,150)</u>	<u>35,410</u>
Total Adjustments	<u>3,758</u>	<u>22,976</u>
Net cash provided (used) by operating activities	<u>\$ 200,730</u>	<u>\$ 204,982</u>

## **FIDUCIARY FUNDS**

Fiduciary funds account for activities in which the District acts in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Individual funds include the following:

### **PRIVATE – PURPOSE TRUST FUND**

PRIVATE PURPOSE TRUST FUND – to account for the revenue received from the investment of the Julian Montero, John Nouque, and Tom Ormachea memorial scholarship trust funds and the related scholarship expenses.

### **AGENCY FUNDS**

STUDENT ACTIVITY FUNDS – to account for student activity funds under the control of the respective schools in the District.

**HUMBOLDT COUNTY SCHOOL DISTRICT  
 FIDUCIARY FUNDS  
 PRIVATE-PURPOSE TRUST FUND  
 STATEMENT OF FIDUCIARY NET POSITION  
 JUNE 30, 2019  
 (With Comparative Totals for June 30, 2018)**

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash and investments	\$ 90,430	\$ 91,389
Interest receivable	<u>185</u>	<u>149</u>
Total assets	<u>90,615</u>	<u>91,538</u>
<b>NET POSITION</b>		
Reserved for scholarships	<u>\$ 90,615</u>	<u>\$ 91,538</u>

**HUMBOLDT COUNTY SCHOOL DISTRICT  
 FIDUCIARY FUNDS  
 PRIVATE-PURPOSE TRUST FUND  
 SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2019  
 (With Comparative Actual Amounts for the Year Ended June 30, 2018)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2018</u>
<b>ADDITIONS</b>					
Interest	\$ 1,220	\$ 2,140	\$ 2,277	\$ 137	\$ 1,445
Donations	-	800	800	-	500
Total Additions	<u>1,220</u>	<u>2,940</u>	<u>3,077</u>	<u>137</u>	<u>1,945</u>
<b>DEDUCTIONS</b>					
Scholarships	<u>7,000</u>	<u>6,000</u>	<u>4,000</u>	<u>2,000</u>	<u>6,000</u>
Change in net position	(5,780)	(3,060)	(923)	2,137	(4,055)
<b>NET POSITION - July 1</b>	<u>90,363</u>	<u>91,538</u>	<u>91,538</u>	<u>-</u>	<u>95,593</u>
<b>NET POSITION - June 30</b>	<u>\$ 84,583</u>	<u>\$ 88,478</u>	<u>\$ 90,615</u>	<u>\$ 2,137</u>	<u>\$ 91,538</u>

**HUMBOLDT COUNTY SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

*(Page 1 of 2)*

	<u>BALANCE</u> <u>JUNE 30, 2018</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2019</u>
<u>ALBERT LOWRY HIGH SCHOOL SCHOLARSHIP FUND</u>				
ASSETS				
Cash	\$ <u>5,531</u>	\$ <u>1</u>	\$ <u>790</u>	\$ <u>4,742</u>
LIABILITIES				
Due to graduates	\$ <u>5,531</u>	\$ <u>1</u>	\$ <u>790</u>	\$ <u>4,742</u>
 <u>ALBERT LOWRY HIGH SCHOOL STUDENT ACTIVITIES FUND</u>				
ASSETS				
Cash	\$ <u>362,773</u>	\$ <u>599,131</u>	\$ <u>566,510</u>	\$ <u>395,394</u>
LIABILITIES				
Due to student groups	\$ <u>362,773</u>	\$ <u>599,131</u>	\$ <u>566,510</u>	\$ <u>395,394</u>
 <u>WINNEMUCCA JUNIOR HIGH STUDENT ACTIVITIES FUND</u>				
ASSETS				
Cash	\$ <u>80,154</u>	\$ <u>92,846</u>	\$ <u>105,994</u>	\$ <u>67,006</u>
LIABILITIES				
Due to student groups	\$ <u>80,154</u>	\$ <u>92,846</u>	\$ <u>105,994</u>	\$ <u>67,006</u>
 <u>WINNEMUCCA GRAMMAR SCHOOL STUDENT ACTIVITIES FUND</u>				
ASSETS				
Cash	\$ <u>12,032</u>	\$ <u>9,175</u>	\$ <u>10,723</u>	\$ <u>10,484</u>
LIABILITIES				
Due to student groups	\$ <u>12,032</u>	\$ <u>9,175</u>	\$ <u>10,723</u>	\$ <u>10,484</u>
 <u>SONOMA HEIGHTS SCHOOL STUDENT ACTIVITIES FUND</u>				
ASSETS				
Cash	\$ <u>20,156</u>	\$ <u>17,553</u>	\$ <u>18,032</u>	\$ <u>19,677</u>
LIABILITIES				
Due to student groups	\$ <u>20,156</u>	\$ <u>17,553</u>	\$ <u>18,032</u>	\$ <u>19,677</u>

**HUMBOLDT COUNTY SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

*(Page 2 of 2)*

	<u>BALANCE</u> <u>JUNE 30, 2018</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2019</u>
<u>GRASS VALLEY SCHOOL</u>				
<u>STUDENT ACTIVITIES FUND</u>				
ASSETS				
Cash	\$ 13,323	\$ 11,721	\$ 13,259	\$ 11,785
LIABILITIES				
Due to student groups	\$ 13,323	\$ 11,721	\$ 13,259	\$ 11,785
<u>MCDERMITT COMBINED SCHOOLS</u>				
<u>STUDENT ACTIVITIES FUND</u>				
ASSETS				
Cash	\$ 21,022	\$ 32,399	\$ 34,232	\$ 19,189
LIABILITIES				
Due to student groups	\$ 21,022	\$ 32,399	\$ 34,232	\$ 19,189
<u>FRENCH FORD MIDDLE SCHOOL</u>				
<u>STUDENT ACTIVITIES FUND</u>				
ASSETS				
Cash	\$ 38,954	\$ 59,764	\$ 58,294	\$ 40,424
LIABILITIES				
Due to student groups	\$ 38,954	\$ 59,764	\$ 58,294	\$ 40,424
<u>TOTAL - AGENCY FUNDS</u>				
ASSETS				
Cash	\$ 553,945	\$ 822,590	\$ 807,834	\$ 568,701
LIABILITIES				
Due to students and student groups	\$ 553,945	\$ 822,590	\$ 807,834	\$ 568,701



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

To the Board of Trustees of the  
Humboldt County School District  
Humboldt County, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Humboldt County School District, Humboldt County, Nevada (the "District"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 31, 2019.

**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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

**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 direct



and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

*Blake Ross & Associates, LLC*

Winnemucca, Nevada  
October 31, 2019



**Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance**

To the Board of Trustees of the  
Humboldt County School District  
Humboldt County, Nevada

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

We have audited the Humboldt County School District, Humboldt County, Nevada's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2019. 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.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the District's compliance.

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

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

### **Report on Internal Control Over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2019-001, that we consider to be a significant deficiency.

The District's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

*Blake Ross & Associates, LLC*

Winnemucca, Nevada

October 31, 2019

**HUMBOLDT COUNTY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019  
(Page 1 of 3)**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH IDENTIFYING NUMBER	TOTAL FEDERAL EXPENDITURES
<b><u>U.S. Department of Education:</u></b>			
DIRECT - Impact Aid	84.041	S041B-2019-3000	\$ 719,502
DIRECT - Indian Education - Grants to Local Educational Agencies	84.060	S060A180118	20,901
<i><u>Passed through the State of Nevada Department of Education</u></i>			
<b>Special Education Cluster (IDEA)</b>			
Special Education - Grants to States,			
Local Plan	84.027	19-639-07000	656,605
Special Education DIG	84.027	19-641-07000	67,042
Special Education Teacher Transition Specialist	84.027	19-667-07000	60,000
Physical and Occupational Therapy	84.027	19-667-07001	60,000
IDEA Implementation	84.027	19-667-07005	154,781
			<u>998,428</u>
Special Education - Preschool Grants,			
Early Childhood Aide Time	84.173	19-675-07003	152,690
Early Childhood Speech Therapy	84.173	19-675-07002	69,300
Early Childhood Program	84.173	19-665-07000	14,019
			<u>236,009</u>
<b>Total Special Education Cluster (IDEA)</b>			<u>1,234,437</u>
Title I Grants to Local Education Agencies			
Title I - Part A, Helping Disadvantaged Students			
Meet High Standards	84.010	19-633-07000	412,203
Title I - Section 1003(a) School Improvement Grant	84.010A	19-624-07001	514,919
			<u>927,122</u>
School Safety National Activities			
School Climate Transformation Grant	84.184F	19-682-07000	5,016
School Climate Transformation Grant Round II	84.184F	19-682-07000	5,499
			<u>10,515</u>
Career and Technical Education - Carl D Perkins, Basic	84.048	19-631-07000	35,646
Gaining Early Awareness and Readiness for Undergraduate Programs - GEAR UP - Nevada	84.334S	19-610-07000	71,289

**HUMBOLDT COUNTY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019  
(Page 2 of 3)**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH IDENTIFYING NUMBER	TOTAL FEDERAL EXPENDITURES
Title III,			
English Language Acquisition State Grants	84.365A	19-658-07000	\$ 32,176
Immigrant	84.365A	19-658-07000	7,200
English Language Acquisition, Consortium, State Grants	84.365A	19-658-07000	<u>5,291</u>
			<u>44,667</u>
Title II-A, Supporting Effective Instruction, State Grants, Teacher/Principal Training & Recruiting	84.367	19-709-07000	68,930
Title I, Part A - Migrant Education State Grant Program	84.011A	19-629-07000	33,582
Title I, Part A - Migrant Education Coordination Program	84.144A	19-628-07000	6,404
Title IV A Student Support and Academic Enrichment	84.424A	19-715-07000	307,569
Title IV B, 21st Century Learning Communities	84.287	19-769-07000	105,130
Preschool Development Grant	84.419A	19-795-07000	<u>324,852</u>
<b>Total U.S. Department of Education</b>			<u>3,910,546</u>
<b><u>U.S. Department of Agriculture:</u></b>			
<i>Passed through Humboldt County, Nevada</i>			
<b>Forest Service Schools and Roads Cluster</b>			
Schools and Roads, Grants to States	10.665	n/a	<u>69,711</u>
<b>Total Forest Service Schools and Roads Cluster</b>			<u>69,711</u>
<b>Child Nutrition Cluster</b>			
<i>Passed through the State of Nevada Department of Agriculture</i>			
School Breakfast Program	10.553	n/a	129,011
National School Lunch Program	10.555	n/a	639,826
National School Lunch Program - Special Snack Program	10.555	n/a	5,161
National School Lunch Program - Commodities (Noncash)	10.555	n/a	<u>78,405</u>
<b>Total Child Nutrition Cluster</b>			<u>852,403</u>

**HUMBOLDT COUNTY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019**

(Page 3 of 3)

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH IDENTIFYING NUMBER	TOTAL FEDERAL EXPENDITURES
<i>Passed through the State of Nevada Department of Agriculture</i>			
Fresh Fruit and Vegetable Program	10.582	19-808	\$ 4,135
Team Nutrition Training Grant	10.574	8NV310155	400
NSLP Equipment Assistance Grant	10.579	7NV300AG7	24,354
			<u>28,889</u>
<b>Total U.S. Department of Agriculture</b>			<u>951,003</u>
<b><u>U.S. Environmental Protection Agency:</u></b>			
<i>Passed through the State of Nevada Division of Environmental Protection</i>			
DEMF School Bus Replacement Program	66.040	NVDEMF 18-08	65,601
			<u>65,601</u>
<b>Total U.S. Environmental Protection Agency</b>			<u>65,601</u>
<b><u>U.S. Department of Health and Human Services:</u></b>			
<i>Passed through the State of Nevada Department of Education</i>			
Substance Abuse and Mental Health Services - Projects of Regional and National Significance,			
Project Aware	93.243	18-698-07000	45,639
Project Aware	93.243	19-698-07000	308,359
			<u>353,998</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>353,998</u>
	<b>TOTAL</b>		<u>\$ 5,281,148</u>

See accompanying notes to schedule of expenditures of federal awards.

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019**

**(1) Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) presents the expenditure activity of all federal awards programs of the Humboldt County School District (the District) for the year ended June 30, 2019. The District's reporting entity is defined in Note 1 to its basic financial statements. All expenditures of federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Humboldt County School District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

**(2) Summary of Significant Accounting Policies**

The accompanying schedule of expenditures of federal awards is prepared on the modified accrual basis of accounting. 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. Humboldt County School District has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance. The amounts shown as expenditures of the Food Distribution Program represent the fair value of commodity food received by the District.

**(3) Relationship to Basic Financial Statements**

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

General Fund	\$ 69,711
Major Special Revenue Funds	4,358,634
Nonmajor Special Revenue Funds	<u>852,803</u>
Total	<u>\$ 5,281,148</u>

**(4) Schoolwide Programs**

Title I, Part A allows for the use of its funds in schoolwide programs. The amount used by the District in schoolwide programs during the year ended June 30, 2019 was \$927,122.



**HUMBOLDT COUNTY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019**

***Summary of Auditor's Results:***

- Drake Rose & Associates, LLC issued an unqualified opinion on the financial statements of the Humboldt County School District for the year ended June 30, 2019.
- No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. No material weaknesses are reported.
- No instances of noncompliance material to the financial statements of the Humboldt County School District, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- One deficiency in internal control over major federal award programs was disclosed during the audit as reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). No material weaknesses are reported.
- Drake Rose & Associates, LLC issued an unqualified opinion on compliance for the major federal award program of the Humboldt County School District.
- Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this schedule.
- The programs tested as major programs for the year ended June 30, 2019 included:

<u>CFDA</u>	<u>Program</u>
84.027, 84.173	Special Education Cluster (IDEA)
84.041	Impact Aid

- The dollar threshold used for distinguishing between Type A and Type B programs for the year ended June 30, 2019, was \$750,000.
- Humboldt County School District qualified as a low risk auditee for the year ended June 30, 2019 under the criteria set forth in 2 CFR section 200.520.

**HUMBOLDT COUNTY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019**

***Findings Relating to the Financial Statements Reported in Accordance with Generally Accepted Governmental Auditing Standards (GAGAS):***

None

***Findings and Questioned Costs for Major Federal Awards Programs:***

**2019-001: U.S. Department of Education**

**Special Education Cluster (IDEA):**

**Special Education - Grants to States, CFDA 84.027**

**Special Education - Preschool Grants, CFDA 84.173**

**Procurement, Suspension, and Debarment**

**Significant Deficiency in Internal Control Over Compliance**

*Grant Award Numbers and Project Titles, all passed through the Nevada Department of Education:*

Special Education - Grants to States,	
Local Plan	19-639-07000
Special Education DIG	19-641-07000
Special Education Teacher Transition Specialist	19-667-07000
Physical and Occupational Therapy	19-667-07001
IDEA Implementation	19-667-07005
Special Education - Preschool Grants,	
Early Childhood Aide Time	19-675-07003
Early Childhood Speech Therapy	19-675-07002
Early Childhood Program	19-665-07000

*Criteria:* Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform guidance) requires non-federal entities other than States to follow their own documented procurement procedures, which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal statutes and the procurement requirements identified in 2 CFR sections 200.318 through 200.326. This includes using the small purchase methods only for procurements that meet the applicable criteria under 2 CFR sections 200.320(b).

**HUMBOLDT COUNTY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Findings and Questioned Costs for Major Federal Awards Programs (continued):**

<i>Condition, Cause, and Effect/ Potential Effect:</i>	The District did not maintain evidence of internal control procedures over procurement with respect to the costs paid through the IDEA Implementation Special Project. The District's controls over compliance with procurement standards related to small purchases were not evident during the fiscal year ended June 30, 2019. While the support for compliance with procurement procedures was obtained from the State, therefore resulting in no reportable non-compliance, the current system of internal control with respect to these costs may allow non-compliance with procurement procedures in this program.
<i>Questioned Costs:</i>	None noted.
<i>Context:</i>	A nonstatistical sample of the procurement transactions funded through the IDEA Implementation Special Project revealed that the District was relying on the State for procurement controls and not utilizing their own internal control procedures.
<i>Recommendation:</i>	We recommend the District review internal controls to ensure all procurement transactions are executed under the policy adopted and that documentation of such is maintained in the District files.
<i>Views of Responsible Officials and Planned Corrective Actions:</i>	Management agrees with this finding and will review the internal controls over procurement related to federal disbursements, and will maintain evidence of control processes utilized.

**HUMBOLDT COUNTY SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2019**

***Prior Year Findings and Questioned Costs for Major Federal Awards Programs:***

None



**Auditor's Comments**

To the Board of Trustees of the  
Humboldt County School District  
Humboldt County, Nevada

In connection with our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Humboldt County School District (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, nothing came to our attention that caused us to believe that the District failed to comply with the specific requirements of the Nevada Revised Statutes cited below.

CURRENT YEAR STATUTE COMPLIANCE

The required disclosure on compliance with Nevada Revised Statutes and the Nevada Administrative Code is contained in Note 2 to the financial statements.

PROGRESS ON PRIOR YEAR STATUTE COMPLIANCE

The Humboldt County School District conformed to all significant statutory constraints on its financial administration for the year ended June 30, 2018.

PRIOR YEAR RECOMMENDATIONS

There were no recommendations made in the prior year report.

CURRENT YEAR RECOMMENDATIONS

Current year audit recommendations are included in the Schedule of Findings and Questioned Costs.

*Drake Rose & Associates, LLC*

Winnemucca, Nevada  
October 31, 2019