

**HUMBOLDT COUNTY
SCHOOL DISTRICT
JUNE 30, 2017**

**HUMBOLDT COUNTY SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2017**

TABLE OF CONTENTS

FINANCIAL SECTION	<u>PAGE NO.</u>
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4a-4l
<u>Basic Financial Statements:</u>	
Government-wide Financial Statements:	
Statement of Net Position	5-6
Statement of Activities	7
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	8-9
Reconciliation of the Governmental Funds Balance Sheet to The Statement of Net Position	10
Statement of Revenues, Expenditures and Changes in Fund Balances	11-12
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	13
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual for General Fund	14
Major Special Revenue Funds:	
Special Education Fund	15
Federal Grants Fund	16
State Grants Fund	17
Proprietary Funds:	
Statement of Net Position	18
Statement of Revenues, Expenses and Changes in Net Position	19
Statement of Cash Flows	20
Fiduciary Funds:	
Statement of Fiduciary Net Position	21
Statement of Changes in Fiduciary Net Position	22
Notes to Financial Statements	23-52

**HUMBOLDT COUNTY SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2017**

TABLE OF CONTENTS

Required Supplementary Information:

Other Postemployment Benefits Schedule of Funding Progress	53
Schedule of the District's Proportionate Share of the Net Pension Liability – Public Employees' Retirement System of Nevada	54
Schedule of District Contributions - Public Employees' Retirement System of Nevada	55

Other Supplementary Information:

Combining and Individual Fund Statements and Schedules:

Governmental Funds:

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual for General Fund	56-60
Major Special Revenue Funds:	
Special Education Fund	61-62
Federal Grants Fund	63-67
State Grants Fund	68-70

Nonmajor Governmental Funds:

Combining Balance Sheet	71
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	72

Special Revenue Funds:

Nonmajor Special Revenue Funds:

Combining Balance Sheet	73-74
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	75-76
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual for	
Adult Education Fund	77
Class Size Reduction Fund	78
Food and Nutrition Fund	79
Gifts and Donations Fund	80

Debt Service Funds:

Major Debt Service Fund:

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	81
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HUMBOLDT COUNTY SCHOOL DISTRICT ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2017

TABLE OF CONTENTS

Capital Projects Funds:

Major Capital Project Fund:

Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget and Actual for District Bond Initiative Fund	82
---	----

Nonmajor Capital Projects Fund:

Combining Balance Sheet	83
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	84
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual for	
Building Reserve (DMV) Fund	85
Building and Sites Fund	86

Proprietary Funds:

Internal Service Fund:

Combining Statement of Net Position	87
Combining Statement of Revenues, Expenses, and Changes in Net Position	88
Combining Statement of Cash Flows	89
Nevada Unemployment Compensation Fund:	
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual	90
Schedule of Cash Flows	91
Self-Insured Workers' Compensation Fund:	
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual	92
Schedule of Cash Flows	93

Fiduciary Funds:

Private Purpose Trust Fund

Statement of Fiduciary Net Position	94
Statement of Changes in Fiduciary Net Position - Budget and Actual	95

Student Activity Agency Funds

Combining Statement of Changes in Assets and Liabilities	96-97
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**HUMBOLDT COUNTY SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2017**

TABLE OF CONTENTS

COMPLIANCE SECTION

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	98-99
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133	100-101
Schedule of Expenditures of Federal Awards	102-103
Notes to the Schedule of Expenditures of Federal Awards	104
Schedule of Findings and Questioned Costs	105-106
Summary Schedule of Prior Audit Findings	107

AUDITOR'S COMMENTS

Current Year Statute Compliance	108
Progress on Prior Year Statute Compliance	108
Prior Year Recommendations	108
Current Year Recommendations	108



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, 2017, 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, 2017, 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, the Federal Grants Fund, and the State Grants Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4a through 4l, budgetary comparison information on pages 14 through 17, and the schedules related to other post-employment benefits and pensions beginning on page 53 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, 2017, 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2017, 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 Ross & Associates, LLC

Winnemucca, Nevada
October 31, 2017

**Humboldt County School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017**

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, 2017, Government-wide Net Position was at (\$18.9) million, down \$3.27 million from the beginning balance of (\$15.63).
- The District's total revenues were \$39.5 million. The greatest revenue sources included property tax (Ad Valorem) at \$9.87 million, local school support taxes (sales tax) at \$9.7 million, non-restricted state aid at \$9 million, and operating grants and contributions at \$8.15 million. The Governmental Services taxes were \$1.6 million.
- The District's total expenses decrease from \$44 million to \$42.7 million. The greatest expenses were in regular instruction at \$17.8 million, special education instruction at \$5.3 million, and operation and maintenance at \$4.9 million.
- Net capital assets increased from \$28.3 million to \$29 million. The major additions to the District's capital assets were HVAC and Roofing Projects. In addition, the District enhanced its capital assets through the purchase of four school buses. Depreciation is reflected on all District-owned assets and current infrastructure is recorded. Depreciation expense totaling \$1.87 million is included in the government-wide statements.
- The District's General Fund ending balance is \$4,607,522 which represents a \$1.27 million decrease from the previous year's ending fund balance of \$5,879,233. This decrease in ending fund balance is a result of a decrease in overall revenue of \$1.6 million.

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, State 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 6 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 2017. In order to enhance analysis, comparative information is provided for assets, liabilities, net position, revenues, and expenses.

HUMBOLDT COUNTY SCHOOL DISTRICT'S NET POSITION

	2017	2016
Assets		
Current and other assets	\$11,974,099	\$13,606,878
Net capital assets	28,978,198	28,285,743
Total assets	40,952,297	41,892,621
 Deferred Outflows of Resources		
Related to pension liabilities	11,536,886	5,920,848
 Liabilities		
Current liabilities	5,156,789	5,119,893
Long-term liabilities	54,574,291	46,510,020
Total liabilities	59,731,080	51,629,913
 Deferred Inflows of Resources		
Related to pension liabilities	11,666,688	11,815,593
 Net Position		
Invested in capital assets, net of related debt	26,486,793	25,569,517
Restricted	2,045,609	4,947,963
Unrestricted	(47,440,987)	(46,149,517)
Total Net Position	(\$18,908,585)	(\$15,632,037)

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 \$18.9 million on June 30, 2017 due to the GASB 68 requirement to record PERS liabilities. The largest portion of the net position reflects its investment in capital assets (e.g., land, buildings and equipment) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; therefore, they are not available for future spending. Although the investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since capital assets cannot be used to liquidate these liabilities.

Governmental activities decreased the District's net position by \$3.3 million. These decreases were the result of the GASB 68 requirements to add net pension liabilities, 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

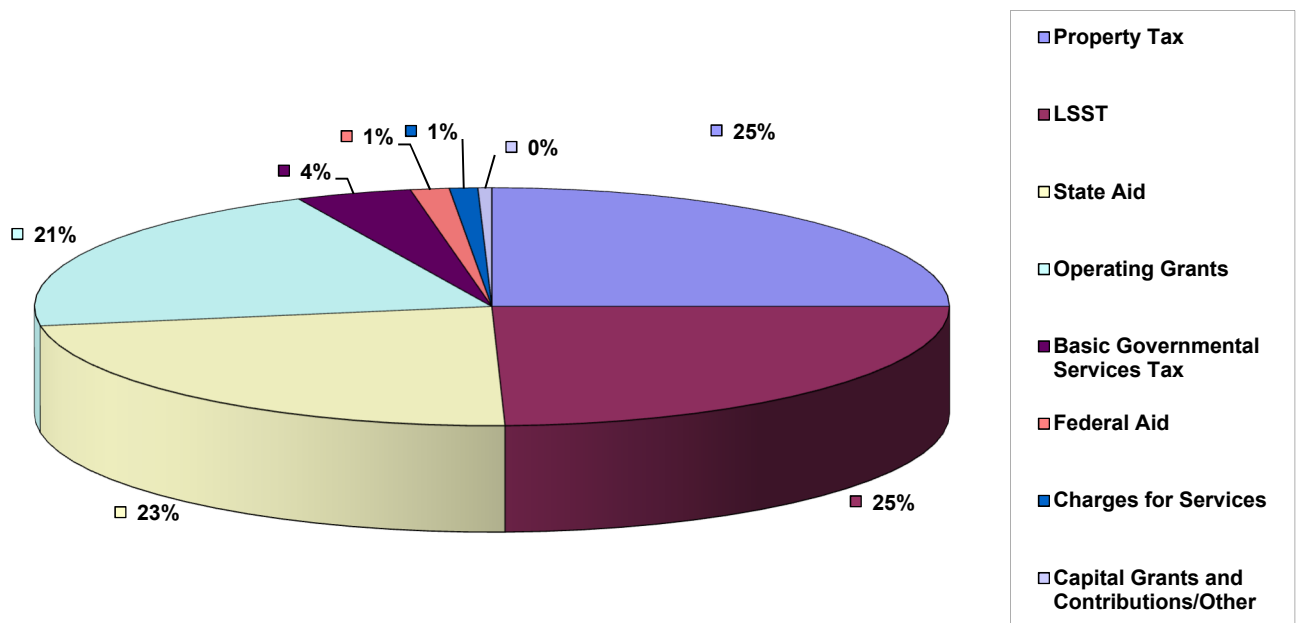
	<u>2017</u>	<u>2016</u>
Revenues		
Program revenues:		
Charges for services	\$ 369,805	\$ 388,603
Operating grants and contributions	8,154,225	6,596,820
Capital Grants and Contributions	6,345	365,116
General revenues:		
Property taxes	9,866,172	12,088,500
Local school support taxes	9,693,844	10,386,659
Government service taxes	1,620,487	1,615,564
Unrestricted investment earnings	27,606	6,079
State aid not restricted to specific purposes	9,021,560	7,040,841
Federal aid not restricted to specific purposes	540,139	624,363
Other	188,091	582,892
Total revenues	<u>\$ 39,488,274</u>	<u>\$ 39,695,437</u>
Expenses		
Instruction:		
Regular instruction	17,753,176	18,757,172
Special instruction	5,304,429	5,362,475
Vocational instruction	1,189,128	1,220,640
Other instruction	1,525,238	1,617,948
Co-curricular/athletics	715,674	730,361
Adult education	195,240	85,083
Community service	5,845	3,500
Support services:		
Student support	1,315,152	1,358,535
Instructional staff support	816,049	1,105,118
General administration	1,370,227	1,493,832
School administration	2,836,653	2,853,841
Administration support	563,922	674,982
Operation and maintenance	4,915,076	5,070,826
Student transportation	1,450,973	1,344,632
Facilities acquisition and construction	1,628,318	1,029,856
Food services	1,068,307	1,164,486
Interest on long-term debt	111,415	119,921
Total expenses	<u>\$ 42,764,822</u>	<u>\$ 43,993,208</u>
Increase/(Decrease) in Net Position	\$ (3,276,548)	\$ (4,297,771)
Net Position July 1	<u>\$ (15,632,037)</u>	<u>\$ (11,334,266)</u>
Net Position June 30	<u>\$ (18,908,585)</u>	<u>\$ (15,632,037)</u>

Total Revenues: Total revenue decreased .5% when compared to the previous year's revenue. General revenues mainly comprised of taxes, federal aid, local sources and investment earnings, represented 78.4% of total revenue. Program revenues are revenues directly related to service activities of a function and include charges for services, grants and contributions, and related investment earnings, when restricted for use in programs.

General Revenues: General revenues decreased by 4.29% from the prior fiscal year due mostly to decreased property taxes and LSST.

Program Revenues: Program revenues related to specific functions provided approximately 21.6% of the resources necessary to pay costs of providing program services. Program revenues are generally grant funding with limited longevity. The remaining program costs were financed from general revenues.

REVENUES BY SOURCE – GOVERNMENTAL ACTIVITIES



Governmental Activities

- The largest revenue sources for the District are: property taxes (Ad Valorem), Local School Support Taxes (LSST) and state aid. These funds comprised 72.4% of total revenues.
- Combined Ad Valorem taxes decreased by 18.4% from the prior year. Property tax Ad Valorem decreased by 5.9% while net mine proceeds decreased from \$2.3 million to \$1.2 million.
- Local School Support Taxes (LSST) decreased by 6.7% in response to decreased taxable sales.
- State revenue, as provided through the Nevada Plan (State aid guaranteed funding), increased to \$9 million from \$7 million 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.

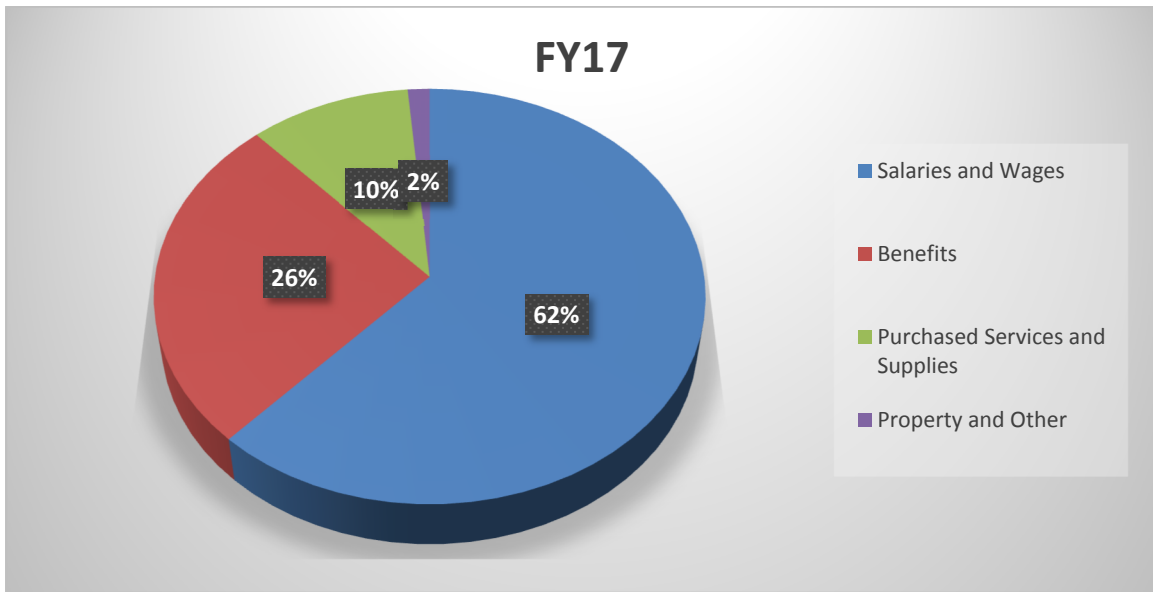
As of the current fiscal year, the District’s governmental funds provide combined ending fund balances of \$6.45 million, down from \$8.34 million last year.

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>2017</u>	<u>2016</u>
Salaries	\$ 19,405,208	\$ 18,970,924
Benefits	8,252,163	8,194,334
Purchased Services	1,348,958	1,853,940
Supplies	1,900,668	2,136,793
Property	324,382	513,084
Other	108,903	108,263
Totals	<u>\$ 31,340,282</u>	<u>\$ 31,777,338</u>

GENERAL AND SPECIAL EDUCATION FUNDS EXPENDITURES BY TYPE



- Salaries and wages comprise 61.9% of total expenditures. School Districts by their nature are labor intensive requiring a significant proportion of available funds.
- Employee benefits average 42.5% of salaries and wages and 26.3% 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 11.8% of total expenditures.

The General Fund is the primary operating fund of the District. At the conclusion of the 2017 fiscal year, the unrestricted fund balance of the General Fund was \$4.56 million compared to \$3.3 million in the prior year and total fund balance was \$4.6 million compared to \$5.9 million in the prior year. This year was the first year that the District did not receive Advanced Net Proceeds of Mines since 2009. 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 16.6% of total fund expenditures while total fund balance represents 16.8% of that same amount.

The fund balance within the General Fund decreased by \$1.27 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 \$3.88 million; expenditures totaled \$3.88 million. Transfers from the general fund in the amount of \$2.3 million accounted for 59.6% 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 under \$3 million.

The State Grants Fund is utilized to support a variety of student and support programs and projects such as professional development, curriculum development, and enhanced instruction in literacy, math, science, ELL, Pre-K, Early Childhood, and special programs. The State Grants Fund had total revenue of just over \$2.2 million.

The Debt Service Fund has a total fund balance of \$.36 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 \$0.32 million due to transfers for bond projects. A total of \$1.6 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 \$1,714,796, with a fund balance of \$886,252 identified as of June 30th 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 \$653,814.

The District's unemployment insurance fund finished the year with a net asset balance of \$51,789.

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 13, 2016 to reflect actual enrollment and other adjustments in anticipated resources. The District again amended/augmented the budget on June 27, 2017. 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. In reviewing the impact for Humboldt County School District during 2016-2017, the district saw an overall increase in weighted enrollment of 5.78 students.

Upon completion of the Final Financial Audit, as well as with an understanding of enrollment figures under the ADE calculation, the district takes the opportunity to adjust the final budget as part of the December August. At this time, budgeted resources showed an increase by a net total of \$3.37 million from the original budget with the majority to reflect the anticipation of increased state revenue and adjust opening fund balances. Budgets were adjusted to reflect grant funding approved by grantor agencies and donations received from private parties.

While most revenue is fairly predictable, net proceeds of minerals (NPM) for the preceding fiscal year is not certified by the Department of Taxation until April 20th of the subsequent year. In response, state statute (NRS 387.195) was enacted requiring school districts to restrict current year net proceeds revenue for subsequent year expenditures. This year the District only received a true-up of previously received future year net mine proceeds, which accounted for \$1.2 million of the overall \$4.6 million ending fund balance.

Federal resources reflected a budgeted decrease of \$.62 million with State DSA reflecting a budgeted decrease of \$1,219,392. Overall, actual revenue was less than final budgeted resources in the general fund for all sources by \$712,601 or 2.4%. The general fund actual expenditures were 3.82% below appropriations compared to 2.75% 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>2017</u>	<u>2016</u>
Land	\$ 1,215,700	\$ 1,215,700
Construction in progress	18,282	454,580
Buildings and improvements	22,987,558	22,276,199
Site improvements	978,137	999,275
Machinery and equipment	<u>3,778,521</u>	<u>3,339,989</u>
Total	<u>\$ 28,978,198</u>	<u>\$ 28,285,743</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>2017</u>	<u>2016</u>
General Obligation Bonds	\$ 2,140,000	\$ 2,270,000
Medium Term Bonds	\$ 280,000	\$ 343,000
Notes Payable	<u>\$ 71,405</u>	<u>\$ 103,226</u>
Total	<u>\$ 2,491,405</u>	<u>\$ 2,716,226</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:

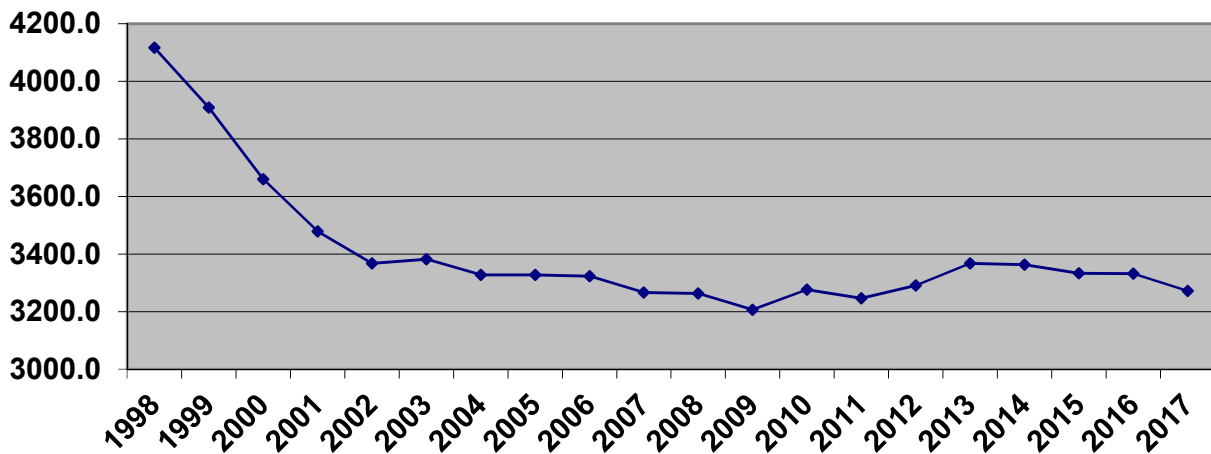
After several years of economic downturn, Nevada's economy has begun to rebound. Despite this rebound, ongoing reduced gold prices have created uncertainty in Northern Nevada, including Humboldt County. Coming from historic highs in gold price during 2013 (\$1,800 oz), current gold prices are currently fluctuating between \$1,200-\$1,300 per ounce. This sustained decrease has limited expansion in various organizations and has limited any meaningful expansion with most organizations maintaining current staffing levels. Despite limited growth and expansion, local mining companies continue to have strong economic forecasts, with both Newmont and Barrick performing well and increasing reported "mine life" timeframes.

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 FY17 school year with noted increases in State support.

A key indicator of the viability of a community is home sales. Home prices have remained fairly steady with a general uptick in prices noted. Local markets reflect a continued sale of homes with some limited additional construction noted.

Despite a general flat economic market in Humboldt County, HCSD is seeing a slight increased trend in enrollment figures. The district closed out the 2016-2017 school year slightly higher than at the start, and the 2017-2018 school year has noted an increase of approximately 1% of the student population. At the height of growth within the school district, a count day weighted enrollment of 4,117 was identified in 1998. By comparison, the average weighted enrollment during fiscal year 2017 was 3,272.2. Over a 19-year period, this reflects a decrease in weighted student enrollment of 844.8 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 \$6,719 resulting in an increase of \$243 per pupil from the previous year final DSA allocation of \$6,476. The District was funded at an average weighted count of 3,272.2, a decrease of 89.4 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 1st; 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, 2017

		GOVERNMENTAL ACTIVITIES
ASSETS		
Current assets:		
Cash and investments	\$	8,249,515
Receivables:		
Ad valorem taxes		103,053
Interest		3,411
Other		68,423
Intergovernmental receivable		3,287,074
Inventories		48,623
Total current assets		11,760,099
Noncurrent assets:		
Restricted cash		214,000
Capital assets not being depreciated:		
Land		1,215,700
Construction in progress		18,282
Other capital assets, net of depreciation		27,744,216
Total noncurrent assets		29,192,198
Total assets		40,952,297
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pension liabilities		11,536,886
LIABILITIES		
Current liabilities:		
Accounts payable		277,127
Claims liabilities		216,050
Accrued liabilities		3,882,580
Interest payable		26,942
Intergovernmental payable		217,528
Unearned revenues		126,660
Current portion of long-term obligations		409,902
Total current liabilities		5,156,789
Noncurrent liabilities:		
Other postemployment benefits liability		6,655,263
General obligation bonds payable		2,447,527
Long-term notes payable		71,405
Accrued compensated absences		845,104
Net pension liability		44,964,894
Less: current portion of long-term obligations		(409,902)
Total noncurrent liabilities		54,574,291
Total liabilities		59,731,080

(CONTINUED)

**HUMBOLDT COUNTY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2017**

		<u>GOVERNMENTAL ACTIVITIES</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pension liabilities	\$	<u>11,666,688</u>
NET POSITION		
Net investment in capital assets		26,486,793
Restricted for:		
Capital projects		1,169,071
Debt service		174,101
Self-insured workers' compensation		653,814
Other purposes		48,623
Unrestricted (deficit)		<u>(47,440,987)</u>
Total net position (deficit)	\$	<u><u>(18,908,585)</u></u>

**HUMBOLDT COUNTY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

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
Governmental activities:					
Instruction:					
Regular instruction	\$ 17,753,176	\$ 92,551	\$ 3,285,751	\$ -	(14,374,874)
Special instruction	5,304,429	-	2,732,547	-	(2,571,882)
Vocational instruction	1,189,128	-	138,235	-	(1,050,893)
Other instruction	1,525,238	-	516,613	-	(1,008,625)
Co-Curricular	715,674	17,875	-	-	(697,799)
Adult education	195,240	-	173,031	-	(22,209)
Community service	5,845	-	5,845	-	-
Total instruction	<u>26,688,730</u>	<u>110,426</u>	<u>6,852,022</u>	<u>-</u>	<u>(19,726,282)</u>
Support services:					
Student support	1,315,152	-	161,283	-	(1,153,869)
Instructional staff support	816,049	-	80,258	-	(735,791)
General administration	1,370,227	-	135,783	-	(1,234,444)
School administration	2,836,653	-	21,812	-	(2,814,841)
Admin support	563,922	-	13,998	-	(549,924)
Operation and maintenance	4,915,076	-	17,567	-	(4,897,509)
Student transportation	1,450,973	-	106,511	-	(1,344,462)
Facilities acquisition and construction	1,628,318	-	-	6,345	(1,621,973)
Food service operations	1,068,307	259,379	764,991	-	(43,937)
Interest on long-term debt	111,415	-	-	-	(111,415)
Total support	<u>16,076,092</u>	<u>259,379</u>	<u>1,302,203</u>	<u>6,345</u>	<u>(14,508,165)</u>
Total governmental activities	<u>\$ 42,764,822</u>	<u>\$ 369,805</u>	<u>\$ 8,154,225</u>	<u>\$ 6,345</u>	<u>(34,234,447)</u>
General revenues:					
Property taxes, levied for general purposes				\$	8,361,166
Property taxes, levied for debt service					1,505,006
Local school support taxes					9,693,844
Government service taxes for general purposes					1,335,454
Government service taxes for capital purposes					285,033
Interest earnings					27,606
State aid not restricted to specific purposes					9,021,560
Other local sources - general					101,625
Other local sources - other					79,740
Gain on sale of capital assets					6,726
Federal aid not restricted to specific purposes					540,139
Total general revenues					<u>30,957,899</u>
Change in Net Position					(3,276,548)
NET POSITION (DEFICIT) - JULY 1					<u>(15,632,037)</u>
NET POSITION (DEFICIT) - JUNE 30				\$	<u><u>(18,908,585)</u></u>

See accompanying notes.

**HUMBOLDT COUNTY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2017**

	GENERAL FUND	SPECIAL EDUCATION FUND	FEDERAL GRANTS FUND
ASSETS			
Cash and investments	\$ 5,075,785	\$ 384,840	\$ 11,529
Receivables:			
Ad valorem taxes	88,483	-	-
Interest	-	-	-
Other	25,663	-	-
Due from other funds	808,831	114,861	-
Intergovernmental receivable	1,771,517	57,362	710,218
Inventories	47,889	-	-
Cash and investments - restricted	-	-	-
	-	-	-
Total assets	\$ 7,818,168	\$ 557,063	\$ 721,747
LIABILITIES			
Accounts payable	\$ 106,604	\$ 1,336	\$ 41,101
Accrued liabilities	2,690,679	555,727	190,629
Due to other funds	114,862	-	455,000
Intergovernmental payable	217,528	-	-
Unearned revenues	-	-	35,017
	-	-	35,017
Total liabilities	3,129,673	557,063	721,747
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	80,943	-	-
	80,943	-	-
FUND BALANCES			
Nonspendable:			
Inventories	47,889	-	-
Restricted for:			
NRS 350.020 - debt service	-	-	-
2009 bond capital projects	-	-	-
NRS 387.328 - capital projects	-	-	-
Committed to:			
Net proceeds of mines	3,261,810	-	-
Assigned to:			
Food service	-	-	-
Other capital projects	-	-	-
2018 budget appropriations	73,207	-	-
Unassigned	1,224,646	-	-
	1,224,646	-	-
Total fund balances	4,607,552	-	-
Total liabilities, deferred inflows, and fund balances	\$ 7,818,168	\$ 557,063	\$ 721,747

See accompanying notes.

<u>STATE GRANTS FUND</u>	<u>DEBT SERVICE FUND</u>	<u>DISTRICT BOND INITIATIVE FUND</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
\$ 68	\$ 141,716	\$ 937,969	\$ 818,715	\$ 7,370,622
-	14,570	-	-	103,053
-	-	815	2,596	3,411
-	-	-	-	25,663
1	-	-	-	923,693
701,380	-	-	46,597	3,287,074
-	-	-	734	48,623
-	214,000	-	-	214,000
<u>\$ 701,449</u>	<u>\$ 370,286</u>	<u>\$ 938,784</u>	<u>\$ 868,642</u>	<u>\$ 11,976,139</u>
\$ 39,994	\$ -	\$ 52,532	\$ 35,560	\$ 277,127
243,356	-	-	202,189	3,882,580
353,831	-	-	-	923,693
-	-	-	-	217,528
64,268	-	-	27,375	126,660
<u>701,449</u>	<u>-</u>	<u>52,532</u>	<u>265,124</u>	<u>5,427,588</u>
<u>-</u>	<u>14,570</u>	<u>-</u>	<u>-</u>	<u>95,513</u>
-	-	-	734	48,623
-	214,000	-	-	214,000
-	141,716	886,252	-	1,027,968
-	-	-	141,103	141,103
-	-	-	-	3,261,810
-	-	-	734	734
-	-	-	460,947	460,947
-	-	-	-	73,207
-	-	-	-	1,224,646
<u>-</u>	<u>355,716</u>	<u>886,252</u>	<u>603,518</u>	<u>6,453,038</u>
<u>701,449</u>	<u>\$ 370,286</u>	<u>\$ 938,784</u>	<u>\$ 868,642</u>	<u>\$ 11,976,139</u>

**HUMBOLDT COUNTY SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2017**

Total Fund Balances for Governmental Funds	\$	6,453,038
<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	\$ 64,718,509	
Less accumulated depreciation	<u>(35,740,311)</u>	28,978,198
<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)		(6,655,263)
Net pension asset (liability)		(44,964,894)
<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	(2,420,000)	
Long-term notes payable	(71,405)	
Bond Premium	(27,527)	
Compensated absences	<u>(845,104)</u>	(3,364,036)
Interest payable		(26,942)
<p>Deferred revenue represents amounts that were not available to fund current expenditures and therefore are not reported in the governmental funds.</p>		
		95,513
<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		11,536,886
Deferred inflows of resources related to pensions		(11,666,688)
<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>705,603</u>
Total Net Position of Governmental Activities	\$	<u><u>(18,908,585)</u></u>

**HUMBOLDT COUNTY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>GENERAL FUND</u>	<u>SPECIAL EDUCATION FUND</u>	<u>FEDERAL GRANTS FUND</u>
REVENUES			
Local sources	\$ 19,593,937	\$ -	-
State sources	9,021,560	1,504,870	-
Federal sources	-	64,936	2,998,452
	<u>28,615,497</u>	<u>1,569,806</u>	<u>2,998,452</u>
EXPENDITURES			
Current:			
Regular programs	13,717,161	-	837,042
Special programs	-	3,717,030	1,208,415
Vocational programs	987,651	-	29,326
Other instructional programs	919,427	-	106,608
Co-curricular/athletic programs	600,907	-	-
Adult education programs	-	-	-
Community services programs	-	-	5,845
Undistributed expenditures:			
Student support	1,069,880	61,126	350
Instructional staff support	648,354	-	91,227
General administration	1,110,447	-	171,418
School administration	2,661,845	-	21,812
Administrative support	384,441	-	62,101
Operation and maintenance	3,825,633	-	382,167
Student transportation	1,452,943	106,511	3,269
Food service programs	-	-	78,872
Facilities acquisition and construction serv	-	-	-
Debt service:			
Principal	63,000	-	-
Interest	13,926	-	-
Other costs	-	-	-
	<u>27,455,615</u>	<u>3,884,667</u>	<u>2,998,452</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,159,882</u>	<u>(2,314,861)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of assets	-	-	-
Transfers in	-	2,314,861	-
Transfers out	<u>(2,431,563)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,431,563)</u>	<u>2,314,861</u>	<u>-</u>
Net change in fund balances	(1,271,681)	-	-
FUND BALANCES, July 1	<u>5,879,233</u>	<u>-</u>	<u>-</u>
FUND BALANCES, June 30	<u>\$ 4,607,552</u>	<u>\$ -</u>	<u>\$ -</u>

STATE GRANTS FUND	DEBT SERVICE FUND	DISTRICT BOND INITIATIVE FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ -	\$ 1,505,040	\$ 1,350	\$ 640,601	\$ 21,740,928
2,245,889	-	-	1,140,353	13,912,672
-	-	-	674,698	3,738,086
<u>2,245,889</u>	<u>1,505,040</u>	<u>1,350</u>	<u>2,455,652</u>	<u>39,391,686</u>
1,485,144	-	-	1,011,442	17,050,789
115,893	-	-	6,070	5,047,408
105,067	-	-	3,842	1,125,886
410,005	-	-	-	1,436,040
-	-	-	-	600,907
-	-	-	173,031	173,031
-	-	-	-	5,845
100,157	-	-	-	1,231,513
7,034	-	-	-	746,615
-	-	-	8,302	1,290,167
-	-	-	-	2,683,657
14,000	-	58,600	-	519,142
-	-	199,728	255,187	4,662,715
-	-	-	65,162	1,627,885
8,589	-	-	1,025,301	1,112,762
-	-	1,456,468	171,850	1,628,318
-	130,000	-	31,821	224,821
-	92,831	-	8,179	114,936
-	750	-	-	750
<u>2,245,889</u>	<u>223,581</u>	<u>1,714,796</u>	<u>2,760,187</u>	<u>41,283,187</u>
-	1,281,459	(1,713,446)	(304,535)	(1,891,501)
-	-	-	6,726	6,726
-	-	1,600,000	116,702	4,031,563
-	(1,600,000)	-	-	(4,031,563)
-	(1,600,000)	1,600,000	123,428	6,726
-	(318,541)	(113,446)	(181,107)	(1,884,775)
-	674,257	999,698	784,625	8,337,813
<u>\$ -</u>	<u>\$ 355,716</u>	<u>\$ 886,252</u>	<u>\$ 603,518</u>	<u>\$ 6,453,038</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, 2017**

Net Change in Fund Balances - Governmental Funds \$ (1,884,775)

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

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

Expenditures for capital assets	\$	2,488,441	
Less current year depreciation		<u>(1,869,919)</u>	
			618,522

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

Donated capital assets			79,740
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Repayment of debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.			224,821
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Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due and thus requires current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.			1,928
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Because some property taxes will not be collected in time to pay for obligations of the current period, they are not considered available revenues in the governmental funds and are instead reported as deferred revenues. These revenues are accounted for as revenue in the statement of activities.			10,122
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Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

District pension contributions		5,785,367	
Cost of benefits earned		<u>(7,984,729)</u>	
			(2,199,362)

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.

Obsolete assets		(5,807)	
Amortization of current year bond premium		2,343	
Change in long-term compensated absences		(19,126)	
Change in other postemployment benefits		<u>(250,609)</u>	
			(273,199)

Internal service funds are used by management to charge the costs of certain insurance activities to individual funds. The net revenue of the internal service funds is reported with governmental activities.			<u>145,655</u>
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Change in Net Position of Governmental Activities \$ (3,276,548)

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, 2017**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Local sources	\$ 18,242,492	\$ 19,233,165	\$ 19,593,937	\$ 360,772
State sources	10,465,606	9,246,214	9,021,560	(224,654)
Federal sources	620,000	-	-	-
Total revenues	<u>29,328,098</u>	<u>28,479,379</u>	<u>28,615,497</u>	<u>136,118</u>
EXPENDITURES				
Regular programs	14,699,074	14,108,948	13,717,161	391,787
Vocational programs	990,321	1,004,750	987,651	17,099
Other instructional programs	1,113,686	989,382	919,427	69,955
Co-curricular/athletic programs	681,821	681,821	600,907	80,914
Undistributed expenditures:				
Student support	1,142,826	1,094,775	1,069,880	24,895
Instructional staff support	777,100	693,553	648,354	45,199
General administration	1,271,575	1,184,018	1,110,447	73,571
School administration	2,851,774	2,748,861	2,661,845	87,016
Administrative support	440,763	413,924	384,441	29,483
Operation and maintenance	4,392,183	4,030,537	3,825,633	204,904
Student transportation	1,116,003	1,518,685	1,452,943	65,742
Debt service:				
Principal	63,000	63,000	63,000	-
Interest	13,927	13,927	13,926	1
Total expenditures	<u>29,554,053</u>	<u>28,546,181</u>	<u>27,455,615</u>	<u>1,090,566</u>
Excess (deficiency) of revenues over (under) expenditures	(225,955)	(66,802)	1,159,882	1,226,684
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(2,337,234)</u>	<u>(2,488,420)</u>	<u>(2,431,563)</u>	<u>56,857</u>
Net change in fund balance	(2,563,189)	(2,555,222)	(1,271,681)	1,283,541
FUND BALANCE, July 1	<u>4,474,031</u>	<u>5,879,233</u>	<u>5,879,233</u>	<u>-</u>
FUND BALANCE, June 30	<u>\$ 1,910,842</u>	<u>\$ 3,324,011</u>	<u>\$ 4,607,552</u>	<u>\$ 1,283,541</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, 2017**

	BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET
	ORIGINAL	FINAL		
REVENUES				
State sources	\$ 1,506,230	\$ 1,504,870	\$ 1,504,870	\$ -
Federal sources	12,115	59,188	64,936	5,748
Total revenues	<u>1,518,345</u>	<u>1,564,058</u>	<u>1,569,806</u>	<u>5,748</u>
EXPENDITURES				
Special programs	3,589,982	3,768,032	3,717,030	51,002
Undistributed expenditures:				
Student support	60,350	61,151	61,126	25
Student transportation	88,545	106,593	106,511	82
Total expenditures	<u>3,738,877</u>	<u>3,935,776</u>	<u>3,884,667</u>	<u>51,109</u>
Excess (deficiency) of revenues over (under) expenditures	(2,220,532)	(2,371,718)	(2,314,861)	56,857
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>2,220,532</u>	<u>2,371,718</u>	<u>2,314,861</u>	<u>(56,857)</u>
Net change in fund balance	-	-	-	-
FUND BALANCE, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**HUMBOLDT COUNTY SCHOOL DISTRICT
FEDERAL GRANTS FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Federal sources	\$ 2,205,234	\$ 3,340,581	\$ 2,998,452	\$ (342,129)
EXPENDITURES				
Regular programs	726,611	1,065,803	837,042	228,761
Special programs	1,083,755	1,277,389	1,208,415	68,974
Vocational programs	26,500	29,332	29,326	6
Other instructional programs	134,536	126,793	106,608	20,185
Community services programs	-	10,414	5,845	4,569
Undistributed expenditures:				
Student support	17,500	351	350	1
Instructional staff support	-	91,227	91,227	-
General administration	133,235	189,064	171,418	17,646
School administration	-	21,812	21,812	-
Administrative support	33,535	62,101	62,101	-
Operation and maintenance	25,000	383,973	382,167	1,806
Student transportation	-	3,269	3,269	-
Food services	24,562	79,053	78,872	181
Total expenditures	<u>2,205,234</u>	<u>3,340,581</u>	<u>2,998,452</u>	<u>342,129</u>
Net change in fund balance	-	-	-	-
FUND BALANCE, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**HUMBOLDT COUNTY SCHOOL DISTRICT
STATE GRANTS FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
State sources	\$ 1,167,378	\$ 2,294,264	\$ 2,245,889	\$ (48,375)
EXPENDITURES				
Regular programs	667,900	1,531,150	1,485,144	46,006
Special programs	-	116,012	115,893	119
Vocational programs	55,038	105,233	105,067	166
Other instructional programs	270,542	410,463	410,005	458
Undistributed expenditures:				
Student support	154,095	100,157	100,157	-
Instructional staff support	5,803	7,256	7,034	222
Administrative support	14,000	14,000	14,000	-
Food services	-	9,993	8,589	1,404
Total expenditures	<u>1,167,378</u>	<u>2,294,264</u>	<u>2,245,889</u>	<u>48,375</u>
Net change in fund balance	-	-	-	-
FUND BALANCE, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**HUMBOLDT COUNTY SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2017**

		GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
ASSETS		
Current assets:		
Cash and investments	\$	878,893
Accounts receivable		42,760
		921,653
Total assets		921,653
 LIABILITIES		
Current liabilities:		
Accounts payable		3,485
Claims payable		212,565
		216,050
Total liabilities		216,050
 NET POSITION		
Restricted		653,814
Unrestricted		51,789
		705,603
Total net position	\$	705,603

**HUMBOLDT COUNTY SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2017**

		GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
		<hr/>
OPERATING REVENUES:		
Interfund charges	\$	<u>343,727</u>
OPERATING EXPENSES:		
Claims		118,017
Insurance premiums		44,706
Administration fees		<u>35,349</u>
Total operating expenses		<u>198,072</u>
Operating income (loss)		<u>145,655</u>
NET POSITION - July 1		<u>559,948</u>
NET POSITION - June 30	\$	<u><u>705,603</u></u>

**HUMBOLDT COUNTY SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2017**

		GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
Cash flows from operating activities:		
Cash received for interfund services provided	\$	342,384
Cash payments for claims and services		<u>(128,165)</u>
Net cash provided (used) by operating activities		<u>214,219</u>
Cash and cash equivalents, beginning of year		<u>664,674</u>
Cash and cash equivalents, end of year	\$	<u><u>878,893</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$	<u>145,655</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		(1,343)
Increase (decrease) in claims payable		<u>69,907</u>
Total adjustments		<u>68,564</u>
Net cash provided (used) by operating activities	\$	<u><u>214,219</u></u>

**HUMBOLDT COUNTY SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2017**

	PRIVATE- PURPOSE TRUST FUND	AGENCY FUNDS	TOTAL
ASSETS			
Cash and investments	\$ 95,510	\$ 556,679	\$ 652,189
Interest receivable	83	-	83
Total assets	95,593	556,679	652,272
LIABILITIES			
Due to student groups	-	556,679	556,679
Total liabilities	-	556,679	556,679
NET POSITION			
Reserved for scholarships	\$ 95,593	\$ -	\$ 95,593

**HUMBOLDT COUNTY SCHOOL DISTRICT
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2017**

		<u>PRIVATE- PURPOSE TRUST FUND</u>
ADDITIONS		
Interest	\$	723
Donations		<u>250</u>
DEDUCTIONS		
Scholarships		<u>5,000</u>
Change in net position		(4,027)
NET POSITION - July 1		<u>99,620</u>
NET POSITION - June 30	\$	<u><u>95,593</u></u>

HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2017

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, 2017

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

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

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.

HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNT POLICIES (continued)

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

D. Measurement Focus and Basis of Accounting

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

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

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

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

**HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNT POLICIES (continued)

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

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

Proprietary Funds:

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

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

Fiduciary Funds:

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

E. Financial Statement Presentation

1. Budgets and Budgetary Accounting:

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

**HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNT POLICIES (continued)

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

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

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

HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNT POLICIES (continued)

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

2. Cash and Investments:

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

Cash balances from all funds are combined and, to the extent practicable, invested as permitted by law. In accordance with NRS 355.175(3), the Board passed a resolution that all interest earned on these investments is to be allocated to the Building and Sites Fund, except for amounts credited to

various other funds in accordance with law, contract, District policy, or as the result of conditions related to grant awards.

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

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

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

**HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNT POLICIES (continued)

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

3. *Property Taxes Receivable:*

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

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

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

Secured roll property taxes receivable reflect only those taxes receivable from the last two delinquent roll years. Delinquent taxes from all roll years prior to fiscal year 2015-2016 have been written off. No provision for uncollectible accounts has been established since management does not anticipate any material collection loss in respect to the remaining balances.

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

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

**HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNT POLICIES (continued)

4. Inventories:

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

5. Capital Assets:

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

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

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

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

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

6. Allowance for Uncollectible Receivables:

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

7. Accrued Liabilities:

Accrued liabilities consist principally of teacher, administrator, and other District employee salaries and benefits relating to the school program year ended June 30, 2017, not paid as of that date.

**HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNT POLICIES (continued)

8. Expenditures:

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

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

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

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

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

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

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

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

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

HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNT POLICIES (continued)

9. *Compensated Absences:*

The majority of the employees of the District are teachers who have contracts providing for unlimited accumulation of sick leave with no vacation time provided. The District pays \$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 \$40 per day for classified, or can be rolled to the sick leave bank in the case of certified employees and administrators. Compensated absences are generally liquidated by a combination of the major and nonmajor governmental funds with the majority liquidated from the general fund. The estimated long-term liability for compensated absences is accounted for in the government-wide financial statements.

10. *Long-Term Obligations:*

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt expenditures.

11. *Deferred Inflows/Outflows of Resources:*

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has 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.

HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNT POLICIES (continued)

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.

12. Net Position and Fund Balance:

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

- a. Net investment in capital assets – consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – consists of net position with constraints placed on their use, either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Restricted assets are classified by function, debt service, projects, or claims.
 - a) Restricted for Debt Service – represents assets legally restricted by statute or bond covenants for future debt service requirements of both principal and interest.
 - b) Restricted for Capital Projects – consists of unspent grants, donations, funds restricted by statute, and debt proceeds with third party restrictions for use on specific projects or programs.
 - c) Restricted for Self-Insured Workers’ Compensation – represents assets restricted by statute for future payment of benefits and costs related to the workers’ compensation program.
 - d) Restricted for Other Purposes – represents assets restricted by statute and nonspendable assets.
- c. Unrestricted net position – consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNT POLICIES (continued)

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

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

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

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

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

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

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.

**HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNT POLICIES (continued)

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, 2016 has been extracted from the fiscal year 2016 financial statements. It has been provided to add comparability, but is not considered full disclosure of transactions for fiscal year 2016. Such information can only be obtained by referring to the audited financial statements for that year.

NOTE 2 – COMPLIANCE

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

NOTE 3 – CASH AND INVESTMENTS

The District maintains a cash and investment pool available for use by all funds. At June 30, 2017, 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, 2017:

Cash and Investment Balances Held By:	
Governmental Funds	\$ 7,584,622
Internal Service Funds	878,893
Fiduciary Funds	<u>652,189</u>
Total Cash and Investments	<u><u>\$ 9,115,704</u></u>
Balances at Fair Value Classified By:	
US Bank Checking	\$ 19,077
Wells Fargo Savings	513,468
Wells Fargo Checking	4,206,960
State of Nevada Investment Pool	4,020,480
Humboldt County Investment Pool	<u>355,716</u>
Total Cash and Investments	<u><u>\$ 9,115,704</u></u>

HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 3 – CASH AND INVESTMENTS (continued)

Investments are carried at fair value. The following is a listing of investments at June 30, 2017:

Investment Type	Maturities (Average Weighted Maturity)	Fair Value
State of Nevada Local Government Investment Pool	310 Days	\$ 4,020,480
Cash		4,739,508
Humboldt County Investment Pool		355,716
Total Cash and Investments		<u>\$ 9,115,704</u>

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

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

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

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, 2017

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.

Fair Value Measurements:

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of an asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District has the following recurring fair value measurements as of June 30, 2017:

Investment Type	Fair Value	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
State of Nevada Local Government Investment Pool	\$ 4,020,480	\$ 410,893	\$ 3,609,587	\$ -

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

**HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017 was as follows:

	July 01, 2016 Balance	Additions	Deletions	Transfers	June 30, 2017 Balance
Capital assets, not being depreciated:					
Land	\$ 1,215,700	\$ -	\$ -	\$ -	\$ 1,215,700
Construction in progress	454,580	18,282	-	(454,580)	18,282
Total capital assets, not being depreciated	<u>1,670,280</u>	<u>18,282</u>	<u>-</u>	<u>(454,580)</u>	<u>1,233,982</u>
Capital assets, being depreciated:					
Building and improvements	49,252,133	1,460,234	(627)	440,925	51,152,665
Site improvements	1,600,381	44,708	-	13,655	1,658,744
Equipment and vehicles	<u>9,888,551</u>	<u>1,044,957</u>	<u>(260,390)</u>	<u>-</u>	<u>10,673,118</u>
Total capital assets, being depreciated	<u>60,741,065</u>	<u>2,549,899</u>	<u>(261,017)</u>	<u>454,580</u>	<u>63,484,527</u>
Less accumulated depreciation for:					
Building and improvements	(26,975,934)	(1,190,031)	858	-	(28,165,107)
Site improvements	(601,106)	(79,501)	-	-	(680,607)
Equipment and vehicles	<u>(6,548,562)</u>	<u>(600,387)</u>	<u>254,352</u>	<u>-</u>	<u>(6,894,597)</u>
Total accumulated depreciation	<u>(34,125,602)</u>	<u>(1,869,919)</u>	<u>255,210</u>	<u>-</u>	<u>(35,740,311)</u>
Total net capital assets, being depreciated	<u>26,615,463</u>	<u>679,980</u>	<u>(5,807)</u>	<u>454,580</u>	<u>27,744,216</u>
Governmental activities capital assets, net	<u>\$ 28,285,743</u>	<u>\$ 698,262</u>	<u>\$ (5,807)</u>	<u>\$ -</u>	<u>\$ 28,978,198</u>

**HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 4 – CAPITAL ASSETS (continued)

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

Regular Instruction	\$ 1,403,810
Special Instruction	8,063
Vocational Instructional	108,268
Other Instruction	5,320
Co-Curricular/Athletics	2,962
Adult Education	12,661
Support Services:	
Student Support	752
Instructional Staff Support	52,183
General Administration	6,753
School Administration	1,760
Administrative Support	19,580
Operation and Maintenance	89,656
Student Transportation	127,833
Food Services	30,318
Total governmental activities depreciation expense	\$ 1,869,919

NOTE 5 – INTERFUND BALANCES AND TRANSFERS

The composition of interfund balances as of June 30, 2017, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Major Federal Grants Fund	\$ 455,000
	Major State Grants Fund	353,831
		808,831
Major Special Ed Fund	General Fund	114,861
Major State Grants Fund	General Fund	1
		114,862
		\$ 923,693

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, 2017**

NOTE 5 – INTERFUND BALANCES AND TRANSFERS (continued)

Interfund transfers for the year ended June 30, 2017, are as follows:

<u>Transfers from:</u>	<u>Transfers to:</u>	<u>Amount</u>
General Fund	Major Special Education Fund	\$ 2,314,861
	Nonmajor Governmental Fund	116,702
		<u>2,431,563</u>
Major Debt Service Fund	Major District Bond Initiative Fund	<u>1,600,000</u>
	Total interfund transfers	<u>\$ 4,031,563</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, 2017, 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, 2017</u>
Relocate portables	\$ 19,344	\$ -	\$ 19,344
HVAC upgrade	41,605	27,700	13,905
LHS projects	39,195	18,225	20,970
Paradise school turf project	40,000	57	39,943
Project management	25,255	-	25,255
	<u>\$ 165,399</u>	<u>\$ 45,982</u>	<u>\$ 119,417</u>
Totals			

NOTE 7 – LONG TERM DEBT

Long-term liabilities at June 30, 2017 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, 2017</u>
2009	02/04/09	04/01/29	3-4.625%	\$ 2,950,000	\$ 2,140,000

HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2017</u>
2010	11/18/10	02/01/21	3.16-4.87%	\$ 5,675,000	\$ 280,000

<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, 2017</u>
Chartwells	04/01/14	07/01/19	7.924%	\$ 160,030	\$ 71,405

Long-term liability activity for the year ended June 30, 2017 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	\$ 2,613,000	\$ -	\$ 193,000	\$ 2,420,000	\$ 200,000
Deferred amounts for issuance premium	29,870	-	2,343	27,527	2,343
Total bonds payable	2,642,870	-	195,343	2,447,527	202,343
Long-term note payable	103,226	-	31,821	71,405	34,342
Compensated absences	825,978	183,105	163,979	845,104	173,217
Total	<u>\$ 3,572,074</u>	<u>\$ 183,105</u>	<u>\$ 391,143</u>	<u>\$ 3,364,036</u>	<u>\$ 409,902</u>

Total interest paid on long-term debt for the year ended June 30, 2017 was \$118,687.

As of June 30, 2017, 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>
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	160,000	68,681	-	-
2023 – 2027	950,000	236,156	-	-
2028 – 2029	455,000	31,913	-	-
Total requirements	<u>\$ 2,420,000</u>	<u>\$ 693,211</u>	<u>\$ 71,405</u>	<u>\$ 8,595</u>

HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2017.

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, 2017, the amount required to fund the reserve account was \$214,000 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, 2017, but not yet paid, and is based on actual claims filed subsequent to June 30, 2016, 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, 2017**

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 \$210,605, and has recorded this amount as additional claims expense and liability as of June 30, 2017 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, 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
Current year claims and changes in estimates	3,622	114,395	118,017
Claim payments	(5,266)	(37,790)	(43,056)
Claims liability, June 30, 2017	<u>\$ 1,960</u>	<u>\$ 210,605</u>	<u>\$ 212,565</u>

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 under Quick Links – Publications.

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

HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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

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

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, 2017, the District reported a liability of \$44,964,894 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, 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, 2016. The District's proportion was 0.33413%, as of June 30, 2016, which was an increase of 0.01125% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$7,984,729. At June 30, 2017, 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, 2017**

NOTE 9 – PENSION PROGRAM (continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 6,343,222
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	4,180,047	5,115,927
Changes in proportion and differences between actual and proportionate share of contributions	1,571,472	207,539
District contributions subsequent to the measurement date	<u>5,785,367</u>	<u>-</u>
Total	<u>\$ 11,536,886</u>	<u>\$ 11,666,688</u>

\$5,785,367 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, 2018. 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>	
2017-18	\$ (2,359,104)
2018-19	(2,359,104)
2019-20	(552,714)
2020-21	65,773
2021-22	(566,530)
Thereafter	(143,490)

Actuarial assumptions. The total pension liability in the June 30, 2016 actuarial valuation was determined using the following assumptions, applied to all periods including the measurement:

Inflation Rate	3.50%
Payroll Growth	5.00%, including inflation
Projected Salary Increases	4.60% to 9.75%, depending on service Rates include inflation and productivity increases
Investment Rate of Return	8.00% per year
Productivity Pay Increase	0.75%
Consumer Price Index	3.50%

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, 2016 valuation were based on the results of the experience review completed in 2013.

**HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 9 – PENSION PROGRAM (continued)

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.

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, 2016, PERS’ long-term inflation assumption was 3.5%.

Discount rate. The discount rate used to measure the total pension liability was 8.00% as of June 30, 2016. 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, 2016, 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, 2016.

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	\$65,908,905	\$44,964,894	\$27,538,678

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

HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 10 – CONTINGENCIES

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

NOTE 11 – 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, 2017, 56 retirees were using this plan. The HCSDEHBP does not issue a publicly available financial report.

Benefit provisions for the PEBP are administered by the State of Nevada. NRS 287.043 assigns the authority to establish and amend benefit provisions to the PEBP nine-member board of trustees. District employees who met the eligibility requirements effective September 1, 2008 for retirement within the Public Employee Retirement System had the option upon retirement to enroll in coverage under the PEBP. NRS 287.023 sunsetted the option to join PEBP for District employees who retired after November 29, 2008. Local governments are required to pay the same portion of cost of coverage for those persons joining PEBP that the State of Nevada pays for those persons retired from state service who have continued to participate in the plan. As of June 30, 2017, 93 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.

HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

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 \$179,115.

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, 2017, retirees qualify for a subsidy ranging from \$65 at five years of service and \$1,477 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 \$60 at five years of service and \$240 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 2017, the District contributed \$261,402 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, 2017**

NOTE 11 – 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 2015 through 2017 were as follows:

	Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
HCSDEHBP	6/30/17	\$ 451,673	\$ 179,115	39.66%	\$ 5,861,627
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
PEBP	6/30/17	239,453	261,402	109.17%	793,636
PEBP	6/30/16	267,904	267,161	99.72%	815,585
PEBP	6/30/15	266,533	240,123	90.09%	814,842
Combined Totals	6/30/17	\$ 691,126	\$ 440,517		\$ 6,655,263
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

The net OPEB obligation (NOPEBO) as of June 30, 2017, was calculated as follows:

	HCSDEHBP	PEBP	Totals
Annual required contribution (ARC)	\$ 450,225	\$ 263,267	\$ 713,492
Interest on the beginning net OPEB obligation	223,563	32,623	256,186
ARC Adjustment	(222,115)	(56,437)	(278,552)
Annual OPEB cost	451,673	239,453	691,126
Contributions made	(179,115)	(261,402)	(440,512)
Increase (decrease) in net OPEB obligation	272,558	(21,949)	250,609
Net OPEB obligation (asset), beginning of year	5,589,069	815,585	6,404,654
Net OPEB obligation (asset), end of year	\$ 5,861,627	\$ 793,636	\$ 6,655,263

**HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Funded Status and Funding Progress. The funded status of the plans as of June 30, 2017, was as follows:

	HCSDEHBP	PEBP	Totals
Accrued actuarial liability (a)	\$ 4,536,828	\$ 3,880,887	\$ 8,417,716
Actuarial value of plan assets (b)	-	-	-
Unfunded actuarial accrued liability (a) – (b)	\$ 4,536,828	\$ 3,880,887	\$ 8,417,716
Funded ratio (b) / (a)	0.00%	0.00%	0.00%
Covered payroll (c)	\$ 20,151,601	N/A	
Unfunded actuarial accrued liability as a percentage of covered payroll $[(a) - (b)] / (c)$	22.51%		

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, 2017**

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Significant methods and assumptions used in the January 1, 2017 actuarial valuation were as follows:

	HCSDEHBP	PEBP
Actuarial valuation date	01/01/17	01/01/17
Actuarial cost method	Entry Age Normal Cost	Entry Age Normal Cost
Amortization method	Level % of pay/open	Level dollar/closed
Amortization period	30 years	22 years
Asset valuation method	Market value	Market value
<u>Actuarial assumptions:</u>		
Inflation rate (per year)	2.75%	2.75%
Investment rate of return	4.00%	4.00%
Projected salary increases	4.00%	N/A
Healthcare inflation rate*	7.00%	7.00%

*Decreasing .50% each year for three years and then .25% for three years until ultimate trend rate of 5.00% is reached

NOTE 12 – SUBSEQUENT EVENT

At their September 12, 2017 meeting, the Humboldt County School District Board of Trustees authorized management to enter into a purchase agreement for replacement roof top HVAC mechanical units for a total of \$571,412.

**HUMBOLDT COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2017**

**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	01/01/13	-	\$ 4,659,324	\$ 4,659,324	0.00%	-	-
PEBP	01/01/15	-	\$ 4,401,135	\$ 4,401,135	0.00%	-	-
PEBP	01/01/17	-	\$ 3,880,887	\$ 3,880,887	0.00%	-	-
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%
HCSDEHBP	01/01/17	-	\$ 4,536,828	\$ 4,536,828	0.00%	\$20,151,601	22.51%

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 as well as the 2015 valuation date to 2017.

**HUMBOLDT COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2017**

**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
2017	0.33413%	\$44,964,894	\$20,665,924	217.58%	~
2016	0.32288%	37,000,589	20,199,760	183.17%	72.23%
2015	0.33008%	34,400,719	19,360,490	177.69%	75.13%
2014	*	43,404,765	19,342,306	224.40%	76.31%
2013	*	*	18,492,720	*	68.68%
2012	*	*	18,286,862	*	*
2011	*	*	18,795,596	*	*
2010	*	*	18,747,365	*	*
2009	*	*	19,240,386	*	*
2008	*	*	19,035,095	*	*

*Prospective implementation as of June 30, 2015.

~Information not yet available.

**HUMBOLDT COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2017**

**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
2017	\$5,785,367	\$5,785,367	-	\$20,665,924	27.99%
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%

**HUMBOLDT COUNTY SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)**

	BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET	2016
	ORIGINAL	FINAL			
REVENUES					
Local sources:					
Ad valorem taxes	\$ 7,312,554	\$ 8,351,810	\$ 8,352,588	\$ 778	\$ 10,249,106
School support taxes	9,349,265	9,349,265	9,693,844	344,579	10,386,659
Government services tax	1,407,073	1,319,359	1,335,454	16,095	1,331,484
Franchise fees	-	2,940	2,940	-	-
Tuition	108,100	94,271	92,551	(1,720)	101,884
Private donations	-	2,500	3,372	872	5,032
Environmental fines	-	47,520	47,520	-	-
Pay to play	21,000	21,000	17,875	(3,125)	20,300
Boat registration fees	9,500	9,500	9,433	(67)	8,343
Other	35,000	35,000	38,360	3,360	119,658
	<u>18,242,492</u>	<u>19,233,165</u>	<u>19,593,937</u>	<u>360,772</u>	<u>22,222,466</u>
State sources:					
Distributive school fund	10,465,606	9,246,214	9,021,560	(224,654)	7,040,841
Federal sources:					
E-rate funds	110,000	-	-	-	351,461
Schools and roads - grants to counties	-	-	-	-	74,172
Impact aid	510,000	-	-	-	540,405
	<u>620,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>966,038</u>
Total revenues	<u>29,328,098</u>	<u>28,479,379</u>	<u>28,615,497</u>	<u>136,118</u>	<u>30,229,345</u>
EXPENDITURES					
Regular programs:					
Instruction					
Salaries	9,522,403	9,046,948	8,888,320	158,628	8,925,193
Benefits	4,353,061	4,060,406	3,936,667	123,739	4,083,600
Purchased services	113,000	115,000	94,630	20,370	82,406
Supplies	573,662	703,262	634,947	68,315	722,874
Property	-	5,400	5,342	58	-
Other	1,250	1,250	1,129	121	395
	<u>14,563,376</u>	<u>13,932,266</u>	<u>13,561,035</u>	<u>371,231</u>	<u>13,814,468</u>
Instructional staff support					
Salaries	40,150	36,150	33,060	3,090	54,411
Benefits	1,448	1,690	1,591	99	1,935
Purchased services	39,000	51,500	52,651	(1,151)	36,259
Supplies	6,500	20,000	14,157	5,843	3,902
	<u>87,098</u>	<u>109,340</u>	<u>101,459</u>	<u>7,881</u>	<u>96,507</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, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)**

	BUDGET		ACTUAL	VARIANCE TO	
	ORIGINAL	FINAL		FINAL BUDGET	2016
Student transportation					
Salaries	\$ 15,000	\$ 23,700	\$ 23,680	\$ 20	\$ 13,719
Benefits	6,600	7,050	6,767	283	3,774
Purchased services	27,000	36,592	24,220	12,372	29,391
Total student transportation	<u>48,600</u>	<u>67,342</u>	<u>54,667</u>	<u>12,675</u>	<u>46,884</u>
Total regular programs	<u>14,699,074</u>	<u>14,108,948</u>	<u>13,717,161</u>	<u>391,787</u>	<u>13,957,859</u>
Vocational programs:					
Instruction					
Salaries	664,719	675,268	675,121	147	626,994
Benefits	281,211	285,091	283,285	1,806	266,863
Purchased services	1,005	3,030	1,819	1,211	845
Supplies	42,386	39,361	26,459	12,902	32,697
Total instruction	<u>989,321</u>	<u>1,002,750</u>	<u>986,684</u>	<u>16,066</u>	<u>927,399</u>
Student transportation					
Purchased services	1,000	2,000	967	1,033	-
Total vocational programs	<u>990,321</u>	<u>1,004,750</u>	<u>987,651</u>	<u>17,099</u>	<u>927,399</u>
Other instructional programs:					
Instruction					
Salaries	713,904	638,451	618,544	19,907	643,066
Benefits	319,755	268,330	254,243	14,087	274,422
Purchased services	56,600	54,200	24,517	29,683	53,845
Supplies	1,200	2,500	2,153	347	1,020
Total instruction	<u>1,091,459</u>	<u>963,481</u>	<u>899,457</u>	<u>64,024</u>	<u>972,353</u>
Instructional staff support					
Purchased services	14,000	14,000	12,151	1,849	13,016
Supplies	1,750	1,750	-	1,750	1,381
Total instructional staff support	<u>15,750</u>	<u>15,750</u>	<u>12,151</u>	<u>3,599</u>	<u>14,397</u>
Administrative Support					
Salaries	3,070	4,600	4,582	18	2,262
Benefits	1,537	2,581	2,578	3	1,276
Total administrative support	<u>4,607</u>	<u>7,181</u>	<u>7,160</u>	<u>21</u>	<u>3,538</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, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)**

	BUDGET		ACTUAL	VARIANCE TO	
	ORIGINAL	FINAL		FINAL BUDGET	2016
Student transportation					
Salaries	\$ 1,500	\$ 2,500	\$ 503	\$ 1,997	\$ 1,431
Benefits	370	470	156	314	329
Total student transportation	<u>1,870</u>	<u>2,970</u>	<u>659</u>	<u>2,311</u>	<u>1,760</u>
Total other instructional programs	<u>1,113,686</u>	<u>989,382</u>	<u>919,427</u>	<u>69,955</u>	<u>992,048</u>
Co-curricular/athletic programs:					
Instruction					
Salaries	359,575	357,575	313,799	43,776	301,788
Benefits	22,521	22,396	16,778	5,618	15,542
Purchased services	37,600	37,600	36,685	915	32,933
Supplies	48,100	48,100	26,806	21,294	38,538
Other	6,000	6,000	4,016	1,984	5,134
Total instruction	<u>473,796</u>	<u>471,671</u>	<u>398,084</u>	<u>73,587</u>	<u>393,935</u>
Student transportation					
Purchased services	<u>208,025</u>	<u>210,150</u>	<u>202,823</u>	<u>7,327</u>	<u>187,234</u>
Total co-curricular/athletic programs	<u>681,821</u>	<u>681,821</u>	<u>600,907</u>	<u>80,914</u>	<u>581,169</u>
Undistributed expenditures:					
Student support					
Salaries	826,556	755,552	745,397	10,155	680,231
Benefits	297,825	315,778	307,953	7,825	284,371
Purchased services	3,700	4,700	3,676	1,024	2,937
Supplies	14,595	18,595	12,719	5,876	9,118
Other	150	150	135	15	135
Total student support	<u>1,142,826</u>	<u>1,094,775</u>	<u>1,069,880</u>	<u>24,895</u>	<u>976,792</u>
Instructional staff support					
Salaries	398,832	438,814	435,441	3,373	435,094
Benefits	180,606	177,139	175,928	1,211	177,493
Purchased services	79,500	18,000	3,576	14,424	51,255
Supplies	118,112	59,600	33,409	26,191	90,883
Property	-	-	-	-	448,365
Other	50	-	-	-	150
Total instructional staff support	<u>777,100</u>	<u>693,553</u>	<u>648,354</u>	<u>45,199</u>	<u>1,203,240</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, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)**

	BUDGET		ACTUAL	VARIANCE TO	
	ORIGINAL	FINAL		FINAL BUDGET	2016
General administration					
Salaries	\$ 637,130	\$ 647,043	\$ 645,546	\$ 1,497	\$ 614,672
Benefits	255,245	268,865	257,588	11,277	241,832
Purchased services	311,950	215,360	173,221	42,139	263,720
Supplies	46,250	29,750	14,301	15,449	37,747
Other	21,000	23,000	19,791	3,209	17,439
Total general administration	<u>1,271,575</u>	<u>1,184,018</u>	<u>1,110,447</u>	<u>73,571</u>	<u>1,175,410</u>
School administration					
Salaries	1,802,798	1,758,576	1,757,220	1,356	1,572,251
Benefits	718,104	715,153	700,948	14,205	627,267
Purchased services	311,212	258,472	194,045	64,427	275,616
Supplies	16,710	13,710	7,982	5,728	14,629
Other	2,950	2,950	1,650	1,300	1,935
Total school administration	<u>2,851,774</u>	<u>2,748,861</u>	<u>2,661,845</u>	<u>87,016</u>	<u>2,491,698</u>
Administrative support					
Salaries	252,875	261,276	258,812	2,464	278,993
Benefits	105,487	113,538	112,346	1,192	118,311
Purchased services	14,700	11,950	5,080	6,870	9,715
Supplies	53,100	26,660	8,203	18,457	51,235
Property	-	-	-	-	7,000
Other	14,601	500	-	500	-
Total administrative support	<u>440,763</u>	<u>413,924</u>	<u>384,441</u>	<u>29,483</u>	<u>465,254</u>
Operation and maintenance					
Salaries	1,822,323	1,825,951	1,797,168	28,783	1,717,482
Benefits	836,045	833,188	822,208	10,980	806,846
Purchased services	756,300	419,507	335,955	83,552	683,664
Supplies	974,014	948,390	867,793	80,597	900,285
Property	-	-	-	-	57,719
Other	3,501	3,501	2,509	992	2,733
Total operation and maintenance	<u>4,392,183</u>	<u>4,030,537</u>	<u>3,825,633</u>	<u>204,904</u>	<u>4,168,729</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, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)**

	BUDGET		ACTUAL	VARIANCE TO	
	ORIGINAL	FINAL		FINAL BUDGET	2016
Student transportation					
Salaries	\$ 569,740	\$ 554,190	\$ 550,669	\$ 3,521	\$ 534,212
Benefits	215,163	217,655	216,680	975	205,327
Purchased services	106,650	150,850	131,649	19,201	96,598
Supplies	221,350	273,850	232,397	41,453	204,030
Property	-	319,040	319,040	-	-
Other	3,100	3,100	2,508	592	2,825
Total student transportation	<u>1,116,003</u>	<u>1,518,685</u>	<u>1,452,943</u>	<u>65,742</u>	<u>1,042,992</u>
Total undistributed expenditures	<u>11,992,224</u>	<u>11,684,353</u>	<u>11,153,543</u>	<u>530,810</u>	<u>11,524,115</u>
Debt service					
Principal	63,000	63,000	63,000	-	61,000
Interest	13,927	13,927	13,926	1	16,227
Total debt service	<u>76,927</u>	<u>76,927</u>	<u>76,926</u>	<u>1</u>	<u>77,227</u>
Total expenditures	<u>29,554,053</u>	<u>28,546,181</u>	<u>27,455,615</u>	<u>1,090,566</u>	<u>28,059,817</u>
Excess of revenues over expenditures	(225,955)	(66,802)	1,159,882	1,226,684	2,169,528
OTHER FINANCING SOURCES (USES)					
Transfers out	<u>(2,337,234)</u>	<u>(2,488,420)</u>	<u>(2,431,563)</u>	<u>56,857</u>	<u>(2,378,688)</u>
Net change in fund balance	(2,563,189)	(2,555,222)	(1,271,681)	1,283,541	(209,160)
FUND BALANCE, July 1	<u>4,474,031</u>	<u>5,879,233</u>	<u>5,879,233</u>	<u>-</u>	<u>6,088,393</u>
FUND BALANCE, June 30	<u>\$ 1,910,842</u>	<u>\$ 3,324,011</u>	<u>\$ 4,607,552</u>	<u>\$ 1,283,541</u>	<u>\$ 5,879,233</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, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)**

	BUDGET		ACTUAL	VARIANCE TO	
	ORIGINAL	FINAL		FINAL BUDGET	2016
REVENUES					
State sources:					
State grants	\$ 6,215	\$ 4,866	\$ 4,866	\$ -	\$ 4,666
Distributive school fund	1,500,015	1,500,004	1,500,004	-	1,500,004
Total state sources	<u>1,506,230</u>	<u>1,504,870</u>	<u>1,504,870</u>	<u>-</u>	<u>1,504,670</u>
Federal sources:					
Medicaid	-	59,188	64,936	5,748	-
Impact aid	12,115	-	-	-	9,786
Total federal sources	<u>12,115</u>	<u>59,188</u>	<u>64,936</u>	<u>5,748</u>	<u>9,786</u>
Total revenues	<u>1,518,345</u>	<u>1,564,058</u>	<u>1,569,806</u>	<u>5,748</u>	<u>1,514,456</u>
EXPENDITURES					
Special programs:					
Instruction					
Salaries	1,903,930	1,992,729	1,980,117	12,612	1,879,609
Benefits	809,177	837,227	834,468	2,759	791,635
Purchased services	6,000	25,050	24,763	287	13,329
Supplies	16,718	16,506	10,151	6,355	18,796
Other	150	150	30	120	100
Total instruction	<u>2,735,975</u>	<u>2,871,662</u>	<u>2,849,529</u>	<u>22,133</u>	<u>2,703,469</u>
Instructional staff support					
Salaries	56,778	23,500	23,493	7	70,217
Benefits	25,378	11,928	9,927	2,001	28,806
Purchased services	11,900	14,100	10,034	4,066	12,328
Supplies	-	1,500	1,381	119	-
Total instructional staff support	<u>94,056</u>	<u>51,028</u>	<u>44,835</u>	<u>6,193</u>	<u>111,351</u>
Student support					
Salaries	468,457	497,506	495,618	1,888	474,250
Benefits	190,733	237,473	231,692	5,781	192,214
Purchased services	6,510	17,717	14,199	3,518	8,849
Supplies	3,850	5,750	4,894	856	3,648
Other	200	500	209	291	190
Total student support	<u>669,750</u>	<u>758,946</u>	<u>746,612</u>	<u>12,334</u>	<u>679,151</u>
Student transportation					
Salaries	50,121	47,561	46,283	1,278	43,435
Benefits	21,080	21,680	21,106	574	19,364
Purchased services	4,000	3,250	2,297	953	-
Supplies	15,000	10,000	2,916	7,084	6,010
Total student transportation	<u>90,201</u>	<u>82,491</u>	<u>72,602</u>	<u>9,889</u>	<u>68,809</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, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)**

	BUDGET		ACTUAL	VARIANCE TO	
	ORIGINAL	FINAL		FINAL BUDGET	2016
Administrative support					
Salaries	\$ -	\$ 3,000	\$ 2,636	\$ 364	\$ -
Benefits	-	905	816	89	-
Total administrative support	-	3,905	3,452	453	-
Total special programs	3,589,982	3,768,032	3,717,030	51,002	3,562,780
Undistributed expenditures:					
Student support					
Salaries	42,116	42,572	42,571	1	41,308
Benefits	18,234	18,579	18,555	24	17,500
Total student support	60,350	61,151	61,126	25	58,808
Student transportation					
Salaries	50,574	66,641	66,628	13	60,306
Benefits	37,971	39,952	39,883	69	35,627
Total student transportation	88,545	106,593	106,511	82	95,933
Total undistributed expenditures	148,895	167,744	167,637	107	154,741
Total expenditures	3,738,877	3,935,776	3,884,667	51,109	3,717,521
Excess (deficiency) of revenues over expenditures	(2,220,532)	(2,371,718)	(2,314,861)	56,857	(2,203,065)
OTHER FINANCING SOURCES					
Transfers in	2,220,532	2,371,718	2,314,861	(56,857)	2,203,065
Net change in fund balance	-	-	-	-	-
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

**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, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	<u>2016</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	
REVENUES					
Federal sources:					
Federal direct	\$ 19,000	\$ 559,549	\$ 559,549	\$ -	\$ 36,447
Federal indirect	2,186,234	2,685,996	2,343,867	(342,129)	2,015,116
E-Rate funds	-	95,036	95,036	-	-
	<u>2,205,234</u>	<u>3,340,581</u>	<u>2,998,452</u>	<u>(342,129)</u>	<u>2,051,563</u>
Total revenues					
EXPENDITURES					
Regular programs:					
Instruction					
Salaries	172,453	114,057	110,045	4,012	167,358
Benefits	63,920	27,174	26,590	584	53,691
Supplies	117,652	116,052	111,644	4,408	114,088
Property	-	7,187	7,187	-	-
Other	234	-	-	-	283
	<u>354,259</u>	<u>264,470</u>	<u>255,466</u>	<u>9,004</u>	<u>335,420</u>
Total instruction					
Student support					
Supplies	-	8,056	540	7,516	-
Instructional staff support					
Salaries	154,926	199,427	179,745	19,682	78,938
Benefits	9,855	41,646	38,034	3,612	4,391
Purchased services	180,131	479,589	333,283	146,306	194,251
Supplies	24,440	68,676	26,035	42,641	32,761
	<u>369,352</u>	<u>789,338</u>	<u>577,097</u>	<u>212,241</u>	<u>310,341</u>
Total instructional staff support					
Student transportation					
Purchased services	3,000	3,939	3,939	-	3,572
	<u>726,611</u>	<u>1,065,803</u>	<u>837,042</u>	<u>228,761</u>	<u>649,333</u>
Total regular programs					
Special programs:					
Instruction					
Salaries	472,595	519,521	515,522	3,999	465,795
Benefits	210,920	209,730	207,936	1,794	213,943
Supplies	10,300	69,240	64,124	5,116	9,672
	<u>693,815</u>	<u>798,491</u>	<u>787,582</u>	<u>10,909</u>	<u>689,410</u>
Total instruction					

(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, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2016</u>
Student support					
Salaries	\$ 103,297	\$ 136,267	\$ 127,970	\$ 8,297	\$ 63,829
Benefits	48,973	77,739	74,644	3,095	29,571
Purchased services	60,000	62,400	45,703	16,697	54,604
Supplies	7,771	14,323	12,431	1,892	5,152
Other	2,800	-	-	-	-
Total student support	<u>222,841</u>	<u>290,729</u>	<u>260,748</u>	<u>29,981</u>	<u>153,156</u>
Instructional staff support					
Salaries	14,855	7,566	7,562	4	16,376
Benefits	446	223	223	-	483
Purchased services	93,600	112,694	91,301	21,393	90,907
Supplies	14,328	18,524	11,837	6,687	28,450
Total instructional staff support	<u>123,229</u>	<u>139,007</u>	<u>110,923</u>	<u>28,084</u>	<u>136,216</u>
Administrative support					
Salaries	33,500	37,545	37,545	-	33,860
Benefits	10,370	11,617	11,617	-	10,120
Total administrative support	<u>43,870</u>	<u>49,162</u>	<u>49,162</u>	<u>-</u>	<u>43,980</u>
Total special programs	<u>1,083,755</u>	<u>1,277,389</u>	<u>1,208,415</u>	<u>68,974</u>	<u>1,022,762</u>
Vocational programs:					
Instruction					
Purchased services	4,500	4,779	4,779	-	1,943
Supplies	22,000	13,064	13,058	6	23,245
Property	-	11,489	11,489	-	-
Total vocational programs	<u>26,500</u>	<u>29,332</u>	<u>29,326</u>	<u>6</u>	<u>25,188</u>
Other instructional programs:					
Instruction					
Salaries	14,455	23,648	23,576	72	29,437
Benefits	7,947	2,789	2,714	75	5,015
Purchased services	1,000	-	-	-	479
Supplies	19,028	49,728	35,052	14,676	15,287
Total instruction	<u>42,430</u>	<u>76,165</u>	<u>61,342</u>	<u>14,823</u>	<u>50,218</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, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2016</u>
Student support					
Salaries	\$ 25,832	\$ 19,605	\$ 18,217	\$ 1,388	\$ 24,352
Benefits	7,997	6,460	4,966	1,494	7,534
Total student support	<u>33,829</u>	<u>26,065</u>	<u>23,183</u>	<u>2,882</u>	<u>31,886</u>
Instructional staff support					
Salaries	4,356	1,728	1,659	69	4,436
Benefits	413	158	152	6	406
Purchased services	40,800	12,091	11,826	265	37,090
Total instructional staff support	<u>45,569</u>	<u>13,977</u>	<u>13,637</u>	<u>340</u>	<u>41,932</u>
Student transportation					
Salaries	3,580	-	-	-	1,686
Benefits	1,108	-	-	-	505
Purchased services	3,020	5,720	5,720	-	2,144
Total student transportation	<u>7,708</u>	<u>5,720</u>	<u>5,720</u>	<u>-</u>	<u>4,335</u>
Community support					
Supplies	5,000	4,866	2,726	2,140	5,635
Total other instructional programs	<u>134,536</u>	<u>126,793</u>	<u>106,608</u>	<u>20,185</u>	<u>134,006</u>
Community services programs:					
Community service operations					
Purchased services	-	-	-	-	3,500
Supplies	-	10,414	5,845	4,569	-
Total community services programs	<u>-</u>	<u>10,414</u>	<u>5,845</u>	<u>4,569</u>	<u>3,500</u>
Undistributed expenditures:					
Student support					
Salaries	12,000	-	-	-	5,545
Benefits	5,500	-	-	-	2,984
Purchased services	-	351	350	1	-
Total student support	<u>17,500</u>	<u>351</u>	<u>350</u>	<u>1</u>	<u>8,529</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, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2016</u>
Instructional staff support					
Purchased services	\$ -	\$ 54,498	\$ 54,498	\$ -	\$ -
Supplies	-	21,840	21,840	-	-
Property	-	14,889	14,889	-	-
Total instructional staff support	<u>-</u>	<u>91,227</u>	<u>91,227</u>	<u>-</u>	<u>-</u>
General administration					
Salaries	88,788	98,111	90,565	7,546	102,240
Benefits	40,842	45,280	35,761	9,519	39,344
Purchased services	1,200	20,338	20,043	295	769
Supplies	2,405	25,335	25,049	286	9,241
Total general administration	<u>133,235</u>	<u>189,064</u>	<u>171,418</u>	<u>17,646</u>	<u>151,594</u>
School administration					
Purchased services	<u>-</u>	<u>21,812</u>	<u>21,812</u>	<u>-</u>	<u>-</u>
Administrative support					
Salaries	25,000	-	-	-	13,060
Benefits	8,535	-	-	-	4,528
Purchased services	-	15,670	15,670	-	-
Supplies	<u>-</u>	<u>46,431</u>	<u>46,431</u>	<u>-</u>	<u>-</u>
Total administrative support	<u>33,535</u>	<u>62,101</u>	<u>62,101</u>	<u>-</u>	<u>17,588</u>
Operation and maintenance					
Purchased services	25,000	382,393	380,587	1,806	17,671
Supplies	<u>-</u>	<u>1,580</u>	<u>1,580</u>	<u>-</u>	<u>-</u>
Total operation and maintenance	<u>25,000</u>	<u>383,973</u>	<u>382,167</u>	<u>1,806</u>	<u>17,671</u>
Student transportation					
Supplies	<u>-</u>	<u>3,269</u>	<u>3,269</u>	<u>-</u>	<u>-</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, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	<u>2016</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	
Food service programs					
Salaries	\$ 2,067	\$ 1,573	\$ 1,573	\$ -	\$ 1,535
Benefits	640	486	486	-	473
Supplies	21,855	22,408	22,228	180	19,384
Property	-	54,586	54,585	1	-
	<u>24,562</u>	<u>79,053</u>	<u>78,872</u>	<u>181</u>	<u>21,392</u>
Total food service	<u>24,562</u>	<u>79,053</u>	<u>78,872</u>	<u>181</u>	<u>21,392</u>
Total undistributed expenditures	<u>233,832</u>	<u>830,850</u>	<u>811,216</u>	<u>19,634</u>	<u>216,774</u>
Total expenditures	<u>2,205,234</u>	<u>3,340,581</u>	<u>2,998,452</u>	<u>342,129</u>	<u>2,051,563</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**HUMBOLDT COUNTY SCHOOL DISTRICT
STATE GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2016</u>
REVENUES					
State sources:					
Special appropriations	\$ 1,167,378	\$ 2,294,264	\$ 2,245,889	\$ (48,375)	\$ 1,418,132
EXPENDITURES					
Regular programs:					
Instruction					
Salaries	375,495	592,916	619,396	(26,480)	446,991
Benefits	174,328	198,045	197,837	208	172,802
Purchased services	-	76,850	12,582	64,268	5,250
Supplies	-	127,910	120,714	7,196	69,990
Total instruction	<u>549,823</u>	<u>995,721</u>	<u>950,529</u>	<u>45,192</u>	<u>695,033</u>
Instructional staff support					
Salaries	85,155	275,899	275,899	-	85,155
Benefits	32,922	92,946	92,946	-	32,200
Purchased services	-	126,317	125,513	804	15,069
Supplies	-	40,267	40,257	10	-
Total instructional staff support	<u>118,077</u>	<u>535,429</u>	<u>534,615</u>	<u>814</u>	<u>132,424</u>
Total regular programs	<u>667,900</u>	<u>1,531,150</u>	<u>1,485,144</u>	<u>46,006</u>	<u>827,457</u>
Special programs:					
Student support					
Salaries	-	105,176	105,176	-	25,467
Benefits	-	8,904	8,904	-	13,669
Purchased services	-	1,932	1,813	119	-
Total special programs	<u>-</u>	<u>116,012</u>	<u>115,893</u>	<u>119</u>	<u>39,136</u>
Vocational programs:					
Instruction					
Salaries	2,544	1,995	1,995	-	1,344
Benefits	265	258	220	38	123
Purchased services	3,220	3,200	3,200	-	2,170
Supplies	46,795	50,230	50,102	128	60,175
Property	-	48,180	48,180	-	-
Total instruction	<u>52,824</u>	<u>103,863</u>	<u>103,697</u>	<u>166</u>	<u>63,812</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, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2016</u>
Instructional staff support					
Purchased services	\$ -	\$ -	\$ -	\$ -	\$ 1,215
Student transportation					
Purchased services	2,214	1,370	1,370	-	6,577
Total vocational programs	55,038	105,233	105,067	166	71,604
Other instructional programs:					
Instruction					
Salaries	150,780	234,074	233,785	289	126,876
Benefits	74,762	78,108	78,029	79	52,145
Supplies	45,000	72,541	72,451	90	95,207
Total instruction	270,542	384,723	384,265	458	274,228
Instructional staff support					
Purchased services	-	23,473	23,473	-	6,352
Supplies	-	2,267	2,267	-	-
Total instructional staff support	-	25,740	25,740	-	6,352
Total other instructional programs	270,542	410,463	410,005	458	280,580
Undistributed expenditures:					
Student support					
Salaries	119,456	84,676	84,676	-	98,814
Benefits	34,639	15,481	15,481	-	24,353
Total student support	154,095	100,157	100,157	-	123,167
Instructional staff support					
Supplies	5,803	7,256	7,034	222	5,193
Administrative support					
Purchased services	14,000	14,000	14,000	-	56,060
Operation and maintenance					
Purchased services	-	-	-	-	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, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>		<u>2016</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>		
Food service programs						
Salaries	\$ -	\$ 4,997	\$ 3,968	\$ 1,029	\$ 4,407	
Benefits	-	1,549	1,223	326	1,372	
Supplies	-	3,447	3,398	49	-	
Property	-	-	-	-	5,156	
Total food service programs	-	9,993	8,589	1,404	10,935	
Total undistributed expenditures	173,898	131,406	129,780	1,626	199,355	
Total expenditures	1,167,378	2,294,264	2,245,889	48,375	1,418,132	
Excess of revenues over expenditures	-	-	-	-	-	
FUND BALANCE, July 1	-	-	-	-	-	
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	

**HUMBOLDT COUNTY SCHOOL DISTRICT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2017**

(With Comparative Totals for the Year Ended June 30, 2016)

	<u>SPECIAL REVENUE FUNDS</u>	<u>CAPITAL PROJECTS FUNDS</u>	<u>TOTALS</u>	
			<u>2017</u>	<u>2016</u>
ASSETS				
Cash and investments	\$ 225,904	\$ 592,811	\$ 818,715	\$ 1,020,636
Receivables:				
Interest	-	2,596	2,596	-
Other	-	-	-	6,951
Intergovernmental receivable	16,482	30,115	46,597	388,478
Inventories	<u>734</u>	<u>-</u>	<u>734</u>	<u>13,158</u>
 Total assets	 <u>\$ 243,120</u>	 <u>\$ 625,522</u>	 <u>\$ 868,642</u>	 <u>\$ 1,429,223</u>
LIABILITIES				
Accounts payable	\$ 12,088	\$ 23,472	\$ 35,560	\$ 37,025
Accrued liabilities	202,189	-	202,189	322,360
Due to other funds	-	-	-	154,342
Unearned revenues	<u>27,375</u>	<u>-</u>	<u>27,375</u>	<u>130,871</u>
 Total liabilities	 <u>241,652</u>	 <u>23,472</u>	 <u>265,124</u>	 <u>644,598</u>
FUND BALANCES				
Nonspendable:				
Inventory	734	-	734	13,158
Restricted for:				
Construction of capital assets	-	141,103	141,103	238,916
Assigned to:				
Food service	734	-	734	-
Other capital projects	<u>-</u>	<u>460,947</u>	<u>460,947</u>	<u>532,551</u>
 Total fund balances	 <u>1,468</u>	 <u>602,050</u>	 <u>603,518</u>	 <u>784,625</u>
 Total liabilities and fund balances	 <u>\$ 243,120</u>	 <u>\$ 625,522</u>	 <u>\$ 868,642</u>	 <u>\$ 1,429,223</u>

**HUMBOLDT COUNTY SCHOOL DISTRICT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Totals for the Year Ended June 30, 2016)**

	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUNDS	TOTALS	
			2017	2016
REVENUES				
Local sources	\$ 330,890	\$ 309,711	\$ 640,601	\$ 629,329
State sources	1,140,353	-	1,140,353	2,313,199
Federal sources	674,698	-	674,698	670,073
Total revenues	<u>2,145,941</u>	<u>309,711</u>	<u>2,455,652</u>	<u>3,612,601</u>
EXPENDITURES				
Current:				
Regular programs	1,011,442	-	1,011,442	1,706,055
Special programs	6,070	-	6,070	41,948
Vocational programs	3,842	-	3,842	71,604
Other instructional programs	-	-	-	283,826
Adult education programs	173,031	-	173,031	58,006
Undistributed expenditures:				
Student support	-	-	-	123,167
Instructional staff support	-	-	-	5,193
General administration	8,302	-	8,302	7,024
Administrative support	-	-	-	56,060
Operation and maintenance	-	255,187	255,187	290,150
Student transportation	-	65,162	65,162	62,932
Food service programs	1,025,301	-	1,025,301	1,042,210
Facilities acquisition and construction service	6,345	165,505	171,850	34,530
Debt service:				
Principal	31,821	-	31,821	29,484
Interest	8,179	-	8,179	10,516
Total expenditures	<u>2,274,333</u>	<u>485,854</u>	<u>2,760,187</u>	<u>3,822,705</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(128,392)</u>	<u>(176,143)</u>	<u>(304,535)</u>	<u>(210,104)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	-	6,726	6,726	6,359
Transfers in	116,702	-	116,702	125,623
Total other financing sources (uses)	<u>116,702</u>	<u>6,726</u>	<u>123,428</u>	<u>131,982</u>
Net change in fund balances	(11,690)	(169,417)	(181,107)	(78,122)
FUND BALANCES, July 1	<u>13,158</u>	<u>771,467</u>	<u>784,625</u>	<u>862,747</u>
FUND BALANCES, June 30	<u>\$ 1,468</u>	<u>\$ 602,050</u>	<u>\$ 603,518</u>	<u>\$ 784,625</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.

HUMBOLDT COUNTY SCHOOL DISTRICT
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2017
(With Comparative Totals for the Year Ended June 30, 2016)

	ADULT EDUCATION	CLASS SIZE REDUCTION	FOOD AND NUTRITION
ASSETS			
Cash and investments	\$ 9,558	\$ 158,800	\$ 49,245
Other receivables	-	-	-
Intergovernmental receivable	-	-	16,482
Inventories	-	-	734
Total assets	\$ 9,558	\$ 158,800	\$ 66,461
LIABILITIES			
Accounts payable	\$ 1,308	\$ -	\$ 10,780
Accrued liabilities	8,250	158,800	35,139
Due to other funds	-	-	-
Unearned revenues	-	-	19,074
Total liabilities	9,558	158,800	64,993
FUND BALANCES			
Nonspendable			
Inventory	-	-	734
Assigned to:			
Food service	-	-	734
Total fund balances	-	-	1,468
Total liabilities and fund balances	\$ 9,558	\$ 158,800	\$ 66,461

GIFTS AND DONATIONS	TOTALS	
	2017	2016
\$ 8,301	\$ 225,904	\$ 266,854
-	-	6,951
-	16,482	359,675
-	734	13,158
<u>8,301</u>	<u>243,120</u>	<u>646,638</u>
\$ -	\$ 12,088	\$ 25,907
-	202,189	322,360
-	-	154,342
<u>8,301</u>	<u>27,375</u>	<u>130,871</u>
<u>8,301</u>	<u>241,652</u>	<u>633,480</u>
-	734	13,158
<u>-</u>	<u>734</u>	<u>-</u>
<u>-</u>	<u>1,468</u>	<u>13,158</u>
<u>\$ 8,301</u>	<u>\$ 243,120</u>	<u>\$ 646,638</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, 2017
(With Comparative Totals for the Year Ended June 30, 2016)**

	<u>ADULT EDUCATION</u>	<u>CLASS SIZE REDUCTION</u>	<u>FOOD AND NUTRITION</u>
REVENUES			
Local sources	\$ -	\$ -	\$ 259,379
State sources	173,031	964,490	2,832
Federal sources	-	-	674,698
	<hr/>	<hr/>	<hr/>
Total revenues	173,031	964,490	936,909
EXPENDITURES			
Regular programs	-	964,490	-
Special programs	-	-	-
Vocational programs	-	-	-
Other instructional programs	-	-	-
Adult education programs	173,031	-	-
Undistributed expenditures:			
Student support	-	-	-
Instructional staff support	-	-	-
General administration	-	-	-
Administrative support	-	-	-
Operation and maintenance	-	-	-
Food service programs	-	-	1,025,301
Facilities acquisition and construction service	-	-	-
Debt service			
Principal	-	-	31,821
Interest	-	-	8,179
	<hr/>	<hr/>	<hr/>
Total expenditures	173,031	964,490	1,065,301
Excess (deficiency) of revenues over (under) expenditures	<hr/>	<hr/>	<hr/>
	-	-	(128,392)
OTHER FINANCING SOURCES (USES):			
Transfers in	<hr/>	<hr/>	<hr/>
	-	-	116,702
Net change in fund balances	<hr/>	<hr/>	<hr/>
	-	-	(11,690)
FUND BALANCES, July 1	<hr/>	<hr/>	<hr/>
	-	-	13,158
FUND BALANCES, June 30	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ -	\$ -	\$ 1,468

	GIFTS AND DONATIONS	TOTALS	
		2017	2016
\$	71,511	\$ 330,890	\$ 337,389
	-	1,140,353	2,313,199
	-	674,698	670,073
	<u>71,511</u>	<u>2,145,941</u>	<u>3,320,661</u>
	46,952	1,011,442	1,706,055
	6,070	6,070	41,948
	3,842	3,842	71,604
	-	-	283,826
	-	173,031	58,006
	-	-	123,167
	-	-	5,193
	8,302	8,302	6,951
	-	-	56,060
	-	-	4,000
	-	1,025,301	1,042,210
	6,345	6,345	13,655
	-	31,821	29,484
	-	8,179	10,516
	<u>71,511</u>	<u>2,274,333</u>	<u>3,452,675</u>
	-	(128,392)	(132,014)
	-	116,702	125,623
	-	(11,690)	(6,391)
	-	13,158	19,549
\$	<u>-</u>	<u>1,468</u>	<u>13,158</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, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2016</u>
REVENUES					
State sources:					
High school diploma program	\$ 121,440	\$ 173,853	\$ 173,031	\$ (822)	\$ 58,006
EXPENDITURES					
Adult education programs:					
Instruction					
Salaries	34,000	95,524	95,322	202	17,900
Benefits	1,035	24,120	24,105	15	652
Purchased services	5,000	7,000	6,448	552	907
Supplies	26,500	4,506	4,506	-	2,679
Other	500	-	-	-	-
Total instruction	<u>67,035</u>	<u>131,150</u>	<u>130,381</u>	<u>769</u>	<u>22,138</u>
Instructional staff support					
Purchased services	1,000	440	440	-	-
Supplies	3,279	-	-	-	-
Total instructional staff support	<u>4,279</u>	<u>440</u>	<u>440</u>	<u>-</u>	<u>-</u>
Administrative support					
Salaries	27,599	26,007	25,965	42	20,354
Benefits	13,811	14,619	14,610	9	11,483
Purchased services	2,500	703	701	2	1,935
Supplies	6,216	934	934	-	2,096
Total administrative support	<u>50,126</u>	<u>42,263</u>	<u>42,210</u>	<u>53</u>	<u>35,868</u>
Total expenditures	<u>121,440</u>	<u>173,853</u>	<u>173,031</u>	<u>822</u>	<u>58,006</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**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, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>2016</u>
	<u>ORIGINAL</u>	<u>FINAL</u>			
REVENUES					
State sources:					
Distributive school fund	\$ 861,400	\$ 964,490	\$ 964,490	\$ -	\$ 834,292
EXPENDITURES					
Regular programs:					
Instruction					
Salaries	593,199	663,757	663,757	-	570,089
Benefits	268,201	300,733	300,733	-	264,203
Total expenditures	861,400	964,490	964,490	-	834,292
Excess of revenues over expenditures	-	-	-	-	-
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**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, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2016</u>
REVENUES					
Local sources:					
Daily sales	\$ 272,300	\$ 259,803	\$ 259,379	\$ (424)	\$ 266,419
State sources:					
State lunch program	2,880	2,832	2,832	-	2,769
Federal sources:					
National school lunch program	515,000	521,157	521,157	-	521,074
School breakfast program	112,000	116,091	116,091	-	111,130
Special milk program	700	-	-	-	1,260
Commodity food program	49,560	37,450	37,450	-	36,609
Total federal sources	<u>677,260</u>	<u>674,698</u>	<u>674,698</u>	<u>-</u>	<u>670,073</u>
Total revenues	<u>952,440</u>	<u>937,333</u>	<u>936,909</u>	<u>(424)</u>	<u>939,261</u>
EXPENDITURES					
Undistributed expenditures:					
Food service programs:					
Salaries	177,512	154,778	154,589	189	225,988
Benefits	74,530	66,140	65,297	843	97,819
Purchased services	720,520	719,895	706,739	13,156	667,716
Supplies	56,580	67,130	79,447	(12,317)	38,702
Property	-	17,600	17,579	21	-
Other	-	1,650	1,650	-	1,050
Total food service programs	<u>1,029,142</u>	<u>1,027,193</u>	<u>1,025,301</u>	<u>1,892</u>	<u>1,031,275</u>
Debt service					
Principal	31,821	31,821	31,821	-	29,484
Interest	8,179	8,179	8,179	-	10,516
Total debt service	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>40,000</u>
Total expenditures	<u>1,069,142</u>	<u>1,067,193</u>	<u>1,065,301</u>	<u>1,892</u>	<u>1,071,275</u>
Excess (deficiency) of revenues over expenditures	<u>(116,702)</u>	<u>(129,860)</u>	<u>(128,392)</u>	<u>1,468</u>	<u>(132,014)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	116,702	116,702	116,702	-	125,623
Net change in fund balance	-	(13,158)	(11,690)	1,468	(6,391)
FUND BALANCE, July 1	<u>-</u>	<u>13,158</u>	<u>13,158</u>	<u>-</u>	<u>19,549</u>
FUND BALANCE, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,468</u>	<u>\$ 1,468</u>	<u>\$ 13,158</u>

**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, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	<u>2016</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	
REVENUES					
Local sources:					
Private donations	\$ 51,282	\$ 80,306	\$ 71,511	\$ (8,795)	\$ 70,970
EXPENDITURES					
Regular programs:					
Instruction					
Supplies	50,000	54,359	46,952	7,407	44,306
Special programs:					
Instruction					
Supplies	-	6,070	6,070	-	2,812
Vocational programs:					
Instruction					
Supplies	-	3,850	3,842	8	-
Other instructional programs:					
Instruction					
Supplies	-	-	-	-	3,246
Undistributed Expenditures:					
General administration					
Purchased services	1,282	1,282	-	1,282	-
Supplies	-	8,400	8,302	98	6,951
Total general administration	1,282	9,682	8,302	1,380	6,951
Facilities acquisition and construction					
Site improvement					
Purchased services	-	6,345	6,345	-	13,655
Total undistributed expenditures	1,282	16,027	14,647	1,380	20,606
Total expenditures	51,282	80,306	71,511	8,795	70,970
Excess of revenues over expenditures	-	-	-	-	-
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>2016</u>
	<u>ORIGINAL</u>	<u>FINAL</u>			
REVENUES					
Local sources:					
Ad valorem taxes	\$ 1,607,330	\$ 1,607,330	\$ 1,503,462	\$ (103,868)	\$ 1,844,825
Earnings on investments	744	744	1,578	834	1,245
Total revenues	<u>1,608,074</u>	<u>1,608,074</u>	<u>1,505,040</u>	<u>(103,034)</u>	<u>1,846,070</u>
EXPENDITURES					
Debt service:					
Principal	130,000	130,000	130,000	-	125,000
Interest	92,831	92,831	92,831	-	96,581
Other	750	750	750	-	750
Total expenditures	<u>223,581</u>	<u>223,581</u>	<u>223,581</u>	<u>-</u>	<u>222,331</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,384,493</u>	<u>1,384,493</u>	<u>1,281,459</u>	<u>(103,034)</u>	<u>1,623,739</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	<u>(1,615,000)</u>	<u>(1,615,000)</u>	<u>(1,600,000)</u>	<u>15,000</u>	<u>(2,100,000)</u>
Net change in fund balance	<u>(230,507)</u>	<u>(230,507)</u>	<u>(318,541)</u>	<u>(88,034)</u>	<u>(476,261)</u>
FUND BALANCE, July 1	<u>678,602</u>	<u>674,257</u>	<u>674,257</u>	<u>-</u>	<u>1,150,518</u>
FUND BALANCE, June 30	<u>\$ 448,095</u>	<u>\$ 443,750</u>	<u>\$ 355,716</u>	<u>\$ (88,034)</u>	<u>\$ 674,257</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, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)**

	BUDGET		ACTUAL	VARIANCE TO	
	ORIGINAL	FINAL		FINAL BUDGET	2016
REVENUES					
Local sources:					
Earnings on investments	\$ 183	\$ 646	\$ 1,350	\$ 704	\$ 474
EXPENDITURES					
Undistributed expenditures:					
Administrative support					
Purchased services	125,000	125,000	58,600	66,400	63,813
Operation and maintenance					
Purchased services	250,000	290,000	101,378	188,622	67,379
Supplies	230,000	230,000	87,750	142,250	96,949
Property	50,000	150,161	10,600	139,561	46,314
Total operation and maintenance	530,000	670,161	199,728	470,433	210,642
Facilities acquisition and construction service					
Architecture and engineering					
Purchased services	100,000	50,000	2,086	47,914	9,511
Site improvement					
Property	75,000	75,000	57	74,943	-
Building improvement					
Property	785,183	1,685,183	1,454,325	230,858	985,815
Total facilities acquisition and construction service	960,183	1,810,183	1,456,468	353,715	995,326
Total expenditures	1,615,183	2,605,344	1,714,796	890,548	1,269,781
Excess (deficiency) of revenues over expenditures	(1,615,000)	(2,604,698)	(1,713,446)	891,252	(1,269,307)
OTHER FINANCING SOURCES (USES)					
Transfers in	1,615,000	1,615,000	1,600,000	(15,000)	2,100,000
Net change in fund balance	-	(989,698)	(113,446)	876,252	830,693
FUND BALANCE, July 1	10,000	999,698	999,698	-	169,005
FUND BALANCE, June 30	\$ 10,000	\$ 10,000	\$ 886,252	\$ 876,252	\$ 999,698

**HUMBOLDT COUNTY SCHOOL DISTRICT
NONMAJOR CAPITAL PROJECTS FUND
COMBINING BALANCE SHEET
JUNE 30, 2017
(With Comparative Totals for June 30, 2016)**

	BUILDING RESERVE (DMV)	BUILDING AND SITES FUND	TOTALS	
			2017	2016
ASSETS				
Cash and investments	\$ 128,124	\$ 464,687	\$ 592,811	\$ 753,782
Interest receivable	-	2,596	2,596	-
Intergovernmental receivable	30,115	-	30,115	28,803
Total assets	\$ 158,239	\$ 467,283	\$ 625,522	\$ 782,585
LIABILITIES				
Accounts payable	\$ 17,136	\$ 6,336	\$ 23,472	\$ 11,118
Total liabilities	17,136	6,336	23,472	11,118
FUND BALANCES				
Restricted for:				
Construction of capital assets	141,103	-	141,103	238,916
Assigned to:				
Other capital projects	-	460,947	460,947	532,551
Total fund balances	141,103	460,947	602,050	771,467
Total liabilities and fund balances	\$ 158,239	\$ 467,283	\$ 625,522	\$ 782,585

**HUMBOLDT COUNTY SCHOOL DISTRICT
NONMAJOR CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Totals for the Year Ended June 30, 2016)**

	BUILDING RESERVE (DMV)	BUILDING AND SITES FUND	TOTALS	
			2017	2016
REVENUES				
Local sources	\$ 285,033	\$ 24,678	\$ 309,711	\$ 291,940
EXPENDITURES				
Undistributed expenditures:				
General administration	-	-	-	73
Operation and maintenance	255,187	-	255,187	286,150
Student transportation	65,162	-	65,162	62,932
Facilities acquisition and construction service	62,497	103,008	165,505	20,875
Total expenditures	382,846	103,008	485,854	370,030
Excess (deficiency) of revenues over (under) expenditures	(97,813)	(78,330)	(176,143)	(78,090)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	-	6,726	6,726	6,359
Net change in fund balances	(97,813)	(71,604)	(169,417)	(71,731)
FUND BALANCES, July 1	238,916	532,551	771,467	843,198
FUND BALANCES, June 30	\$ 141,103	\$ 460,947	\$ 602,050	\$ 771,467

**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, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	<u>2016</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	
REVENUES					
Local sources:					
Governmental service tax	\$ 300,176	\$ 300,176	\$ 285,033	\$ (15,143)	\$ 284,080
Private donations	-	-	-	-	3,500
Total revenues	<u>300,176</u>	<u>300,176</u>	<u>285,033</u>	<u>(15,143)</u>	<u>287,580</u>
EXPENDITURES					
Undistributed expenditures:					
Operation and maintenance					
Purchased services	215,000	210,000	190,532	19,468	173,753
Supplies	60,000	40,141	29,727	10,414	48,862
Property	<u>66,000</u>	<u>66,000</u>	<u>34,928</u>	<u>31,072</u>	<u>63,535</u>
Total operation and maintenance	<u>341,000</u>	<u>316,141</u>	<u>255,187</u>	<u>60,954</u>	<u>286,150</u>
Student transportation					
Supplies	-	-	65,162	(65,162)	-
Property	<u>65,000</u>	<u>65,200</u>	<u>-</u>	<u>65,200</u>	<u>62,932</u>
Total student transportation	<u>65,000</u>	<u>65,200</u>	<u>65,162</u>	<u>38</u>	<u>62,932</u>
Facilities acquisition and construction service					
Site improvement					
Property	-	40,000	38,363	1,637	-
Building improvement					
Property	-	30,000	24,134	5,866	-
Total facilities acquisition and construction service	<u>-</u>	<u>70,000</u>	<u>62,497</u>	<u>7,503</u>	<u>-</u>
Total expenditures	<u>406,000</u>	<u>451,341</u>	<u>382,846</u>	<u>68,495</u>	<u>349,082</u>
Net change in fund balance	(105,824)	(151,165)	(97,813)	53,352	(61,502)
FUND BALANCE, July 1	<u>193,575</u>	<u>238,916</u>	<u>238,916</u>	<u>-</u>	<u>300,418</u>
FUND BALANCE, June 30	<u>\$ 87,751</u>	<u>\$ 87,751</u>	<u>\$ 141,103</u>	<u>\$ 53,352</u>	<u>\$ 238,916</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, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2016</u>
REVENUES					
Local sources:					
Earnings on investments	\$ 3,700	\$ 24,850	\$ 24,678	\$ (172)	\$ 4,360
EXPENDITURES					
Undistributed expenditures:					
General administration					
Other	75	75	-	75	73
Operation and maintenance					
Purchased services	10,000	27,211	-	27,211	-
Supplies	12,000	29,876	-	29,876	-
Total operation and maintenance	22,000	57,087	-	57,087	-
Facilities acquisition and construction service					
Building improvement					
Supplies	-	200,000	80,293	119,707	-
Property	-	227,250	22,715	204,535	20,875
Total facilities acquisition and construction service	-	427,250	103,008	324,242	20,875
Total expenditures	22,075	484,412	103,008	381,404	20,948
Excess (Deficiency) of Revenues Over Expenditures	(18,375)	(459,562)	(78,330)	381,232	(16,588)
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of assets	-	6,726	6,726	-	6,359
Net change in fund balance	(18,375)	(452,836)	(71,604)	381,232	(10,229)
FUND BALANCE, July 1	98,090	532,551	532,551	-	542,780
FUND BALANCE, June 30	\$ 79,715	\$ 79,715	\$ 460,947	\$ 381,232	\$ 532,551

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, 2017
(With Comparative Totals for June 30, 2016)**

	NEVADA UNEMPLOYMENT COMPENSATION FUND		SELF-INSURED WORKERS' COMPENSATION FUND		TOTAL	
					<u>2017</u>	<u>2016</u>
ASSETS						
Current assets:						
Cash and investments	\$	53,749	\$	825,144	\$	878,893
Accounts receivable		-		42,760		42,760
		<u>53,749</u>		<u>867,904</u>		<u>921,653</u>
Total assets		<u>53,749</u>		<u>867,904</u>		<u>921,653</u>
LIABILITIES						
Current liabilities						
Accounts payable		-		3,485		3,485
Claims payable		1,960		210,605		212,565
		<u>1,960</u>		<u>214,090</u>		<u>216,050</u>
Total liabilities:		<u>1,960</u>		<u>214,090</u>		<u>216,050</u>
NET POSITION						
Restricted		-		653,814		653,814
Unrestricted		51,789		-		51,789
		<u>51,789</u>		<u>-</u>		<u>51,789</u>
Total net position	\$	<u>51,789</u>	\$	<u>653,814</u>	\$	<u>705,603</u>
		<u>51,789</u>		<u>653,814</u>		<u>705,603</u>
		<u>51,789</u>		<u>653,814</u>	\$	<u>559,948</u>

**HUMBOLDT COUNTY SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Totals for the Year Ended June 30, 2016)**

	NEVADA UNEMPLOYMENT COMPENSATION FUND	SELF-INSURED WORKERS' COMPENSATION FUND	TOTAL	
			2017	2016
OPERATING REVENUES				
Interfund charges	\$ -	\$ 343,727	\$ 343,727	\$ 326,634
OPERATING EXPENSES				
Claims	3,622	114,395	118,017	107,325
Insurance premiums	-	44,706	44,706	39,426
Administrative expenses	-	35,349	35,349	42,533
Total operating expenses	3,622	194,450	198,072	189,284
Operating income (loss)	(3,622)	149,277	145,655	137,350
TRANSFERS IN (OUT)				
Transfers in	-	-	-	50,000
Change in net position	(3,622)	149,277	145,655	187,350
NET POSITION - July 1	55,411	504,537	559,948	372,598
NET POSITION - June 30	\$ 51,789	\$ 653,814	\$ 705,603	\$ 559,948

**HUMBOLDT COUNTY SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Totals for the Year Ended June 30, 2016)**

	<u>NEVADA UNEMPLOYMENT COMPENSATION FUND</u>	<u>SELF-INSURED WORKERS' COMPENSATION FUND</u>	<u>TOTAL</u>	
			<u>2017</u>	<u>2016</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
Cash flows from operating activities:				
Cash received for interfund services provided	\$ -	\$ 342,384	\$ 342,384	\$ 325,313
Cash payments for claims and services	(5,266)	(122,899)	(128,165)	(184,472)
Net cash provided (used) by operating activities	<u>(5,266)</u>	<u>219,485</u>	<u>214,219</u>	<u>140,841</u>
Cash flows from noncapital financing activities:				
Transfers in	-	-	-	50,000
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
Net increase (decrease) in cash and cash equivalents	(5,266)	219,485	214,219	190,841
Cash and cash equivalents, July 1	<u>59,015</u>	<u>605,659</u>	<u>664,674</u>	<u>473,833</u>
Cash and cash equivalents, June 30	<u>\$ 53,749</u>	<u>\$ 825,144</u>	<u>\$ 878,893</u>	<u>\$ 664,674</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (3,622)	\$ 149,277	\$ 145,655	\$ 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	-	(1,343)	(1,343)	(1,321)
Increase (decrease) in claims payable	(1,644)	71,551	69,907	4,812
Total adjustments	<u>(1,644)</u>	<u>70,208</u>	<u>68,564</u>	<u>3,491</u>
Net cash provided (used) by operating activities	<u>\$ (5,266)</u>	<u>\$ 219,485</u>	<u>\$ 214,219</u>	<u>\$ 140,841</u>

**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, 2017**

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

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>2016</u>
	<u>ORIGINAL</u>	<u>FINAL</u>			
OPERATING REVENUES					
Interfund charges	\$ -	\$ -	\$ -	\$ -	\$ -
OPERATING EXPENSES					
Unemployment claims	15,000	25,000	3,622	21,378	17,696
Operating income (loss)	(15,000)	(25,000)	(3,622)	21,378	(17,696)
TRANSFERS IN (OUT)					
Transfers in	-	-	-	-	50,000
Change in net position	(15,000)	(25,000)	(3,622)	21,378	32,304
NET POSITION - July 1	<u>58,107</u>	<u>55,411</u>	<u>55,411</u>	<u>-</u>	<u>23,107</u>
NET POSITION - June 30	<u>\$ 43,107</u>	<u>\$ 30,411</u>	<u>\$ 51,789</u>	<u>\$ 21,378</u>	<u>\$ 55,411</u>

**HUMBOLDT COUNTY SCHOOL DISTRICT
NEVADA UNEMPLOYMENT COMPENSATION FUND
SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Totals for the Year Ended June 30, 2016)**

	<u>2017</u>	<u>2016</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
Cash flows from operating activities:		
Cash payments for claims and services:	\$ <u>(5,266)</u>	\$ <u>(14,423)</u>
Net cash provided (used) by operating activities	<u>(5,266)</u>	<u>(14,423)</u>
Cash flows from noncapital financing activities:		
Transfers in	<u>-</u>	<u>50,000</u>
Net cash provided (used) by noncapital financing activities:	<u>-</u>	<u>50,000</u>
Net increase (decrease) in cash and cash equivalents	(5,266)	35,577
Cash and cash equivalents, July 1	<u>59,015</u>	<u>23,438</u>
Cash and cash equivalents, June 30	<u>\$ 53,749</u>	<u>\$ 59,015</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ <u>(3,622)</u>	\$ <u>(17,696)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Changes in assets and liabilities		
Increase (decrease) in claims payable	<u>(1,644)</u>	<u>3,273</u>
Total Adjustments	<u>(1,644)</u>	<u>3,273</u>
Net cash provided (used) by operating activities	<u>\$ (5,266)</u>	<u>\$ (14,423)</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, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	<u>2016</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	
OPERATING REVENUES					
Interfund charges	\$ 325,000	\$ 325,000	\$ 343,727	\$ 18,727	\$ 326,634
OPERATING EXPENSES					
Workers compensation claims	175,000	235,000	114,395	120,605	89,629
Insurance premiums	40,000	45,000	44,706	294	39,426
Administrative expenses	33,000	45,000	35,349	9,651	42,533
Total operating expenses	<u>248,000</u>	<u>325,000</u>	<u>194,450</u>	<u>130,550</u>	<u>171,588</u>
Operating income (loss)	<u>77,000</u>	<u>-</u>	<u>149,277</u>	<u>149,277</u>	<u>155,046</u>
NET POSITION - July 1	<u>140,679</u>	<u>504,537</u>	<u>504,537</u>	<u>-</u>	<u>349,491</u>
NET POSITION - June 30	<u>\$ 217,679</u>	<u>\$ 504,537</u>	<u>\$ 653,814</u>	<u>\$ 149,277</u>	<u>\$ 504,537</u>

**HUMBOLDT COUNTY SCHOOL DISTRICT
 SELF-INSURED WORKERS' COMPENSATION FUND
 SCHEDULE OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2017
 (With Comparative Totals for the Year ended June 30, 2016)**

	<u>2017</u>	<u>2016</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
Cash flows from operating activities:		
Cash received for interfund services provided	\$ 342,384	\$ 325,313
Cash payments for claims and services	<u>(122,899)</u>	<u>(170,049)</u>
Net cash provided (used) by operating activities	<u>219,485</u>	<u>155,264</u>
Cash and cash equivalents, July 1	<u>605,659</u>	<u>450,395</u>
Cash and cash equivalents, June 30	<u>\$ 825,144</u>	<u>\$ 605,659</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ <u>149,277</u>	\$ <u>155,046</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	(1,343)	(1,321)
Increase (decrease) in claims payable	<u>71,551</u>	<u>1,539</u>
Total Adjustments	<u>70,208</u>	<u>218</u>
Net cash provided (used) by operating activities	<u>\$ 219,485</u>	<u>\$ 155,264</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, 2017
 (With Comparative Totals for June 30, 2016)**

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and investments	\$ 95,510	\$ 99,620
Interest receivable	<u>83</u>	<u>-</u>
Total assets	<u>95,593</u>	<u>99,620</u>
NET POSITION		
Reserved for scholarships	<u>\$ 95,593</u>	<u>\$ 99,620</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, 2017
 (With Comparative Actual Amounts for the Year Ended June 30, 2016)**

	BUDGET		ACTUAL	VARIANCE TO	
	ORIGINAL	FINAL		FINAL BUDGET	2016
ADDITIONS					
Interest	\$ 260	\$ 710	\$ 723	\$ 13	\$ 170
Donations	-	250	250	-	-
Total Additions	<u>260</u>	<u>960</u>	<u>973</u>	<u>13</u>	<u>170</u>
DEDUCTIONS					
Scholarships	<u>6,000</u>	<u>7,000</u>	<u>5,000</u>	<u>2,000</u>	<u>7,000</u>
Change in net position	(5,740)	(6,040)	(4,027)	2,013	(6,830)
NET POSITION - July 1	<u>100,710</u>	<u>99,620</u>	<u>99,620</u>	<u>-</u>	<u>106,450</u>
NET POSITION - June 30	<u>\$ 94,970</u>	<u>\$ 93,580</u>	<u>\$ 95,593</u>	<u>\$ 2,013</u>	<u>\$ 99,620</u>

**HUMBOLDT COUNTY SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2017
(Page 1 of 2)**

	<u>BALANCE</u> <u>JUNE 30, 2016</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2017</u>
<u>ALBERT LOWRY HIGH SCHOOL SCHOLARSHIP FUND</u>				
ASSETS				
Cash	\$ <u>7,027</u>	\$ <u>2</u>	\$ <u>750</u>	\$ <u>6,279</u>
LIABILITIES				
Due to graduates	\$ <u>7,027</u>	\$ <u>2</u>	\$ <u>750</u>	\$ <u>6,279</u>
<u>ALBERT LOWRY HIGH SCHOOL STUDENT ACTIVITIES FUND</u>				
ASSETS				
Cash	\$ <u>293,912</u>	\$ <u>697,160</u>	\$ <u>616,914</u>	\$ <u>374,158</u>
LIABILITIES				
Due to student group:	\$ <u>293,912</u>	\$ <u>697,160</u>	\$ <u>616,914</u>	\$ <u>374,158</u>
<u>WINNEMUCCA JUNIOR HIGH STUDENT ACTIVITIES FUND</u>				
ASSETS				
Cash	\$ <u>73,781</u>	\$ <u>76,044</u>	\$ <u>74,809</u>	\$ <u>75,016</u>
LIABILITIES				
Due to student group:	\$ <u>73,781</u>	\$ <u>76,044</u>	\$ <u>74,809</u>	\$ <u>75,016</u>
<u>WINNEMUCCA GRAMMAR SCHOOL STUDENT ACTIVITIES FUND</u>				
ASSETS				
Cash	\$ <u>10,635</u>	\$ <u>3,462</u>	\$ <u>3,466</u>	\$ <u>10,631</u>
LIABILITIES				
Due to student group:	\$ <u>10,635</u>	\$ <u>3,462</u>	\$ <u>3,466</u>	\$ <u>10,631</u>
<u>SONOMA HEIGHTS SCHOOL STUDENT ACTIVITIES FUND</u>				
ASSETS				
Cash	\$ <u>33,308</u>	\$ <u>18,488</u>	\$ <u>25,687</u>	\$ <u>26,109</u>
LIABILITIES				
Due to student group:	\$ <u>33,308</u>	\$ <u>18,488</u>	\$ <u>25,687</u>	\$ <u>26,109</u>

**HUMBOLDT COUNTY SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2017
(Page 2 of 2)**

	<u>BALANCE</u> <u>JUNE 30, 2016</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2017</u>
GRASS VALLEY SCHOOL				
STUDENT ACTIVITIES FUNE				
<hr/>				
ASSETS				
Cash	\$ 18,647	\$ 20,068	\$ 28,016	\$ 10,699
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
LIABILITIES				
Due to student group:	\$ 18,647	\$ 20,068	\$ 28,016	\$ 10,699
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
 MCDERMITT COMBINED SCHOOLS				
STUDENT ACTIVITIES FUNE				
<hr/>				
ASSETS				
Cash	\$ 17,247	\$ 41,009	\$ 39,179	\$ 19,077
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
LIABILITIES				
Due to student group:	\$ 17,247	\$ 41,009	\$ 39,179	\$ 19,077
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
 FRENCH FORD MIDDLE SCHOOL				
STUDENT ACTIVITIES FUNE				
<hr/>				
ASSETS				
Cash	\$ 47,892	\$ 37,615	\$ 56,520	\$ 28,987
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
LIABILITIES				
Due to student group:	\$ 47,892	\$ 37,615	\$ 56,520	\$ 28,987
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
 DENIO ELEMENTARY SCHOOL				
STUDENT ACTIVITIES FUNE				
<hr/>				
ASSETS				
Cash	\$ 5,710	\$ 4,042	\$ 4,029	\$ 5,723
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
LIABILITIES				
Due to student group:	\$ 5,710	\$ 4,042	\$ 4,029	\$ 5,723
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
 TOTAL - AGENCY FUNDS				
<hr/>				
ASSETS				
Cash	\$ 508,159	\$ 897,890	\$ 849,370	\$ 556,679
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
LIABILITIES				
Due to students and student groups	\$ 508,159	\$ 897,890	\$ 849,370	\$ 556,679
	<u> </u>	<u> </u>	<u> </u>	<u> </u>



**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, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 31, 2017.

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 Rose & Associates, LLC

Winnemucca, Nevada
October 31, 2017



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, 2017. 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, 2017.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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 31, 2017

HUMBOLDT COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017
(Page 1 of 2)

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH IDENTIFYING NUMBER	TOTAL FEDERAL EXPENDITURES
<u>U.S. Department of Education:</u>			
DIRECT - Impact Aid	84.041	S041B-2017-3000	\$ 540,139
DIRECT - Indian Education - Grants to Local Educational Agencies	84.060	S060A150118	19,410
<i><u>Passed through the State of Nevada Department of Education</u></i>			
Special Education Cluster (IDEA)			
Special Education - Grants to States, Local Plan	84.027	17-639-07000	627,653
Special Education DIG	84.027	17-641-07000	68,350
Physical and Occupational Therapy	84.027	17-667-07000	44,062
IDEA Implementation	84.027	17-667-07000	<u>194,489</u>
			<u>934,554</u>
Special Education - Preschool Grants, Early Childhood Aide Time	84.173	17-675-07000	84,000
Early Childhood Speech Therapy	84.173	17-675-07000	59,727
Early Childhood Program	84.173	17-665-07000	<u>11,410</u>
			<u>155,137</u>
Total Special Education Cluster (IDEA)			
			<u>1,089,691</u>
Title I Grants to Local Education Agencies Title I - Part A, Helping Disadvantaged Students Meet High Standards	84.010	17-633-07000	327,920
Title I - Section 1003(a) Focus School Improvement Grant	84.010	17-624-07001	<u>136,369</u>
			<u>464,289</u>
Safe and Drug-Free Schools and Communities - National Programs School Climate Transformation Grant	84.184F	17-682-07000	24,348
School Emergency Management	84.184Q	17-683-07000	<u>1,067</u>
			<u>25,415</u>
Education for Homeless Children and Youth	84.196A	17-688-07000	1,758
Career and Technical Education - Carl D Perkins, Basic	84.048	17-631-07000	29,325
Gaining Early Awareness and Readiness for Undergraduate Programs - GEAR UP - Nevada	84.334S	17-610-07000	54,595

**HUMBOLDT COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017
(Page 2 of 2)**

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	17-658-07000	\$ 31,775
Title II, Part A Improving Teacher Quality State Grants	84.367	17-709-07000	87,997
Title I, Part A - Migrant Education State Grant Program	84.011A	17-629-07000	47,333
Title I, Part A - Migrant Education Coordination Program	84.144A	17-628-07000	<u>7,754</u>
Total U.S. Department of Education			<u>2,399,481</u>
<u>U.S. Department of Agriculture:</u>			
Child Nutrition Cluster			
<i>Passed through the State of Nevada Department of Agriculture</i>			
School Breakfast Program	10.553	n/a	116,091
National School Lunch Program	10.555	n/a	521,157
<i>Passed through the State of Nevada Department of General Services</i>			
National School Lunch Program - Commodities (Noncash)	10.555	n/a	<u>37,450</u>
Total Child Nutrition Cluster			674,698
<i>Passed through the State of Nevada Department of Agriculture</i>			
Fresh Fruit and Vegetable Program	10.582	17-808	24,286
NSLP Equipment Assistance Grant	10.579	FND 17-12-05	<u>54,585</u>
Total U.S. Department of Agriculture			<u>753,569</u>
<u>U.S. Department of Health and Human Services:</u>			
<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	98,684
Project Aware	93.243	17-698-07000	<u>326,380</u>
Total U.S. Department of Health and Human Services			<u>425,064</u>
	TOTAL		<u>\$ 3,578,114</u>

See accompanying notes to schedule of expenditures of federal awards.

**HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017**

(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, 2017. 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:

Major Special Revenue Funds	\$ 2,903,416
Nonmajor Special Revenue Funds	<u>674,698</u>
Total	<u>\$ 3,578,114</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, 2017 was \$464,289.



DRAKE ROSE & ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

Auditor's Comments

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

In connection with our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Humboldt County School District (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, nothing came to our attention that caused us to believe that the District failed to comply with the specific requirements of the Nevada Revised Statutes cited below.

CURRENT YEAR STATUTE COMPLIANCE

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

PROGRESS ON PRIOR YEAR STATUTE COMPLIANCE

The Humboldt County School District conformed to all significant statutory constraints on its financial administration for the year ended June 30, 2016.

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.

Winnemucca, Nevada
October 31, 2017

**HUMBOLDT COUNTY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017**

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, 2017.
- 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, 2017 included:

<u>CFDA</u>	<u>Program</u>
10.553, 10.555	Child Nutrition Cluster
84.041	Impact Aid

- The dollar threshold used for distinguishing between Type A and Type B programs for the year ended June 30, 2017, was \$750,000.
- Humboldt County School District qualified as a low risk auditee for the year ended June 30, 2017 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, 2017**

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, 2017**

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

None