

**HUMBOLDT COUNTY  
SCHOOL DISTRICT  
JUNE 30, 2016**

**HUMBOLDT COUNTY SCHOOL DISTRICT  
ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2016**

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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, 2016, 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, 2016, 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, and the Federal 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 and budgetary comparison on pages 4a through 4l and the schedules related to other post-employment benefits and pensions beginning on page 50 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, and the auditor's comments for the year ended June 30, 2016, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The 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 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 27, 2016, 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 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 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 Rose & Associates, LLC*

Winnemucca, Nevada  
October 27, 2016



**Humboldt County School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

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, 2016, Government-wide Net Position was at (\$15.63) million, down \$4.3 million from the beginning balance of (\$11.33) million after taking into account a \$209,000 restatement of beginning net position resulting from a change in liability estimate in the Worker's Compensation Fund (see Note 10 to the financial statements).
- The District's total revenues were \$39.7 million. The greatest revenue sources included property tax (Ad Valorem) at \$12.1 million, local school support taxes (sales tax) at \$10.4 million, non-restricted state aid at \$7 million, and operating grants and contributions at \$6.6 million. The Governmental Services taxes were \$1.6 million.
- The District's total expenses increased from \$36.9 million to \$44 million. The greatest expenses were in regular instruction at \$18.8 million, special education instruction at \$5.4 million, and operation and maintenance at \$5.1 million.
- Net capital assets increased from \$27.6 million to \$28.3 million. The major additions to the District's capital assets were HVAC, Single Point of Entry projects, Roofing Projects, and wireless internet throughout the schools. In addition, the District enhanced its capital assets through remodeling projects in accordance with approved Bond proceeds. Depreciation is reflected on all District-owned assets and current infrastructure is recorded. Depreciation expense totaling \$1.7 million is included in the government-wide statements.
- The District's General Fund ending balance is \$5,879,233, which represents a 3.4% decrease from the previous year's ending fund balance of \$6,088,393. This decrease in ending fund balance is a result of expenditures and transfers out increasing \$2.3 million over prior year while revenues increased overall by only \$500,000.

## **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 12 individual governmental funds of which the General Fund, Special Education Fund, Federal Grants Fund, Debt Service Fund, and District Bond Initiative 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 7 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 2016. In order to enhance analysis, comparative information is provided for assets, liabilities, net position, revenues, and expenses.

## HUMBOLDT COUNTY SCHOOL DISTRICT'S NET POSITION

	2016	2015
<b>Assets</b>		
Current and other assets	\$13,606,878	\$13,025,756
Net capital assets	28,285,743	27,587,804
Total assets	41,892,621	40,613,560
 <b>Deferred Outflows of Resources</b>		
Related to pension liabilities	5,920,848	5,294,761
 <b>Liabilities</b>		
Current liabilities	5,119,893	4,912,439
Long-term liabilities	46,510,020	43,667,325
Total liabilities	51,629,913	48,579,764
 <b>Deferred Inflows of Resources</b>		
Related to pension liabilities	11,815,593	8,871,823
 <b>Net Position</b>		
Invested in capital assets, net of related debt	25,569,517	24,656,094
Restricted	4,947,963	4,696,798
Unrestricted	(46,149,517)	(40,896,158)
Total Net Position	(\$15,632,037)	(\$11,543,266)

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 \$15.6 million on June 30, 2016 due to the addition of a GASB 68 requirement to record PERS liabilities in the prior fiscal year. 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 \$4.3 million. These decreases were the result of the GASB 68 requirements to add net pension liabilities in the prior fiscal year, as previously noted, to the financial statements. The details of the changes are noted in the following table:

## HUMBOLDT COUNTY SCHOOL DISTRICT CHANGE IN NET POSITION

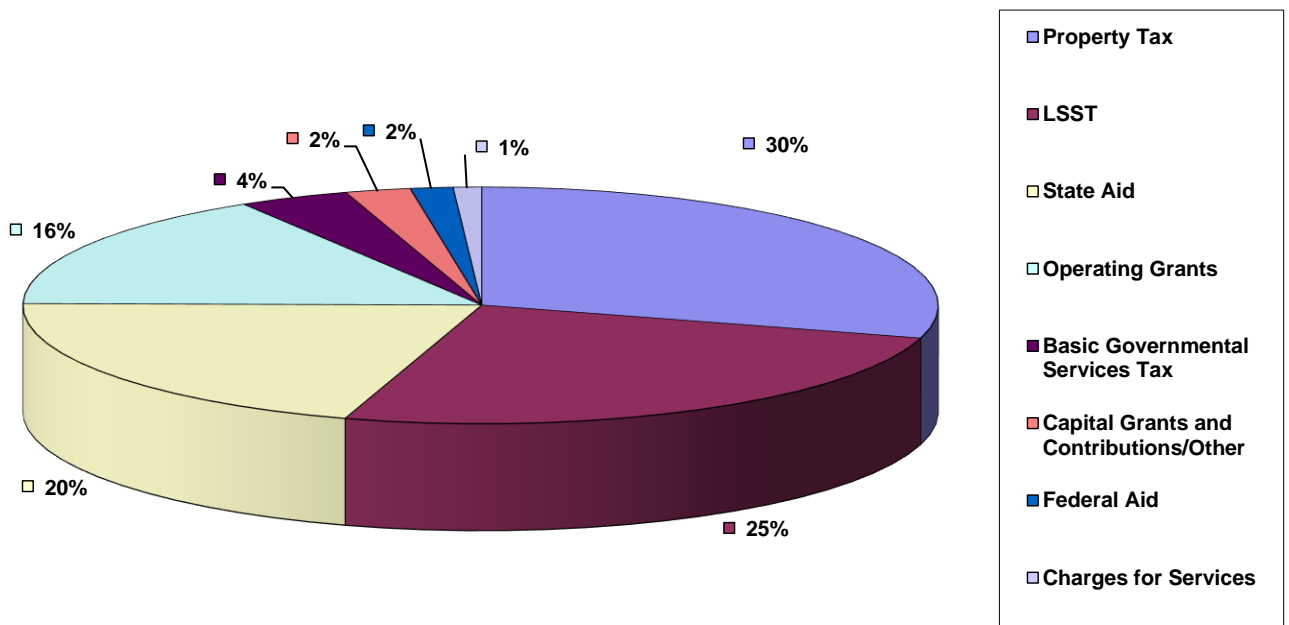
	<u>2016</u>	<u>2015</u>
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 388,603	\$ 411,870
Operating grants and contributions	6,596,820	6,406,246
Capital Grants and Contributions	365,116	1,013
General revenues:		
Property taxes	12,088,500	13,486,708
Local school support taxes	10,386,659	11,542,302
Government service taxes	1,615,564	1,585,025
Unrestricted investment earnings	6,079	3,425
State aid not restricted to specific purposes	7,040,841	4,557,792
Federal aid not restricted to specific purposes	624,363	571,386
Other	<u>582,892</u>	<u>364,806</u>
Total revenues	<u>\$ 39,695,437</u>	<u>\$ 38,930,573</u>
<b>Expenses</b>		
Instruction:		
Regular instruction	18,757,172	16,872,955
Special instruction	5,362,475	4,348,879
Vocational instruction	1,220,640	1,096,238
Other instruction	1,617,948	1,063,672
Co-curricular/athletics	730,361	636,077
Adult education	85,083	280,454
Community service	3,500	6,979
Support services:		
Student support	1,358,535	1,066,770
Instructional staff support	1,105,118	710,614
General administration	1,493,832	1,057,499
School administration	2,853,841	2,395,397
Administration support	674,982	527,854
Operation and maintenance	5,070,826	4,507,551
Student transportation	1,344,632	1,119,579
Other support services	-	50
Facilities acquisition and construction	1,029,856	4,421
Food services	1,164,486	1,091,668
Interest on long-term debt	<u>119,921</u>	<u>127,904</u>
Total expenses	<u>\$ 43,993,208</u>	<u>\$ 36,914,561</u>
Increase/(Decrease) in Net Position	\$ (4,297,771)	\$ 2,016,012
Net Position July 1, as restated	<u>\$ (11,334,266)</u>	<u>\$ (13,559,278)</u>
Net Position June 30	<u>\$ (15,632,037)</u>	<u>\$ (11,543,266)</u>

**Total Revenues:** Total revenue increased 2% when compared to the previous year's revenue. General revenues mainly comprised of taxes, federal aid, local sources and investment earnings, represented 83.1% 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 increased by 0.73% from the prior fiscal year due mostly to increased federal aid and state aid from DSA.

**Program Revenues:** Program revenues related to specific functions provided approximately 16.7% 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 state aid. These funds comprised 75.2% of total revenues.
- Combined Ad Valorem taxes decreased by 10.4% from the prior year. Property tax Ad Valorem decreased by 5.9% while net mine proceeds decreased from \$2.9 million to \$2.3 million.
- Local School Support Taxes (LSST) decreased by 10% in response to decreased taxable sales.
- State revenue, as provided through the Nevada Plan (State aid guaranteed funding), increased to \$7 million from \$4.6 last year funding as a result of increased per pupil funding levels and the formula used to calculate DSA, which included the declining local revenue.

### 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.

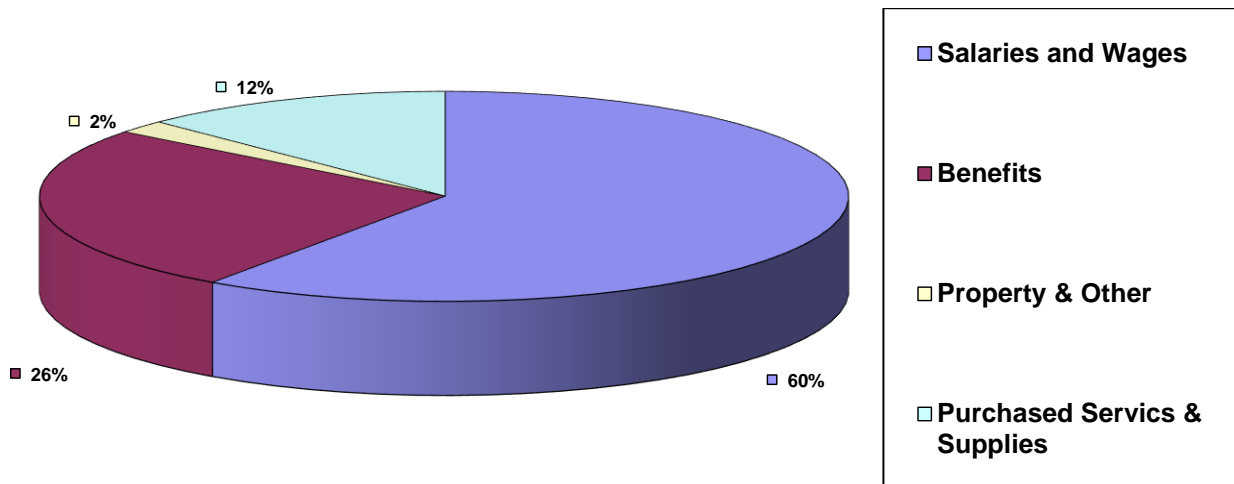
As of the current fiscal year, the District’s governmental funds provide combined ending fund balances of \$8.34 million, up from \$8.27 million last year.

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>2016</u>	<u>2015</u>
Salaries	\$ 18,970,924	\$ 18,030,287
Benefits	8,194,334	7,596,665
Purchased Services	1,853,940	1,751,078
Supplies	2,136,793	1,853,183
Property	513,084	22,672
Other	108,263	212,191
Totals	<u>\$ 31,777,338</u>	<u>\$ 29,466,076</u>

## GENERAL AND SPECIAL EDUCATION FUNDS EXPENDITURES BY TYPE



- Salaries and wages comprise 59.7% of total expenditures. School Districts by their nature are labor intensive requiring a significant proportion of available funds.
- Employee benefits average 43.2% of salaries and wages and 25.8% 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 14% of total expenditures.

**The General Fund** is the primary operating fund of the District. At the conclusion of the 2016 fiscal year, the unrestricted fund balance of the General Fund was \$3.4 million compared to \$3.11 million in the prior year and total fund balance was \$5.9 million compared (inclusive of advanced and committed net mine proceeds) to \$6.1 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 12% of total fund expenditures while total fund balance represents 21% of that same amount.

The fund balance within the General Fund decreased by \$0.2 million as a result of expenditures and transfers out exceeding revenues.

**The Special Education Fund** accounts for resources (state-aid, federal impact aid and transfers from the General Fund) used to provide special education to eligible students. Resources and transfers totaled \$3.7 million; expenditures totaled \$3.7 million. Transfers from the general fund in the amount of \$2.2 million accounted for 59.3% of the resources in the fund. State aid totaled just over \$1.5 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 just over \$2 million.

**The Debt Service Fund** has a total fund balance of \$.67 million, all of which is reserved for the payment of debt service and use in capital projects. There was a decrease in the fund balance of \$0.48 million due to increased transfers for bond projects. A total of \$2.1 million was transferred to the District Bond Capital Projects fund for approved capital improvements and updates. The debt service fund's balance equals approximately two 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 \$1,269,781, with a fund balance of \$999,698 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 fourth year of operating the fund, revenues exceeded expenses, resulting in an ending fund balance of \$504,537.

The District's unemployment insurance fund finished the year with a net asset balance of \$55,411.

## **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 8, 2015 to reflect actual enrollment and other adjustments in anticipated resources. The District again amended/augmented the budget on June 28, 2016. 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 county 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. Districts, including Humboldt, continue to wait to evaluate the potential impact of a change in this funding mechanism.

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 Augment. At this time, budgeted resources showed an increase by a net total of \$5.26 million from the original budget with the majority to reflect the anticipation of increased state revenue. 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 reserve current year net proceeds revenue for subsequent year expenditures. Current year and future year net mine proceeds accounted for \$4.7 million of the overall \$5.9 million ending fund balance.

Local School Support Tax (LSST) reflected a budgeted decrease of \$2 million with State DSA reflecting a budgeted increase of \$3,082,105. Overall, actual revenue was less than final budgeted resources in the general fund for all sources by \$175,003 or 0.56%. The general fund actual expenditures were 2.75% below appropriations compared to 0.47% last year.

**Capital Assets and Debt Administration**

**Capital assets**

The District enhanced its capital assets through purchases of tangible fixed assets comprised primarily of HVAC 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)**

	<u>2016</u>	<u>2015</u>
Land	\$ 1,215,700	\$ 1,215,700
Construction in progress	454,580	185,148
Buildings and improvements	22,276,199	22,726,652
Site improvements	999,275	1,078,436
Machinery and equipment	<u>3,339,989</u>	<u>2,381,868</u>
Total	<u>\$ 28,285,743</u>	<u>\$ 27,587,804</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>2016</u>	<u>2015</u>
General Obligation Bonds	\$ 2,270,000	\$ 2,395,000
Medium Term Bonds	\$ 343,000	\$ 404,000
Notes Payable	<u>\$ 103,226</u>	<u>\$ 132,710</u>
Total	<u>\$ 2,716,226</u>	<u>\$ 2,931,710</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:

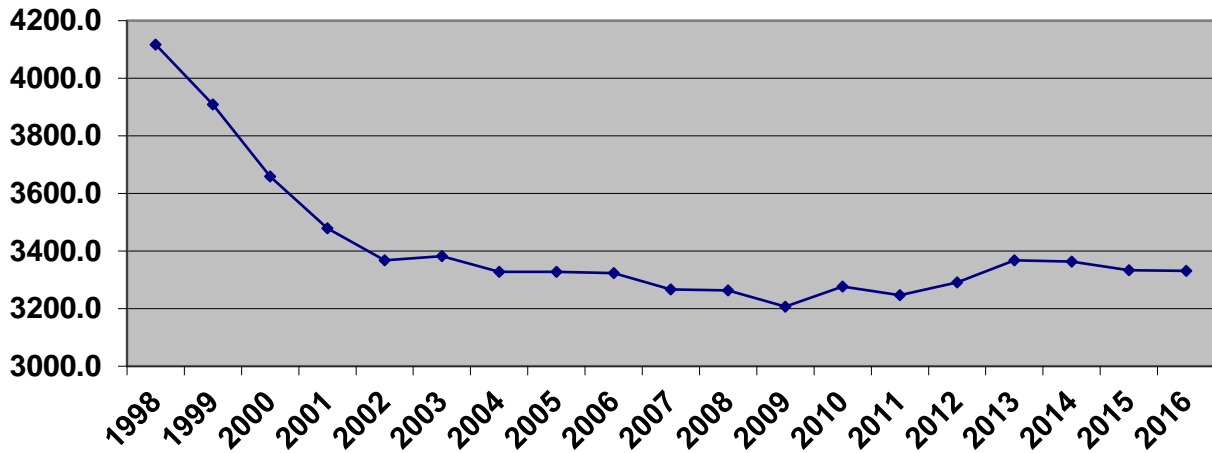
After several years of economic downturn, Nevada's economy has begun to rebound. Despite this rebound, continued "low" gold prices have created uncertainty in Northern Nevada, including Humboldt County. Coming from historic highs in gold price during 2013 (\$1,800 oz), current gold prices are averaging \$1,300 per ounce. This sustained decrease has limited expansion in various organizations and is key in the shuttering of Allied Gold Corp, laying off approximately 300 employees, most within our community. Despite this reduction, other local mining companies continue to have strong economic forecasts, with both Newmont and Barrick performing well. In response to their success, Barrick has indicated plans to expand a number of projects which would bring additional positions and revenue into the community.

As local resources, such as NPM and taxable sales have declined, state support through the DSA has increased. The interplay of the "Nevada Plan" does not provide for an immediate correction, and as a result, HCSD only saw the effects of this correction during the FY16 school year with noted increases in State support.

A key indicator of the viability of a community is home sales. Despite the issues noted with gold prices and the closure of Allied, the market has remained fairly steady with no noted influx of homes on the market as a result of the closure. Home prices have remained fairly steady, and local markets reflecting a continued sale of homes with some limited additional construction noted.

Despite this holding pattern in home prices and sales, HCSD is seeing a slight downward trend in enrollment figures. This reduction lends credence to data supporting an overall reduction in total student population since approximately 2000. At the height of growth within the school district, a count day weighted enrollment of 4,117 was identified in 1998. By comparison, the weighted enrollment during fiscal year 2016 was 3,331.6. Over an 18-year period, this reflects a decrease in weighted student enrollment of 785.4 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 \$6,476 resulting in an increase of \$738 per pupil from the previous year final DSA allocation of \$5,738. The District was funded at a weighted count of 3,361.6, a slight decrease 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, 2016**

		<u><b>GOVERNMENTAL ACTIVITIES</b></u>
<b>ASSETS</b>		
Current assets:		
Cash and investments	\$	7,040,047
Receivables:		
Ad valorem taxes		249,935
Interest		159
Other		347,754
Intergovernmental receivable		5,670,793
Inventories		75,359
		<hr/>
Total current assets		13,384,047
		<hr/>
Noncurrent assets:		
Restricted cash		222,831
Capital assets not being depreciated:		
Land		1,215,700
Construction in progress		454,580
Other capital assets, net of depreciation		26,615,463
		<hr/>
Total noncurrent assets		28,508,574
		<hr/>
Total assets		41,892,621
		<hr/>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows of resources related to pension liabilities		5,920,848
		<hr/>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable		550,899
Claims liabilities		146,143
Accrued liabilities		3,768,796
Contract retainage payable		26,902
Interest payable		28,870
Unearned revenues		130,986
Current portion of long-term obligations		467,297
		<hr/>
Total current liabilities		5,119,893
		<hr/>
Noncurrent liabilities:		
Other postemployment benefits liability		6,404,654
General obligation bonds payable		2,642,870
Long-term notes payable		103,226
Accrued compensated absences		825,978
Net pension liability		37,000,589
Less: current portion of long-term obligations		(467,297)
		<hr/>
Total noncurrent liabilities		46,510,020
		<hr/>
Total liabilities		51,629,913
		<hr/>
		<b>(CONTINUED)</b>

**HUMBOLDT COUNTY SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2016**

		<u><b>GOVERNMENTAL ACTIVITIES</b></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows of resources related to pension liabilities	\$	<u>11,815,593</u>
<b>NET POSITION</b>		
Net investment in capital assets		25,569,517
Restricted for:		
Capital projects		1,690,040
Debt service		177,117
Self-insured workers' compensation		504,537
Other purposes		2,576,269
Unrestricted (deficit)		<u>(46,149,517)</u>
Total net position (deficit)	\$	<u><u>(15,632,037)</u></u>

**HUMBOLDT COUNTY SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016**

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	\$ 18,757,172	\$ 101,884	\$ 2,355,388	\$ 351,461	\$ (15,948,439)
Special instruction	5,362,475	-	2,569,380	-	(2,793,095)
Vocational instruction	1,220,640	-	96,792	-	(1,123,848)
Other instruction	1,617,948	-	417,832	-	(1,200,116)
Co-Curricular	730,361	20,300	-	-	(710,061)
Adult education	85,083	-	58,006	-	(27,077)
Community service	3,500	-	3,500	-	-
Total instruction	<u>27,777,179</u>	<u>122,184</u>	<u>5,500,898</u>	<u>351,461</u>	<u>(21,802,636)</u>
Support services:					
Student support	1,358,535	-	131,696	-	(1,226,839)
Instructional staff support	1,105,118	-	5,193	-	(1,099,925)
General administration	1,493,832	-	158,545	-	(1,335,287)
School administration	2,853,841	-	-	-	(2,853,841)
Operation and maintenance	5,070,826	-	21,671	-	(5,049,155)
Student transportation	1,344,632	-	-	-	(1,344,632)
Admin support	674,982	-	73,648	-	(601,334)
Facilities acquisition and construction	1,029,856	-	-	13,655	(1,016,201)
Food service operations	1,164,486	266,419	705,169	-	(192,898)
Interest on long-term debt	119,921	-	-	-	(119,921)
Total support	<u>16,216,029</u>	<u>266,419</u>	<u>1,095,922</u>	<u>13,655</u>	<u>(14,840,033)</u>
Total governmental activities	<u>\$ 43,993,208</u>	<u>\$ 388,603</u>	<u>\$ 6,596,820</u>	<u>\$ 365,116</u>	<u>(36,642,669)</u>
<b>General revenues:</b>					
Property taxes, levied for general purposes				\$	10,244,503
Property taxes, levied for debt service					1,843,997
Local school support taxes					10,386,659
Government service taxes for general purposes					1,331,484
Government service taxes for capital purposes					284,080
Interest earnings					6,079
State aid not restricted to specific purposes					7,040,841
Other local sources - general					133,033
Other local sources - other					443,500
Gain on sale of capital assets					6,359
Federal aid not restricted to specific purposes					624,363
Total general revenues					<u>32,344,898</u>
Change in Net Position					(4,297,771)
<b>NET POSITION (DEFICIT) - JULY 1, as restated</b>					<u>(11,334,266)</u>
<b>NET POSITION (DEFICIT) - JUNE 30</b>				\$	<u>(15,632,037)</u>

See accompanying notes.

**HUMBOLDT COUNTY SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2016**

	<b>GENERAL FUND</b>	<b>SPECIAL EDUCATION FUND</b>	<b>FEDERAL GRANTS FUND</b>
<b>ASSETS</b>			
Cash and investments	\$ 3,077,151	\$ 515,350	\$ -
Receivables:			
Ad valorem taxes	236,909	-	-
Interest	-	-	-
Other	299,357	29	-
Due from other funds	487,588	-	181
Intergovernmental receivable	4,676,849	6,120	599,346
Inventories	62,201	-	-
Cash and investments - restricted	-	-	-
	-	-	-
Total assets	\$ 8,840,055	\$ 521,499	\$ 599,527
<b>LIABILITIES</b>			
Accounts payable	\$ 143,009	\$ 1,193	\$ 85,303
Accrued liabilities	2,745,448	508,371	192,617
Contract retainage payable	-	-	-
Due to other funds	-	11,935	321,492
Unearned revenues	-	-	115
	-	-	115
Total liabilities	2,888,457	521,499	599,527
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	72,365	-	-
	72,365	-	-
<b>FUND BALANCES</b>			
Nonspendable:			
Inventories	62,201	-	-
Restricted for:			
NRS 387.1235 - net proceeds of mines	2,500,910	-	-
NRS 350.020 - debt service	-	-	-
2009 bond capital projects	-	-	-
NRS 387.328 - capital projects	-	-	-
Committed to:			
2016 advanced net proceeds of mines	2,190,803	-	-
Assigned to:			
Other capital projects	-	-	-
2017 budget appropriations	372,386	-	-
Unassigned	752,933	-	-
	752,933	-	-
Total fund balances	5,879,233	-	-
Total liabilities, deferred inflows, and fund balances	\$ 8,840,055	\$ 521,499	\$ 599,527

See accompanying notes.



<u>DEBT SERVICE FUND</u>	<u>DISTRICT BOND INITIATIVE FUND</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
\$ 651,267	\$ 1,110,969	\$ 1,020,636	\$ 6,375,373
13,026	-	-	249,935
159	-	-	159
-	-	6,951	306,337
-	200,000	-	687,769
-	-	388,478	5,670,793
-	-	13,158	75,359
<u>222,831</u>	<u>-</u>	<u>-</u>	<u>222,831</u>
<u>\$ 887,283</u>	<u>\$ 1,310,969</u>	<u>\$ 1,429,223</u>	<u>\$ 13,588,556</u>
\$ -	\$ 284,369	\$ 37,025	\$ 550,899
-	-	322,360	3,768,796
-	26,902	-	26,902
200,000	-	154,342	687,769
<u>-</u>	<u>-</u>	<u>130,871</u>	<u>130,986</u>
<u>200,000</u>	<u>311,271</u>	<u>644,598</u>	<u>5,165,352</u>
<u>13,026</u>	<u>-</u>	<u>-</u>	<u>85,391</u>
-	-	13,158	75,359
-	-	-	2,500,910
222,831	-	-	222,831
451,426	999,698	-	1,451,124
-	-	238,916	238,916
-	-	-	2,190,803
-	-	532,551	532,551
-	-	-	372,386
<u>-</u>	<u>-</u>	<u>-</u>	<u>752,933</u>
<u>674,257</u>	<u>999,698</u>	<u>784,625</u>	<u>8,337,813</u>
<u>\$ 887,283</u>	<u>\$ 1,310,969</u>	<u>\$ 1,429,223</u>	<u>\$ 13,588,556</u>

**HUMBOLDT COUNTY SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2016**

Total Fund Balances for Governmental Funds	\$	8,337,813
<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	\$ 62,411,345	
Less accumulated depreciation	<u>(34,125,602)</u>	28,285,743
<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 net asset (liability)		(6,404,654)
Net pension asset (liability)		(37,000,589)
<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	(2,613,000)	
Long-term notes payable	(103,226)	
Bond Premium	(29,870)	
Compensated absences	<u>(825,978)</u>	(3,572,074)
Interest payable		(28,870)
<p>Deferred revenue represents amounts that were not available to fund current expenditures and therefore are not reported in the governmental funds.</p>		
		85,391
<p>Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds.</p>		
Deferred outflows of resources related to pensions		5,920,848
Deferred inflows of resources related to pensions		(11,815,593)
<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>559,948</u>
Total Net Position of Governmental Activities	\$	<u><u>(15,632,037)</u></u>

**HUMBOLDT COUNTY SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>GENERAL FUND</b>	<b>SPECIAL EDUCATION FUND</b>	<b>FEDERAL GRANTS FUND</b>
<b>REVENUES</b>			
Local sources	\$ 22,222,466	\$ -	\$ -
State sources	7,040,841	1,504,670	-
Federal sources	966,038	9,786	2,051,563
Total revenues	<u>30,229,345</u>	<u>1,514,456</u>	<u>2,051,563</u>
<b>EXPENDITURES</b>			
Current:			
Regular programs	13,957,859	-	649,333
Special programs	-	3,562,780	1,022,762
Vocational programs	927,399	-	25,188
Other instructional programs	992,048	-	134,006
Co-curricular/athletic programs	581,169	-	-
Adult education programs	-	-	-
Community services programs	-	-	3,500
Undistributed expenditures:			
Student support	976,792	58,808	8,529
Instructional staff support	1,203,240	-	-
General administration	1,175,410	-	151,594
School administration	2,491,698	-	-
Operation and maintenance	4,168,729	-	17,671
Student transportation	1,042,992	95,933	-
Administrative support	465,254	-	17,588
Facilities acquisition and construction service	-	-	-
Food service programs	-	-	21,392
Debt service:			
Principal	61,000	-	-
Interest	16,227	-	-
Other costs	-	-	-
Total expenditures	<u>28,059,817</u>	<u>3,717,521</u>	<u>2,051,563</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,169,528</u>	<u>(2,203,065)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of assets	-	-	-
Transfers in	-	2,203,065	-
Transfers out	<u>(2,378,688)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,378,688)</u>	<u>2,203,065</u>	<u>-</u>
Net change in fund balances	(209,160)	-	-
<b>FUND BALANCES, July 1</b>	<u>6,088,393</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES, June 30</b>	<u>\$ 5,879,233</u>	<u>\$ -</u>	<u>\$ -</u>

<b>DEBT SERVICE FUND</b>	<b>DISTRICT BOND INITIATIVE FUND</b>	<b>OTHER GOVERNMENTAL FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
\$ 1,846,070	\$ 474	\$ 629,329	\$ 24,698,339
-	-	2,313,199	10,858,710
-	-	670,073	3,697,460
<u>1,846,070</u>	<u>474</u>	<u>3,612,601</u>	<u>39,254,509</u>
-	-	1,706,055	16,313,247
-	-	41,948	4,627,490
-	-	71,604	1,024,191
-	-	283,826	1,409,880
-	-	-	581,169
-	-	58,006	58,006
-	-	-	3,500
-	-	123,167	1,167,296
-	-	5,193	1,208,433
-	-	7,024	1,334,028
-	-	-	2,491,698
-	210,642	290,150	4,687,192
-	-	62,932	1,201,857
-	63,813	56,060	602,715
-	995,326	34,530	1,029,856
-	-	1,042,210	1,063,602
125,000	-	29,484	215,484
96,581	-	10,516	123,324
<u>750</u>	<u>-</u>	<u>-</u>	<u>750</u>
<u>222,331</u>	<u>1,269,781</u>	<u>3,822,705</u>	<u>39,143,718</u>
<u>1,623,739</u>	<u>(1,269,307)</u>	<u>(210,104)</u>	<u>110,791</u>
-	-	6,359	6,359
-	2,100,000	125,623	4,428,688
<u>(2,100,000)</u>	<u>-</u>	<u>-</u>	<u>(4,478,688)</u>
<u>(2,100,000)</u>	<u>2,100,000</u>	<u>131,982</u>	<u>(43,641)</u>
(476,261)	830,693	(78,122)	67,150
<u>1,150,518</u>	<u>169,005</u>	<u>862,747</u>	<u>8,270,663</u>
<u>\$ 674,257</u>	<u>\$ 999,698</u>	<u>\$ 784,625</u>	<u>\$ 8,337,813</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, 2016**

Net Change in Fund Balances - Governmental Funds	\$	67,150
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>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.</p>		
Expenditures for capital assets	\$ 2,037,053	
Less current year depreciation	<u>(1,748,633)</u>	288,420
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental fund statements.</p>		
Donated capital assets		440,000
<p>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.</p>		
		215,484
<p>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.</p>		
		1,810
<p>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.</p>		
		(5,431)
<p>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.</p>		
District pension contributions	5,665,701	
Cost of benefits earned	<u>(10,583,254)</u>	(4,917,553)
<p>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.</p>		
Obsolete assets	(30,481)	
Amortization of current year bond premium	2,343	
Change in long-term compensated absences	101,282	
Change in other postemployment benefits	<u>(648,145)</u>	(575,001)
<p>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.</p>		
		<u>187,350</u>
Change in Net Position of Governmental Activities	\$	<u><u>(4,297,771)</u></u>

See accompanying notes.

**HUMBOLDT COUNTY SCHOOL DISTRICT  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
Local sources	\$ 21,521,098	\$ 22,511,565	\$ 22,222,466	\$ (289,099)
State sources	3,714,470	6,796,575	7,040,841	244,266
Federal sources	675,000	1,096,208	966,038	(130,170)
 Total revenues	 <u>25,910,568</u>	 <u>30,404,348</u>	 <u>30,229,345</u>	 <u>(175,003)</u>
<b>EXPENDITURES</b>				
Regular programs	13,373,397	14,235,394	13,957,859	277,535
Vocational programs	979,524	944,489	927,399	17,090
Other instructional programs	776,135	1,021,977	992,048	29,929
Co-curricular/athletic programs	581,120	626,907	581,169	45,738
Undistributed expenditures:				
Student support	1,028,229	987,359	976,792	10,567
Instructional staff support	744,934	1,257,790	1,203,240	54,550
General administration	1,093,695	1,207,364	1,175,410	31,954
School administration	2,409,583	2,513,698	2,491,698	22,000
Operation and maintenance	4,136,866	4,372,819	4,168,729	204,090
Student transportation	1,076,676	1,137,873	1,042,992	94,881
Administrative support	466,248	470,705	465,254	5,451
Debt service:				
Principal	61,000	61,000	61,000	-
Interest	16,230	16,230	16,227	3
 Total expenditures	 <u>26,743,637</u>	 <u>28,853,605</u>	 <u>28,059,817</u>	 <u>793,788</u>
 Excess (deficiency) of revenues over (under) expenditures	 (833,069)	 1,550,743	 2,169,528	 618,785
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(2,188,444)	(2,452,111)	(2,378,688)	73,423
 Net change in fund balance	 (3,021,513)	 (901,368)	 (209,160)	 692,208
<b>FUND BALANCE, July 1</b>	<u>5,317,797</u>	<u>6,088,393</u>	<u>6,088,393</u>	<u>-</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 2,296,284</u>	<u>\$ 5,187,025</u>	<u>\$ 5,879,233</u>	<u>\$ 692,208</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, 2016**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE TO FINAL BUDGET</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
State sources	\$ 1,504,346	\$ 1,502,891	\$ 1,504,670	\$ 1,779
Federal sources	8,357	9,786	9,786	-
Total revenues	<u>1,512,703</u>	<u>1,512,677</u>	<u>1,514,456</u>	<u>1,779</u>
<b>EXPENDITURES</b>				
Special programs	3,566,887	3,633,949	3,562,780	71,169
Undistributed expenditures:				
Student support	58,909	58,950	58,808	142
Student transportation	<u>75,351</u>	<u>96,266</u>	<u>95,933</u>	<u>333</u>
Total undistributed expenditures	<u>134,260</u>	<u>155,216</u>	<u>154,741</u>	<u>475</u>
Total expenditures	<u>3,701,147</u>	<u>3,789,165</u>	<u>3,717,521</u>	<u>71,644</u>
Excess (deficiency) of revenues over (under) expenditures	(2,188,444)	(2,276,488)	(2,203,065)	73,423
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>2,188,444</u>	<u>2,276,488</u>	<u>2,203,065</u>	<u>(73,423)</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>

See accompanying notes.

**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, 2016**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
Federal sources	\$ 2,237,071	\$ 2,395,542	\$ 2,051,563	\$ (343,979)
<b>EXPENDITURES</b>				
Regular programs	783,212	836,874	649,333	187,541
Special programs	1,102,491	1,113,818	1,022,762	91,056
Vocational programs	25,517	27,745	25,188	2,557
Other instructional programs	138,557	158,133	134,006	24,127
Community services programs	258	3,500	3,500	-
Undistributed expenditures:				
Student support	17,500	17,500	8,529	8,971
Instructional staff support	14,191	-	-	-
General administration	105,055	169,182	151,594	17,588
Operation and maintenance	-	26,438	17,671	8,767
Administrative support	21,834	17,790	17,588	202
Food services	28,456	24,562	21,392	3,170
Total undistributed expenditures	187,036	255,472	216,774	38,698
Total expenditures	2,237,071	2,395,542	2,051,563	343,979
Net change in fund balance	-	-	-	-
<b>FUND BALANCE, July 1</b>	-	-	-	-
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ -	\$ -



**HUMBOLDT COUNTY SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2016**

		<b>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS</b>
<b>ASSETS</b>		
Current assets:		
Cash and investments	\$	664,674
Accounts receivable		41,417
		706,091
Total assets		706,091
 <b>LIABILITIES</b>		
Current liabilities:		
Accounts payable		8,539
Claims payable		137,604
		146,143
Total liabilities		146,143
 <b>NET POSITION</b>		
Restricted		504,537
Unrestricted		55,411
		559,948
Total net position	\$	559,948

**HUMBOLDT COUNTY SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2016**

		<b>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS</b>
<b>OPERATING REVENUES:</b>		
Interfund charges	\$	326,634
<b>OPERATING EXPENSES:</b>		
Claims		107,325
Insurance premiums		39,426
Administration fees		42,533
Total operating expenses		189,284
Operating income (loss)		137,350
<b>TRANSFERS IN (OUT)</b>		
Transfer in		50,000
Change in net position		187,350
<b>NET POSITION - July 1, as restated</b>		372,598
<b>NET POSITION - June 30</b>	\$	559,948

**HUMBOLDT COUNTY SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2016**

		<b>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
Cash flows from operating activities:		
Cash received for interfund services provided	\$	325,313
Cash payments for claims and services		(184,472)
		140,841
Cash flows from noncapital financing activities:		
Transfers in		50,000
		50,000
Net cash provided (used) by noncapital financing activities		50,000
Net increase (decrease) in cash and cash equivalents		190,841
<b>Cash and cash equivalents, beginning of year</b>		<b>473,833</b>
<b>Cash and cash equivalents, end of year</b>	\$	<b>664,674</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating income (loss)	\$	137,350
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable		(1,321)
Increase (decrease) in claims payable		4,812
		3,491
Total adjustments		3,491
Net cash provided (used) by operating activities	\$	140,841

**HUMBOLDT COUNTY SCHOOL DISTRICT  
 FIDUCIARY FUNDS  
 STATEMENT OF FIDUCIARY NET POSITION  
 JUNE 30, 2016**

	<b>PRIVATE- PURPOSE TRUST FUND</b>	<b>AGENCY FUNDS</b>	<b>TOTAL</b>
<b>ASSETS</b>			
Cash and investments	\$ 99,620	\$ 508,159	\$ 607,779
Total assets	99,620	508,159	607,779
<b>LIABILITIES</b>			
Due to student groups	-	508,159	508,159
Total liabilities	-	508,159	508,159
<b>NET POSITION</b>			
Reserved for scholarships	\$ 99,620	\$ -	\$ 99,620
	99,620	-	99,620

**HUMBOLDT COUNTY SCHOOL DISTRICT  
 FIDUCIARY FUNDS  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2016**

	<b><u>PRIVATE- PURPOSE TRUST FUND</u></b>
<b>ADDITIONS</b>	
Interest	\$ <u>170</u>
<b>DEDUCTIONS</b>	
Scholarships	<u>7,000</u>
Change in net position	(6,830)
<b>NET POSITION - July 1</b>	<u>106,450</u>
<b>NET POSITION - June 30</b>	<u><u>\$ 99,620</u></u>

**HUMBOLDT COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**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 expenses (including depreciation) by related program revenues and operating grants. Program revenues include operating grants and contributions and investment earnings legally restricted to

**HUMBOLDT COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

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

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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

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 *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.

The *District Bond Initiative Fund* is used to account for HC1 bond proceeds provided for district-wide capital improvements and repairs.

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.

*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.



**HUMBOLDT COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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

**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.

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

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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

**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.

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.

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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

- (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.

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

**HUMBOLDT COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

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.
- 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

**HUMBOLDT COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

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 2014-2015 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.

**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.

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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

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, 2016, not paid as of that date.

**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.

**HUMBOLDT COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

**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 and providing transportation for students.

**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 \$40 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 public safety officer, who can accumulate a maximum of 80 hours, and 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.

**HUMBOLDT COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

***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 one item that qualifies for reporting in this category: *deferred outflows related to net pension liability*. This amount is comprised of two balances, one of which is actuarially-determined and is deferred and amortized over the expected remaining service lives of covered employees and the other which is the District's contributions to PERS 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 two 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 item is the collective deferred inflows related to net pension liability arising under the economic resources measurement and accrual basis of account, which is reported in the statement of financial position. This amount is actuarially-determined and is deferred and amortized over either 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, 2016**

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

***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 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.

**HUMBOLDT COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

- 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.

***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, 2015 has been extracted from the fiscal year 2015 financial statements. It has been provided to add comparability, but is not considered full disclosure of transactions for fiscal year 2015. Such information can only be obtained by referring to the audited financial statements for that year.

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

The District conformed to all significant statutory constraints on its financial administration during the year.

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 3 – CASH AND INVESTMENTS**

The District maintains a cash and investment pool available for use by all funds. At June 30, 2016, this pool is displayed by major and other governmental funds on the governmental funds balance sheet as "Cash and Investments."

The following schedule summarizes cash and investments for the District at June 30, 2016:

Cash and Investment Balances Held By:	
Governmental Funds	\$ 6,598,204
Internal Service Funds	664,674
Fiduciary Funds	<u>607,779</u>
Total Cash and Investments	<u>\$ 7,870,657</u>
Balances at Fair Value Classified By:	
US Bank Checking	\$ 17,247
Wells Fargo Savings	3,010,692
Wells Fargo Checking	3,968,621
Humboldt County Investment Pool	<u>874,097</u>
Total Cash and Investments	<u>\$ 7,870,657</u>

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.

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. 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.

**HUMBOLDT COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

*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.

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2016 was as follows:

	June 30, 2015 Balance	Additions	Deletions	Transfers	June 30, 2016 Balance
Capital assets, not being depreciated:					
Land	\$ 1,215,700	\$ -	\$ -	\$ -	\$ 1,215,700
Construction in progress	185,148	454,580	-	(185,148)	454,580
<b>Total Capital assets, not being depreciated</b>	<b>1,400,848</b>	<b>454,580</b>	<b>-</b>	<b>(185,148)</b>	<b>1,670,280</b>
Capital assets, being depreciated:					
Building and improvements	48,522,095	544,890	-	185,148	49,252,133
Site improvements	1,600,381	-	-	-	1,600,381
Equipment and vehicles	8,905,679	1,477,583	(494,711)	-	9,888,551
<b>Total capital assets, being depreciated</b>	<b>59,028,155</b>	<b>2,022,473</b>	<b>(494,711)</b>	<b>185,148</b>	<b>60,741,065</b>
Less accumulated depreciation for:					
Building and improvements	(25,795,443)	(1,180,491)	-	-	(26,975,934)
Site improvements	(521,945)	(79,161)	-	-	(601,106)
Equipment and vehicles	(6,523,811)	(488,981)	464,230	-	(6,548,562)
<b>Total accumulated depreciation</b>	<b>(32,841,199)</b>	<b>(1,748,633)</b>	<b>464,230</b>	<b>-</b>	<b>(34,125,602)</b>
<b>Total net capital assets, being depreciated</b>	<b>26,186,956</b>	<b>273,840</b>	<b>(30,481)</b>	<b>185,148</b>	<b>26,615,463</b>
Governmental activities capital assets, net	<u>\$ 27,587,804</u>	<u>\$ 728,420</u>	<u>\$ (30,481)</u>	<u>\$ -</u>	<u>\$ 28,285,743</u>

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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

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

Regular Instruction	\$ 1,363,591
Special Instruction	7,488
Vocational Instructional	102,536
Other Instruction	3,866
Co-Curricular/Athletics	2,790
Adult Education	12,949
Support Services:	
Student Support	677
Instructional Staff Support	42,810
General Administration	6,192
School Administration	1,779
Administrative Support	18,564
Operation and Maintenance	85,354
Student Transportation	71,818
Food Services	28,219
Total governmental activities depreciation expense	<u>\$ 1,748,633</u>

**NOTE 5 – INTERFUND BALANCES AND TRANSFERS**

The composition of interfund balances as of June 30, 2016, is as follows:

Due to/from other funds:		
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 154,161
	Major Special Ed Fund	11,935
	Major Federal Grants Fund	321,492
		<u>487,588</u>
Major Capital Projects Fund	Major Debt Service Fund	200,000
Major Federal Grants Fund	Nonmajor Governmental Funds	181
		<u>200,181</u>
		<u>\$ 687,769</u>

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.

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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

Interfund transfers for the year ended June 30, 2016, are as follows:

<u>Transfers from:</u>	<u>Transfers to:</u>	<u>Amount</u>
General Fund	Major Special Education Fund	\$ 2,203,065
	Nonmajor Governmental Fund	125,623
	Internal Service Fund	50,000
		<u>2,378,688</u>
Major Debt Service Fund	Major District Bond Initiative Fund	<u>2,100,000</u>
	Total interfund transfers	<u>\$ 4,478,688</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**

As of June 30, 2016, the District has entered into contracts for construction and, asset purchases as follows:

	<u>Commitment Authorization</u>	<u>Expended/ Retainage</u>	<u>Commitment June 30, 2016</u>
Project management	\$ 75,300	\$ 51,345	\$ 23,955
HVAC upgrade	1,122,300	366,488	755,812
Roof replacement	715,221	51,182	664,039
Various other projects	35,208	20,421	14,787
Totals	<u>\$ 1,948,029</u>	<u>\$ 489,436</u>	<u>\$ 1,458,593</u>

**NOTE 7 – LONG TERM DEBT**

Long-term liabilities at June 30, 2016 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, 2016</u>
2009	02/04/09	04/01/29	3-4.625%	\$ 2,950,000	\$ 2,270,000

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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

<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, 2016</u>
2010	11/18/10	02/01/21	3.16-4.87%	\$ 5,675,000	\$ 343,000

<u>Note Payable</u>					
	<u>Date Issued</u>	<u>Date of Maturity</u>	<u>Interest Rate (%)</u>	<u>Amount Issued</u>	<u>Balance June 30, 2016</u>
Chartwells	04/01/14	07/01/19	7.924%	\$ 160,030	\$ 103,226

Long-term liability activity for the year ended June 30, 2016 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	\$ 2,799,000	\$ -	\$ 186,000	\$ 2,613,000	\$ 193,000
Deferred amounts for issuance premium	32,213	-	2,343	29,870	2,343
Total bonds payable	2,831,213	-	188,343	2,642,870	195,343
Long-term note payable	132,710	-	29,484	103,226	31,821
Compensated absences	927,260	180,364	281,646	825,978	240,133
Total	<u>\$ 3,891,183</u>	<u>\$ 180,364</u>	<u>\$ 499,473</u>	<u>\$ 3,572,074</u>	<u>\$ 467,297</u>

Total interest paid on long-term debt for the year ended June 30, 2016 was \$123,324.

As of June 30, 2016, annual debt service requirements to maturity are as follows:

<u>Year Ending June 30,</u>	<u>General Obligation Bonds</u>		<u>Note Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 193,000	\$ 106,757	\$ 31,821	\$ 8,179
2018	200,000	100,315	34,342	5,658
2019	208,000	93,417	37,063	2,937
2020	217,000	86,022	-	-
2021	230,000	76,707	-	-
2022 - 2026	900,000	274,081	-	-
2027 - 2029	665,000	62,669	-	-
Total requirements	<u>\$2,613,000</u>	<u>\$ 799,968</u>	<u>\$ 103,226</u>	<u>\$ 16,774</u>

**HUMBOLDT COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

The District was, in accordance with Nevada Revised Statutes 387.400, within the legal debt limit at June 30, 2016.

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 2009 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, 2016, the amount required to fund the reserve account was \$222,831 and was fully funded by the District.

**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 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, 2016, but not yet paid, and is based on actual claims filed subsequent to June 30, 2015, 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.



**HUMBOLDT COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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

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 average annual claims expense and consideration of the types of claims open at the end of the fiscal year, to be approximately \$134,000, and has recorded this amount as additional claims expense and liability as of June 30, 2016 in that fund.

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, 2014	\$ 124	\$ 223,294	\$ 223,418
Current year claims and changes in estimates	10,586	270,362	280,948
Claim payments	(10,379)	(143,656)	(154,035)
Claims liability, June 30, 2015	331	350,000	350,331
Prior year change in estimate	-	(209,000)	(209,000)
Current year claims and changes in estimates	20,969	89,629	110,598
Claim payments	(17,696)	(96,629)	(114,325)
Claims liability, June 30, 2016	\$ 3,604	\$ 134,000	\$ 137,604

**NOTE 9 – PENSION PROGRAM**

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.

**HUMBOLDT COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

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 multiplier is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.5% multiplier. 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 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.

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. Regular members become fully vested as to benefits upon completion of five years of service.

Contributions. Benefits for plan members are funded under the employer pay contribution plan. The District is required to contribute all amounts due under this plan. The contribution requirements of the District are established by Chapter 286 of the Nevada Revised Statutes. The funding mechanism may only be amended through legislation.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2016, the District reported a liability of \$37,000,589 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, 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, 2015. The District's proportion was 0.32288%, as of June 30, 2015, which was a decrease of 0.72% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$10,583,254. At June 30, 2016, 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, 2016**

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 4,140,531
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	7,423,366
Changes in proportion and differences between actual and proportionate share of contributions	255,147	251,696
District contributions subsequent to the measurement date	5,665,701	-
Total	\$ 5,920,848	\$ 11,815,593

\$5,665,701 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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year</u>	
2016-17	\$ (3,074,388)
2017-18	(3,074,388)
2018-19	(3,074,388)
2019-20	(1,267,999)
2020-21	(696,590)
Thereafter	(372,693)

Actuarial assumptions. The total pension liability in the June 30, 2015 actuarial valuation was determined using the following assumptions, applied to all periods including the measurement:

Inflation	3.50%
Salary Increases	4.60% to 9.75%, depending on service
Investment rate of return	8.00%, per year, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table for males or females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of the experience review completed in 2014.

The System's 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.

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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

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

\*As of June 30, 2015, PERS’ long-term inflation assumption was 3.5%.

Discount rate. The discount rate used to measure the total pension liability was 8.00%. 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, 2015, 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, 2015.

Pension liability sensitivity. The following presents the District’s proportionate share of the net pension liability, calculated using the discount rate of 8.00%, 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 (7.00%) or 1 percentage point higher (9.00%) than the current discount rate:

	1% Decrease (7.00%)	Current Rate (8.00%)	1% Increase (9.00%)
District’s proportionate share of the net pension liability	\$56,380,941	\$37,000,589	\$20,883,815

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in a separately-issued PERS financial report.

**NOTE 10 – ACCOUNTING CHANGES**

Accounting standards. In fiscal year 2016, the District implemented Governmental Accounting Standards Board (GASB) Statement 72 “Fair Value Measurement and Application”. The primary objective of this Statement is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes and establishing general principles for measuring fair value.

The implementation of Statement 72 does not impact the financial statements.

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 10 – ACCOUNTING CHANGES (continued)**

Change in estimate. An overstatement of claims payable in the Self-Insured Worker’s Compensation Fund as of June 30, 2015 was discovered during the current year. Accordingly, beginning net position has been restated to correct the error.

	Statement of Activities	Proprietary Funds
Net Position, as previously reported	\$ (11,543,266)	\$ 163,598
Overstatement of claims payable	209,000	209,000
Net Position, as restated	\$ (11,334,266)	\$ 372,598

**NOTE 11 – 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 12 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

Plan Descriptions. The District administers a single-employer defined benefit healthcare plan, Humboldt County School District Employee Health Benefit Plan (HCSDEHBP). Additionally, the District contributes to an agent multiple-employer defined benefit postemployment healthcare plan, Public Employees' Benefits Plan (PEBP). Each plan provides medical, vision, dental, and life insurance benefits to eligible retired District employees and beneficiaries.

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. Eligible retirees are participants in the Nevada Public Employee Retirement System (PERS) and retired from the District at the time of their election to participate. As of June 30, 2016, 48 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

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 12 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)**

for those persons joining PEBP that the State of Nevada pays for those persons retired from state service who have continued to participate in the plan. As of June 30, 2016, 91 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/informed/financial.htm](http://www.pebp.state.nv.us/informed/financial.htm).

Funding Policy and Annual OPEB Cost. 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 is \$168,138.

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. For the plan year ended June 30, 2016, retirees qualify for a subsidy ranging from \$62 at five years of service and \$1,476 at 20 years of service with incremental increases for years of service between. Subsidy rates vary with the type of plan and coverage elected by the retiree. Subsidy rates for retirees covered under the Medicare Exchange were \$55 at five years of service and \$220 at 20 years of service with incremental increases for years of service in between. 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 2016, the District contributed \$267,161 to the plan for current premiums. The District did not prefund any future benefits.

Annual OPEB Cost and Net OPEB Obligation. The District's annual other postemployment benefit (OPEB) cost (expense) for the plans is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Due to the nature of long term projections the assumptions give a rough estimate and the exact amounts may never be reached. This can be due to many possible changes, such as; the number of participating retirees, new employees, changes in the share of employees enrolled in retirements and mortality.

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 12 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)**

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plans, and the net OPEB obligations (assets), by plan, for fiscal years 2014 through 2016 were as follows:

	Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
HCSDEHBP	6/30/16	\$ 815,540	\$ 168,138	20.62%	\$ 5,589,069
HCSDEHBP	6/30/15	771,889	137,775	17.85%	4,941,667
HCSDEHBP	6/30/14	1,028,515	155,716	15.14%	4,307,553
PEBP	6/30/16	267,904	267,161	99.72%	815,585
PEBP	6/30/15	266,533	240,123	90.09%	814,842
PEBP	6/30/14	272,480	245,260	90.01%	788,432
Combined Totals	6/30/16	\$ 1,083,444	\$ 435,299		\$ 6,404,654
Combined Totals	6/30/15	\$ 1,038,442	\$ 377,898		\$ 5,756,509
Combined Totals	6/30/14	\$ 1,300,995	\$ 400,976		\$ 5,095,985

The net OPEB obligation (NOPEBO) as of June 30, 2016, was calculated as follows:

	HCSDEHBP	PEBP	Totals
Annual required contribution (ARC)	\$ 814,260	\$ 290,406	\$ 1,104,666
Interest on the beginning net OPEB obligation	197,667	32,594	230,261
ARC Adjustment	(196,387)	(55,096)	(251,483)
Annual OPEB cost	815,540	267,904	1,083,444
Contributions made	(168,138)	(267,161)	(435,299)
Increase (decrease) in net OPEB obligation	647,402	743	648,145
Net OPEB obligation (asset), beginning of year	4,941,667	814,842	5,756,509
Net OPEB obligation (asset), end of year	\$ 5,589,069	\$ 815,585	\$ 6,404,654

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 12 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)**

Funded Status and Funding Progress. The funded status of the plans as of June 30, 2016, was as follows:

	HCSDEHBP	PEBP	Totals
Accrued actuarial liability (a)	\$ 8,793,535	\$ 4,401,135	\$ 13,194,670
Actuarial value of plan assets (b)	-	-	-
Unfunded actuarial accrued liability (a) – (b)	\$ 8,793,535	\$ 4,401,135	\$ 13,194,670
Funded ratio (b) / (a)	0.00%	0.00%	0.00%
Covered payroll (c)	\$ 19,519,782	N/A	
Unfunded actuarial accrued liability as a percentage of covered payroll ((a) – (b)) / (c)	45.05%		

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The other postemployment benefits schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actual accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the District and the plan members to that point. Actuarial calculations reflect long-term perspective and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.



**HUMBOLDT COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 12 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)**

Significant methods and assumptions used in the January 1, 2015 actuarial valuation were as follows:

	HCSDEHBP	PEBP
Actuarial valuation date	01/01/15	01/01/15
Actuarial cost method	Entry Age Normal Cost	Entry Age Normal Cost
Amortization method	Level % of pay/open	Level dollar/closed
Amortization period	30 years	23 years
Asset valuation method	Market value	Market value
<u>Actuarial assumptions:</u>		
Inflation rate (per year)	3.00%	3.00%
Investment rate of return	4.00%	4.00%
Projected salary increases	4.00%	N/A
Healthcare inflation rate*	7.50%	7.50%

\*Decreasing .50% each year until ultimate trend rate of 5.00% is reached

**NOTE 13 – SUBSEQUENT EVENT**

At their October 11, 2016 meeting, the Humboldt County School District Board of Trustees authorized management to enter into a purchase agreement for four school buses for a total of \$319,040.

**HUMBOLDT COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2016**

**Other Postemployment Benefits  
Schedule of Funding Progress**

	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age Normal Cost (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a) / c]
PEBP	01/01/11	-	\$ 9,076,198	\$ 9,076,198	0.00%	-	-
PEBP	01/01/13	-	\$ 4,659,324	\$ 4,659,324	0.00%	-	-
PEBP	01/01/15	-	\$ 4,401,135	\$ 4,401,135	0.00%	-	-
HCSDEHBP	01/01/11	-	\$10,694,268	\$10,694,268	0.00%	\$17,497,000	61.12%
HCSDEHBP	01/01/13	-	\$13,151,435	\$13,151,435	0.00%	\$18,979,091	69.29%
HCSDEHBP	01/01/15	-	\$ 8,793,535	\$ 8,793,535	0.00%	\$19,519,782	45.05%

The Nevada legislature changed the level of the Public Agency contributions for PEBP retiree premiums, which reduced this liability substantially from the 2011 valuation date to 2013.

For the HCSDEHBP, updates to employee and premium data since the prior valuation as well as changes to assumptions regarding future benefit costs or employee decisions affecting coverage resulted in a reduced liability from the 2013 valuation date to 2015.

**HUMBOLDT COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2016**

**Schedule of the District's Proportionate Share of the Net Pension Liability  
Public Employees' Retirement System of Nevada  
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
2016	0.32288%	\$37,000,589	\$20,199,760	183.17%	~
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	*	*
2009	*	*	19,240,386	*	*
2008	*	*	19,035,095	*	*
2007	*	*	18,004,508	*	*

\*Prospective implementation as of June 30, 2015.

~Information not yet available.

**HUMBOLDT COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2016**

**Schedule of the District's Contributions  
Public Employees' Retirement System of Nevada  
Last 10 Fiscal Years**

Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered- employee payroll	Contributions as a percentage of covered- employee payroll
2016	\$5,665,701	\$5,665,701	-	\$20,199,760	28.05%
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%
2009	3,944,395	3,944,395	-	19,240,386	20.50%
2008	3,899,469	3,899,469	-	19,035,095	20.49%
2007	3,555,337	3,555,337	-	18,004,508	19.75%

**HUMBOLDT COUNTY SCHOOL DISTRICT  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016  
(With Comparative Actual Amounts for the Year Ended June 30, 2015)**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE TO</b>	
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>	<b>2015</b>
<b>REVENUES</b>					
Local sources:					
Ad valorem taxes	\$ 7,386,535	\$ 10,301,073	\$ 10,249,106	\$ (51,967)	\$ 11,389,848
School support taxes	12,722,417	10,722,417	10,386,659	(335,758)	11,542,302
Government services tax	1,232,591	1,232,591	1,331,484	98,893	1,306,230
Tuition	126,310	101,984	101,884	(100)	106,256
Private donations	-	5,000	5,032	32	12,479
Environmental fines	-	-	-	-	9,000
Pay to play	21,000	21,000	20,300	(700)	20,050
Boat registration fees	9,500	7,500	8,343	843	7,423
Other	22,745	120,000	119,658	(342)	35,108
<b>Total local sources</b>	<b>21,521,098</b>	<b>22,511,565</b>	<b>22,222,466</b>	<b>(289,099)</b>	<b>24,428,696</b>
State sources:					
Distributive school fund	3,714,470	6,796,575	7,040,841	244,266	4,555,218
Federal sources:					
E-rate funds	275,000	481,631	351,461	(130,170)	208,478
Schools and roads - grants to counties	-	74,172	74,172	-	61,327
Impact aid	400,000	540,405	540,405	-	510,059
<b>Total federal sources</b>	<b>675,000</b>	<b>1,096,208</b>	<b>966,038</b>	<b>(130,170)</b>	<b>779,864</b>
<b>Total revenues</b>	<b>25,910,568</b>	<b>30,404,348</b>	<b>30,229,345</b>	<b>(175,003)</b>	<b>29,763,778</b>
<b>EXPENDITURES</b>					
Regular programs:					
Instruction					
Salaries	8,557,459	8,954,282	8,925,193	29,089	8,626,000
Benefits	4,128,436	4,175,973	4,083,600	92,373	3,811,023
Purchased services	101,350	101,350	82,406	18,944	97,039
Supplies	461,989	836,478	722,874	113,604	443,510
Other	1,250	1,250	395	855	791
<b>Total instruction</b>	<b>13,250,484</b>	<b>14,069,333</b>	<b>13,814,468</b>	<b>254,865</b>	<b>12,978,363</b>
Instructional staff support					
Salaries	26,700	55,450	54,411	1,039	47,146
Benefits	1,463	2,011	1,935	76	2,648
Purchased services	38,500	47,750	36,259	11,491	44,754
Supplies	7,650	8,250	3,902	4,348	10,859
<b>Total instructional staff support</b>	<b>74,313</b>	<b>113,461</b>	<b>96,507</b>	<b>16,954</b>	<b>105,407</b>
Student transportation					
Salaries	15,000	15,000	13,719	1,281	5,417
Benefits	6,600	6,600	3,774	2,826	1,543
Purchased services	27,000	31,000	29,391	1,609	35,790
<b>Total student transportation</b>	<b>48,600</b>	<b>52,600</b>	<b>46,884</b>	<b>5,716</b>	<b>42,750</b>
<b>Total regular programs</b>	<b>13,373,397</b>	<b>14,235,394</b>	<b>13,957,859</b>	<b>277,535</b>	<b>13,126,520</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, 2016  
(With Comparative Actual Amounts for the Year Ended June 30, 2015)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2015</u>
Vocational programs:					
Instruction					
Salaries	\$ 647,789	\$ 629,490	\$ 626,994	\$ 2,496	\$ 654,902
Benefits	290,990	271,108	266,863	4,245	273,212
Purchased services	1,005	1,005	845	160	1,049
Supplies	39,240	42,386	32,697	9,689	31,111
Property	-	-	-	-	118
Total instruction	<u>979,024</u>	<u>943,989</u>	<u>927,399</u>	<u>16,590</u>	<u>960,392</u>
Student transportation					
Purchased services	500	500	-	500	2,149
Total vocational programs	<u>979,524</u>	<u>944,489</u>	<u>927,399</u>	<u>17,090</u>	<u>962,541</u>
Other instructional programs:					
Instruction					
Salaries	482,913	648,318	643,066	5,252	478,572
Benefits	228,612	297,901	274,422	23,479	190,423
Purchased services	52,240	54,030	53,845	185	52,247
Supplies	-	1,500	1,020	480	4,090
Total instruction	<u>763,765</u>	<u>1,001,749</u>	<u>972,353</u>	<u>29,396</u>	<u>725,332</u>
Instructional staff support					
Purchased services	10,500	13,016	13,016	-	10,703
Supplies	-	1,750	1,381	369	-
Total instructional staff support	<u>10,500</u>	<u>14,766</u>	<u>14,397</u>	<u>369</u>	<u>10,703</u>
Administrative Support					
Salaries	-	2,300	2,262	38	-
Benefits	-	1,292	1,276	16	-
Total administrative support	<u>-</u>	<u>3,592</u>	<u>3,538</u>	<u>54</u>	<u>-</u>
Student transportation					
Salaries	1,500	1,500	1,431	69	1,452
Benefits	370	370	329	41	244
Total student transportation	<u>1,870</u>	<u>1,870</u>	<u>1,760</u>	<u>110</u>	<u>1,696</u>
Total other instructional programs	<u>776,135</u>	<u>1,021,977</u>	<u>992,048</u>	<u>29,929</u>	<u>737,731</u>
Co-curricular/athletic programs:					
Instruction					
Salaries	300,268	317,755	301,788	15,967	303,776
Benefits	20,414	18,467	15,542	2,925	15,771
Purchased services	14,863	33,200	32,933	267	16,065
Supplies	43,000	46,900	38,538	8,362	43,008
Other	5,400	5,500	5,134	366	4,447
Total instruction	<u>383,945</u>	<u>421,822</u>	<u>393,935</u>	<u>27,887</u>	<u>383,067</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, 2016  
(With Comparative Actual Amounts for the Year Ended June 30, 2015)**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE TO</b>	
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>	<b>2015</b>
Student transportation					
Purchased services	\$ 197,175	\$ 205,085	\$ 187,234	\$ 17,851	\$ 198,377
Total co-curricular/athletic programs	<u>581,120</u>	<u>626,907</u>	<u>581,169</u>	<u>45,738</u>	<u>581,444</u>
Undistributed expenditures:					
Student support					
Salaries	725,774	683,011	680,231	2,780	651,239
Benefits	284,485	285,903	284,371	1,532	262,097
Purchased services	3,520	3,700	2,937	763	16,803
Supplies	14,320	14,595	9,118	5,477	11,190
Other	130	150	135	15	130
Total student support	<u>1,028,229</u>	<u>987,359</u>	<u>976,792</u>	<u>10,567</u>	<u>941,459</u>
Instructional staff support					
Salaries	397,464	451,662	435,094	16,568	387,894
Benefits	174,346	181,831	177,493	4,338	158,157
Purchased services	63,000	63,000	51,255	11,745	69,899
Supplies	110,074	112,782	90,883	21,899	58,451
Property	-	448,365	448,365	-	-
Other	50	150	150	-	27
Total instructional staff support	<u>744,934</u>	<u>1,257,790</u>	<u>1,203,240</u>	<u>54,550</u>	<u>674,428</u>
General administration					
Salaries	576,655	619,831	614,672	5,159	545,835
Benefits	241,540	250,433	241,832	8,601	205,728
Purchased services	224,100	272,300	263,720	8,580	232,561
Supplies	30,400	43,800	37,747	6,053	30,532
Other	21,000	21,000	17,439	3,561	18,247
Total general administration	<u>1,093,695</u>	<u>1,207,364</u>	<u>1,175,410</u>	<u>31,954</u>	<u>1,032,903</u>
School administration					
Salaries	1,539,452	1,578,919	1,572,251	6,668	1,552,087
Benefits	653,268	630,366	627,267	3,099	608,539
Purchased services	198,678	284,818	275,616	9,202	230,349
Supplies	15,235	16,645	14,629	2,016	8,808
Other	2,950	2,950	1,935	1,015	2,950
Total school administration	<u>2,409,583</u>	<u>2,513,698</u>	<u>2,491,698</u>	<u>22,000</u>	<u>2,402,733</u>
Operation and maintenance					
Salaries	1,645,872	1,737,435	1,717,482	19,953	1,558,714
Benefits	812,386	815,471	806,846	8,625	727,835
Purchased services	795,345	765,800	683,664	82,136	648,240
Supplies	880,535	993,165	900,285	92,880	929,403
Property	-	57,720	57,719	1	15,378
Other	2,728	3,228	2,733	495	105,548
Total operation and maintenance	<u>4,136,866</u>	<u>4,372,819</u>	<u>4,168,729</u>	<u>204,090</u>	<u>3,985,118</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, 2016  
(With Comparative Actual Amounts for the Year Ended June 30, 2015)**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE TO</b>	
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>	<b>2015</b>
Student transportation					
Salaries	\$ 543,218	\$ 553,264	\$ 534,212	\$ 19,052	\$ 517,606
Benefits	209,908	206,836	205,327	1,509	191,760
Purchased services	66,950	109,017	96,598	12,419	72,188
Supplies	255,750	265,900	204,030	61,870	216,330
Other	850	2,856	2,825	31	2,180
Total student transportation	<u>1,076,676</u>	<u>1,137,873</u>	<u>1,042,992</u>	<u>94,881</u>	<u>1,000,064</u>
Administrative support					
Salaries	290,267	281,247	278,993	2,254	282,238
Benefits	127,481	119,408	118,311	1,097	115,003
Purchased services	6,450	14,450	9,715	4,735	6,201
Supplies	42,050	55,600	51,235	4,365	38,102
Property	-	-	7,000	(7,000)	7,176
Total administrative support	<u>466,248</u>	<u>470,705</u>	<u>465,254</u>	<u>5,451</u>	<u>448,720</u>
Total undistributed expenditures	<u>10,956,231</u>	<u>11,947,608</u>	<u>11,524,115</u>	<u>423,493</u>	<u>10,485,425</u>
Debt service					
Principal	61,000	61,000	61,000	-	59,000
Interest	16,230	16,230	16,227	3	18,333
Total debt service	<u>77,230</u>	<u>77,230</u>	<u>77,227</u>	<u>3</u>	<u>77,333</u>
Total expenditures	<u>26,743,637</u>	<u>28,853,605</u>	<u>28,059,817</u>	<u>793,788</u>	<u>25,970,994</u>
Excess of revenues over expenditures	(833,069)	1,550,743	2,169,528	618,785	3,792,784
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	(2,188,444)	(2,452,111)	(2,378,688)	73,423	(2,203,828)
Net change in fund balance	(3,021,513)	(901,368)	(209,160)	692,208	1,588,956
<b>FUND BALANCE, July 1</b>	<u>5,317,797</u>	<u>6,088,393</u>	<u>6,088,393</u>	<u>-</u>	<u>4,499,437</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 2,296,284</u>	<u>\$ 5,187,025</u>	<u>\$ 5,879,233</u>	<u>\$ 692,208</u>	<u>\$ 6,088,393</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, 2016  
(With Comparative Actual Amounts for the Year Ended June 30, 2015)**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE TO</b>	
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>	<b>2015</b>
<b>REVENUES</b>					
State sources:					
State grants	\$ 6,212	\$ 2,887	\$ 4,666	\$ 1,779	\$ 6,171
Distributive school fund	1,498,134	1,500,004	1,500,004	-	1,410,585
Total state sources	<u>1,504,346</u>	<u>1,502,891</u>	<u>1,504,670</u>	<u>1,779</u>	<u>1,416,756</u>
Federal sources:					
Impact aid	8,357	9,786	9,786	-	15,498
Total revenues	<u>1,512,703</u>	<u>1,512,677</u>	<u>1,514,456</u>	<u>1,779</u>	<u>1,432,254</u>
<b>EXPENDITURES</b>					
Special programs:					
Instruction					
Salaries	1,870,403	1,904,190	1,879,609	24,581	1,788,776
Benefits	886,332	811,633	791,635	19,998	774,898
Purchased services	540	20,590	13,329	7,261	540
Supplies	14,710	18,918	18,796	122	14,990
Other	150	150	100	50	150
Total instruction	<u>2,772,135</u>	<u>2,755,481</u>	<u>2,703,469</u>	<u>52,012</u>	<u>2,579,354</u>
Instructional staff support					
Salaries	70,041	71,417	70,217	1,200	68,158
Benefits	30,154	29,614	28,806	808	27,702
Purchased services	5,200	11,719	12,328	(609)	8,853
Total instructional staff support	<u>105,395</u>	<u>112,750</u>	<u>111,351</u>	<u>1,399</u>	<u>104,713</u>
Student support					
Salaries	430,104	474,325	474,250	75	437,858
Benefits	186,006	192,271	192,214	57	176,061
Purchased services	4,085	9,860	8,849	1,011	4,553
Supplies	3,360	6,560	3,648	2,912	2,614
Other	400	200	190	10	388
Total student support	<u>623,955</u>	<u>683,216</u>	<u>679,151</u>	<u>4,065</u>	<u>621,474</u>
Student transportation					
Salaries	34,328	43,580	43,435	145	34,109
Benefits	9,839	19,412	19,364	48	9,094
Purchased services	4,000	4,510	-	4,510	2,718
Supplies	15,000	15,000	6,010	8,990	10,185
Total student transportation	<u>63,167</u>	<u>82,502</u>	<u>68,809</u>	<u>13,693</u>	<u>56,106</u>

(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, 2016  
(With Comparative Actual Amounts for the Year Ended June 30, 2015)**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE TO</b>	
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>	<b>2015</b>
Administrative support					
Salaries	\$ 1,700	\$ -	\$ -	\$ -	\$ -
Benefits	535	-	-	-	-
Total administrative support	<u>2,235</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total special programs	<u>3,566,887</u>	<u>3,633,949</u>	<u>3,562,780</u>	<u>71,169</u>	<u>3,361,647</u>
Undistributed expenditures:					
Student support					
Salaries	40,500	41,310	41,308	2	40,498
Benefits	<u>18,409</u>	<u>17,640</u>	<u>17,500</u>	<u>140</u>	<u>17,452</u>
Total student support	<u>58,909</u>	<u>58,950</u>	<u>58,808</u>	<u>142</u>	<u>57,950</u>
Student transportation					
Salaries	46,892	60,306	60,306	-	48,010
Benefits	<u>28,459</u>	<u>35,960</u>	<u>35,627</u>	<u>333</u>	<u>27,475</u>
Total student transportation	<u>75,351</u>	<u>96,266</u>	<u>95,933</u>	<u>333</u>	<u>75,485</u>
Total undistributed expenditures	<u>134,260</u>	<u>155,216</u>	<u>154,741</u>	<u>475</u>	<u>133,435</u>
Total expenditures	<u>3,701,147</u>	<u>3,789,165</u>	<u>3,717,521</u>	<u>71,644</u>	<u>3,495,082</u>
Excess (deficiency) of revenues over expenditures	(2,188,444)	(2,276,488)	(2,203,065)	73,423	(2,062,828)
<b>OTHER FINANCING SOURCES</b>					
Transfers in	<u>2,188,444</u>	<u>2,276,488</u>	<u>2,203,065</u>	<u>(73,423)</u>	<u>2,062,828</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>

**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, 2016  
(With Comparative Actual Amounts for the Year Ended June 30, 2015)**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE TO</b>	
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>	<b>2015</b>
<b>REVENUES</b>					
Federal sources:					
Federal direct	\$ 17,236	\$ 36,448	\$ 36,447	\$ (1)	\$ 16,500
Federal indirect	2,219,835	2,359,094	2,015,116	(343,978)	1,701,343
	<u>2,237,071</u>	<u>2,395,542</u>	<u>2,051,563</u>	<u>(343,979)</u>	<u>1,717,843</u>
Total revenues					
	<u>2,237,071</u>	<u>2,395,542</u>	<u>2,051,563</u>	<u>(343,979)</u>	<u>1,717,843</u>
<b>EXPENDITURES</b>					
Regular programs:					
Instruction					
Salaries	244,838	169,000	167,358	1,642	161,832
Benefits	91,782	54,278	53,691	587	53,348
Purchased services	-	-	-	-	2,500
Supplies	81,001	149,621	114,088	35,533	49,621
Other	90	283	283	-	71
	<u>417,711</u>	<u>373,182</u>	<u>335,420</u>	<u>37,762</u>	<u>267,372</u>
Total instruction					
	<u>417,711</u>	<u>373,182</u>	<u>335,420</u>	<u>37,762</u>	<u>267,372</u>
Instructional staff support					
Salaries	226,171	115,632	78,938	36,694	119,817
Benefits	32,026	7,829	4,391	3,438	25,785
Purchased services	82,074	276,941	194,251	82,690	37,408
Supplies	18,190	55,090	32,761	22,329	34,191
Other	3,780	-	-	-	1,239
	<u>362,241</u>	<u>455,492</u>	<u>310,341</u>	<u>145,151</u>	<u>218,440</u>
Total instructional staff support					
	<u>362,241</u>	<u>455,492</u>	<u>310,341</u>	<u>145,151</u>	<u>218,440</u>
Student transportation					
Purchased services	3,260	8,200	3,572	4,628	5,692
	<u>3,260</u>	<u>8,200</u>	<u>3,572</u>	<u>4,628</u>	<u>5,692</u>
Total regular programs					
	<u>783,212</u>	<u>836,874</u>	<u>649,333</u>	<u>187,541</u>	<u>491,504</u>
Special programs:					
Instruction					
Salaries	467,937	467,520	465,795	1,725	452,324
Benefits	196,776	215,694	213,943	1,751	185,145
Supplies	9,550	11,972	9,672	2,300	10,511
	<u>674,263</u>	<u>695,186</u>	<u>689,410</u>	<u>5,776</u>	<u>647,980</u>
Total instruction					
	<u>674,263</u>	<u>695,186</u>	<u>689,410</u>	<u>5,776</u>	<u>647,980</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, 2016  
(With Comparative Actual Amounts for the Year Ended June 30, 2015)**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE TO</b>	
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>	<b>2015</b>
Student support					
Salaries	\$ 100,177	\$ 103,297	\$ 63,829	\$ 39,468	\$ 24,476
Benefits	51,623	48,973	29,571	19,402	13,890
Purchased services	60,000	60,000	54,604	5,396	52,084
Supplies	9,498	12,756	5,152	7,604	-
Other	-	2,800	-	2,800	-
Total student support	<u>221,298</u>	<u>227,826</u>	<u>153,156</u>	<u>74,670</u>	<u>90,450</u>
Instructional staff support					
Salaries	20,884	16,376	16,376	-	15,523
Benefits	874	483	483	-	458
Purchased services	138,169	100,366	90,907	9,459	145,224
Supplies	-	29,600	28,450	1,150	14,523
Total instructional staff support	<u>159,927</u>	<u>146,825</u>	<u>136,216</u>	<u>10,609</u>	<u>175,728</u>
Administrative support					
Salaries	35,893	33,860	33,860	-	34,894
Benefits	11,110	10,121	10,120	1	10,080
Total administrative support	<u>47,003</u>	<u>43,981</u>	<u>43,980</u>	<u>1</u>	<u>44,974</u>
Total special programs	<u>1,102,491</u>	<u>1,113,818</u>	<u>1,022,762</u>	<u>91,056</u>	<u>959,132</u>
Vocational programs:					
Instruction					
Purchased services	3,072	4,336	1,943	2,393	3,004
Supplies	22,445	23,409	23,245	164	16,509
Property	-	-	-	-	8,204
Total vocational programs	<u>25,517</u>	<u>27,745</u>	<u>25,188</u>	<u>2,557</u>	<u>27,717</u>
Other instructional programs:					
Instruction					
Salaries	47,015	31,270	29,437	1,833	45,521
Benefits	9,332	10,826	5,015	5,811	9,150
Purchased services	3,600	1,000	479	521	505
Supplies	17,715	19,300	15,287	4,013	26,305
Total instruction	<u>77,662</u>	<u>62,396</u>	<u>50,218</u>	<u>12,178</u>	<u>81,481</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, 2016  
(With Comparative Actual Amounts for the Year Ended June 30, 2015)**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE TO</b>	
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>	<b>2015</b>
Student support					
Salaries	\$ -	\$ 24,600	\$ 24,352	\$ 248	\$ -
Benefits	-	7,550	7,534	16	-
Total student support	-	32,150	31,886	264	-
Instructional staff support					
Salaries	21,370	4,512	4,436	76	10,104
Benefits	2,020	413	406	7	925
Purchased services	26,135	41,800	37,090	4,710	31,239
Supplies	6,890	-	-	-	7,859
Total instructional staff support	56,415	46,725	41,932	4,793	50,127
Student transportation					
Salaries	-	3,580	1,686	1,894	931
Benefits	-	1,108	505	603	267
Purchased services	4,480	4,220	2,144	2,076	8,422
Total student transportation	4,480	8,908	4,335	4,573	9,620
Community support					
Supplies	-	7,954	5,635	2,319	-
Total other instructional programs	138,557	158,133	134,006	24,127	141,228
Community services programs:					
Community service operations					
Salaries	250	-	-	-	1,200
Benefits	8	-	-	-	36
Purchased services	-	3,500	3,500	-	3,314
Supplies	-	-	-	-	2,429
Total community services programs	258	3,500	3,500	-	6,979
Undistributed expenditures:					
Student support					
Salaries	12,000	12,000	5,545	6,455	3,220
Benefits	5,500	5,500	2,984	2,516	1,946
Total student support	17,500	17,500	8,529	8,971	5,166

(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, 2016  
(With Comparative Actual Amounts for the Year Ended June 30, 2015)**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE TO</b>	
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>	<b>2015</b>
Instructional staff support					
Purchased services	\$ -	\$ -	\$ -	\$ -	\$ 5,820
Supplies	14,191	-	-	-	29,546
Total instructional staff support	14,191	-	-	-	35,366
General administration					
Salaries	66,000	108,275	102,240	6,035	1,187
Benefits	31,680	48,158	39,344	8,814	367
Purchased services	1,077	1,355	769	586	-
Supplies	6,298	11,394	9,241	2,153	-
Total general administration	105,055	169,182	151,594	17,588	1,554
Operation and maintenance					
Purchased services	-	26,438	17,671	8,767	-
Administrative support					
Salaries	16,673	13,061	13,060	1	16,117
Benefits	5,161	4,529	4,528	1	4,624
Supplies	-	200	-	200	-
Total administrative support	21,834	17,790	17,588	202	20,741
Food service programs					
Salaries	1,539	1,721	1,535	186	1,676
Benefits	442	534	473	61	473
Supplies	26,475	22,307	19,384	2,923	26,307
Total food service	28,456	24,562	21,392	3,170	28,456
Total undistributed expenditures	187,036	255,472	216,774	38,698	91,283
Total expenditures	2,237,071	2,395,542	2,051,563	343,979	1,717,843
Net change in fund balance	-	-	-	-	-
<b>FUND BALANCE, July 1</b>	-	-	-	-	-
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ -	\$ -	\$ -

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2016**

*(With Comparative Totals for the Year Ended June 30, 2015)*

	<b>SPECIAL REVENUE FUNDS</b>	<b>CAPITAL PROJECTS FUNDS</b>	<b>TOTALS</b>	
			<b>2016</b>	<b>2015</b>
<b>ASSETS</b>				
Cash and investments	\$ 266,854	\$ 753,782	\$ 1,020,636	\$ 1,276,300
Other receivables	6,951	-	6,951	20,590
Due from other funds	-	-	-	2,253
Intergovernmental receivable	359,675	28,803	388,478	204,692
Inventories	13,158	-	13,158	8,917
Total assets	<u>\$ 646,638</u>	<u>\$ 782,585</u>	<u>\$ 1,429,223</u>	<u>\$ 1,512,752</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 25,907	\$ 11,118	\$ 37,025	\$ 85,110
Accrued liabilities	322,360	-	322,360	360,922
Due to other funds	154,342	-	154,342	72,700
Unearned revenues	130,871	-	130,871	131,273
Total liabilities	<u>633,480</u>	<u>11,118</u>	<u>644,598</u>	<u>650,005</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Inventory	13,158	-	13,158	8,917
Restricted for:				
Construction of capital assets	-	238,916	238,916	300,418
Assigned to:				
Food service	-	-	-	10,632
Other capital projects	-	532,551	532,551	542,780
Total fund balances	<u>13,158</u>	<u>771,467</u>	<u>784,625</u>	<u>862,747</u>
Total liabilities and fund balances	<u>\$ 646,638</u>	<u>\$ 782,585</u>	<u>\$ 1,429,223</u>	<u>\$ 1,512,752</u>

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2016  
(With Comparative Totals for the Year Ended June 30, 2015)**

	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUNDS	TOTALS	
			2016	2015
<b>REVENUES</b>				
Local sources	\$ 337,389	\$ 291,940	\$ 629,329	\$ 666,186
State sources	2,313,199	-	2,313,199	2,342,497
Federal sources	670,073	-	670,073	638,391
Total revenues	<u>3,320,661</u>	<u>291,940</u>	<u>3,612,601</u>	<u>3,647,074</u>
<b>EXPENDITURES</b>				
Current:				
Regular programs	1,706,055	-	1,706,055	1,838,820
Special programs	41,948	-	41,948	3,585
Vocational programs	71,604	-	71,604	57,667
Other instructional programs	283,826	-	283,826	154,386
Adult education programs	58,006	-	58,006	266,369
Undistributed expenditures:				
Student support	123,167	-	123,167	65,494
Instructional staff support	5,193	-	5,193	5,636
General administration	6,951	73	7,024	12,268
Operation and maintenance	4,000	286,150	290,150	265,216
Student transportation	-	62,932	62,932	-
Administrative support	56,060	-	56,060	-
Facilities acquisition and construction service	13,655	20,875	34,530	80,832
Other support services	-	-	-	50
Food service programs	1,042,210	-	1,042,210	1,169,664
Debt service:				
Principal	29,484	-	29,484	27,320
Interest	10,516	-	10,516	12,680
Total expenditures	<u>3,452,675</u>	<u>370,030</u>	<u>3,822,705</u>	<u>3,959,987</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(132,014)</u>	<u>(78,090)</u>	<u>(210,104)</u>	<u>(312,913)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from equipment financing	-	-	-	160,030
Proceeds from sale of assets	-	6,359	6,359	448,125
Transfers in	125,623	-	125,623	141,000
Total other financing sources (uses)	<u>125,623</u>	<u>6,359</u>	<u>131,982</u>	<u>749,155</u>
Net change in fund balances	(6,391)	(71,731)	(78,122)	436,242
FUND BALANCES, July 1	<u>19,549</u>	<u>843,198</u>	<u>862,747</u>	<u>426,505</u>
FUND BALANCES, June 30	<u>\$ 13,158</u>	<u>\$ 771,467</u>	<u>\$ 784,625</u>	<u>\$ 862,747</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 schoolchildren.

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

STATE GRANTS – to account for the proceeds of specific state revenue sources that are legally restricted to expenditures for specified purposes.

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2016  
(With Comparative Totals for the Year Ended June 30, 2015)**

	<u>ADULT EDUCATION</u>	<u>CLASS SIZE REDUCTION</u>	<u>FOOD AND NUTRITION</u>
<b>ASSETS</b>			
Cash and investments	\$ 59,156	\$ 136,729	\$ 61,760
Other receivables	-	-	-
Due from other funds	-	-	-
Intergovernmental receivable	-	8,532	18,992
Inventories	-	-	13,158
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 59,156</u>	<u>\$ 145,261</u>	<u>\$ 93,910</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 867	\$ -	\$ 19,862
Accrued liabilities	5,876	130,078	44,480
Due to other funds	-	15,183	181
Unearned revenues	52,413	-	16,229
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>59,156</u>	<u>145,261</u>	<u>80,752</u>
<b>FUND BALANCES</b>			
Nonspendable			
Inventory	-	-	13,158
Assigned to:			
Food service	-	-	-
Unassigned	-	-	-
	<hr/>	<hr/>	<hr/>
Total fund balances	<u>-</u>	<u>-</u>	<u>13,158</u>
Total liabilities and fund balances	<u>\$ 59,156</u>	<u>\$ 145,261</u>	<u>\$ 93,910</u>

	<b>GIFTS AND DONATIONS</b>	<b>STATE GRANTS</b>	<b>TOTALS</b>	
			<b>2016</b>	<b>2015</b>
\$	9,209	\$ -	\$ 266,854	\$ 460,912
	6,951	-	6,951	20,590
	-	-	-	2,253
	-	332,151	359,675	176,222
	-	-	13,158	8,917
	<u>16,160</u>	<u>332,151</u>	<u>646,638</u>	<u>668,894</u>
\$	-	\$ 5,178	\$ 25,907	\$ 84,450
	-	141,926	322,360	360,922
	-	138,978	154,342	72,700
	<u>16,160</u>	<u>46,069</u>	<u>130,871</u>	<u>131,273</u>
	<u>16,160</u>	<u>332,151</u>	<u>633,480</u>	<u>649,345</u>
	-	-	13,158	8,917
	-	-	-	10,632
	-	-	-	-
	<u>-</u>	<u>-</u>	<u>13,158</u>	<u>19,549</u>
\$	<u>16,160</u>	<u>332,151</u>	<u>646,638</u>	<u>668,894</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, 2016  
(With Comparative Totals for the Year Ended June 30, 2015)**

	<u>ADULT EDUCATION</u>	<u>CLASS SIZE REDUCTION</u>	<u>FOOD AND NUTRITION</u>
<b>REVENUES</b>			
Local sources	\$ -	\$ -	\$ 266,419
State sources	58,006	834,292	2,769
Federal sources	-	-	670,073
	<hr/>	<hr/>	<hr/>
Total revenues	58,006	834,292	939,261
<b>EXPENDITURES</b>			
Regular programs	-	834,292	-
Special programs	-	-	-
Vocational programs	-	-	-
Other instructional programs	-	-	-
Adult education programs	58,006	-	-
Undistributed expenditures:			
Student support	-	-	-
Instructional staff support	-	-	-
General administration	-	-	-
Administrative support	-	-	-
Operation and maintenance	-	-	-
Facilities acquisition and construction service	-	-	-
Other support services	-	-	-
Food service programs	-	-	1,031,275
Debt service			
Principal	-	-	29,484
Interest	-	-	10,516
	<hr/>	<hr/>	<hr/>
Total expenditures	58,006	834,292	1,071,275
Excess (deficiency) of revenues over (under) expenditures	<hr/>	<hr/>	<hr/>
	-	-	(132,014)
<b>OTHER FINANCING SOURCES (USES):</b>			
Proceeds from equipment financing	-	-	-
Transfers in	-	-	125,623
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	125,623
Net change in fund balances	-	-	(6,391)
<b>FUND BALANCES, July 1</b>	<hr/>	<hr/>	<hr/>
	-	-	19,549
<b>FUND BALANCES, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,158</u>

	GIFTS AND DONATIONS	STATE GRANTS	TOTALS	
			2016	2015
\$	70,970	\$ -	\$ 337,389	\$ 361,158
	-	1,418,132	2,313,199	2,339,923
	-	-	670,073	638,391
	<u>70,970</u>	<u>1,418,132</u>	<u>3,320,661</u>	<u>3,339,472</u>
	44,306	827,457	1,706,055	1,838,820
	2,812	39,136	41,948	3,585
	-	71,604	71,604	57,667
	3,246	280,580	283,826	154,386
	-	-	58,006	266,369
	-	123,167	123,167	65,494
	-	5,193	5,193	5,636
	6,951	-	6,951	4,195
	-	56,060	56,060	-
	-	4,000	4,000	15,942
	13,655	-	13,655	1,013
	-	-	-	50
	-	10,935	1,042,210	1,169,664
	-	-	29,484	27,320
	-	-	10,516	12,680
	<u>70,970</u>	<u>1,418,132</u>	<u>3,452,675</u>	<u>3,622,821</u>
	-	-	(132,014)	(283,349)
	-	-	-	160,030
	-	-	125,623	141,000
	-	-	125,623	301,030
	-	-	(6,391)	17,681
	-	-	19,549	1,868
\$	<u>-</u>	<u>-</u>	<u>\$ 13,158</u>	<u>\$ 19,549</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, 2016  
(With Comparative Actual Amounts for the Year Ended June 30, 2015)**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE TO</b>	
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>	<b>2015</b>
<b>REVENUES</b>					
State sources:					
High school diploma program	\$ 385,000	\$ 110,419	\$ 58,006	\$ (52,413)	\$ 266,369
<b>EXPENDITURES</b>					
Adult education programs:					
Instruction					
Salaries	-	28,000	17,900	10,100	-
Benefits	-	832	652	180	-
Purchased services	338,000	2,500	907	1,593	240,877
Supplies	39,000	22,401	2,679	19,722	20,941
Other	-	500	-	500	406
Total instruction	377,000	54,233	22,138	32,095	262,224
Instructional staff support					
Purchased services	6,000	-	-	-	3,340
Supplies	2,000	-	-	-	805
Total instructional staff support	8,000	-	-	-	4,145
Administrative support					
Salaries	-	25,482	20,354	5,128	-
Benefits	-	12,953	11,483	1,470	-
Purchased services	-	3,300	1,935	1,365	-
Supplies	-	14,451	2,096	12,355	-
Total administrative support	-	56,186	35,868	20,318	-
Total expenditures	385,000	110,419	58,006	52,413	266,369
Excess of revenues over expenditures	-	-	-	-	-
<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, 2016  
(With Comparative Actual Amounts for the Year Ended June 30, 2015)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>2015</u>
	<u>ORIGINAL</u>	<u>FINAL</u>			
<b>REVENUES</b>					
State sources:					
Distributive school fund	\$ 1,283,656	\$ 834,292	\$ 834,292	\$ -	\$ 1,244,218
<b>EXPENDITURES</b>					
Regular programs:					
Instruction					
Salaries	883,079	570,089	570,089	-	869,076
Benefits	400,577	264,203	264,203	-	375,142
Total expenditures	1,283,656	834,292	834,292	-	1,244,218
Excess of revenues over expenditures	-	-	-	-	-
<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, 2016  
(With Comparative Actual Amounts for the Year Ended June 30, 2015)**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE TO</b>	
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>	<b>2015</b>
<b>REVENUES</b>					
Local sources:					
Daily sales	\$ 379,812	\$ 266,420	\$ 266,419	\$ (1)	\$ 285,564
State sources:					
State lunch program	-	2,769	2,769	-	2,360
Federal sources:					
National school lunch program	567,188	521,074	521,074	-	468,287
School breakfast program	141,109	111,130	111,130	-	94,102
Special milk program	650	1,260	1,260	-	522
Commodity food program	98,990	36,609	36,609	-	75,480
Total federal sources	807,937	670,073	670,073	-	638,391
Total revenues	1,187,749	939,262	939,261	(1)	926,315
<b>EXPENDITURES</b>					
Undistributed expenditures:					
Food service programs:					
Salaries	263,478	227,193	225,988	1,205	259,038
Benefits	110,462	98,137	97,819	318	104,646
Purchased services	740,058	675,524	667,716	7,808	574,852
Supplies	72,701	42,530	38,702	3,828	184,998
Property	-	-	-	-	45,080
Other	1,050	1,050	1,050	-	1,050
Total food service programs	1,187,749	1,044,434	1,031,275	13,159	1,169,664
Debt service					
Principal	-	29,484	29,484	-	27,320
Interest	-	10,516	10,516	-	12,680
Total debt service	-	40,000	40,000	-	40,000
Total expenditures	1,187,749	1,084,434	1,071,275	13,159	1,209,664
Excess (deficiency) of revenues over expenditures	-	(145,172)	(132,014)	13,158	(283,349)
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from equipment financing	-	-	-	-	160,030
Transfers in	-	125,623	125,623	-	141,000
Total other financing sources (uses)	-	125,623	125,623	-	301,030
Net change in fund balance	-	(19,549)	(6,391)	13,158	17,681
<b>FUND BALANCE, July 1</b>	-	19,549	19,549	-	1,868
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ 13,158	\$ 13,158	\$ 19,549



**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, 2016  
(With Comparative Actual Amounts for the Year Ended June 30, 2015)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2015</u>
<b>REVENUES</b>					
Local sources:					
Private donations	\$ 50,000	\$ 87,180	\$ 70,970	\$ (16,210)	\$ 59,066
Other	25,000	-	-	-	16,528
	<u>75,000</u>	<u>87,180</u>	<u>70,970</u>	<u>(16,210)</u>	<u>75,594</u>
Total revenues					
<b>EXPENDITURES</b>					
Regular programs:					
Instruction					
Supplies	50,000	52,798	44,306	8,492	45,616
	<u>50,000</u>	<u>52,798</u>	<u>44,306</u>	<u>8,492</u>	<u>45,616</u>
Special programs:					
Instruction					
Supplies	-	2,850	2,812	38	3,585
	<u>-</u>	<u>2,850</u>	<u>2,812</u>	<u>38</u>	<u>3,585</u>
Vocational programs:					
Instruction					
Supplies	-	-	-	-	5,193
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,193</u>
Other instructional programs:					
Instruction					
Supplies	-	3,250	3,246	4	-
	<u>-</u>	<u>3,250</u>	<u>3,246</u>	<u>4</u>	<u>-</u>
Undistributed Expenditures:					
General administration					
Purchased services	-	1,282	-	1,282	-
Supplies	-	7,000	6,951	49	4,195
	<u>-</u>	<u>8,282</u>	<u>6,951</u>	<u>1,331</u>	<u>4,195</u>
Total general administration					
Operation and maintenance					
Purchased services	25,000	-	-	-	5,224
Supplies	-	-	-	-	10,718
	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,942</u>
Total operation and maintenance					
Facilities acquisition and construction					
Site improvement					
Purchased services	-	20,000	13,655	6,345	-
	<u>-</u>	<u>20,000</u>	<u>13,655</u>	<u>6,345</u>	<u>-</u>

(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, 2016  
(With Comparative Actual Amounts for the Year Ended June 30, 2015)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	<u>2015</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	
Architecture and engineering Purchased services	\$ -	\$ -	\$ -	\$ -	\$ 1,013
Other support services Other	-	-	-	-	50
Total undistributed expenditures	25,000	28,282	20,606	7,676	21,200
Total expenditures	75,000	87,180	70,970	16,210	75,594
Excess of revenues over expenditures	-	-	-	-	-
<b>FUND BALANCE, July 1</b>	-	-	-	-	-
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ -	\$ -	\$ -

**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, 2016  
(With Comparative Actual Amounts for the Year Ended June 30, 2015)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2015</u>
<b>REVENUES</b>					
State sources:					
Special appropriations	\$ 878,551	\$ 1,628,783	\$ 1,418,132	\$ (210,651)	\$ 826,976
<b>EXPENDITURES</b>					
Regular programs:					
Instruction					
Salaries	305,168	452,157	446,991	5,166	278,549
Benefits	175,803	172,960	172,802	158	155,977
Purchased services	-	46,000	5,250	40,750	-
Supplies	-	75,441	69,990	5,451	-
Total instruction	<u>480,971</u>	<u>746,558</u>	<u>695,033</u>	<u>51,525</u>	<u>434,526</u>
Instructional staff support					
Salaries	83,487	85,155	85,155	-	83,487
Benefits	33,438	32,887	32,200	687	30,973
Purchased services	-	30,691	15,069	15,622	-
Total instructional staff support	<u>116,925</u>	<u>148,733</u>	<u>132,424</u>	<u>16,309</u>	<u>114,460</u>
Total regular programs	<u>597,896</u>	<u>895,291</u>	<u>827,457</u>	<u>67,834</u>	<u>548,986</u>
Special programs:					
Student support					
Salaries	-	45,000	25,467	19,533	-
Benefits	-	20,447	13,669	6,778	-
Purchased services	-	7,329	-	7,329	-
Total special programs	<u>-</u>	<u>72,776</u>	<u>39,136</u>	<u>33,640</u>	<u>-</u>
Vocational programs:					
Instruction					
Salaries	-	2,112	1,344	768	1,728
Benefits	-	216	123	93	158
Purchased services	5,569	2,172	2,170	2	2,337
Supplies	21,000	61,250	60,175	1,075	44,464
Total instruction	<u>26,569</u>	<u>65,750</u>	<u>63,812</u>	<u>1,938</u>	<u>48,687</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, 2016  
(With Comparative Actual Amounts for the Year Ended June 30, 2015)**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE TO</b>	
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>	<b>2015</b>
Instructional staff support					
Purchased services	\$ -	\$ 1,620	\$ 1,215	\$ 405	\$ 1,701
Student transportation					
Purchased services	2,315	6,714	6,577	137	2,086
Total vocational programs	28,884	74,084	71,604	2,480	52,474
Other instructional programs:					
Instruction					
Salaries	89,625	158,100	126,876	31,224	97,227
Benefits	43,843	74,880	52,145	22,735	41,682
Supplies	10,000	102,125	95,207	6,918	15,250
Total instruction	143,468	335,105	274,228	60,877	154,159
Instructional staff support					
Purchased services	-	20,600	6,352	14,248	227
Community support					
Supplies	-	4,000	-	4,000	-
Total other instructional programs	143,468	359,705	280,580	79,125	154,386
Undistributed expenditures:					
Student support					
Salaries	67,861	115,793	98,814	16,979	44,177
Benefits	34,639	34,639	24,353	10,286	21,317
Total student support	102,500	150,432	123,167	27,265	65,494
Instructional staff support					
Supplies	5,803	5,435	5,193	242	5,636
Administrative support					
Purchased services	-	56,060	56,060	-	-
Operation and maintenance					
Purchased services	-	4,000	4,000	-	-

(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, 2016  
(With Comparative Actual Amounts for the Year Ended June 30, 2015)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2015</u>
Food service programs					
Salaries	\$ -	\$ 4,716	\$ 4,407	\$ 309	\$ -
Benefits	-	1,250	1,372	(122)	-
Property	-	5,034	5,156	(122)	-
Total food service programs	-	11,000	10,935	65	-
Total undistributed expenditures	108,303	226,927	199,355	27,572	71,130
Total expenditures	878,551	1,628,783	1,418,132	210,651	826,976
Excess of revenues over expenditures	-	-	-	-	-
<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, 2016  
(With Comparative Actual Amounts for the Year Ended June 30, 2015)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>2015</u>
	<u>ORIGINAL</u>	<u>FINAL</u>			
<b>REVENUES</b>					
Local sources:					
Ad valorem taxes	\$ 1,849,583	\$ 1,849,583	\$ 1,844,825	\$ (4,758)	\$ 2,063,272
Earnings on investments	832	832	1,245	413	684
Total revenues	<u>1,850,415</u>	<u>1,850,415</u>	<u>1,846,070</u>	<u>(4,345)</u>	<u>2,063,956</u>
<b>EXPENDITURES</b>					
Debt service:					
Principal	125,000	125,000	125,000	-	120,000
Interest	96,581	96,581	96,581	-	100,181
Other	750	750	750	-	750
Total expenditures	<u>222,331</u>	<u>222,331</u>	<u>222,331</u>	<u>-</u>	<u>220,931</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,628,084</u>	<u>1,628,084</u>	<u>1,623,739</u>	<u>(4,345)</u>	<u>1,843,025</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	<u>(1,650,000)</u>	<u>(2,100,000)</u>	<u>(2,100,000)</u>	<u>-</u>	<u>(1,561,278)</u>
Net change in fund balance	(21,916)	(471,916)	(476,261)	(4,345)	281,747
<b>FUND BALANCE, July 1</b>	<u>492,495</u>	<u>1,150,518</u>	<u>1,150,518</u>	<u>-</u>	<u>868,771</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 470,579</u>	<u>\$ 678,602</u>	<u>\$ 674,257</u>	<u>\$ (4,345)</u>	<u>\$ 1,150,518</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:

### **MAJOR CAPITAL PROJECT FUNDS**

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

### **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.



**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, 2016  
(With Comparative Actual Amounts for the Year Ended June 30, 2015)**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE TO</b>	
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>	<b>2015</b>
<b>REVENUES</b>					
Local sources:					
Earnings on investments	\$ 212	\$ 350	\$ 474	\$ 124	\$ 51
<b>EXPENDITURES</b>					
Undistributed expenditures:					
Operation and maintenance					
Purchased services	650,000	80,000	67,379	12,621	257,794
Supplies	280,000	126,100	96,949	29,151	17,318
Property	-	47,450	46,314	1,136	10,256
Total operation and maintenance	930,000	253,550	210,642	42,908	285,368
Administrative support					
Purchased services	125,000	125,000	63,813	61,187	46,624
Facilities acquisition and construction service					
Architecture and engineering					
Purchased services	48,000	-	9,511	(9,511)	3,408
Site improvement					
Property	62,000	12,000	-	12,000	122,377
Building improvement					
Property	485,212	1,868,805	985,815	882,990	996,820
Total facilities acquisition and construction service	595,212	1,880,805	995,326	885,479	1,122,605
Total expenditures	1,650,212	2,259,355	1,269,781	989,574	1,454,597
Excess (deficiency) of revenues over expenditures	(1,650,000)	(2,259,005)	(1,269,307)	989,698	(1,454,546)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	1,650,000	2,100,000	2,100,000	-	1,561,278
Net change in fund balance	-	(159,005)	830,693	989,698	106,732
<b>FUND BALANCE, July 1</b>	10,000	169,005	169,005	-	62,273
<b>FUND BALANCE, June 30</b>	\$ 10,000	\$ 10,000	\$ 999,698	\$ 989,698	\$ 169,005

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NONMAJOR CAPITAL PROJECTS FUND  
COMBINING BALANCE SHEET  
JUNE 30, 2016  
(With Comparative Totals for June 30, 2015)**

	<b>BUILDING RESERVE (DMV)</b>	<b>BUILDING AND SITES FUND</b>	<b>TOTALS</b>	
			<b>2016</b>	<b>2015</b>
<b>ASSETS</b>				
Cash and investments	\$ 221,231	\$ 532,551	\$ 753,782	\$ 815,388
Intergovernmental receivable	28,803	-	28,803	28,470
Total assets	\$ 250,034	\$ 532,551	\$ 782,585	\$ 843,858
<b>LIABILITIES</b>				
Accounts payable	\$ 11,118	\$ -	\$ 11,118	\$ 660
Total liabilities	11,118	-	11,118	660
<b>FUND BALANCES</b>				
Restricted for:				
Construction of capital assets	238,916	-	238,916	300,418
Assigned to:				
Other capital projects	-	532,551	532,551	542,780
Total fund balances	238,916	532,551	771,467	843,198
Total liabilities and fund balances	\$ 250,034	\$ 532,551	\$ 782,585	\$ 843,858

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NONMAJOR CAPITAL PROJECT FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2016  
(With Comparative Totals for the Year Ended June 30, 2015)**

	<b>BUILDING RESERVE (DMV)</b>	<b>BUILDING AND SITES FUND</b>	<b>TOTALS</b>	
			<b>2016</b>	<b>2015</b>
<b>REVENUES</b>				
Local sources	\$ 287,580	\$ 4,360	\$ 291,940	\$ 305,028
State sources	-	-	-	2,574
Total revenues	<u>287,580</u>	<u>4,360</u>	<u>291,940</u>	<u>307,602</u>
<b>EXPENDITURES</b>				
Undistributed expenditures:				
General administration	-	73	73	8,073
Operation and maintenance	286,150	-	286,150	249,274
Student transportation	62,932	-	62,932	-
Facilities acquisition and construction service	-	20,875	20,875	79,819
Total expenditures	<u>349,082</u>	<u>20,948</u>	<u>370,030</u>	<u>337,166</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(61,502)</u>	<u>(16,588)</u>	<u>(78,090)</u>	<u>(29,564)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of assets	-	6,359	6,359	448,125
Net change in fund balances	(61,502)	(10,229)	(71,731)	418,561
<b>FUND BALANCES, July 1</b>	<u>300,418</u>	<u>542,780</u>	<u>843,198</u>	<u>424,637</u>
<b>FUND BALANCES, June 30</b>	<u>\$ 238,916</u>	<u>\$ 532,551</u>	<u>\$ 771,467</u>	<u>\$ 843,198</u>

**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, 2016  
(With Comparative Actual Amounts for the Year Ended June 30, 2015)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2015</u>
<b>REVENUES</b>					
Local sources:					
Governmental service tax	\$ 262,953	\$ 262,953	\$ 284,080	\$ 21,127	\$ 278,795
Private donations	-	3,500	3,500	-	4,700
Other	-	-	-	-	18,843
	<u>262,953</u>	<u>266,453</u>	<u>287,580</u>	<u>21,127</u>	<u>302,338</u>
Total revenues					
<b>EXPENDITURES</b>					
Undistributed expenditures:					
Operation and maintenance					
Purchased services	126,000	219,299	173,753	45,546	137,339
Supplies	44,502	76,502	48,862	27,640	38,208
Property	-	67,900	63,535	4,365	73,727
	<u>170,502</u>	<u>363,701</u>	<u>286,150</u>	<u>77,551</u>	<u>249,274</u>
Total operation and maintenance					
Student transportation					
Property	<u>115,000</u>	<u>63,100</u>	<u>62,932</u>	<u>168</u>	<u>-</u>
Facilities acquisition and construction service					
Building improvement					
Purchased services	50,000	-	-	-	-
Property	-	-	-	-	79,819
	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>79,819</u>
Total facilities acquisition and construction service					
Total expenditures	<u>335,502</u>	<u>426,801</u>	<u>349,082</u>	<u>77,719</u>	<u>329,093</u>
Net change in fund balance	(72,549)	(160,348)	(61,502)	98,846	(26,755)
<b>FUND BALANCE, July 1</b>	<u>212,619</u>	<u>300,418</u>	<u>300,418</u>	<u>-</u>	<u>327,173</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 140,070</u>	<u>\$ 140,070</u>	<u>\$ 238,916</u>	<u>\$ 98,846</u>	<u>\$ 300,418</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, 2016  
(With Comparative Actual Amounts for the Year Ended June 30, 2015)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2015</u>
<b>REVENUES</b>					
Local sources:					
Earnings on investments	\$ 5,600	\$ 4,300	\$ 4,360	\$ 60	\$ 2,690
State sources:					
NRS 328.460	-	-	-	-	2,574
Total revenues	<u>5,600</u>	<u>4,300</u>	<u>4,360</u>	<u>60</u>	<u>5,264</u>
<b>EXPENDITURES</b>					
Undistributed expenditures:					
General administration					
Purchased services	8,000	8,000	-	8,000	8,000
Supplies					
Other	75	75	73	2	73
Total general administration	<u>8,075</u>	<u>8,075</u>	<u>73</u>	<u>8,002</u>	<u>8,073</u>
Operation and maintenance					
Purchased services	10,000	10,000	-	10,000	-
Supplies	12,000	19,960	-	19,960	-
Total operation and maintenance	<u>22,000</u>	<u>29,960</u>	<u>-</u>	<u>29,960</u>	<u>-</u>
Facilities acquisition and construction service					
Building improvement					
Supplies	220,125	220,125	-	220,125	-
Property	228,000	228,000	20,875	207,125	-
Total facilities acquisition and construction service	<u>448,125</u>	<u>448,125</u>	<u>20,875</u>	<u>427,250</u>	<u>-</u>
Total expenditures	<u>478,200</u>	<u>486,160</u>	<u>20,948</u>	<u>465,212</u>	<u>8,073</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(472,600)</u>	<u>(481,860)</u>	<u>(16,588)</u>	<u>465,272</u>	<u>(2,809)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sale of assets	-	6,360	6,359	(1)	448,125
Net change in fund balance	(472,600)	(475,500)	(10,229)	465,271	445,316
<b>FUND BALANCE, July 1</b>	<u>522,251</u>	<u>542,780</u>	<u>542,780</u>	<u>-</u>	<u>97,464</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 49,651</u>	<u>\$ 67,280</u>	<u>\$ 532,551</u>	<u>\$ 465,271</u>	<u>\$ 542,780</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, 2016  
(With Comparative Totals for June 30, 2015)**

	<b>NEVADA UNEMPLOYMENT COMPENSATION FUND</b>		<b>SELF-INSURED WORKERS' COMPENSATION FUND</b>		<b>TOTAL</b>	
					<b>2016</b>	<b>2015</b>
<b>ASSETS</b>						
Current assets:						
Cash and investments	\$	59,015	\$	605,659	\$	664,674
Accounts receivable		-		41,417		41,417
		<u>59,015</u>		<u>647,076</u>		<u>706,091</u>
Total assets		<u>59,015</u>		<u>647,076</u>		<u>706,091</u>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable		-		8,539		8,539
Claims payable		3,604		134,000		137,604
		<u>3,604</u>		<u>142,539</u>		<u>146,143</u>
Total liabilities		<u>3,604</u>		<u>142,539</u>		<u>146,143</u>
<b>NET POSITION</b>						
Restricted		-		504,537		504,537
Unrestricted		55,411		-		55,411
		<u>55,411</u>		<u>-</u>		<u>55,411</u>
Total net position	\$	<u>55,411</u>	\$	<u>504,537</u>	\$	<u>559,948</u>
		<u>55,411</u>		<u>504,537</u>		<u>163,598</u>

**HUMBOLDT COUNTY SCHOOL DISTRICT  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2016  
(With Comparative Totals for the Year Ended June 30, 2015)**

	NEVADA UNEMPLOYMENT COMPENSATION FUND	SELF-INSURED WORKERS' COMPENSATION FUND	TOTAL	
			2016	2015
<b>OPERATING REVENUES</b>				
Interfund charges	\$ -	\$ 326,634	\$ 326,634	\$ 311,181
<b>OPERATING EXPENSES</b>				
Claims	17,696	89,629	107,325	280,741
Insurance premiums	-	39,426	39,426	34,472
Administrative expenses	-	42,533	42,533	28,089
Total operating expenses	17,696	171,588	189,284	343,302
Operating income (loss)	(17,696)	155,046	137,350	(32,121)
<b>TRANSFERS IN (OUT)</b>				
Transfers in	50,000	-	50,000	-
Change in net position	32,304	155,046	187,350	(32,121)
<b>NET POSITION - July 1, restated</b>	23,107	349,491	372,598	195,719
<b>NET POSITION - June 30</b>	\$ 55,411	\$ 504,537	\$ 559,948	\$ 163,598



**HUMBOLDT COUNTY SCHOOL DISTRICT  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2016  
(With Comparative Totals for the Year Ended June 30, 2015)**

	NEVADA UNEMPLOYMENT COMPENSATION FUND	SELF-INSURED WORKERS' COMPENSATION FUND	TOTAL	
			2016	2015
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>				
Cash flows from operating activities:				
Cash received for interfund services provided	\$ -	\$ 325,313	\$ 325,313	\$ 312,310
Cash payments for claims and services	(14,423)	(170,049)	(184,472)	(216,389)
Net cash provided (used) by operating activities	(14,423)	155,264	140,841	95,921
Cash flows from noncapital financing activities:				
Transfers in	50,000	-	50,000	-
Net cash provided (used) by operating activities	50,000	-	50,000	-
Net increase (decrease) in cash and cash equivalents	35,577	155,264	190,841	95,921
<b>Cash and cash equivalents, July 1</b>	23,438	450,395	473,833	377,912
<b>Cash and cash equivalents, June 30</b>	\$ 59,015	\$ 605,659	\$ 664,674	\$ 473,833
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (17,696)	\$ 155,046	\$ 137,350	\$ (32,121)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	-	(1,321)	(1,321)	1,129
Increase (decrease) in claims payable	3,273	1,539	4,812	126,913
Total adjustments	3,273	218	3,491	128,042
Net cash provided (used) by operating activities	\$ (14,423)	\$ 155,264	\$ 140,841	\$ 95,921

**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, 2016  
(With Comparative Actual Amounts for the Year Ended June 30, 2015)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	<u>2015</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	
<b>OPERATING REVENUES</b>					
Interfund charges	\$ -	\$ -	\$ -	\$ -	\$ -
<b>OPERATING EXPENSES</b>					
Unemployment claims	12,000	25,000	17,696	7,304	10,379
Operating income (loss)	(12,000)	(25,000)	(17,696)	7,304	(10,379)
<b>TRANSFERS IN (OUT)</b>					
Transfers in	-	50,000	50,000	-	-
Change in net position	(12,000)	25,000	32,304	7,304	(10,379)
<b>NET POSITION - July 1</b>	21,486	23,107	23,107	-	33,486
<b>NET POSITION - June 30</b>	\$ 9,486	\$ 48,107	\$ 55,411	\$ 7,304	\$ 23,107

**HUMBOLDT COUNTY SCHOOL DISTRICT  
NEVADA UNEMPLOYMENT COMPENSATION FUND  
SCHEDULE OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2016  
(With Comparative Totals for the Year Ended June 30, 2015)**

	<u>2016</u>	<u>2015</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
Cash flows from operating activities:		
Cash payments for claims and services	\$ <u>(14,423)</u>	\$ <u>(10,172)</u>
Net cash provided (used) by operating activities	<u>(14,423)</u>	<u>(10,172)</u>
Cash flows from noncapital financing activities:		
Transfers in	<u>50,000</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>50,000</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	35,577	(10,172)
<b>Cash and cash equivalents, July 1</b>	<u>23,438</u>	<u>33,610</u>
<b>Cash and cash equivalents, June 30</b>	<u>\$ 59,015</u>	<u>\$ 23,438</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ <u>(17,696)</u>	\$ <u>(10,379)</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>3,273</u>	<u>207</u>
Total Adjustments	<u>3,273</u>	<u>207</u>
Net cash provided (used) by operating activities	<u>\$ (14,423)</u>	<u>\$ (10,172)</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, 2016  
 (With Comparative Actual Amounts for the Year Ended June 30, 2015)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>2015</u>
	<u>ORIGINAL</u>	<u>FINAL</u>			
<b>OPERATING REVENUES</b>					
Interfund charges	\$ 322,114	\$ 322,114	\$ 326,634	\$ 4,520	\$ 311,181
<b>OPERATING EXPENSES</b>					
Workers compensation claims	200,000	200,000	89,629	110,371	270,362
Insurance premiums	40,000	40,000	39,426	574	34,472
Administrative expenses	25,000	25,000	42,533	(17,533)	28,089
Total operating expenses	<u>265,000</u>	<u>265,000</u>	<u>171,588</u>	<u>93,412</u>	<u>332,923</u>
Operating income (loss)	<u>57,114</u>	<u>57,114</u>	<u>155,046</u>	<u>97,932</u>	<u>(21,742)</u>
Change in net position	57,114	57,114	155,046	97,932	(21,742)
<b>NET POSITION - July 1, restated</b>	<u>382,233</u>	<u>140,491</u>	<u>349,491</u>	<u>209,000</u>	<u>162,233</u>
<b>NET POSITION - June 30</b>	<u>\$ 439,347</u>	<u>\$ 197,605</u>	<u>\$ 504,537</u>	<u>\$ 306,932</u>	<u>\$ 140,491</u>

**HUMBOLDT COUNTY SCHOOL DISTRICT  
 SELF-INSURED WORKERS' COMPENSATION FUND  
 SCHEDULE OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2016  
 (With Comparative Totals for the Year ended June 30, 2015)**

	<u>2016</u>	<u>2015</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
Cash flows from operating activities:		
Cash received for interfund services provided	\$ 325,313	\$ 312,310
Cash payments for claims and services	<u>(170,049)</u>	<u>(206,217)</u>
Net cash provided (used) by operating activities	<u>155,264</u>	<u>106,093</u>
Net increase (decrease) in cash and cash equivalents	155,264	106,093
<b>Cash and cash equivalents, July 1</b>	<u>450,395</u>	<u>344,302</u>
<b>Cash and cash equivalents, June 30</b>	<u><u>\$ 605,659</u></u>	<u><u>\$ 450,395</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ <u>155,046</u>	\$ <u>(21,742)</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	(1,321)	1,129
Increase (decrease) in claims payable	<u>1,539</u>	<u>126,706</u>
Total Adjustments	<u>218</u>	<u>127,835</u>
Net cash provided (used) by operating activities	<u><u>\$ 155,264</u></u>	<u><u>\$ 106,093</u></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, 2016**  
*(With Comparative Totals for June 30, 2015)*

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
Cash and investments	\$ <u>99,620</u>	\$ <u>106,450</u>
Total assets	<u>99,620</u>	<u>106,450</u>
<b>NET POSITION</b>		
Reserved for scholarships	\$ <u><u>99,620</u></u>	\$ <u><u>106,450</u></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, 2016  
 (With Comparative Actual Amounts for the Year Ended June 30, 2015)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	<u>2015</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	
<b>ADDITIONS</b>					
Interest	\$ 260	\$ 260	\$ 170	\$ (90)	\$ 195
<b>DEDUCTIONS</b>					
Scholarships	6,000	7,000	7,000	-	4,500
Change in net position	(5,740)	(6,740)	(6,830)	(90)	(4,305)
<b>NET POSITION - July 1</b>	<u>105,015</u>	<u>106,450</u>	<u>106,450</u>	<u>-</u>	<u>110,755</u>
<b>NET POSITION - June 30</b>	<u>\$ 99,275</u>	<u>\$ 99,710</u>	<u>\$ 99,620</u>	<u>\$ (90)</u>	<u>\$ 106,450</u>



**HUMBOLDT COUNTY SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2016  
(Page 1 of 2)**

	<u>BALANCE</u> <u>JUNE 30, 2015</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2016</u>
<u>ALBERT LOWRY HIGH SCHOOL SCHOLARSHIP FUND</u>				
ASSETS				
Cash	\$ <u>7,775</u>	\$ <u>2</u>	\$ <u>750</u>	\$ <u>7,027</u>
LIABILITIES				
Due to graduates	\$ <u>7,775</u>	\$ <u>2</u>	\$ <u>750</u>	\$ <u>7,027</u>
<u>ALBERT LOWRY HIGH SCHOOL STUDENT ACTIVITIES FUND</u>				
ASSETS				
Cash	\$ <u>321,810</u>	\$ <u>722,414</u>	\$ <u>750,312</u>	\$ <u>293,912</u>
LIABILITIES				
Due to student groups	\$ <u>321,810</u>	\$ <u>722,414</u>	\$ <u>750,312</u>	\$ <u>293,912</u>
<u>WINNEMUCCA JUNIOR HIGH STUDENT ACTIVITIES FUND</u>				
ASSETS				
Cash	\$ <u>67,311</u>	\$ <u>86,720</u>	\$ <u>80,250</u>	\$ <u>73,781</u>
LIABILITIES				
Due to student groups	\$ <u>67,311</u>	\$ <u>86,720</u>	\$ <u>80,250</u>	\$ <u>73,781</u>
<u>WINNEMUCCA GRAMMAR SCHOOL STUDENT ACTIVITIES FUND</u>				
ASSETS				
Cash	\$ <u>20,130</u>	\$ <u>16,068</u>	\$ <u>25,563</u>	\$ <u>10,635</u>
LIABILITIES				
Due to student groups	\$ <u>20,130</u>	\$ <u>16,068</u>	\$ <u>25,563</u>	\$ <u>10,635</u>
<u>SONOMA HEIGHTS SCHOOL STUDENT ACTIVITIES FUND</u>				
ASSETS				
Cash	\$ <u>30,864</u>	\$ <u>20,490</u>	\$ <u>18,046</u>	\$ <u>33,308</u>
LIABILITIES				
Due to student groups	\$ <u>30,864</u>	\$ <u>20,490</u>	\$ <u>18,046</u>	\$ <u>33,308</u>

**HUMBOLDT COUNTY SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2016  
(Page 2 of 2)**

	<u>BALANCE</u> <u>JUNE 30, 2015</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2016</u>
<u>GRASS VALLEY SCHOOL</u>				
<u>STUDENT ACTIVITIES FUND</u>				
ASSETS				
Cash	\$ 18,822	\$ 16,133	\$ 16,308	\$ 18,647
LIABILITIES				
Due to student groups	\$ 18,822	\$ 16,133	\$ 16,308	\$ 18,647
<u>MCDERMITT COMBINED SCHOOLS</u>				
<u>STUDENT ACTIVITIES FUND</u>				
ASSETS				
Cash	\$ 15,593	\$ 47,947	\$ 46,293	\$ 17,247
LIABILITIES				
Due to student groups	\$ 15,593	\$ 47,947	\$ 46,293	\$ 17,247
<u>FRENCH FORD MIDDLE SCHOOL</u>				
<u>STUDENT ACTIVITIES FUND</u>				
ASSETS				
Cash	\$ 50,623	\$ 27,045	\$ 29,776	\$ 47,892
LIABILITIES				
Due to student groups	\$ 50,623	\$ 27,045	\$ 29,776	\$ 47,892
<u>DENIO ELEMENTARY SCHOOL</u>				
<u>STUDENT ACTIVITIES FUND</u>				
ASSETS				
Cash	\$ -	\$ 30,490	\$ 24,780	\$ 5,710
LIABILITIES				
Due to student groups	\$ -	\$ 30,490	\$ 24,780	\$ 5,710
<u>TOTAL - AGENCY FUNDS</u>				
ASSETS				
Cash	\$ 532,928	\$ 967,309	\$ 992,078	\$ 508,159
LIABILITIES				
Due to students and student groups	\$ 532,928	\$ 967,309	\$ 992,078	\$ 508,159



**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, 2016, 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 27, 2016.

**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 Row & Associates, LLC*

Winnemucca, Nevada  
October 27, 2016



**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, 2016. 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* 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, 2016.

### **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 charges 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 Rose & Associates, LLC*

Winnemucca, Nevada  
October 27, 2016

**HUMBOLDT COUNTY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2016  
(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-2016-3000	\$ 569,540
DIRECT - Indian Education - Grants to Local Educational Agencies	84.060	S060A150118	17,098
<i>Passed through the State of Nevada Department of Education</i>			
<b>Special Education Cluster (IDEA)</b>			
Special Education - Grants to States, Local Plan	84.027	16-639-07000	636,415
Special Education DIG	84.027	16-641-07000	67,696
Physical and Occupational Therapy	84.027	16-667-07000	54,604
IDEA Implementation	84.027	16-667-07000	116,207
			<u>874,922</u>
Special Education - Preschool Grants, Early Childhood Aide Time	84.173	16-675-07000	56,000
Early Childhood Speech Therapy	84.173	16-675-07000	39,596
Early Childhood Program	84.173	16-665-07000	11,877
			<u>107,473</u>
			<u>982,395</u>
<b>Total Special Education Cluster (IDEA)</b>			
Title I Grants to Local Education Agencies Title I - Part A, Helping Disadvantaged Students Meet High Standards	84.010	16-633-07000	337,667
Title I - Section 1003(a) Focus School Improvement Grant	84.010	16-624-07001	100,223
			<u>437,890</u>
Safe and Drug-Free Schools and Communities - National Programs, School Climate Transformation Grant	84.184F	16-682-07000	23,181
Career and Technical Education - Carl D Perkins, Basic	84.048	16-631-07000	26,235
Gaining Early Awareness and Readiness for Undergraduate Programs - GEAR UP - Nevada	84.334S	16-610-07000	42,856

**HUMBOLDT COUNTY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2016  
(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	16-658-07000	\$ 42,672
Title II, Part A Improving Teacher Quality State Grants	84.367	16-709-07000	88,950
Title I, Part A - Migrant Education State Grant Program	84.011A	16-629-07000	44,032
Title I, Part A - Migrant Education Coordination Program	84.144A	16-629-07000	<u>27,609</u>
<b>Total U.S. Department of Education</b>			<u>2,302,458</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>74,172</u>
<b>Total Forest Service Schools and Roads Cluster</b>			<u>74,172</u>
<b>Child Nutrition Cluster</b>			
<i>Passed through the State of Nevada Department of Agriculture</i>			
School Breakfast Program	10.553	n/a	111,130
National School Lunch Program	10.555	n/a	521,074
Special Milk Program for Children	10.556	n/a	1,260
<i>Passed through the State of Nevada Department of General Services</i>			
National School Lunch Program - Commodities (Noncash)	10.555	n/a	<u>36,609</u>
<b>Total Child Nutrition Cluster</b>			<u>670,073</u>
<i>Passed through the State of Nevada Department of Education</i>			
Fresh Fruit and Vegetable Program	10.582	16-808	<u>21,393</u>
<b>Total U.S. Department of Agriculture</b>			<u>765,638</u>



**HUMBOLDT COUNTY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2016  
(Page 3 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 Labor:</u></b>			
<i>Passed through the State of Nevada Department of Training and Rehabilitation</i>			
<b>WIA Cluster</b>			
Jobs for America's Graduates	17.259	16-679	\$ <u>8,529</u>
<b>Total WIA Cluster</b>			<u>8,529</u>
<b>Total U.S. Department of Labor</b>			<u>8,529</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	16-698-07000	<u>269,375</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>269,375</u>
	<b>TOTAL</b>		<b>\$ <u><u>3,346,000</u></u></b>

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, 2016**

**(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, 2016. 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	\$ 614,578
Major Special Revenue Funds	2,061,349
Nonmajor Special Revenue Funds	<u>670,073</u>
Total	<u>\$ 3,346,000</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, 2016 was \$437,890.

**HUMBOLDT COUNTY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2016**

***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, 2016.
- 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.
- No deficiencies in internal control over major federal award programs were 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, 2016 included:

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

- The dollar threshold used for distinguishing between Type A and Type B programs for the year ended June 30, 2016, was \$750,000.
- Humboldt County School District qualified as a low risk auditee for the year ended June 30, 2016 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, 2016**

***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:***

None

**HUMBOLDT COUNTY SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2016**

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

None

**HUMBOLDT COUNTY SCHOOL DISTRICT  
AUDITOR'S COMMENTS  
JUNE 30, 2016**

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 SATUTE COMPLIANCE

The Humboldt County School District conformed to all significant statutory constraints on its financial administration for the year ended June 30, 2015.

PRIOR YEAR RECOMMENDATIONS

There were no recommendations made in the prior year report.

CURRENT YEAR RECOMMENDATIONS

We did not find any financial weaknesses of a magnitude to justify inclusion within our report.



**Independent Accountant's Report**

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

We have reviewed the assertion provided by management in accordance with Nevada Revised Statute 354.624 (5) (a):

- The identified funds are being used expressly for the purposes for which they were created,
- The funds are administered in accordance with accounting principles generally accepted in the United States of America,
- The reserved fund balances/net positions in the funds were reasonable and necessary to carry out the purposes of the funds at June 30, 2016 (based on the interpretation of reasonable and necessary provided by the Legislative Counsel Bureau),
- The sources of revenues, including transfers, available for the funds are as noted in the financial statements,
- The funds conform to significant statutory and regulatory constraints on its financial administration during the year ended June 30, 2016,
- The balance and net positions of the funds are as noted in the financial statements.

This assertion is the responsibility of the management of the Humboldt County School District.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the assertion. Accordingly, we do not express such an opinion.

Based on our review, nothing came to our attention that caused us to believe that the assertion provided by management referred to above is not fairly stated in all material respects.

*Drake Rose & Associates, LLC*

Winnemucca, Nevada  
October 27, 2016