

**HUMBOLDT COUNTY
SCHOOL DISTRICT
JUNE 30, 2018**

HUMBOLDT COUNTY SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2018

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Humboldt County School District, Humboldt County, Nevada (the "District"), as of and for the year ended June 30, 2018, 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, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Special Education Fund, Federal Grants Fund, and the State Grants Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principles

As described in Note 12 to the financial statements, in fiscal year 2018, the District adopted new accounting Guidance, GASBS No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and GASBS No. 82, *Pension Issues – an Amendment of GASB Statements No. 67, No. 68, and No. 73*. Our opinion is not modified with respect to these matters.

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 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, including budgetary comparisons, and the auditor's comments for the year ended June 30, 2018, 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, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Blake Ross & Associates, LLC

Winnemucca, Nevada
October 31, 2018

**Humboldt County School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018**

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, 2018, Government-wide Net Position was at (\$18.4) million, up \$7.5 million from the beginning balance of (\$25.9) million after taking into account a (\$7.0) million restatement of beginning net position resulting from a change in liability estimate in the Workers' Compensation Fund and the implementation of GASBS No. 75 and 82 related to OPEB and Pensions liabilities. The details of the net position restatement can be found in Note 12 to the financial statements.
- The District's total revenues were \$47.8 million. The greatest revenue sources included property tax (Ad Valorem) at \$12.4 million, local school support taxes (sales tax) at \$10.17 million, non-restricted state aid at \$12.8 million, and operating grants and contributions at \$9.3 million. The Governmental Services taxes were \$1.69 million.
- The District's total expenses decreased from \$42.8 million to \$40.3 million. The greatest expenses were in regular instruction at \$17.8 million, special education instruction at \$4.7 million, and operation and maintenance at \$4.8 million.
- Net capital assets increased from \$29 million to \$29.18 million. The major additions to the District's capital assets were HVAC projects, Audio Visual Control Systems, and Playground and artificial turf installations. 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 \$1.97 million is included in the government-wide statements.
- The District's General Fund ending balance is \$7,147,615 which represents a \$2.54 million increase from the previous year's ending fund balance of \$4,607,552. This increase in ending fund balance is a result of an increase in overall revenue of \$6.6 million and an increase in expenses of \$3 million over the prior year.

Government-wide Financial Statements

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

The statement of Net Position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement despite the fact that some items will only result in cash flows in future fiscal periods.

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

Fund Financial Statements

The Fund Financial Statements presentation is more common. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District's funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

The focus of the governmental fund statements is on major funds. The District has 13 individual governmental funds of which the General Fund, Special Education Fund, Federal Grants Fund, State Grants Fund, Debt Service Fund, and District Bond Initiative Fund are considered major. These funds are disclosed separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances. The remaining 7 non-major governmental funds are combined into a single aggregated presentation in these statements. Individual fund data for each of these non-major funds is reported in combining statements in this report.

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

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

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

Notes to the Financial Statements

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

Other

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

The following table illustrates the changes in net position in the fiscal year ending in June 2018. In order to enhance analysis, comparative information is provided for assets, deferred outflows, liabilities, deferred inflows, net position, revenues, and expenses.

HUMBOLDT COUNTY SCHOOL DISTRICT'S NET POSITION

	2018	2017
Assets		
Current and other assets	\$15,516,676	\$11,974,099
Net capital assets	29,176,805	28,978,198
Total assets	44,693,481	40,952,297
Deferred Outflows of Resources		
Related to pension liabilities	9,943,906	11,536,886
Other postemployment benefits related amounts	430,374	-
Total deferred outflows of resources	10,374,280	11,536,886
Liabilities		
Current liabilities	5,676,337	5,156,789
Long-term liabilities	55,436,470	54,574,291
Total liabilities	61,112,807	59,731,080
Deferred Inflows of Resources		
Related to pension liabilities	11,950,389	11,666,688
Other postemployment benefits related amounts	414,899	-
Total deferred inflows of resources	12,365,288	11,666,688
Net Position		
Invested in capital assets, net of related debt	26,919,742	26,486,793
Restricted	6,198,837	2,045,609
Unrestricted	(51,528,913)	(47,440,987)
Total Net Position	(\$18,410,334)	(\$18,908,585)

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 \$18.4 million on June 30, 2018. This deficit is due in large part to the adoption of GASB 75 to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions and also GASB 82 requirement to record PERS liabilities. An overstatement of claims payable in the Self-Insured Worker's Compensation Fund as of June 30, 2017 was discovered during the current year and beginning net position has been restated to correct the error. 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 increased the District's net position by \$7.5 million. The details of the changes are noted in the following table:

HUMBOLDT COUNTY SCHOOL DISTRICT CHANGE IN NET POSITION

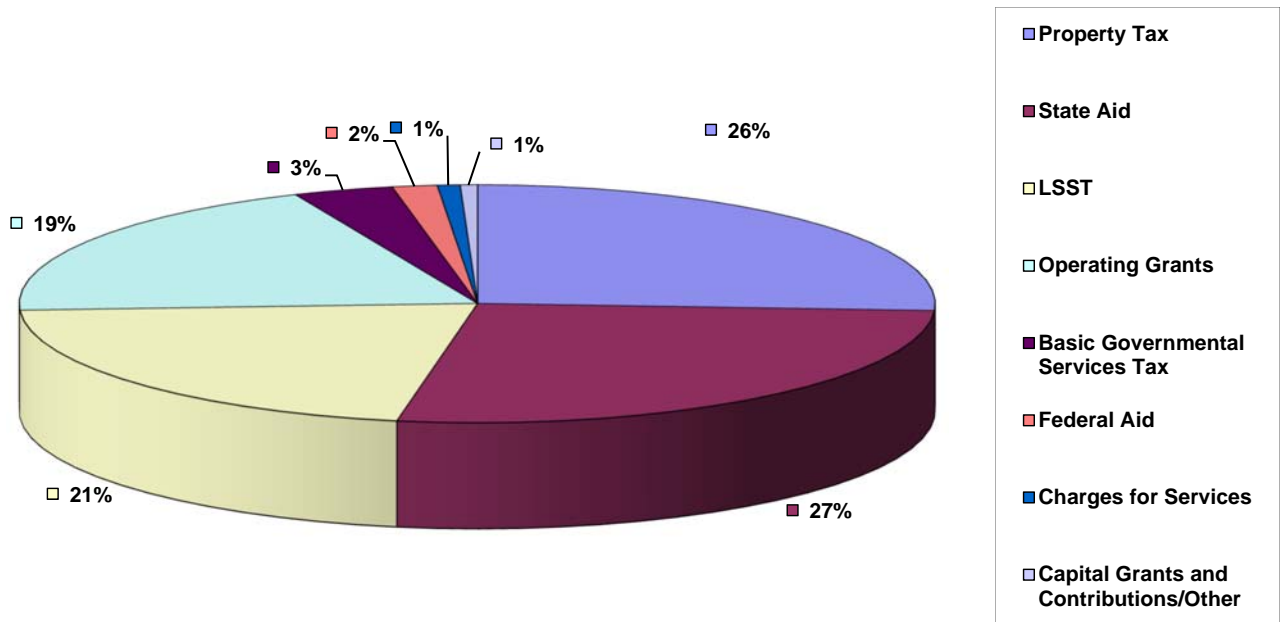
	<u>2018</u>	<u>2017</u>
Revenues		
Program revenues:		
Charges for services	\$ 382,744	\$ 369,805
Operating grants and contributions	9,259,031	8,154,225
Capital Grants and Contributions	-	6,345
General revenues:		
Property taxes	12,401,152	9,866,172
Local school support taxes	10,167,895	9,693,844
Government service taxes	1,689,235	1,620,487
Unrestricted investment earnings	59,479	27,606
State aid not restricted to specific purposes	12,838,071	9,021,560
Federal aid not restricted to specific purposes	755,865	540,139
Other	234,813	188,091
Total revenues	<u>\$ 47,788,285</u>	<u>\$ 39,488,274</u>
Expenses		
Instruction:		
Regular instruction	17,771,463	17,753,176
Special instruction	4,735,048	5,304,429
Vocational instruction	1,035,076	1,189,128
Other instruction	1,235,159	1,525,238
Co-curricular/athletics	640,740	715,674
Adult education	115,444	195,240
Community service	1,225	5,845
Support services:		
Student support	1,091,756	1,315,152
Instructional staff support	738,172	816,049
General administration	1,234,716	1,370,227
School administration	2,492,068	2,836,653
Administration support	630,520	563,922
Operation and maintenance	4,812,326	4,915,076
Student transportation	1,192,771	1,450,973
Facilities acquisition and construction	1,287,358	1,628,318
Other support	16,203	-
Food services	1,140,839	1,068,307
Interest on long-term debt	102,300	111,415
Total expenses	<u>\$ 40,273,184</u>	<u>\$ 42,764,822</u>
Increase/(Decrease) in Net Position	\$ 7,515,101	\$ (3,276,548)
Net Position July 1, restated	<u>\$ (25,925,435)</u>	<u>\$ (15,632,037)</u>
Net Position June 30	<u>\$ (18,410,334)</u>	<u>\$ (18,908,585)</u>

Total Revenues: Total revenue increased 21% when compared to the previous year’s revenue. General revenues mainly comprised of taxes, federal aid, local sources and investment earnings, represented 79.8% of total revenue. Program revenues are revenues directly related to service activities of a function and include charges for services, grants and contributions, and related investment earnings, when restricted for use in programs.

General Revenues: General revenues increased by 23% from the prior fiscal year due mostly to increased property taxes, LSST and State Aid.

Program Revenues: Program revenues related to specific functions provided approximately 24% 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 74% of total revenues.
- Combined Ad Valorem taxes increased by 25.7% from the prior year. Property tax Ad Valorem increased by 4.6% while net mine proceeds increased from \$1.3 million to \$3.4 million.
- Local School Support Taxes (LSST) increased by 4.9% in response to increased taxable sales.
- State revenue, as provided through the Nevada Plan (State aid guaranteed funding), increased to \$12.8 million from \$9 million last year funding as a result of increased per pupil funding levels and the formula used to calculate DSA.

FINANCIAL ANALYSIS OF THE DISTRICT’S MAJOR FUNDS

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

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

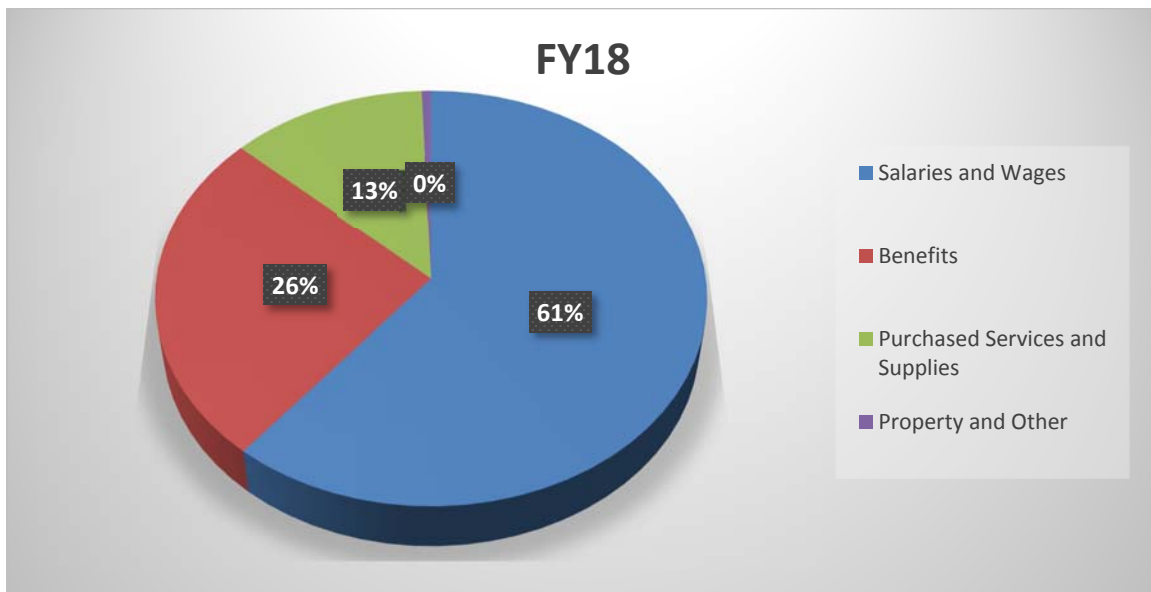
As of the current fiscal year, the District’s governmental funds provide combined ending fund balances of \$9.26 million, up from \$6.45 million last year.

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>2018</u>	<u>2017</u>
Salaries	\$ 20,869,886	\$ 19,405,208
Benefits	8,874,701	8,252,163
Purchased Services	1,689,810	1,348,958
Supplies	2,622,899	1,900,668
Property	118,300	324,382
Other	107,223	108,903
Totals	<u>\$ 34,282,819</u>	<u>\$ 31,340,282</u>

GENERAL AND SPECIAL EDUCATION FUNDS EXPENDITURES BY TYPE



- Salaries and wages comprise 60.9% 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 25.9% of total expenditures. Benefits include contributions on the behalf of employees for retirement (Public Employees Retirement), health insurance, Medicare, life insurance and workers' compensation.
- Purchased services, supplies, other, and property comprise 13.2% of total expenditures.

The General Fund is the primary operating fund of the District. At the conclusion of the 2018 fiscal year, the unrestricted fund balance of the General Fund was \$3.68 million compared to \$4.56 million in the prior year and total fund balance was \$7.1 million compared to \$4.6 million in the prior year. As a measure of the General Fund's liquidity, it may be useful to compare both unrestricted fund balance and total fund balance to total fund expenditures. Unrestricted fund balance represents 12.1% of total fund expenditures while total fund balance represents 23.5% of that same amount.

The fund balance within the General Fund increased by \$2.5 million as a result of revenues exceeding expenditures and transfers out.

The Special Education Fund accounts for resources (state-aid, Medicaid and transfers from the General Fund) used to provide special education to eligible students. Resources and transfers totaled \$3.88 million; expenditures totaled \$3.88 million. Transfers from the general fund in the amount of \$2.17 million accounted for 56% of the resources in the fund. State aid totaled just over \$1.6 million.

The Federal Grants Fund is utilized to support a variety of student and support programs and projects such as professional development, curriculum development, and enhanced instruction in literacy, math, science, ELL, and special programs. The Federal Grants Fund had total revenue of just over \$3.6 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 \$2.4 million.

The Debt Service Fund has a total fund balance of \$.94 million, all of which is restricted for the payment of debt service and use in capital projects. There was an increase in the fund balance of \$0.59 million due to less transfers for bond projects. A total of \$1.09 million was transferred to the District Bond Capital Projects fund for approved capital improvements and updates. The debt service fund's balance equals approximately three years' debt service requirement. The minimum fund balance required by state regulation is one year's requirement.

District Bond Initiative Fund is utilized in support of capital improvements and repairs. Funding is generated through the HC 1 bond proceeds. Funds are supported through voter approved property tax rate of 13.5 cents per \$100 of assessed valuation. This initiative has been approved by the voters through 2018 and extended to 2028 as a result of SB207 of the 2015 legislature session. Total expenditures were identified as \$1,425,420, with a fund balance of \$557,767 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 fifth year of operating the fund, revenues exceeded expenses, resulting in an ending net position of \$1,020,820.

The District's unemployment insurance fund finished the year with a net position of \$44,076.

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 12, 2017 to reflect actual enrollment and other adjustments in anticipated resources. The District again amended/augmented the budget on June 26, 2018. The significant changes from the original to the final budget are summarized below.

Historically, school districts in Nevada are funded in large part based on student enrollment at the end of the first school month. This funding mechanism was identified as a “count day.” However, during the 2015 legislative session, funding was shifted from this count day to an Average Daily Enrollment (ADE) analysis. The 2015-2016 school year represents the first year in which a shift in this funding mechanism was implemented. In reviewing the impact for Humboldt County School District during 2017-2018, the district saw an overall decrease in unweighted enrollment of 58 students from the projected enrollment figure used for budgetary purposes.

Upon completion of the Final Financial Audit, as well as with an understanding of enrollment figures under the ADE calculation, the district takes the opportunity to adjust the final budget as part of the December August. At this time, budgeted resources showed an increase by a net total of \$3.8 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 received \$3.4 million in net mine proceeds, which accounted for nearly half of the overall \$7.1 million ending fund balance.

State DSA reflected a budgeted increase of \$1,757,279. Overall, actual revenue exceeded final budgeted resources in the general fund for all sources by \$111,758 or .03%. The general fund actual expenditures were 4.4% below appropriations compared to 3.82% 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>2018</u>	<u>2017</u>
Land	\$ 1,215,700	\$ 1,215,700
Construction in progress	188,788	18,282
Buildings and improvements	22,524,491	22,987,558
Site improvements	1,090,968	978,137
Machinery and equipment	<u>4,156,858</u>	<u>3,778,521</u>
Total	<u>\$ 29,176,805</u>	<u>\$ 28,978,198</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>2018</u>	<u>2017</u>
General Obligation Bonds	\$ 2,005,000	\$ 2,140,000
Medium Term Bonds	\$ 215,000	\$ 280,000
Notes Payable	<u>\$ 37,063</u>	<u>\$ 71,405</u>
Total	<u>\$ 2,257,063</u>	<u>\$ 2,491,405</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:

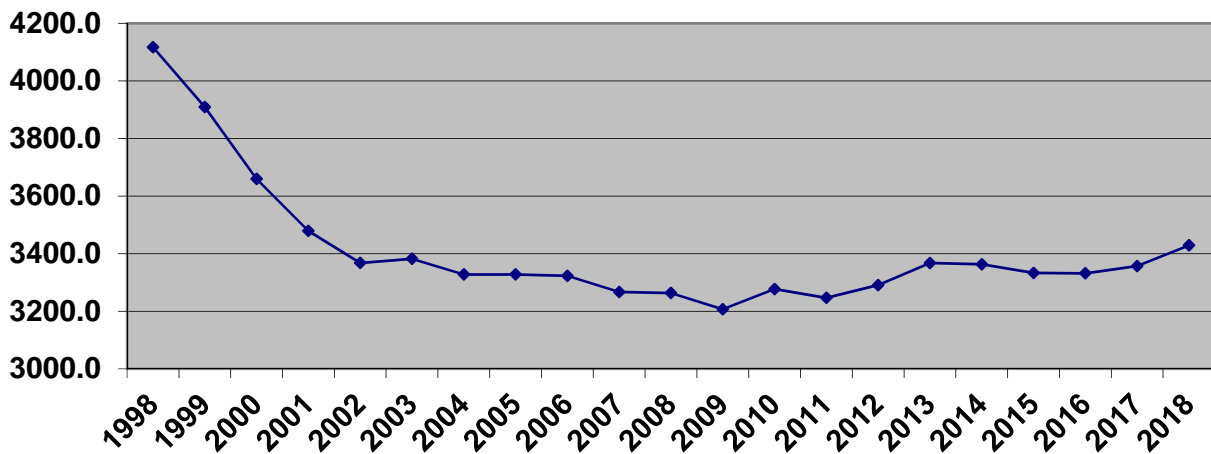
After several years of economic downturn, Nevada's economy has begun to rebound. Despite this rebound, ongoing reduced gold prices have created uncertainty in Northern Nevada, including Humboldt County. However, prior year gold prices reflected levels approaching \$1,300 per ounce creating the need for "true up" calculations leading to the noted increased in NP revenues. Despite the increased gold prices, relative instability in the global market has limited expansion of mining efforts leading to relatively flat employment levels. This has created a scenario in which enrollment figures have remained flat, with a slight decrease in overall student numbers. 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.

With the fluctuation of revenue streams, the current "Nevada Plan" is not designed to provide immediate adjustments. Rather, the district will see impacts as part of the upcoming fiscal year as budgets are developed and have the potential to decrease the state share of the formula.

A key indicator of the viability of a community is home sales. Home prices have seen a noted increase with additional home construction being noted. Despite these noted increases in home development, realtors note that many sales are to individuals leaving a nearby state and of an age that school age students are not a factor.

Despite a general flat economic market in Humboldt County, HCSD is seeing a slight decreased trend in enrollment figures. The district closed out the 2017-2018 school year slightly lower than at the start, as previously noted, and the 2018-2019 school year has noted a continued slight deduction in enrollment figures. At the height of growth within the school district, a count day weighted enrollment of 4,117 was identified in 1998. By comparison, the average weighted enrollment during fiscal year 2018 was 3,429.05. Over a 20-year period, this reflects a decrease in weighted student enrollment of 687.95 students.

WEIGHTED COUNT DAY COMPARISON BY YEAR



The guaranteed basic support per pupil revenue amount as provided through the State’s Distributive School Account (DSA) was \$7,430 resulting in an increase of \$711 per pupil from the previous year final DSA allocation of \$6,719. The District was funded at an average weighted count of 3,429.05, an increase of 72.01 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, 2018**

		<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS		
Current assets:		
Cash and investments	\$	11,386,434
Receivables:		
Ad valorem taxes		67,692
Interest		6,899
Other		81,295
Intergovernmental receivable		3,709,594
Inventories		64,262
Total current assets		<u>15,316,176</u>
Noncurrent assets:		
Restricted cash		200,500
Capital assets not being depreciated:		
Land		1,215,700
Construction in progress		188,788
Other capital assets, net of depreciation		27,772,317
Total noncurrent assets		<u>29,377,305</u>
Total assets		<u>44,693,481</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension-related amounts		9,943,906
Other postemployment benefits-related amounts		430,374
Total deferred outflows of resources		<u>10,374,280</u>
LIABILITIES		
Current liabilities:		
Accounts payable		407,097
Claims liabilities		67,134
Accrued liabilities		4,221,618
Interest payable		24,863
Intergovernmental payable		390,806
Unearned revenues		32,576
Current portion of long-term obligations		532,243
Total current liabilities		<u>5,676,337</u>
Noncurrent liabilities:		
General obligation bonds payable		2,245,184
Long-term notes payable		37,063
Accrued compensated absences		1,163,796
Net pension liability		42,835,308
Other postemployment benefits (OPEB) liability		9,687,362
Less: current portion of long-term obligations		(532,243)
Total noncurrent liabilities		<u>55,436,470</u>
Total liabilities		<u>61,112,807</u>
		(CONTINUED)

See accompanying notes.

**HUMBOLDT COUNTY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2018**

		<u>GOVERNMENTAL ACTIVITIES</u>
DEFERRED INFLOWS OF RESOURCES		
Pension-related amounts	\$	11,950,389
Other postemployment benefits-related amounts		414,899
Total deferred inflows of resources		<u>12,365,288</u>
NET POSITION		
Net investment in capital assets		26,919,742
Restricted for:		
Capital projects		965,860
Debt service		702,690
Self-insured programs		1,064,896
Other purposes		3,465,391
Unrestricted (deficit)		<u>(51,528,913)</u>
Total net position (deficit)	\$	<u><u>(18,410,334)</u></u>

**HUMBOLDT COUNTY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

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	\$ 17,771,463	\$ 74,528	\$ 4,225,070	\$ -	\$ (13,471,865)
Special instruction	4,735,048	-	3,087,367	-	(1,647,681)
Vocational instruction	1,035,076	-	152,803	-	(882,273)
Other instruction	1,235,159	-	444,855	-	(790,304)
Co-Curricular	640,740	18,650	-	-	(622,090)
Adult education	115,444	-	118,110	-	2,666
Community service	1,225	-	715	-	(510)
Total instruction	<u>25,534,155</u>	<u>93,178</u>	<u>8,028,920</u>	<u>-</u>	<u>(17,412,057)</u>
Support services:					
Student support	1,091,756	-	104,491	-	(987,265)
Instructional staff support	738,172	-	63,732	-	(674,440)
General administration	1,234,716	-	156,699	-	(1,078,017)
School administration	2,492,068	-	14,491	-	(2,477,577)
Admin support	630,520	-	21,571	-	(608,949)
Operation and maintenance	4,812,326	-	47,984	-	(4,764,342)
Student transportation	1,192,771	-	-	-	(1,192,771)
Facilities acquisition and construction	1,287,358	-	-	-	(1,287,358)
Other support	16,203	-	16,203	-	-
Food service operations	1,140,839	289,566	804,940	-	(46,333)
Interest on long-term debt	102,300	-	-	-	(102,300)
Total support	<u>14,739,029</u>	<u>289,566</u>	<u>1,230,111</u>	<u>-</u>	<u>(13,219,352)</u>
Total governmental activities	<u>\$ 40,273,184</u>	<u>\$ 382,744</u>	<u>\$ 9,259,031</u>	<u>\$ -</u>	<u>(30,631,409)</u>

General revenues:

Property taxes, levied for general purposes	\$ 10,510,064
Property taxes, levied for debt service	1,891,088
Local school support taxes	10,167,895
Government service taxes for general purposes	1,393,115
Government service taxes for capital purposes	296,120
Interest earnings	59,479
State aid not restricted to specific purposes	12,838,071
Other local sources - general	128,994
Other local sources - other	105,819
Federal aid not restricted to specific purposes	755,865

Total general revenues 38,146,510

Change in Net Position 7,515,101

NET POSITION (DEFICIT) - JULY 1, restated (25,925,435)

NET POSITION (DEFICIT) - JUNE 30 \$ (18,410,334)

**HUMBOLDT COUNTY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2018**

	GENERAL FUND	SPECIAL EDUCATION FUND	FEDERAL GRANTS FUND
ASSETS			
Cash and investments	\$ 7,589,355	\$ 561,906	\$ 4,631
Receivables:			
Ad valorem taxes	57,366	-	-
Interest	-	-	-
Other	6,756	-	1,206
Due from other funds	1,021,632	-	12
Intergovernmental receivable	2,088,231	25,976	726,117
Inventories	61,796	-	-
Cash and investments - restricted	-	-	-
	\$ 10,825,136	\$ 587,882	\$ 731,966
LIABILITIES			
Accounts payable	\$ 154,337	\$ 2,085	\$ 31,440
Accrued liabilities	3,112,641	559,355	229,579
Due to other funds	14,996	26,442	470,000
Intergovernmental payable	338,181	-	-
Unearned revenues	-	-	-
	3,620,155	587,882	731,019
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	57,366	-	-
FUND BALANCES			
Nonspendable:			
Inventories	61,796	-	-
Restricted for:			
NRS 387.1235 - net proceeds of mines	3,401,129	-	-
NRS 350.020 - debt service	-	-	-
2009 bond capital projects	-	-	-
NRS 387.328 - capital projects	-	-	-
Assigned to:			
Food service	-	-	-
Budget encumbrance	192,000	-	-
Special projects	-	-	947
Other capital projects	-	-	-
Unassigned	3,492,690	-	-
	7,147,615	-	947
Total liabilities, deferred inflows, and fund balances	\$ 10,825,136	\$ 587,882	\$ 731,966

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>
\$ 25,985	\$ 742,411	\$ 576,758	\$ 808,552	\$ 10,309,598
-	10,326	-	-	67,692
-	-	937	5,962	6,899
-	-	-	18,139	26,101
14,984	-	-	-	1,036,628
775,480	-	-	93,790	3,709,594
-	-	-	2,466	64,262
-	200,500	-	-	200,500
<u>\$ 816,449</u>	<u>\$ 953,237</u>	<u>\$ 577,695</u>	<u>\$ 928,909</u>	<u>\$ 15,421,274</u>
\$ 156,229	\$ -	\$ 19,928	\$ 43,078	\$ 407,097
148,640	-	-	171,403	4,221,618
450,000	-	-	75,190	1,036,628
52,431	-	-	194	390,806
9,149	-	-	23,427	32,576
<u>816,449</u>	<u>-</u>	<u>19,928</u>	<u>313,292</u>	<u>6,088,725</u>
<u>-</u>	<u>10,326</u>	<u>-</u>	<u>-</u>	<u>67,692</u>
-	-	-	2,466	64,262
-	-	-	-	3,401,129
-	200,500	-	-	200,500
-	742,411	557,767	-	1,300,178
-	-	-	207,593	207,593
-	-	-	37,533	37,533
-	-	-	-	192,000
-	-	-	30,976	31,923
-	-	-	337,049	337,049
-	-	-	-	3,492,690
<u>-</u>	<u>942,911</u>	<u>557,767</u>	<u>615,617</u>	<u>9,264,857</u>
<u>\$ 816,449</u>	<u>\$ 953,237</u>	<u>\$ 577,695</u>	<u>\$ 928,909</u>	<u>\$ 15,421,274</u>

**HUMBOLDT COUNTY SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2018**

Total Fund Balances for Governmental Funds	\$	9,264,857
<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	\$ 66,771,003	
Less accumulated depreciation	<u>(37,594,198)</u>	29,176,805
<p>Some liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.</p>		
Other postemployment benefits asset (liability)		(9,687,362)
Net pension asset (liability)		(42,835,308)
<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	(2,220,000)	
Long-term notes payable	(37,063)	
Bond Premium	(25,184)	
Compensated absences	<u>(1,163,796)</u>	(3,446,043)
Interest payable		(24,863)
<p>Deferred revenue represents amounts that were not available to fund current expenditures and therefore are not reported in the governmental funds.</p>		
		67,692
<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		9,943,906
Deferred inflows of resources related to pensions		(11,950,389)
Deferred outflows of resources related to other postemployment benefits		430,374
Deferred inflows of resources related to other postemployment benefits		(414,899)
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. Net assets of the internal service funds are reported with governmental activities.</p>		
		<u>1,064,896</u>
Total Net Position of Governmental Activities	\$	<u><u>(18,410,334)</u></u>

See accompanying notes.

**HUMBOLDT COUNTY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018**

	GENERAL FUND	SPECIAL EDUCATION FUND	FEDERAL GRANTS FUND
REVENUES			
Local sources	\$ 22,316,823	\$ -	-
State sources	12,838,071	1,601,231	-
Federal sources	81,942	100,223	3,625,461
Total revenues	35,236,836	1,701,454	3,625,461
EXPENDITURES			
Current:			
Regular programs	16,014,490	-	1,310,614
Special programs	-	3,875,012	1,363,362
Vocational programs	935,510	-	14,070
Other instructional programs	921,623	-	111,791
Co-curricular/athletic programs	650,993	-	-
Adult education programs	-	-	-
Community services programs	-	-	715
Undistributed expenditures:			
Student support	1,139,386	-	8,378
Instructional staff support	750,537	-	78,066
General administration	1,193,223	-	160,458
School administration	2,799,878	-	14,491
Administrative support	453,583	-	89,416
Operation and maintenance	4,229,220	-	449,345
Student transportation	1,242,981	-	387
Food service programs	-	-	23,421
Facilities acquisition and construction service	-	-	-
Other support services	-	-	-
Debt service:			
Principal	65,000	-	-
Interest	11,383	-	-
Other costs	-	-	-
Total expenditures	30,407,807	3,875,012	3,624,514
Excess (deficiency) of revenues over (under) expenditures	4,829,029	(2,173,558)	947
OTHER FINANCING SOURCES (USES)			
Transfers in	-	2,173,558	-
Transfers out	(2,288,966)	-	-
Total other financing sources (uses)	(2,288,966)	2,173,558	-
Net change in fund balances	2,540,063	-	947
FUND BALANCES, July 1	4,607,552	-	-
FUND BALANCES, June 30	\$ 7,147,615	\$ -	\$ 947

See accompanying notes.

STATE GRANTS FUND	DEBT SERVICE FUND	DISTRICT BOND INITIATIVE FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ -	\$ 1,897,626	\$ 11,185	\$ 909,536	\$ 25,135,170
2,431,864	-	-	1,217,322	18,088,488
-	-	-	778,832	4,586,458
<u>2,431,864</u>	<u>1,897,626</u>	<u>11,185</u>	<u>2,905,690</u>	<u>47,810,116</u>
1,748,976	-	-	1,274,638	20,348,718
128,800	-	-	926	5,368,100
123,733	-	-	15,000	1,088,313
319,662	-	-	13,266	1,366,342
-	-	-	-	650,993
-	-	-	118,110	118,110
-	-	-	510	1,225
104,491	-	-	-	1,252,255
4,644	-	-	-	833,247
-	-	-	11,387	1,365,068
-	-	-	-	2,814,369
-	-	113,633	-	656,632
1,558	-	200,484	234,942	5,115,549
-	-	-	-	1,243,368
-	-	-	1,107,962	1,131,383
-	-	1,111,303	176,055	1,287,358
-	-	-	16,203	16,203
-	135,000	-	34,342	234,342
-	88,931	-	5,658	105,972
-	750	-	-	750
<u>2,431,864</u>	<u>224,681</u>	<u>1,425,420</u>	<u>3,008,999</u>	<u>44,998,297</u>
-	1,672,945	(1,414,235)	(103,309)	2,811,819
-	-	1,085,750	115,408	3,374,716
-	(1,085,750)	-	-	(3,374,716)
-	(1,085,750)	1,085,750	115,408	-
-	587,195	(328,485)	12,099	2,811,819
-	355,716	886,252	603,518	6,453,038
\$ -	\$ 942,911	\$ 557,767	\$ 615,617	\$ 9,264,857

**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, 2018**

Net Change in Fund Balances - Governmental Funds	\$	2,811,819
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.</p>		
Expenditures for capital assets	\$ 2,185,406	
Less current year depreciation	<u>(1,967,036)</u>	218,370
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental fund statements.</p>		
Donated capital assets		5,990
<p>Repayment of debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.</p>		
		234,342
<p>Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due and thus requires current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.</p>		
		2,079
<p>Because some property taxes will not be collected in time to pay for obligations of the current period, they are not considered available revenues in the governmental funds and are instead reported as deferred revenues. These revenues are accounted for as revenue in the statement of activities.</p>		
		(27,821)
<p>Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.</p>		
District pension contributions	3,075,804	
Cost of pension benefits earned	1,312,319	
District OPEB contributions	430,374	
Cost of OPEB benefits earned	<u>(380,366)</u>	4,438,131
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
Obsolete assets	(25,753)	
Amortization of current year bond premium	2,343	
Change in long-term compensated absences	<u>(318,692)</u>	(342,102)
<p>Internal service funds are used by management to charge the costs of certain insurance activities to individual funds. The net revenue of the internal service funds is reported with governmental activities.</p>		
		<u>174,293</u>
Change in Net Position of Governmental Activities	\$	<u><u>7,515,101</u></u>

**HUMBOLDT COUNTY SCHOOL DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Local sources	\$ 18,507,954	\$ 21,900,156	\$ 22,316,823	\$ 416,667
State sources	10,932,597	13,143,467	12,838,071	(305,396)
Federal sources	-	81,455	81,942	487
	<u>29,440,551</u>	<u>35,125,078</u>	<u>35,236,836</u>	<u>111,758</u>
EXPENDITURES				
Regular programs	14,734,789	16,373,676	16,014,490	359,186
Vocational programs	910,254	948,545	935,510	13,035
Other instructional programs	992,293	1,038,994	921,623	117,371
Co-curricular/athletic programs	694,477	722,903	650,993	71,910
Undistributed expenditures:				
Student support	1,136,040	1,163,678	1,139,386	24,292
Instructional staff support	654,032	830,947	750,537	80,410
General administration	1,288,792	1,309,155	1,193,223	115,932
School administration	2,722,697	2,856,683	2,799,878	56,805
Administrative support	392,318	474,134	453,583	20,551
Operation and maintenance	4,300,064	4,661,218	4,229,220	431,998
Student transportation	1,154,313	1,351,480	1,242,981	108,499
Debt service:				
Principal	65,000	65,000	65,000	-
Interest	11,385	11,385	11,383	2
	<u>29,056,454</u>	<u>31,807,798</u>	<u>30,407,807</u>	<u>1,399,991</u>
Excess (deficiency) of revenues over (under) expenditures	384,097	3,317,280	4,829,029	1,511,749
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(2,457,304)</u>	<u>(2,373,657)</u>	<u>(2,288,966)</u>	<u>84,691</u>
Net change in fund balance	(2,073,207)	943,623	2,540,063	1,596,440
FUND BALANCE, July 1	<u>3,262,197</u>	<u>4,607,552</u>	<u>4,607,552</u>	<u>-</u>
FUND BALANCE, June 30	<u>\$ 1,188,990</u>	<u>\$ 5,551,175</u>	<u>\$ 7,147,615</u>	<u>\$ 1,596,440</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, 2018**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
State sources	\$ 1,506,230	\$ 1,607,446	\$ 1,601,231	\$ (6,215)
Federal sources	10,760	135,642	100,223	(35,419)
Total revenues	<u>1,516,990</u>	<u>1,743,088</u>	<u>1,701,454</u>	<u>(41,634)</u>
EXPENDITURES				
Special programs	3,687,636	3,981,147	3,875,012	106,135
Undistributed expenditures:				
Student support	61,400	-	-	-
Student transportation	<u>109,305</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>3,858,341</u>	<u>3,981,147</u>	<u>3,875,012</u>	<u>106,135</u>
Excess (deficiency) of revenues over (under) expenditures	(2,341,351)	(2,238,059)	(2,173,558)	64,501
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>2,341,351</u>	<u>2,238,059</u>	<u>2,173,558</u>	<u>(64,501)</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, 2018**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Federal sources	\$ 2,840,801	\$ 3,897,966	\$ 3,625,461	\$ (272,505)
EXPENDITURES				
Regular programs	1,048,214	1,430,793	1,310,614	120,179
Special programs	1,218,142	1,462,581	1,363,362	99,219
Vocational programs	28,122	14,104	14,070	34
Other instructional programs	125,842	144,652	111,791	32,861
Community services programs	11,750	5,250	715	4,535
Undistributed expenditures:				
Student support	-	8,378	8,378	-
Instructional staff support	113,775	78,067	78,066	1
General administration	127,328	170,756	160,458	10,298
School administration	74,530	14,491	14,491	-
Administrative support	42,750	90,464	89,416	1,048
Operation and maintenance	12,000	451,433	449,345	2,088
Student transportation	13,800	387	387	-
Food services	24,548	26,610	23,421	3,189
Total expenditures	<u>2,840,801</u>	<u>3,897,966</u>	<u>3,624,514</u>	<u>273,452</u>
Net change in fund balance	-	-	947	947
FUND BALANCE, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 947</u>	<u>\$ 947</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, 2018**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
State sources	\$ 1,559,195	\$ 2,649,016	\$ 2,431,864	\$ (217,152)
EXPENDITURES				
Regular programs	785,799	1,936,325	1,748,976	187,349
Special programs	119,997	128,800	128,800	-
Vocational programs	70,233	124,173	123,733	440
Other instructional programs	410,919	348,951	319,662	29,289
Undistributed expenditures:				
Student support	101,998	104,491	104,491	-
Instructional staff support	7,256	4,718	4,644	74
Administrative support	53,000	-	-	-
Operations and maintenance	-	1,558	1,558	-
Food services	9,993	-	-	-
Total expenditures	<u>1,559,195</u>	<u>2,649,016</u>	<u>2,431,864</u>	<u>217,152</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, 2018**

		GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
ASSETS		
Current assets:		
Cash and investments	\$	1,076,836
Accounts receivable		55,194
		55,194
Total assets		1,132,030
 LIABILITIES		
Current liabilities:		
Accounts payable		4,500
Claims payable		62,634
		62,634
Total liabilities		67,134
 NET POSITION		
Restricted		1,064,896
		1,064,896
Total net position	\$	1,064,896

**HUMBOLDT COUNTY SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2018**

	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
OPERATING REVENUES:	
Interfund charges	\$ <u>363,925</u>
OPERATING EXPENSES:	
Claims	121,677
Insurance premiums	35,282
Administrative expenses	<u>32,673</u>
Total operating expenses	<u>189,632</u>
Operating income (loss)	<u>174,293</u>
NET POSITION - July 1, restated	<u>890,603</u>
NET POSITION - June 30	\$ <u><u>1,064,896</u></u>

**HUMBOLDT COUNTY SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2018**

	<u>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	
Cash flows from operating activities:	
Cash received for interfund services provided	\$ 351,491
Cash payments for claims and services	<u>(153,548)</u>
Net cash provided (used) by operating activities	<u>197,943</u>
Cash and cash equivalents, beginning of year	<u>878,893</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,076,836</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	\$ <u>174,293</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	(12,434)
Increase (decrease) in claims payable	<u>36,084</u>
Total adjustments	<u>23,650</u>
Net cash provided (used) by operating activities	<u><u>\$ 197,943</u></u>

**HUMBOLDT COUNTY SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2018**

	PRIVATE- PURPOSE TRUST FUND	AGENCY FUNDS	TOTAL
ASSETS			
Cash and investments	\$ 91,389	\$ 553,945	\$ 645,334
Interest receivable	149	-	149
	91,538	553,945	645,483
Total assets	91,538	553,945	645,483
LIABILITIES			
Due to student groups	-	553,945	553,945
	-	553,945	553,945
Total liabilities	-	553,945	553,945
NET POSITION			
Reserved for scholarships	\$ 91,538	\$ -	\$ 91,538
	91,538	-	91,538

**HUMBOLDT COUNTY SCHOOL DISTRICT
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2018**

		<u>PRIVATE- PURPOSE TRUST FUND</u>
ADDITIONS		
Interest	\$	1,445
Donations		<u>500</u>
Total Additions		<u>1,945</u>
DEDUCTIONS		
Scholarships		<u>6,000</u>
Change in net position		(4,055)
NET POSITION - July 1		<u>95,593</u>
NET POSITION - June 30	\$	<u><u>91,538</u></u>

HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING 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, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING 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, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

D. Measurement Focus and Basis of Accounting

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

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

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

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

**HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Proprietary Funds:

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

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

Fiduciary Funds:

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

E. Financial Statement Presentation

1. Budgets and Budgetary Accounting:

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

HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

2. Cash and Investments:

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

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

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

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

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

**HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

3. *Property Taxes Receivable:*

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

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

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

Secured roll property taxes receivable reflect only those taxes receivable from the last two delinquent roll years. Delinquent taxes from all roll years prior to fiscal year 2016-2017 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, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. Inventories:

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

5. Capital Assets:

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

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

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

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

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

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

6. Allowance for Uncollectible Receivables:

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

7. Accrued Liabilities:

Accrued liabilities consist principally of teacher, administrator, and other District employee salaries and benefits relating to the school program year ended June 30, 2018, not paid as of that date.

**HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

8. Expenditures:

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

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

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

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

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

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

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

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

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

HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

9. Compensated Absences:

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

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

10. Long-Term Obligations:

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

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

11. Deferred Inflows/Outflows of Resources:

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

HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

12. Net Position and Fund Balance:

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

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

HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- c. Unrestricted net position – consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

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

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

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

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

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

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

**HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

13. Reclassifications:

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

14. Use of Estimates:

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

15. Comparative Data:

Comparative data for the year ended June 30, 2017 has been extracted from the fiscal year 2017 financial statements. It has been provided to add comparability, but is not considered full disclosure of transactions for fiscal year 2017. 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, 2018, 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, 2018:

Cash and Investment Balances Held By:	
Governmental Funds	\$ 10,510,098
Internal Service Funds	1,076,836
Fiduciary Funds	645,334
Total Cash and Investments	\$ 12,232,268
Balances at Fair Value Classified By:	
US Bank Checking	\$ 21,022
Wells Fargo Savings	519,855
Wells Fargo Checking	4,673,779
State of Nevada Investment Pool	6,074,701
Humboldt County Investment Pool	942,911
Total Cash and Investments	\$ 12,232,268

**HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 3 – CASH AND INVESTMENTS (continued)

Investments are carried at fair value. The following is a listing of investments at June 30, 2018:

Investment Type	Maturities (Average Weighted Maturity)	Fair Value
State of Nevada Local Government Investment Pool	142 Days	\$ 6,074,701
Cash		5,214,656
Humboldt County Investment Pool		942,911
Total Cash and Investments		<u>\$ 12,232,268</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. The LGIP and Humboldt County Investment Pools are unrated external investment pools. As noted above the District does not have a formal investment policy that specifies minimum acceptable credit ratings beyond those specified in the Nevada Revised Statutes.

**HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

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, 2018:

Investment Type	Fair Value	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
State of Nevada Local Government Investment Pool	<u>\$ 6,074,701</u>	<u>\$ 1,671,758</u>	<u>\$ 4,402,943</u>	<u>\$ -</u>

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, 2018

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 was as follows:

	July 01, 2017 Balance	Additions	Deletions	Transfers	June 30, 2018 Balance
Capital assets, not being depreciated:					
Land	\$ 1,215,700	\$ -	\$ -	\$ -	\$ 1,215,700
Construction in progress	18,282	170,563	-	(57)	188,788
Total capital assets, not being depreciated	<u>1,233,982</u>	<u>170,563</u>	<u>-</u>	<u>(57)</u>	<u>1,404,488</u>
Capital assets, being depreciated:					
Building and improvements	51,152,665	740,775	-	-	51,893,440
Site improvements	1,658,744	195,065	-	57	1,853,866
Equipment and vehicles	<u>10,673,118</u>	<u>1,084,993</u>	<u>(138,902)</u>	<u>-</u>	<u>11,619,209</u>
Total capital assets, being depreciated	<u>63,484,527</u>	<u>2,020,833</u>	<u>(138,902)</u>	<u>57</u>	<u>65,366,515</u>
Less accumulated depreciation for:					
Building and improvements	(28,165,107)	(1,203,842)	-	-	(29,368,949)
Site improvements	(680,607)	(82,291)	-	-	(762,898)
Equipment and vehicles	<u>(6,894,597)</u>	<u>(680,903)</u>	<u>113,149</u>	<u>-</u>	<u>(7,462,351)</u>
Total accumulated depreciation	<u>(35,740,311)</u>	<u>(1,967,036)</u>	<u>113,149</u>	<u>-</u>	<u>(37,594,198)</u>
Total net capital assets, being depreciated	<u>27,744,216</u>	<u>53,797</u>	<u>(25,753)</u>	<u>57</u>	<u>27,772,317</u>
Governmental activities capital assets, net	<u>\$ 28,978,198</u>	<u>\$ 224,360</u>	<u>\$ (25,753)</u>	<u>\$ -</u>	<u>\$ 29,176,805</u>

**HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 4 – CAPITAL ASSETS (continued)

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

Regular Instruction	\$ 1,463,905
Special Instruction	9,364
Vocational Instructional	111,603
Other Instruction	7,676
Co-Curricular/Athletics	3,044
Adult Education	8,820
Support Services:	
Student Support	1,172
Instructional Staff Support	53,568
General Administration	6,639
School Administration	1,900
Administrative Support	19,556
Operation and Maintenance	92,289
Student Transportation	155,238
Food Services	32,262
Total governmental activities depreciation expense	<u>\$ 1,967,036</u>

NOTE 5 – INTERFUND BALANCES AND TRANSFERS

The composition of interfund balances as of June 30, 2018, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Major Federal Grants Fund	\$ 470,000
	Major State Grants Fund	450,000
	Major Special Education Fund	26,442
	Nonmajor Governmental Funds	75,190
		<u>1,021,632</u>
Major Federal Grants Fund	General Fund	12
Major State Grants Fund	General Fund	14,984
		<u>14,996</u>
		<u>\$ 1,036,628</u>

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

**HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 5 – INTERFUND BALANCES AND TRANSFERS (continued)

Interfund transfers for the year ended June 30, 2018, are as follows:

<u>Transfers from:</u>	<u>Transfers to:</u>	<u>Amount</u>
General Fund	Major Special Education Fund	\$ 2,173,558
	Nonmajor Governmental Funds	115,408
		<u>2,288,966</u>
Major Debt Service Fund	Major District Bond Initiative Fund	<u>1,085,750</u>
	Total interfund transfers	<u>\$ 3,374,716</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 AND ENCUMBRANCES

The District entered into several construction and asset purchase contracts during the fiscal year for various site and facilities improvements and upgrades and other capital projects. As of June 30, 2018, the District had outstanding construction contracts and asset purchases totaling \$392,992 that will be financed from operating funds. Other significant commitments include encumbrances outstanding for the General Fund for vehicle purchases as shown below.

	<u>Construction Commitments</u>
Major District Bond Initiative Fund:	
SHES kindergarten playground	\$ 328,964
WGS concrete replacement	11,200
LHS HVAC & electrical projects	<u>52,828</u>
Totals	<u>\$ 392,992</u>
	<u>Encumbrances</u>
General Fund for capital assets	<u>\$ 192,000</u>

**HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 7 – LONG TERM DEBT

Long-term liabilities at June 30, 2018 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, 2018</u>
2009	02/04/09	04/01/29	3-4.625%	\$ 2,950,000	\$ 2,005,000
<u>Medium Term Bonds</u>					
<u>Series</u>	<u>Date Issued</u>	<u>Date of Maturity</u>	<u>Interest Rate (%)</u>	<u>Amount Issued</u>	<u>Balance June 30, 2018</u>
2010	11/18/10	02/01/21	3.16-4.87%	\$ 5,675,000	\$ 215,000
<u>Note Payable</u>					
<u>Series</u>	<u>Date Issued</u>	<u>Date of Maturity</u>	<u>Interest Rate (%)</u>	<u>Amount Issued</u>	<u>Balance June 30, 2018</u>
Chartwells	04/01/14	07/01/19	7.924%	\$ 160,030	\$ 37,063

Long-term liability activity for the year ended June 30, 2018 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	\$ 2,420,000	\$ -	\$ 200,000	\$ 2,220,000	\$ 208,000
Deferred amounts for issuance premium	27,527	-	2,343	25,184	2,343
Total bonds payable	2,447,527	-	202,343	2,245,184	210,343
Long-term note payable	71,405	-	34,342	37,063	37,063
Compensated absences	845,104	640,631	321,939	1,163,796	284,837
Total	<u>\$ 3,364,036</u>	<u>\$ 640,631</u>	<u>\$ 558,624</u>	<u>\$ 3,446,043</u>	<u>\$ 532,243</u>

Total interest paid on long-term debt for the year ended June 30, 2018 was \$105,973.

**HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 7 – LONG TERM DEBT (continued)

As of June 30, 2018, 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>
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	170,000	62,281	-	-
2024 – 2028	1,000,000	194,919	-	-
2029	235,000	10,869	-	-
Total requirements	<u>\$ 2,220,000</u>	<u>\$ 592,896</u>	<u>\$ 37,063</u>	<u>\$ 2,937</u>

The District was, in accordance with Nevada Revised Statutes 387.400, within the legal debt limit at June 30, 2018.

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, 2018, the amount required to fund the reserve account was \$200,500 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.

**HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 8 – RISK MANAGEMENT (continued)

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, 2018, but not yet paid, and is based on actual claims filed subsequent to June 30, 2018, but relating to that period.

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

The Self-Insured Workers’ Compensation Fund is funded by charges to the District’s other funds, and is based primarily upon the contributing funds’ actual gross payroll expense and an assessment rate that is applied to all funds. Liabilities of the fund are reported when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. An estimated amount of claims that have been incurred but not reported (IBNRs) is required to be included in the liabilities. Prior to the fiscal year end, incidents had occurred that may result in claims payable from the Self-Insured Workers’ Compensation Fund. Management has estimated these probable claims, based on consideration of the types of claims open at the end of the fiscal year, to be approximately \$60,000, and has recorded this amount as additional claims expense and liability as of June 30, 2018 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, 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	1,960	210,605	212,565
Prior year change in estimate	-	(185,000)	(185,000)
Current year claims and changes in estimates	7,713	125,594	133,307
Claim payments	(7,039)	(86,699)	(93,738)
Claims liability, June 30, 2018	\$ 2,634	\$ 64,500	\$ 67,134

**HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 9 – PENSION PROGRAM

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

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

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

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

**HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 9 – PENSION PROGRAM (continued)

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

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

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

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

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

For the fiscal year ended June 30, 2018, the Statutory Employer/Employee matching rate was 14.50% for Regular and 20.75% for Police/Fire. The Employer-Pay contribution rate was 28.00% for Regular and 40.50% for Police/Fire.

**HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 9 – PENSION PROGRAM (continued)

District contributions of \$2,892,684 were paid during the fiscal year ended June 30, 2017 and were recognized as additions to the plan’s fiduciary net position, reducing the District’s proportionate share of net pension liability for the fiscal year ended June 30, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2018, the District reported a liability of \$42,835,308 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, 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, 2017. The District’s proportion was 0.32207%, as of June 30, 2017, which was a decrease of 0.01206% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of (\$1,312,319). At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 7,796,365
Changes of assumptions	2,841,715	-
Net difference between projected and actual earnings on pension plan investments	3,413,158	2,808,488
Changes in proportion and differences between actual and proportionate share of contributions	613,229	1,345,536
District contributions subsequent to the measurement date	3,075,804	-
Total	\$ 9,943,906	\$ 11,950,389

\$3,075,804 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2019	\$ (2,684,615)
2020	(878,222)
2021	(259,736)
2022	(838,304)
2023	(363,010)
Thereafter	(58,400)

**HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 9 – PENSION PROGRAM (continued)

Actuarial assumptions. The total pension liability in the June 30, 2017 actuarial valuation was determined using the following assumptions, applied to all periods including the measurement:

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of the experience review completed in 2017. Mortality rates for non-disabled male regular members were based on the RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA. Mortality rates for non-disabled female regular members were based on the RP-2000 Combined Healthy Mortality Table, projected to 2013 with Scale AA, set back one year. Mortality rates for all non-disabled police/fire members were based on the RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA, set forward one year. The mortality table used in the actuarial valuation to project mortality rates for all disabled regular members and all disabled police/fire members is the RP-2000 Disabled Retiree Mortality Table projected to 2013 with Scale AA, set forward three years.

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

The following was the Board-adopted policy target asset allocation as of June 30, 2017:

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

*As of June 30, 2017, PERS' long-term inflation assumption was 2.75%.

**HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 9 – PENSION PROGRAM (continued)

Discount rate. The discount rate used to measure the total pension liability was 7.50% as of June 30, 2017. 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, 2017, 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, 2017.

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

	1% Decrease (6.50%)	Current Rate (7.50%)	1% Increase (8.50%)
District’s proportionate share of the net pension liability	\$64,754,270	\$42,835,308	\$24,630,351

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.

NOTE 10 – CONTINGENCIES

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

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS

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

Benefits Provided. Benefit provisions for the HCSDEHBP are established pursuant to NRS 287.023 and amended through negotiations between the District and the respective associations. NRS 288.150

**HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (continued)

assigns the authority to establish benefit provisions to the Board of Trustees. The plan provides healthcare insurance for eligible retirees and their beneficiaries through the District’s group health insurance plan, which covers both active and retired members. Under NRS 287.023 eligible retirees are able to participate in the plan with blended rates, thereby benefitting from an implicit subsidy. Retirees are required to pay 100% of their premiums under the plan. To be eligible for coverage as a retiree, the employee must have qualified for and started his or her retirement benefits from Nevada Public Employee Retirement System (PERS), must have been eligible for benefits while employed by the District, and must have retired from the District at the time of their election to participate. As of June 30, 2018, 53 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, 2018, 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/resources/fiscal-utilization-reports.

Employees Covered by Benefit Terms. As of the June 30, 2017 valuation date, the following employees were covered by benefit terms:

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

Contributions. For HCSDEHBP, contribution requirements of the plan members and the District are established and may be amended through negotiations between the District and the associations. Retirees pay 100% of the pay-as-you-go premiums based on a blended rate that blends active participants and retirees. The District’s contribution requirements for retirees relate to the implicit subsidy that results from using the blended rates and is determined in actuarial studies contracted for by the District. The implicit subsidy as determined by the actuary for fiscal year 2018 is \$186,861.

**HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

For the PEBP, NRS 287.046 establishes the subsidies to be contributed toward the premium costs of the eligible retired district employees. Plan members receiving benefits have their monthly contribution deducted from their pension checks based on the health plan chosen by the retiree as reduced by the amount of the subsidy therefore, their contributions are not available. Subsidy rates vary with the type of plan and coverage elected by the retiree. The contribution requirements of plan members and the District are established and amended by the PEBP board of trustees. As a participating employer, the District is billed for the subsidy on a monthly basis and is legally required under NRS 287.023 to provide for it. For fiscal year 2018, the District contributed \$243,513 to the plan for current premiums. The District did not prefund any future benefits.

Total OPEB Liability. The District’s total OPEB liability of \$9,687,362 was measured as of June 30, 2017, and was determined by actuarial valuations of both plans as of that date.

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

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

Healthcare Cost Trend Rates:

Effective July 1	District Medical Premium and Pre- Medicare PEBP Subsidy Increase	Medicare PEBP Subsidy Increase
2017	7.00%	Actual
2018	6.50%	4.50%
2019	6.00%	4.50%
2020	5.75%	4.50%
2021	5.50%	4.50%
2022	5.25%	4.50%
2023 & Later	5.00%	4.50%

Discount rate. A discount rate of 3.13% was applied in the measurement of the total OPEB liability. The discount rate is based on the index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates were based on the most recently published report of the Nevada Public Employees Retirement System, dated June 30, 2015, except for a different basis used to project future mortality

**HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

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

The actuarial assumptions used in the June 30, 2017 valuations were based on the results of actuarial experience studies for the period July 1, 2016 – January 1, 2017.

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

	<u>HCSDEHBP</u>	<u>PEBP</u>	<u>Total OPEB</u>
Balance at June 30, 2017	\$5,681,821	\$4,480,591	\$10,162,412
Changes for the year:			
Service cost	383,598	-	383,598
Interest	160,153	116,577	276,730
Changes of assumptions	(457,021)	(237,840)	(694,861)
Benefit payments	(179,115)	(261,402)	(440,517)
Net changes	<u>(92,385)</u>	<u>(382,665)</u>	<u>(475,050)</u>
Balance at June 30, 2018	<u>\$5,589,436</u>	<u>\$4,097,926</u>	<u>\$9,687,362</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 4% in 2017 to 3.13% in 2018.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.13%) or 1-percentage-point higher (4.13%) than the current discount rate.

	<u>1% Decrease (2.13%)</u>	<u>Current Rate (3.13%)</u>	<u>1% Increase (4.13%)</u>
HCSDEHBP	\$ 6,719,502	\$ 5,589,436	\$ 4,722,793
PEBP	4,681,027	4,097,926	3,620,041
Total OPEB Liability	<u>\$ 11,400,529</u>	<u>\$ 9,687,362</u>	<u>\$ 8,342,834</u>

Sensitivity of the total OPEB liability to changes in the healthcare trend rates. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6% decreasing to 4%) or 1-percentage-point higher (8% decreasing to 6%) than the current healthcare cost trend rates.

**HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

	1% Decrease (6% decreasing to 4%)	Healthcare Cost Trend Rates (7% decreasing to 5%)	1% Increase (8% decreasing to 6%)
HCSDEHBP	\$ 3,956,992	\$ 5,589,436	\$ 8,254,256
PEBP	3,640,322	4,097,926	4,642,953
Total OPEB Liability	\$ 7,597,314	\$ 9,687,362	\$ 12,897,209

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB. For the year ended June 30, 2018, the HCSDEHBP recognized OPEB expense of \$501,629 and the PEBP plan recognized a negative OPEB expense of \$121,263 for a total OPEB expense of \$380,366. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
HCSDEHBP		
Changes in Assumptions	\$ -	\$ 414,899
Contributions Made Subsequent to the Measurement Date	186,861	-
Total HCSDEHBP	\$ 186,861	\$ 414,899
PEBP		
Changes in Assumptions	\$ -	\$ -
Contributions Made Subsequent to the Measurement Date	243,513	-
Total PEBP	\$ 243,513	\$ -
Total Combined		
Changes in Assumptions	\$ -	\$ 414,899
Contributions Made Subsequent to the Measurement Date	430,374	-
Total Combined	\$ 430,374	\$ 414,899

**HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

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

Year Ended June 30,	
2019	\$ (42,122)
2020	(42,122)
2021	(42,122)
2022	(42,122)
2023	(42,122)
Thereafter	(204,289)

NOTE 12 – ACCOUNTING CHANGES AND ACCOUNTING STANDARDS

Change in estimate. An overstatement of claims payable in the Self-Insured Worker’s Compensation Fund as of June 30, 2017 was discovered during the current year. Accordingly, beginning net position has been restated to correct the error.

	Proprietary Funds
Net Position, as previously reported	\$ 705,603
Overstatement of claims payable	185,000
Net Position, as restated	\$ 890,603

Accounting standards. As of July 1, 2017, the District adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASBS 75), which improves accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support of OPEB that is provided by other entities.

As of July 1, 2017, the District also adopted GASB Statement No. 82, *Pension Issues – an Amendment of GASB Statements No. 67, No. 68, and No. 73* (GASBS 82). The implementation of this standard is to address issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The statement changed the classification of employer-paid member contributions from employer contributions to employee contributions and resulted in a prior period adjustment to restate deferred outflows of resources related to pensions.

**HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 12 – ACCOUNTING CHANGES AND ACCOUNTING STANDARDS (continued)

Net position as of July 1, 2017 has been restated as follows for the implementation of GASBS No. 75 and 82:

	<u>Governmental Activities</u>
Net position as previously reported at June 30, 2017	<u>\$(18,908,585)</u>
Change in estimate of claims payable in internal service fund	185,000
Prior period adjustment – Implementation of GASBS 75:	
Total OPEB liability	(3,507,149)
Deferred outflows – District contributions made during fiscal year 2017	440,517
Prior period adjustment – Implementation of GASBS 82:	
Adjustment to deferred outflows of resources representing plan member contributions	(2,892,684)
Adjustment to deferred outflows and inflows of resources due to changes in employer proportions	<u>(1,242,534)</u>
Total prior period adjustment	<u>(7,016,850)</u>
Net position at June 30, 2017, restated	<u><u>\$(25,925,435)</u></u>

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

Last 10 Fiscal Years

	2018
PEBP	
Service Cost	\$ -
Interest on the total OPEB Liability	116,577
Changes in assumptions	(237,840)
Benefit payments	(261,402)
Net changes	(382,665)
Total OPEB liability - beginning	4,480,591
Total OPEB liability - ending	\$ 4,097,926
Covered-employee payroll	N/A
Total OPEB liability as a percentage of covered-employee payroll	N/A
HCSDEHBP	
Service Cost	\$ 383,598
Interest on the total OPEB Liability	160,153
Changes in assumptions	(457,021)
Benefit payments	(179,115)
Net changes	(92,385)
Total OPEB liability - beginning	5,681,821
Total OPEB liability - ending	\$ 5,589,436
Covered-employee payroll	\$ 19,904,018
Total OPEB liability as a percentage of covered-employee payroll	21%
Total Combined OPEB Liability	
Service Cost	\$ 383,598
Interest on the total OPEB Liability	276,730
Changes in assumptions	(694,861)
Benefit payments	(440,517)
Net changes	(475,050)
Total OPEB liability - beginning	10,162,412
Total OPEB liability - ending	\$ 9,687,362

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

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

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

Last 10 Fiscal Years

Year Ended June 30	District's proportion of the net pension liability (asset)	District's proportionate share of the net pension liability (asset)	District's covered- employee payroll	District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2018	0.32207%	\$ 42,835,308	\$ 21,970,021	194.97%	~
2017	0.33413%	44,964,894	20,665,924	217.58%	74.42%
2016	0.32288%	37,000,589	20,199,760	183.17%	72.23%
2015	0.33008%	34,400,719	19,360,490	177.69%	75.13%
2014	*	43,404,765	19,342,306	224.40%	76.31%
2013	*	*	18,492,720	*	68.68%
2012	*	*	18,286,862	*	*
2011	*	*	18,795,596	*	*
2010	*	*	18,747,365	*	*
2009	*	*	19,240,386	*	*

*Perspective implementation as of June 30, 2015.

~Information not yet available.

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

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

Last 10 Fiscal Years

Year Ended June 30	Statutorily Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution deficiency (excess)	Covered Employee Payroll	Contributions as a percentage of covered-employee payroll
2018	\$ 3,075,804	\$ 3,075,804	\$ -	\$ 21,970,021	14.00%
2017	2,892,684	2,892,684	-	20,665,924	14.00%
2016	2,832,851	2,832,851	-	20,199,760	14.02%
2015	4,985,328	4,985,328	-	19,360,490	25.75%
2014	4,972,386	4,972,386	-	19,342,306	25.71%
2013	4,391,758	4,391,758	-	18,492,720	23.75%
2012	4,333,270	4,333,270	-	18,286,862	23.70%
2011	4,006,455	4,006,455	-	18,795,596	21.32%
2010	4,026,709	4,026,709	-	18,747,365	21.48%
2009	3,944,395	3,944,395	-	19,240,386	20.50%

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

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

**HUMBOLDT COUNTY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2018**

OPEB - Changes of Assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 4% in 2017 to 3.13% in 2018.

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

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

Pension - Changes of Assumptions. Amounts reported for 2018 reflect an adjustment of the investment return rate from 8.00% to 7.50%, inflation rate for salary increases decreased from 3.50% to 2.75%, productivity pay increases decreased from 0.75% to 0.50%, with regular employee projected salary increases ranging from 4.60% to 9.75% and police/fire ranging from 5.25% to 14.5% in the 2017 report to regular employee ranges of 4.25% to 9.15% and police/fire ranging from 4.55% to 13.9% in the 2018 report.

**HUMBOLDT COUNTY SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2017</u>
REVENUES					
Local sources:					
Ad valorem taxes	\$ 7,313,318	\$ 10,704,797	\$ 10,533,641	\$ (171,156)	\$ 8,352,588
School support taxes	9,763,459	9,763,459	10,167,895	404,436	9,693,844
Government services tax	1,270,906	1,211,120	1,393,115	181,995	1,335,454
Franchise fees	-	-	-	-	2,940
Tuition	94,271	74,528	74,528	-	92,551
Private donations	-	9,622	9,853	231	3,372
Environmental fines	-	-	-	-	47,520
Pay to play	21,000	18,650	18,650	-	17,875
Boat registration fees	10,000	10,000	8,555	(1,445)	9,433
Other	35,000	107,980	110,586	2,606	38,360
Total local sources	<u>18,507,954</u>	<u>21,900,156</u>	<u>22,316,823</u>	<u>416,667</u>	<u>19,593,937</u>
State sources:					
Distributive school fund	10,932,597	12,689,876	12,384,480	(305,396)	9,021,560
Full day kindergarten	-	453,591	453,591	-	-
Total state sources	<u>10,932,597</u>	<u>13,143,467</u>	<u>12,838,071</u>	<u>(305,396)</u>	<u>9,021,560</u>
Federal sources:					
Schools and roads - grants to counties	-	81,455	81,455	-	-
Forest reserve	-	-	487	487	-
Total federal sources	<u>-</u>	<u>81,455</u>	<u>81,942</u>	<u>487</u>	<u>-</u>
Total revenues	<u>29,440,551</u>	<u>35,125,078</u>	<u>35,236,836</u>	<u>111,758</u>	<u>28,615,497</u>
EXPENDITURES					
Regular programs:					
Instruction					
Salaries	9,582,393	10,228,535	10,146,955	81,580	8,888,320
Benefits	4,508,884	4,672,173	4,568,961	103,212	3,936,667
Purchased services	115,000	115,350	90,046	25,304	94,630
Supplies	478,662	1,205,613	1,105,710	99,903	634,947
Property	-	-	-	-	5,342
Other	1,250	1,250	1,618	(368)	1,129
Total instruction	<u>14,686,189</u>	<u>16,222,921</u>	<u>15,913,290</u>	<u>309,631</u>	<u>13,561,035</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, 2018
(With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2017</u>
Instructional staff support					
Salaries	\$ -	\$ 35,000	\$ 30,534	\$ 4,466	\$ 33,060
Benefits	-	1,655	1,319	336	1,591
Purchased services	-	35,500	6,153	29,347	52,651
Supplies	-	27,000	20,576	6,424	14,157
Total instructional staff support	-	99,155	58,582	40,573	101,459
Student transportation					
Salaries	15,000	15,000	12,063	2,937	23,680
Benefits	6,600	6,600	3,613	2,987	6,767
Purchased services	27,000	30,000	26,942	3,058	24,220
Total student transportation	48,600	51,600	42,618	8,982	54,667
Total regular programs	14,734,789	16,373,676	16,014,490	359,186	13,717,161
Vocational programs:					
Instruction					
Salaries	606,230	636,006	637,958	(1,952)	675,121
Benefits	259,633	268,148	266,773	1,375	283,285
Purchased services	3,030	3,030	1,543	1,487	1,819
Supplies	40,361	40,361	29,236	11,125	26,459
Total instruction	909,254	947,545	935,510	12,035	986,684
Student transportation					
Purchased services	1,000	1,000	-	1,000	967
Total vocational programs	910,254	948,545	935,510	13,035	987,651
Other instructional programs:					
Instruction					
Salaries	640,359	710,712	631,068	79,644	618,544
Benefits	261,646	275,806	261,532	14,274	254,243
Purchased services	65,000	26,000	2,140	23,860	24,517
Supplies	200	1,200	1,902	(702)	2,153
Other	-	-	150	(150)	-
Total instruction	967,205	1,013,718	896,792	116,926	899,457
Instructional staff support					
Purchased services	14,000	14,000	12,087	1,913	12,151
Supplies	1,750	1,750	-	1,750	-
Total instructional staff support	15,750	15,750	12,087	3,663	12,151

(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, 2018
(With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2017</u>
Administrative Support					
Salaries	\$ 4,758	\$ 4,900	\$ 8,135	\$ (3,235)	\$ 4,582
Benefits	2,710	2,756	4,509	(1,753)	2,578
Total administrative support	<u>7,468</u>	<u>7,656</u>	<u>12,644</u>	<u>(4,988)</u>	<u>7,160</u>
Student transportation					
Salaries	1,500	1,500	-	1,500	503
Benefits	370	370	-	370	156
Purchased Services	-	-	100	(100)	-
Total student transportation	<u>1,870</u>	<u>1,870</u>	<u>100</u>	<u>1,770</u>	<u>659</u>
Total other instructional programs	<u>992,293</u>	<u>1,038,994</u>	<u>921,623</u>	<u>117,371</u>	<u>919,427</u>
Co-curricular/athletic programs:					
Instruction					
Salaries	361,877	379,988	336,684	43,304	313,799
Benefits	27,375	28,690	17,648	11,042	16,778
Purchased services	37,600	46,600	36,609	9,991	36,685
Supplies	48,100	48,100	40,959	7,141	26,806
Other	6,000	6,000	5,677	323	4,016
Total instruction	<u>480,952</u>	<u>509,378</u>	<u>437,577</u>	<u>71,801</u>	<u>398,084</u>
Student transportation					
Purchased services	<u>213,525</u>	<u>213,525</u>	<u>213,416</u>	<u>109</u>	<u>202,823</u>
Total co-curricular/athletic programs	<u>694,477</u>	<u>722,903</u>	<u>650,993</u>	<u>71,910</u>	<u>600,907</u>
Undistributed expenditures:					
Student support					
Salaries	782,469	804,665	790,388	14,277	745,397
Benefits	329,976	335,418	332,204	3,214	307,953
Purchased services	4,850	4,850	2,935	1,915	3,676
Supplies	18,595	18,595	13,724	4,871	12,719
Other	150	150	135	15	135
Total student support	<u>1,136,040</u>	<u>1,163,678</u>	<u>1,139,386</u>	<u>24,292</u>	<u>1,069,880</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, 2018
(With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2017</u>
Instructional staff support					
Salaries	\$ 436,309	\$ 468,597	\$ 441,454	\$ 27,143	\$ 435,441
Benefits	182,076	188,865	179,770	9,095	175,928
Purchased services	3,500	81,500	68,543	12,957	3,576
Supplies	32,097	91,985	60,770	31,215	33,409
Other	50	-	-	-	-
Total instructional staff support	<u>654,032</u>	<u>830,947</u>	<u>750,537</u>	<u>80,410</u>	<u>648,354</u>
General administration					
Salaries	647,703	684,023	677,373	6,650	645,546
Benefits	259,889	255,457	253,250	2,207	257,588
Purchased services	311,950	306,100	225,065	81,035	173,221
Supplies	46,250	40,575	21,033	19,542	14,301
Other	23,000	23,000	16,502	6,498	19,791
Total general administration	<u>1,288,792</u>	<u>1,309,155</u>	<u>1,193,223</u>	<u>115,932</u>	<u>1,110,447</u>
School administration					
Salaries	1,778,033	1,845,524	1,838,766	6,758	1,757,220
Benefits	724,322	748,089	732,294	15,795	700,948
Purchased services	203,682	245,710	213,605	32,105	194,045
Supplies	13,710	13,810	13,413	397	7,982
Other	2,950	3,550	1,800	1,750	1,650
Total school administration	<u>2,722,697</u>	<u>2,856,683</u>	<u>2,799,878</u>	<u>56,805</u>	<u>2,661,845</u>
Administrative support					
Salaries	256,060	270,953	269,520	1,433	258,812
Benefits	115,398	132,981	124,866	8,115	112,346
Purchased services	8,200	18,400	12,562	5,838	5,080
Supplies	12,160	51,300	46,635	4,665	8,203
Other	500	500	-	500	-
Total administrative support	<u>392,318</u>	<u>474,134</u>	<u>453,583</u>	<u>20,551</u>	<u>384,441</u>
Operation and maintenance					
Salaries	1,818,501	1,856,954	1,803,664	53,290	1,797,168
Benefits	857,486	854,611	818,778	35,833	822,208
Purchased services	718,383	614,348	571,537	42,811	335,955
Supplies	904,069	1,133,530	1,026,427	107,103	867,793
Property	-	199,650	6,600	193,050	-
Other	1,625	2,125	2,214	(89)	2,509
Total operation and maintenance	<u>4,300,064</u>	<u>4,661,218</u>	<u>4,229,220</u>	<u>431,998</u>	<u>3,825,633</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, 2018
(With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2017</u>
Student transportation					
Salaries	\$ 550,652	\$ 585,559	\$ 569,698	\$ 15,861	\$ 550,669
Benefits	219,421	224,121	219,927	4,194	216,680
Purchased services	136,090	152,040	130,736	21,304	131,649
Supplies	245,050	274,960	208,625	66,335	232,397
Property	-	111,700	111,700	-	319,040
Other	3,100	3,100	2,295	805	2,508
	<u>1,154,313</u>	<u>1,351,480</u>	<u>1,242,981</u>	<u>108,499</u>	<u>1,452,943</u>
Total student transportation					
	<u>11,648,256</u>	<u>12,647,295</u>	<u>11,808,808</u>	<u>838,487</u>	<u>11,153,543</u>
Total undistributed expenditures					
Debt service					
Principal	65,000	65,000	65,000	-	63,000
Interest	11,385	11,385	11,383	2	13,926
	<u>76,385</u>	<u>76,385</u>	<u>76,383</u>	<u>2</u>	<u>76,926</u>
Total debt service					
	<u>29,056,454</u>	<u>31,807,798</u>	<u>30,407,807</u>	<u>1,399,991</u>	<u>27,455,615</u>
Total expenditures					
Excess of revenues over expenditures	384,097	3,317,280	4,829,029	1,511,749	1,159,882
OTHER FINANCING SOURCES (USES)					
Transfers out	<u>(2,457,304)</u>	<u>(2,373,657)</u>	<u>(2,288,966)</u>	<u>84,691</u>	<u>(2,431,563)</u>
Net change in fund balance	(2,073,207)	943,623	2,540,063	1,596,440	(1,271,681)
FUND BALANCE, July 1	<u>3,262,197</u>	<u>4,607,552</u>	<u>4,607,552</u>	<u>-</u>	<u>5,879,233</u>
FUND BALANCE, June 30	<u>\$ 1,188,990</u>	<u>\$ 5,551,175</u>	<u>\$ 7,147,615</u>	<u>\$ 1,596,440</u>	<u>\$ 4,607,552</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, 2018
(With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2017</u>
REVENUES					
State sources:					
State grants	\$ 6,215	\$ 6,215	\$ -	\$ (6,215)	\$ 4,866
Distributive school fund	<u>1,500,015</u>	<u>1,601,231</u>	<u>1,601,231</u>	<u>-</u>	<u>1,500,004</u>
Total state sources	<u>1,506,230</u>	<u>1,607,446</u>	<u>1,601,231</u>	<u>(6,215)</u>	<u>1,504,870</u>
Federal sources:					
Medicaid	-	135,642	100,223	(35,419)	64,936
Impact aid	<u>10,760</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total federal sources	<u>10,760</u>	<u>135,642</u>	<u>100,223</u>	<u>(35,419)</u>	<u>64,936</u>
Total revenues	<u>1,516,990</u>	<u>1,743,088</u>	<u>1,701,454</u>	<u>(41,634)</u>	<u>1,569,806</u>
EXPENDITURES					
Special programs:					
Instruction					
Salaries	1,978,065	1,955,326	1,937,940	17,386	1,980,117
Benefits	841,717	809,200	779,923	29,277	834,468
Purchased services	25,000	55,500	52,218	3,282	24,763
Supplies	11,100	23,315	20,199	3,116	10,151
Other	<u>100</u>	<u>100</u>	<u>22</u>	<u>78</u>	<u>30</u>
Total instruction	<u>2,855,982</u>	<u>2,843,441</u>	<u>2,790,302</u>	<u>53,139</u>	<u>2,849,529</u>
Student support					
Salaries	499,890	536,633	535,797	836	495,618
Benefits	225,452	218,786	214,906	3,880	231,692
Purchased services	3,110	26,235	15,695	10,540	14,199
Supplies	4,600	7,100	5,617	1,483	4,894
Other	<u>200</u>	<u>700</u>	<u>427</u>	<u>273</u>	<u>209</u>
Total student support	<u>733,252</u>	<u>789,454</u>	<u>772,442</u>	<u>17,012</u>	<u>746,612</u>
Instructional staff support					
Salaries	1,600	77,920	77,920	-	23,493
Benefits	150	30,425	29,625	800	9,927
Purchased services	11,400	18,050	10,218	7,832	10,034
Supplies	<u>1,400</u>	<u>5,670</u>	<u>5,026</u>	<u>644</u>	<u>1,381</u>
Total instructional staff support	<u>14,550</u>	<u>132,065</u>	<u>122,789</u>	<u>9,276</u>	<u>44,835</u>
Administrative support					
Salaries	2,714	2,714	-	2,714	2,636
Benefits	<u>841</u>	<u>841</u>	<u>-</u>	<u>841</u>	<u>816</u>
Total administrative support	<u>3,555</u>	<u>3,555</u>	<u>-</u>	<u>3,555</u>	<u>3,452</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, 2018
(With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	BUDGET		ACTUAL	VARIANCE TO	
	ORIGINAL	FINAL		FINAL BUDGET	2017
Student transportation					
Salaries	\$ 50,267	\$ 131,467	\$ 123,969	\$ 7,498	\$ 46,283
Benefits	21,530	71,015	64,803	6,212	21,106
Purchased services	1,500	1,900	(2,340)	4,240	2,297
Supplies	7,000	8,250	3,047	5,203	2,916
Total student transportation	<u>80,297</u>	<u>212,632</u>	<u>189,479</u>	<u>23,153</u>	<u>72,602</u>
Total special programs	<u>3,687,636</u>	<u>3,981,147</u>	<u>3,875,012</u>	<u>106,135</u>	<u>3,717,030</u>
Undistributed expenditures:					
Student support					
Salaries	42,635	-	-	-	42,571
Benefits	18,765	-	-	-	18,555
Total student support	<u>61,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,126</u>
Student transportation					
Salaries	67,898	-	-	-	66,628
Benefits	41,407	-	-	-	39,883
Total student transportation	<u>109,305</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>106,511</u>
Total undistributed expenditures	<u>170,705</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>167,637</u>
Total expenditures	<u>3,858,341</u>	<u>3,981,147</u>	<u>3,875,012</u>	<u>106,135</u>	<u>3,884,667</u>
Excess (deficiency) of revenues over expenditures	(2,341,351)	(2,238,059)	(2,173,558)	64,501	(2,314,861)
OTHER FINANCING SOURCES					
Transfers in	<u>2,341,351</u>	<u>2,238,059</u>	<u>2,173,558</u>	<u>(64,501)</u>	<u>2,314,861</u>
Net change in fund balance	-	-	-	-	-
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
FEDERAL GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	BUDGET		ACTUAL	VARIANCE TO	
	ORIGINAL	FINAL		FINAL BUDGET	2017
REVENUES					
Federal sources:					
Federal direct	\$ 550,029	\$ 590,854	\$ 590,854	\$ -	\$ 559,549
Federal indirect	2,216,242	3,190,613	2,918,108	(272,505)	2,343,867
E-Rate funds	74,530	116,499	116,499	-	95,036
	<u>2,840,801</u>	<u>3,897,966</u>	<u>3,625,461</u>	<u>(272,505)</u>	<u>2,998,452</u>
EXPENDITURES					
Regular programs:					
Instruction					
Salaries	108,719	202,285	201,785	500	110,045
Benefits	30,555	77,292	77,262	30	26,590
Purchased services	-	3,175	1,512	1,663	-
Supplies	301,633	174,690	162,385	12,305	111,644
Property	-	27,471	27,471	-	7,187
	<u>440,907</u>	<u>484,913</u>	<u>470,415</u>	<u>14,498</u>	<u>255,466</u>
Student support					
Supplies	5,000	1,069	1,069	-	540
Instructional staff support					
Salaries	154,107	171,372	161,843	9,529	179,745
Benefits	37,968	38,562	37,374	1,188	38,034
Purchased services	376,543	642,314	573,282	69,032	333,283
Supplies	28,239	65,853	47,209	18,644	26,035
	<u>596,857</u>	<u>918,101</u>	<u>819,708</u>	<u>98,393</u>	<u>577,097</u>
Student transportation					
Purchased services	5,450	26,710	19,422	7,288	3,939
	<u>1,048,214</u>	<u>1,430,793</u>	<u>1,310,614</u>	<u>120,179</u>	<u>837,042</u>
Special programs:					
Instruction					
Salaries	528,107	585,495	582,180	3,315	515,522
Benefits	219,736	236,345	234,541	1,804	207,936
Supplies	15,865	79,056	76,069	2,987	64,124
	<u>763,708</u>	<u>900,896</u>	<u>892,790</u>	<u>8,106</u>	<u>787,582</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, 2018
(With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	BUDGET		ACTUAL	VARIANCE TO	
	ORIGINAL	FINAL		FINAL BUDGET	2017
Student support					
Salaries	\$ 128,057	\$ 144,790	\$ 129,927	\$ 14,863	\$ 127,970
Benefits	73,807	139,565	122,387	17,178	74,644
Purchased services	62,400	79,455	68,083	11,372	45,703
Supplies	6,710	11,350	5,944	5,406	12,431
Total student support	<u>270,974</u>	<u>375,160</u>	<u>326,341</u>	<u>48,819</u>	<u>260,748</u>
Instructional staff support					
Salaries	6,512	18,660	17,700	960	7,562
Benefits	167	610	522	88	223
Purchased services	112,848	104,452	63,239	41,213	91,301
Supplies	12,784	10,327	10,294	33	11,837
Total instructional staff support	<u>132,311</u>	<u>134,049</u>	<u>91,755</u>	<u>42,294</u>	<u>110,923</u>
Administrative support					
Salaries	39,062	40,076	40,076	-	37,545
Benefits	12,087	12,400	12,400	-	11,617
Total administrative support	<u>51,149</u>	<u>52,476</u>	<u>52,476</u>	<u>-</u>	<u>49,162</u>
Total special programs	<u>1,218,142</u>	<u>1,462,581</u>	<u>1,363,362</u>	<u>99,219</u>	<u>1,208,415</u>
Vocational programs:					
Instruction					
Purchased services	8,044	1,000	1,000	-	4,779
Supplies	8,589	11,104	11,070	34	13,058
Property	11,489	-	-	-	11,489
Total instruction	<u>28,122</u>	<u>12,104</u>	<u>12,070</u>	<u>34</u>	<u>29,326</u>
Student transportation					
Purchased services	-	2,000	2,000	-	-
Total vocational programs	<u>28,122</u>	<u>14,104</u>	<u>14,070</u>	<u>34</u>	<u>29,326</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, 2018
(With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	BUDGET		ACTUAL	VARIANCE TO	
	ORIGINAL	FINAL		FINAL BUDGET	2017
Other instructional programs:					
Instruction					
Salaries	\$ 29,258	\$ 18,142	\$ 17,330	\$ 812	\$ 23,576
Benefits	3,564	1,158	1,114	44	2,714
Purchased services	-	1,096	425	671	-
Supplies	<u>27,435</u>	<u>29,604</u>	<u>25,676</u>	<u>3,928</u>	<u>35,052</u>
Total instruction	<u>60,257</u>	<u>50,000</u>	<u>44,545</u>	<u>5,455</u>	<u>61,342</u>
Student support					
Salaries	17,719	28,615	24,339	4,276	18,217
Benefits	<u>5,490</u>	<u>6,335</u>	<u>6,196</u>	<u>139</u>	<u>4,966</u>
Total student support	<u>23,209</u>	<u>34,950</u>	<u>30,535</u>	<u>4,415</u>	<u>23,183</u>
Instructional staff support					
Salaries	-	8,396	5,911	2,485	1,659
Benefits	-	424	216	208	152
Purchased services	28,949	44,805	26,717	18,088	11,826
Supplies	<u>-</u>	<u>2,514</u>	<u>2,837</u>	<u>(323)</u>	<u>-</u>
Total instructional staff support	<u>28,949</u>	<u>56,139</u>	<u>35,681</u>	<u>20,458</u>	<u>13,637</u>
Student transportation					
Purchased services	<u>8,220</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,720</u>
Community support					
Supplies	<u>5,207</u>	<u>3,563</u>	<u>1,030</u>	<u>2,533</u>	<u>2,726</u>
Total other instructional programs	<u>125,842</u>	<u>144,652</u>	<u>111,791</u>	<u>32,861</u>	<u>106,608</u>
Community services programs:					
Community service operations					
Supplies	<u>11,750</u>	<u>5,250</u>	<u>715</u>	<u>4,535</u>	<u>5,845</u>
Undistributed expenditures:					
Student support					
Purchased services	-	-	-	-	350
Property	<u>-</u>	<u>8,378</u>	<u>8,378</u>	<u>-</u>	<u>-</u>
Total student support	<u>-</u>	<u>8,378</u>	<u>8,378</u>	<u>-</u>	<u>350</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, 2018
(With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	BUDGET		ACTUAL	VARIANCE TO	
	ORIGINAL	FINAL		FINAL BUDGET	2017
Instructional staff support					
Purchased services	\$ 44,500	\$ 50,813	\$ 50,813	\$ -	\$ 54,498
Supplies	54,275	27,254	27,253	1	21,840
Property	15,000	-	-	-	14,889
Total instructional staff support	<u>113,775</u>	<u>78,067</u>	<u>78,066</u>	<u>1</u>	<u>91,227</u>
General administration					
Salaries	89,741	97,246	93,281	3,965	90,565
Benefits	35,987	38,772	36,852	1,920	35,761
Purchased services	1,200	19,665	15,253	4,412	20,043
Supplies	400	15,073	15,072	1	25,049
Total general administration	<u>127,328</u>	<u>170,756</u>	<u>160,458</u>	<u>10,298</u>	<u>171,418</u>
School administration					
Purchased services	74,530	11,405	11,405	-	21,812
Supplies	-	3,086	3,086	-	-
Total school administration	<u>74,530</u>	<u>14,491</u>	<u>14,491</u>	<u>-</u>	<u>21,812</u>
Administrative support					
Purchased services	3,750	88,860	88,053	807	15,670
Supplies	39,000	1,604	1,363	241	46,431
Total administrative support	<u>42,750</u>	<u>90,464</u>	<u>89,416</u>	<u>1,048</u>	<u>62,101</u>
Operation and maintenance					
Purchased services	12,000	407,209	405,126	2,083	380,587
Supplies	-	44,224	44,219	5	1,580
Total operation and maintenance	<u>12,000</u>	<u>451,433</u>	<u>449,345</u>	<u>2,088</u>	<u>382,167</u>
Student transportation					
Purchased services	5,000	387	387	-	-
Supplies	8,800	-	-	-	3,269
Total student transportation	<u>13,800</u>	<u>387</u>	<u>387</u>	<u>-</u>	<u>3,269</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, 2018
(With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	BUDGET		ACTUAL	VARIANCE TO	
	ORIGINAL	FINAL		FINAL BUDGET	2017
Food service programs					
Salaries	\$ 1,820	\$ 1,786	\$ 1,786	\$ -	\$ 1,573
Benefits	611	553	552	1	486
Supplies	22,117	24,271	21,083	3,188	22,228
Property	-	-	-	-	54,585
Total food service	<u>24,548</u>	<u>26,610</u>	<u>23,421</u>	<u>3,189</u>	<u>78,872</u>
Total undistributed expenditures	<u>408,731</u>	<u>840,586</u>	<u>823,962</u>	<u>16,624</u>	<u>811,216</u>
Total expenditures	<u>2,840,801</u>	<u>3,897,966</u>	<u>3,624,514</u>	<u>273,452</u>	<u>2,998,452</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>947</u>	<u>(947)</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>\$ 947</u>	<u>\$ 947</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, 2018
(With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2017</u>
REVENUES					
State sources:					
Special appropriations	\$ 1,559,195	\$ 2,649,016	\$ 2,431,864	\$ (217,152)	\$ 2,245,889
EXPENDITURES					
Regular programs:					
Instruction					
Salaries	114,614	308,812	286,061	22,751	619,396
Benefits	43,672	67,818	62,817	5,001	197,837
Purchased services	40,750	64,268	2,687	61,581	12,582
Supplies	126,287	839,298	800,748	38,550	120,714
Property	-	8,398	8,398	-	-
Total instruction	<u>325,323</u>	<u>1,288,594</u>	<u>1,160,711</u>	<u>127,883</u>	<u>950,529</u>
Instructional staff support					
Salaries	286,550	332,379	314,322	18,057	275,899
Benefits	94,140	91,173	88,112	3,061	92,946
Purchased services	59,206	217,352	184,198	33,154	125,513
Supplies	20,580	1,633	1,633	-	40,257
Other	-	5,194	-	5,194	-
Total instructional staff support	<u>460,476</u>	<u>647,731</u>	<u>588,265</u>	<u>59,466</u>	<u>534,615</u>
Total regular programs	<u>785,799</u>	<u>1,936,325</u>	<u>1,748,976</u>	<u>187,349</u>	<u>1,485,144</u>
Special programs:					
Student support					
Salaries	111,765	128,800	128,800	-	105,176
Benefits	8,232	-	-	-	8,904
Purchased services	-	-	-	-	1,813
Total special programs	<u>119,997</u>	<u>128,800</u>	<u>128,800</u>	<u>-</u>	<u>115,893</u>
Vocational programs:					
Instruction					
Salaries	2,544	1,728	1,536	192	1,995
Benefits	265	180	141	39	220
Purchased services	4,185	11,899	12,093	(194)	3,200

(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, 2018
(With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2017</u>
Supplies	\$ 47,554	\$ 97,445	\$ 97,053	\$ 392	\$ 50,102
Property	13,471	7,990	7,990	-	48,180
Total instruction	<u>68,019</u>	<u>119,242</u>	<u>118,813</u>	<u>429</u>	<u>103,697</u>
Instructional staff support					
Supplies	-	1,170	1,159	11	-
Student transportation					
Purchased services	2,214	3,761	3,761	-	1,370
Total vocational programs	<u>70,233</u>	<u>124,173</u>	<u>123,733</u>	<u>440</u>	<u>105,067</u>
Other instructional programs:					
Instruction					
Salaries	237,762	163,971	154,795	9,176	233,785
Benefits	79,185	64,760	57,416	7,344	78,029
Purchased services	-	67	67	-	-
Supplies	68,509	93,498	91,086	2,412	72,451
Property	-	9,213	-	9,213	-
Total instruction	<u>385,456</u>	<u>331,509</u>	<u>303,364</u>	<u>28,145</u>	<u>384,265</u>
Instructional staff support					
Salaries	1,152	-	-	-	-
Benefits	106	-	-	-	-
Purchased services	21,305	8,915	7,850	1,065	23,473
Supplies	2,900	1,394	1,394	-	2,267
Total instructional staff support	<u>25,463</u>	<u>10,309</u>	<u>9,244</u>	<u>1,065</u>	<u>25,740</u>
Student transportation					
Supplies	-	6,103	6,103	-	-
Community support					
Purchased services	-	624	515	109	-
Supplies	-	406	436	(30)	-
Total community support	<u>-</u>	<u>1,030</u>	<u>951</u>	<u>79</u>	<u>-</u>
Total other instructional programs	<u>410,919</u>	<u>348,951</u>	<u>319,662</u>	<u>29,289</u>	<u>410,005</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, 2018
(With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2017</u>
Undistributed expenditures:					
Student support					
Salaries	\$ 86,517	\$ 89,010	\$ 89,010	\$ -	\$ 84,676
Benefits	15,481	15,481	15,481	-	15,481
Total student support	<u>101,998</u>	<u>104,491</u>	<u>104,491</u>	<u>-</u>	<u>100,157</u>
Instructional staff support					
Supplies	<u>7,256</u>	<u>4,718</u>	<u>4,644</u>	<u>74</u>	<u>7,034</u>
Administrative support					
Purchased services	<u>53,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,000</u>
Operation and maintenance					
Supplies	<u>-</u>	<u>1,558</u>	<u>1,558</u>	<u>-</u>	<u>-</u>
Food service programs					
Salaries	4,023	-	-	-	3,968
Benefits	1,241	-	-	-	1,223
Supplies	4,729	-	-	-	3,398
Property	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total food service programs	<u>9,993</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,589</u>
Total undistributed expenditures	<u>172,247</u>	<u>110,767</u>	<u>110,693</u>	<u>74</u>	<u>129,780</u>
Total expenditures	<u>1,559,195</u>	<u>2,649,016</u>	<u>2,431,864</u>	<u>217,152</u>	<u>2,245,889</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
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)

	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUNDS	TOTALS	
			2018	2017
ASSETS				
Cash and investments	\$ 299,222	\$ 509,330	\$ 808,552	\$ 818,715
Receivables:				
Interest	-	5,962	5,962	2,596
Other	18,139	-	18,139	-
Intergovernmental receivable	62,440	31,350	93,790	46,597
Inventories	2,466	-	2,466	734
 Total assets	 \$ 382,267	 \$ 546,642	 \$ 928,909	 \$ 868,642
LIABILITIES				
Accounts payable	\$ 41,078	\$ 2,000	\$ 43,078	\$ 35,560
Accrued liabilities	171,403	-	171,403	202,189
Due to other funds	75,190	-	75,190	-
Intergovernmental payable	194	-	194	-
Unearned revenues	23,427	-	23,427	27,375
 Total liabilities	 311,292	 2,000	 313,292	 265,124
FUND BALANCES				
Nonspendable:				
Inventory	2,466	-	2,466	734
Restricted for:				
Construction of capital assets	-	207,593	207,593	141,103
Assigned to:				
Food service	37,533	-	37,533	734
Special projects	30,976	-	30,976	-
Other capital projects	-	337,049	337,049	460,947
 Total fund balances	 70,975	 544,642	 615,617	 603,518
 Total liabilities and fund balances	 \$ 382,267	 \$ 546,642	 \$ 928,909	 \$ 868,642

**HUMBOLDT COUNTY SCHOOL DISTRICT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)**

	<u>SPECIAL REVENUE FUNDS</u>	<u>CAPITAL PROJECTS FUNDS</u>	<u>TOTALS</u>	
			<u>2018</u>	<u>2017</u>
REVENUES				
Local sources	\$ 561,586	\$ 347,950	\$ 909,536	\$ 640,601
State sources	1,217,322	-	1,217,322	1,140,353
Federal sources	778,832	-	778,832	674,698
	<u>2,557,740</u>	<u>347,950</u>	<u>2,905,690</u>	<u>2,455,652</u>
EXPENDITURES				
Current:				
Regular programs	1,274,638	-	1,274,638	1,011,442
Special programs	926	-	926	6,070
Vocational programs	15,000	-	15,000	3,842
Other instructional programs	13,266	-	13,266	-
Adult education programs	118,110	-	118,110	173,031
Community service programs	510	-	510	-
Undistributed expenditures:				
General administration	11,241	146	11,387	8,302
Operation and maintenance	5,785	229,157	234,942	255,187
Student transportation	-	-	-	65,162
Food service programs	1,107,962	-	1,107,962	1,025,301
Facilities acquisition and construction service	-	176,055	176,055	171,850
Other support services	16,203	-	16,203	-
Debt service:				
Principal	34,342	-	34,342	31,821
Interest	5,658	-	5,658	8,179
	<u>2,603,641</u>	<u>405,358</u>	<u>3,008,999</u>	<u>2,760,187</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(45,901)</u>	<u>(57,408)</u>	<u>(103,309)</u>	<u>(304,535)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	-	-	-	6,726
Transfers in	115,408	-	115,408	116,702
	<u>115,408</u>	<u>-</u>	<u>115,408</u>	<u>123,428</u>
Net change in fund balances	69,507	(57,408)	12,099	(181,107)
FUND BALANCES, July 1	<u>1,468</u>	<u>602,050</u>	<u>603,518</u>	<u>784,625</u>
FUND BALANCES, June 30	<u>\$ 70,975</u>	<u>\$ 544,642</u>	<u>\$ 615,617</u>	<u>\$ 603,518</u>

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

HUMBOLDT COUNTY SCHOOL DISTRICT
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)

	<u>ADULT EDUCATION</u>	<u>CLASS SIZE REDUCTION</u>	<u>FOOD AND NUTRITION</u>
ASSETS			
Cash and investments	\$ 830	\$ 124,159	\$ 132,303
Other receivables	-	-	44
Intergovernmental receivable	62,440	-	-
Inventories	-	-	2,466
	<hr/>	<hr/>	<hr/>
Total assets	\$ <u>63,270</u>	\$ <u>124,159</u>	\$ <u>134,813</u>
LIABILITIES			
Accounts payable	\$ 126	\$ -	\$ 23,354
Accrued liabilities	8,144	124,159	35,212
Due to other funds	55,000	-	20,190
Intergovernmental payable	-	-	-
Unearned revenues	-	-	16,058
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>63,270</u>	<u>124,159</u>	<u>94,814</u>
FUND BALANCES			
Nonspendable			
Inventory	-	-	2,466
Assigned to:			
Food service	-	-	37,533
Special projects	-	-	-
	<hr/>	<hr/>	<hr/>
Total fund balances	-	-	39,999
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	\$ <u>63,270</u>	\$ <u>124,159</u>	\$ <u>134,813</u>

<u>GIFTS AND DONATIONS</u>	<u>NEVADA EDUCATION FUNDING PLAN</u>	<u>TOTALS</u>	
		<u>2018</u>	<u>2017</u>
\$ 34,898	\$ 7,032	\$ 299,222	\$ 225,904
18,095	-	18,139	-
-	-	62,440	16,482
-	-	2,466	734
<u>52,993</u>	<u>7,032</u>	<u>382,267</u>	<u>243,120</u>
\$ 14,648	\$ 2,950	\$ 41,078	\$ 12,088
-	3,888	171,403	202,189
-	-	75,190	-
-	194	194	-
7,369	-	23,427	27,375
<u>22,017</u>	<u>7,032</u>	<u>311,292</u>	<u>241,652</u>
-	-	2,466	734
-	-	37,533	734
30,976	-	30,976	-
<u>30,976</u>	<u>-</u>	<u>70,975</u>	<u>1,468</u>
<u>52,993</u>	<u>7,032</u>	<u>382,267</u>	<u>243,120</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, 2018
(With Comparative Totals for the Year Ended June 30, 2017)**

	<u>ADULT EDUCATION</u>	<u>CLASS SIZE REDUCTION</u>	<u>FOOD AND NUTRITION</u>
REVENUES			
Local sources	\$ -	\$ -	\$ 289,566
State sources	118,110	977,919	2,687
Federal sources	-	-	778,832
	<u>118,110</u>	<u>977,919</u>	<u>1,071,085</u>
EXPENDITURES			
Regular programs	-	977,919	-
Special programs	-	-	-
Vocational programs	-	-	-
Other instructional programs	-	-	-
Adult education programs	118,110	-	-
Community service programs	-	-	-
Undistributed expenditures:			
General administration	-	-	-
Operation and maintenance	-	-	-
Food service programs	-	-	1,107,962
Facilities acquisition and construction service	-	-	-
Other support services	-	-	-
Debt service			
Principal	-	-	34,342
Interest	-	-	5,658
	<u>118,110</u>	<u>977,919</u>	<u>1,147,962</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(76,877)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>-</u>	<u>-</u>	<u>115,408</u>
Net change in fund balances	-	-	38,531
FUND BALANCES, July 1	<u>-</u>	<u>-</u>	<u>1,468</u>
FUND BALANCES, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,999</u>

<u>GIFTS AND DONATIONS</u>	<u>NEVADA EDUCATION FUNDING PLAN</u>	<u>TOTALS</u>	
		<u>2018</u>	<u>2017</u>
\$ 272,020	\$ -	561,586	\$ 330,890
-	118,606	1,217,322	1,140,353
-	-	778,832	674,698
<u>272,020</u>	<u>118,606</u>	<u>2,557,740</u>	<u>2,145,941</u>
183,918	112,801	1,274,638	1,011,442
926	-	926	6,070
15,000	-	15,000	3,842
7,461	5,805	13,266	-
-	-	118,110	173,031
510	-	510	-
11,241	-	11,241	8,302
5,785	-	5,785	-
-	-	1,107,962	1,025,301
-	-	-	6,345
16,203	-	16,203	-
-	-	34,342	31,821
-	-	5,658	8,179
<u>241,044</u>	<u>118,606</u>	<u>2,603,641</u>	<u>2,274,333</u>
<u>30,976</u>	<u>-</u>	<u>(45,901)</u>	<u>(128,392)</u>
<u>-</u>	<u>-</u>	<u>115,408</u>	<u>116,702</u>
30,976	-	69,507	(11,690)
-	-	1,468	13,158
<u>\$ 30,976</u>	<u>\$ -</u>	<u>70,975</u>	<u>\$ 1,468</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, 2018
(With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2017</u>
REVENUES					
State sources:					
High school diploma program	\$ 132,297	\$ 131,858	\$ 118,110	\$ (13,748)	\$ 173,031
EXPENDITURES					
Adult education programs:					
Instruction					
Salaries	56,267	60,868	50,183	10,685	95,322
Benefits	29,283	17,724	16,942	782	24,105
Purchased services	2,250	5,469	4,464	1,005	6,448
Supplies	1,500	5,323	4,663	660	4,506
Total instruction	<u>89,300</u>	<u>89,384</u>	<u>76,252</u>	<u>13,132</u>	<u>130,381</u>
Instructional staff support					
Purchased services	-	-	-	-	440
Administrative support					
Salaries	26,065	24,406	24,406	-	25,965
Benefits	14,632	13,543	13,526	17	14,610
Purchased services	1,800	675	617	58	701
Supplies	500	3,850	3,309	541	934
Total administrative support	<u>42,997</u>	<u>42,474</u>	<u>41,858</u>	<u>616</u>	<u>42,210</u>
Total expenditures	<u>132,297</u>	<u>131,858</u>	<u>118,110</u>	<u>13,748</u>	<u>173,031</u>
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
CLASS SIZE REDUCTION FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2017</u>
REVENUES					
State sources:					
Distributive school fund	\$ 1,005,834	\$ 977,919	\$ 977,919	\$ -	\$ 964,490
EXPENDITURES					
Regular programs:					
Instruction					
Salaries	698,367	674,736	674,736	-	663,757
Benefits	307,467	303,183	303,183	-	300,733
Total expenditures	1,005,834	977,919	977,919	-	964,490
Excess of revenues over expenditures	-	-	-	-	-
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

**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, 2018
(With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2017</u>
REVENUES					
Local sources:					
Daily sales	\$ 277,000	\$ 280,227	\$ 289,566	\$ 9,339	\$ 259,379
State sources:					
State lunch program	2,832	2,687	2,687	-	2,832
Federal sources:					
National school lunch program	515,000	605,117	605,117	-	521,157
School breakfast program	114,000	127,396	127,396	-	116,091
Commodity food program	55,000	48,736	46,319	(2,417)	37,450
Total federal sources	684,000	781,249	778,832	(2,417)	674,698
Total revenues	963,832	1,064,163	1,071,085	6,922	936,909
EXPENDITURES					
Undistributed expenditures:					
Food service programs:					
Salaries	155,421	170,728	168,261	2,467	154,589
Benefits	66,374	70,070	69,215	855	65,297
Purchased services	745,890	848,495	816,788	31,707	706,739
Supplies	71,500	70,136	51,898	18,238	79,447
Property	-	-	-	-	17,579
Other	600	1,800	1,800	-	1,650
Total food service programs	1,039,785	1,161,229	1,107,962	53,267	1,025,301
Debt service					
Principal	34,342	34,342	34,342	-	31,821
Interest	5,658	5,658	5,658	-	8,179
Total debt service	40,000	40,000	40,000	-	40,000
Total expenditures	1,079,785	1,201,229	1,147,962	53,267	1,065,301
Excess (deficiency) of revenues over expenditures	(115,953)	(137,066)	(76,877)	60,189	(128,392)
OTHER FINANCING SOURCES (USES)					
Transfers in	115,953	135,598	115,408	(20,190)	116,702
Net change in fund balance	-	(1,468)	38,531	39,999	(11,690)
FUND BALANCE, July 1	-	1,468	1,468	-	13,158
FUND BALANCE, June 30	\$ -	\$ -	\$ 39,999	\$ 39,999	\$ 1,468

**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, 2018
(With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2017</u>
REVENUES					
Local sources:					
Private donations	\$ 56,585	\$ 187,750	\$ 178,020	\$ (9,730)	\$ 71,511
Other	-	94,000	94,000	-	-
Total revenues	<u>56,585</u>	<u>281,750</u>	<u>272,020</u>	<u>(9,730)</u>	<u>71,511</u>
EXPENDITURES					
Regular programs:					
Instruction					
Supplies	47,133	133,081	127,190	5,891	46,952
Instructional staff support					
Salaries	-	10,000	2,332	7,668	-
Benefits	-	915	213	702	-
Purchased services	-	54,290	44,121	10,169	-
Supplies	-	22,500	10,062	12,438	-
Total instructional staff support	<u>-</u>	<u>87,705</u>	<u>56,728</u>	<u>30,977</u>	<u>-</u>
Total regular programs	<u>47,133</u>	<u>220,786</u>	<u>183,918</u>	<u>36,868</u>	<u>46,952</u>
Special programs:					
Instruction					
Supplies	8,170	926	926	-	6,070
Vocational programs:					
Instruction					
Purchased services	-	5,595	5,595	-	-
Supplies	-	2,869	2,869	-	3,842
Property	-	6,536	6,536	-	-
Total vocational programs	<u>-</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>3,842</u>
Other instructional programs:					
Instruction					
Supplies	-	7,461	7,461	-	-

(CONTINUED)

**HUMBOLDT COUNTY SCHOOL DISTRICT
GIFTS AND DONATIONS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2017</u>
Community services programs:					
Community services					
Other	\$ -	\$ 510	\$ 510	\$ -	\$ -
Undistributed expenditures:					
General administration					
Purchased services	1,282	6,382	5,100	1,282	-
Supplies	-	7,400	6,141	1,259	8,302
Total general administration	<u>1,282</u>	<u>13,782</u>	<u>11,241</u>	<u>2,541</u>	<u>8,302</u>
Operation and maintenance					
Supplies	-	5,785	5,785	-	-
Facilities acquisition and construction					
Site improvement					
Purchased services	-	-	-	-	6,345
Other support services					
Other	-	17,500	16,203	1,297	-
Total undistributed expenditures	<u>1,282</u>	<u>37,067</u>	<u>33,229</u>	<u>3,838</u>	<u>14,647</u>
Total expenditures	<u>56,585</u>	<u>281,750</u>	<u>241,044</u>	<u>40,706</u>	<u>71,511</u>
Excess of revenues over expenditures	-	-	30,976	30,976	-
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,976</u>	<u>\$ 30,976</u>	<u>\$ -</u>

**HUMBOLDT COUNTY SCHOOL DISTRICT
NEVADA EDUCATION FUNDING PLAN FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
State sources:				
Nevada Education Funding Plan - SB178	\$ -	\$ 118,800	\$ 118,606	\$ (194)
EXPENDITURES				
Regular programs:				
Instruction				
Supplies	-	100,807	100,712	95
Instructional staff support				
Salaries	-	4,567	4,473	94
Benefits	-	436	431	5
Purchased services	-	7,185	7,185	-
Total instructional staff support	-	12,188	12,089	99
Total regular programs	-	112,995	112,801	194
Other instructional programs:				
Instruction				
Salaries	-	5,180	5,180	-
Benefits	-	625	625	-
Total other instructional programs	-	5,805	5,805	-
Total expenditures	-	118,800	118,606	194
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, 2018
(With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	<u>2017</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	
REVENUES					
Local sources:					
Ad valorem taxes	\$ 1,316,392	\$ 1,910,910	\$ 1,895,332	\$ (15,578)	\$ 1,503,462
Earnings on investments	851	1,785	2,294	509	1,578
Total revenues	<u>1,317,243</u>	<u>1,912,695</u>	<u>1,897,626</u>	<u>(15,069)</u>	<u>1,505,040</u>
EXPENDITURES					
Debt service:					
Principal	135,000	135,000	135,000	-	130,000
Interest	88,931	88,931	88,931	-	92,831
Other	750	750	750	-	750
Total expenditures	<u>224,681</u>	<u>224,681</u>	<u>224,681</u>	<u>-</u>	<u>223,581</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,092,562</u>	<u>1,688,014</u>	<u>1,672,945</u>	<u>(15,069)</u>	<u>1,281,459</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	<u>(1,085,750)</u>	<u>(1,085,750)</u>	<u>(1,085,750)</u>	<u>-</u>	<u>(1,600,000)</u>
Net change in fund balance	6,812	602,264	587,195	(15,069)	(318,541)
FUND BALANCE, July 1	<u>443,750</u>	<u>355,716</u>	<u>355,716</u>	<u>-</u>	<u>674,257</u>
FUND BALANCE, June 30	<u>\$ 450,562</u>	<u>\$ 957,980</u>	<u>\$ 942,911</u>	<u>\$ (15,069)</u>	<u>\$ 355,716</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, 2018
(With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2017</u>
REVENUES					
Local sources:					
Earnings on investments	\$ 650	\$ 5,000	\$ 5,382	\$ 382	\$ 1,350
Private Donations	-	5,803	5,803	-	-
Total revenues	<u>650</u>	<u>10,803</u>	<u>11,185</u>	<u>382</u>	<u>1,350</u>
EXPENDITURES					
Undistributed expenditures:					
Administrative support					
Purchased services	<u>50,505</u>	<u>135,000</u>	<u>113,633</u>	<u>21,367</u>	<u>58,600</u>
Operation and maintenance					
Purchased services	29,575	322,000	148,580	173,420	101,378
Supplies	40,000	30,000	2,848	27,152	87,750
Property	<u>150,000</u>	<u>120,000</u>	<u>49,056</u>	<u>70,944</u>	<u>10,600</u>
Total operation and maintenance	<u>219,575</u>	<u>472,000</u>	<u>200,484</u>	<u>271,516</u>	<u>199,728</u>
Facilities acquisition and construction service					
Architecture and engineering					
Purchased services	<u>-</u>	<u>15,000</u>	<u>4,900</u>	<u>10,100</u>	<u>2,086</u>
Site improvement					
Property	<u>148,703</u>	<u>373,500</u>	<u>229,748</u>	<u>143,752</u>	<u>57</u>
Building acquisition and construction					
Property	<u>173,663</u>	<u>36,305</u>	<u>-</u>	<u>36,305</u>	<u>-</u>
Building improvement					
Property	<u>549,069</u>	<u>941,000</u>	<u>876,655</u>	<u>64,345</u>	<u>1,454,325</u>
Total facilities acquisition and construction service	<u>871,435</u>	<u>1,365,805</u>	<u>1,111,303</u>	<u>254,502</u>	<u>1,456,468</u>
Total expenditures	<u>1,141,515</u>	<u>1,972,805</u>	<u>1,425,420</u>	<u>547,385</u>	<u>1,714,796</u>
Excess (deficiency) of revenues over expenditures	<u>(1,140,865)</u>	<u>(1,962,002)</u>	<u>(1,414,235)</u>	<u>547,767</u>	<u>(1,713,446)</u>

(CONTINUED)

**HUMBOLDT COUNTY SCHOOL DISTRICT
DISTRICT BOND INITIATIVE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	<u>2017</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ 1,085,750	\$ 1,085,750	\$ 1,085,750	\$ -	\$ 1,600,000
Net change in fund balance	(55,115)	(876,252)	(328,485)	547,767	(113,446)
FUND BALANCE, July 1	<u>65,115</u>	<u>886,252</u>	<u>886,252</u>	<u>-</u>	<u>999,698</u>
FUND BALANCE, June 30	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 557,767</u>	<u>\$ 547,767</u>	<u>\$ 886,252</u>

**HUMBOLDT COUNTY SCHOOL DISTRICT
NONMAJOR CAPITAL PROJECTS FUND
COMBINING BALANCE SHEET
JUNE 30, 2018
(With Comparative Totals for June 30, 2017)**

	BUILDING RESERVE (DMV)	BUILDING AND SITES FUND	TOTALS	
			2018	2017
ASSETS				
Cash and investments	\$ 176,243	\$ 333,087	\$ 509,330	\$ 592,811
Interest receivable	-	5,962	5,962	2,596
Intergovernmental receivable	31,350	-	31,350	30,115
 Total assets	 \$ 207,593	 \$ 339,049	 \$ 546,642	 \$ 625,522
LIABILITIES				
Accounts payable	\$ -	\$ 2,000	\$ 2,000	\$ 23,472
 Total liabilities	 -	 2,000	 2,000	 23,472
FUND BALANCES				
Restricted for:				
Construction of capital assets	207,593	-	207,593	141,103
Assigned to:				
Other capital projects	-	337,049	337,049	460,947
 Total fund balances	 207,593	 337,049	 544,642	 602,050
 Total liabilities and fund balances	 \$ 207,593	 \$ 339,049	 \$ 546,642	 \$ 625,522

**HUMBOLDT COUNTY SCHOOL DISTRICT
NONMAJOR CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)**

	BUILDING RESERVE (DMV)	BUILDING AND SITES FUND	TOTALS	
	<u> </u>	<u> </u>	<u>2018</u>	<u>2017</u>
REVENUES				
Local sources	\$ 296,147	\$ 51,803	\$ 347,950	\$ 309,711
EXPENDITURES				
Undistributed expenditures:				
General administration	-	146	146	-
Operation and maintenance	227,157	2,000	229,157	255,187
Student transportation	-	-	-	65,162
Facilities acquisition and construction service	<u>2,500</u>	<u>173,555</u>	<u>176,055</u>	<u>165,505</u>
Total expenditures	<u>229,657</u>	<u>175,701</u>	<u>405,358</u>	<u>485,854</u>
Excess (deficiency) of revenues over (under) expenditures	<u>66,490</u>	<u>(123,898)</u>	<u>(57,408)</u>	<u>(176,143)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,726</u>
Net change in fund balances	66,490	(123,898)	(57,408)	(169,417)
FUND BALANCES, July 1	<u>141,103</u>	<u>460,947</u>	<u>602,050</u>	<u>771,467</u>
FUND BALANCES, June 30	<u>\$ 207,593</u>	<u>\$ 337,049</u>	<u>\$ 544,642</u>	<u>\$ 602,050</u>

**HUMBOLDT COUNTY SCHOOL DISTRICT
BUILDING RESERVE (DMV) FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2017</u>
REVENUES					
Local sources:					
Governmental service tax	\$ 271,127	\$ 271,127	\$ 296,120	\$ 24,993	\$ 285,033
Other	-	-	27	27	-
Total revenues	<u>271,127</u>	<u>271,127</u>	<u>296,147</u>	<u>25,020</u>	<u>285,033</u>
EXPENDITURES					
Undistributed expenditures:					
Operation and maintenance					
Purchased services	75,000	235,000	161,085	73,915	190,532
Supplies	75,000	127,230	44,374	82,856	29,727
Property	65,000	25,000	21,698	3,302	34,928
Total operation and maintenance	<u>215,000</u>	<u>387,230</u>	<u>227,157</u>	<u>160,073</u>	<u>255,187</u>
Student transportation					
Supplies	35,000	-	-	-	65,162
Property	35,000	-	-	-	-
Total student transportation	<u>70,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,162</u>
Facilities acquisition and construction service					
Site improvement					
Property	37,932	-	-	-	38,363
Architecture and engineering					
Purchased services	-	-	2,500	(2,500)	-
Building improvement					
Property	-	-	-	-	24,134
Total facilities acquisition and construction service	<u>37,932</u>	<u>-</u>	<u>2,500</u>	<u>(2,500)</u>	<u>62,497</u>
Total expenditures	<u>322,932</u>	<u>387,230</u>	<u>229,657</u>	<u>157,573</u>	<u>382,846</u>
Net change in fund balance	(51,805)	(116,103)	66,490	182,593	(97,813)
FUND BALANCE, July 1	<u>126,805</u>	<u>141,103</u>	<u>141,103</u>	<u>-</u>	<u>238,916</u>
FUND BALANCE, June 30	<u>\$ 75,000</u>	<u>\$ 25,000</u>	<u>\$ 207,593</u>	<u>\$ 182,593</u>	<u>\$ 141,103</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, 2018
(With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	
					<u>2017</u>
REVENUES					
Local sources:					
Earnings on investments	\$ 15,300	\$ 51,530	\$ 51,803	\$ 273	\$ 24,678
EXPENDITURES					
Undistributed expenditures:					
General administration					
Other	75	225	146	79	-
Operation and maintenance					
Purchased services	9,941	43,941	-	43,941	-
Supplies	10,000	77,070	2,000	75,070	-
Total operation and maintenance	19,941	121,011	2,000	119,011	-
Facilities acquisition and construction service					
Building improvement					
Supplies	298,000	198,000	102,928	95,072	80,293
Property	-	118,241	70,627	47,614	22,715
Total facilities acquisition and construction service	298,000	316,241	173,555	142,686	103,008
Total expenditures	318,016	437,477	175,701	261,776	103,008
Excess (Deficiency) of Revenues Over Expenditures	(302,716)	(385,947)	(123,898)	262,049	(78,330)
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of assets	-	-	-	-	6,726
Net change in fund balance	(302,716)	(385,947)	(123,898)	262,049	(71,604)
FUND BALANCE, July 1	377,716	460,947	460,947	-	532,551
FUND BALANCE, June 30	\$ 75,000	\$ 75,000	\$ 337,049	\$ 262,049	\$ 460,947

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, 2018
(With Comparative Totals for June 30, 2017)**

	NEVADA UNEMPLOYMENT COMPENSATION FUND	SELF-INSURED WORKERS' COMPENSATION FUND	TOTAL	
			2018	2017
ASSETS				
Current assets:				
Cash and investments	\$ 46,710	\$ 1,030,126	\$ 1,076,836	\$ 878,893
Accounts receivable	-	55,194	55,194	42,760
Total assets	46,710	1,085,320	1,132,030	921,653
LIABILITIES				
Current liabilities:				
Accounts payable	-	4,500	4,500	3,485
Claims payable	2,634	60,000	62,634	212,565
Total liabilities	2,634	64,500	67,134	216,050
NET POSITION				
Restricted	44,076	1,020,820	1,064,896	653,814
Unrestricted	-	-	-	51,789
Total net position	\$ 44,076	\$ 1,020,820	\$ 1,064,896	\$ 705,603

**HUMBOLDT COUNTY SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)**

	NEVADA UNEMPLOYMENT COMPENSATION FUND	SELF-INSURED WORKERS' COMPENSATION FUND	TOTAL	
			2018	2017
OPERATING REVENUES				
Interfund charges	\$ -	\$ 363,925	\$ 363,925	\$ 343,727
OPERATING EXPENSES				
Claims	7,713	113,964	121,677	118,017
Insurance premiums	-	35,282	35,282	44,706
Administrative expenses	-	32,673	32,673	35,349
Total operating expenses	7,713	181,919	189,632	198,072
Operating income (loss)	(7,713)	182,006	174,293	145,655
NET POSITION - July 1, restated	51,789	838,814	890,603	559,948
NET POSITION - June 30	\$ 44,076	\$ 1,020,820	\$ 1,064,896	\$ 705,603

**HUMBOLDT COUNTY SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)**

	NEVADA UNEMPLOYMENT COMPENSATION FUND	SELF-INSURED WORKERS' COMPENSATION FUND	TOTAL	
			2018	2017
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
Cash flows from operating activities:				
Cash received for interfund services provided	\$ -	\$ 351,491	\$ 351,491	\$ 342,384
Cash payments for claims and services	(7,039)	(146,509)	(153,548)	(128,165)
Net cash provided (used) by operating activities	(7,039)	204,982	197,943	214,219
Net increase (decrease) in cash and cash equivalents	(7,039)	204,982	197,943	214,219
Cash and cash equivalents, July 1	53,749	825,144	878,893	664,674
Cash and cash equivalents, June 30	\$ 46,710	\$ 1,030,126	\$ 1,076,836	\$ 878,893
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (7,713)	\$ 182,006	\$ 174,293	\$ 145,655
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	-	(12,434)	(12,434)	(1,343)
Increase (decrease) in claims payable	674	35,410	36,084	69,907
Total adjustments	674	22,976	23,650	68,564
Net cash provided (used) by operating activities	\$ (7,039)	\$ 204,982	\$ 197,943	\$ 214,219

**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, 2018
(With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2017</u>
OPERATING REVENUES					
Interfund charges	\$ -	\$ -	\$ -	\$ -	\$ -
OPERATING EXPENSES					
Unemployment claims	25,000	25,000	7,713	17,287	3,622
Operating income (loss)	(25,000)	(25,000)	(7,713)	17,287	(3,622)
NET POSITION - July 1	<u>50,411</u>	<u>51,789</u>	<u>51,789</u>	<u>-</u>	<u>55,411</u>
NET POSITION - June 30	<u>\$ 25,411</u>	<u>\$ 26,789</u>	<u>\$ 44,076</u>	<u>\$ 17,287</u>	<u>\$ 51,789</u>

**HUMBOLDT COUNTY SCHOOL DISTRICT
NEVADA UNEMPLOYMENT COMPENSATION FUND
SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)**

	<u>2018</u>	<u>2017</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
Cash flows from operating activities:		
Cash payments for claims and services	\$ <u>(7,039)</u>	\$ <u>(5,266)</u>
Net cash provided (used) by operating activities	<u>(7,039)</u>	<u>(5,266)</u>
Net increase (decrease) in cash and cash equivalents	(7,039)	(5,266)
Cash and cash equivalents, July 1	<u>53,749</u>	<u>59,015</u>
Cash and cash equivalents, June 30	\$ <u><u>46,710</u></u>	\$ <u><u>53,749</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ <u>(7,713)</u>	\$ <u>(3,622)</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>674</u>	<u>(1,644)</u>
Total Adjustments	<u>674</u>	<u>(1,644)</u>
Net cash provided (used) by operating activities	\$ <u><u>(7,039)</u></u>	\$ <u><u>(5,266)</u></u>

**HUMBOLDT COUNTY SCHOOL DISTRICT
 SELF-INSURED WORKERS' COMPENSATION FUND
 SCHEDULE OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2018
 (With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	BUDGET		ACTUAL	VARIANCE TO	
	ORIGINAL	FINAL		FINAL BUDGET	2017
OPERATING REVENUES					
Interfund charges	\$ 330,000	\$ 330,000	\$ 363,925	\$ 33,925	\$ 343,727
OPERATING EXPENSES					
Workers compensation claims	225,000	234,625	113,964	120,661	114,395
Insurance premiums	45,000	55,000	35,282	19,718	44,706
Administrative expenses	35,000	40,375	32,673	7,702	35,349
Total operating expenses	305,000	330,000	181,919	148,081	194,450
Operating income (loss)	25,000	-	182,006	182,006	149,277
NET POSITION - July 1, restated	581,537	653,814	838,814	185,000	504,537
NET POSITION - June 30	\$ 606,537	\$ 653,814	\$ 1,020,820	\$ 367,006	\$ 653,814

**HUMBOLDT COUNTY SCHOOL DISTRICT
 SELF-INSURED WORKERS' COMPENSATION FUND
 SCHEDULE OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2018
 (With Comparative Totals for the Year ended June 30, 2017)**

	<u>2018</u>	<u>2017</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
Cash flows from operating activities:		
Cash received for interfund services provided	\$ 351,491	\$ 342,384
Cash payments for claims and services	<u>(146,509)</u>	<u>(122,899)</u>
Net cash provided (used) by operating activities	<u>204,982</u>	<u>219,485</u>
Cash and cash equivalents, July 1	<u>825,144</u>	<u>605,659</u>
Cash and cash equivalents, June 30	<u>\$ 1,030,126</u>	<u>\$ 825,144</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ <u>182,006</u>	\$ <u>149,277</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	(12,434)	(1,343)
Increase (decrease) in claims payable	<u>35,410</u>	<u>71,551</u>
Total Adjustments	<u>22,976</u>	<u>70,208</u>
Net cash provided (used) by operating activities	<u>\$ 204,982</u>	<u>\$ 219,485</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, 2018
 (With Comparative Totals for June 30, 2017)**

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and investments	\$ 91,389	\$ 95,510
Interest receivable	<u>149</u>	<u>83</u>
Total assets	<u>91,538</u>	<u>95,593</u>
NET POSITION		
Reserved for scholarships	<u>\$ 91,538</u>	<u>\$ 95,593</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, 2018
 (With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	<u>2017</u>
ADDITIONS					
Interest	\$ 395	\$ 1,445	\$ 1,445	\$ -	\$ 723
Donations	-	500	500	-	250
Total Additions	<u>395</u>	<u>1,945</u>	<u>1,945</u>	<u>-</u>	<u>973</u>
DEDUCTIONS					
Scholarships	<u>7,000</u>	<u>7,000</u>	<u>6,000</u>	<u>1,000</u>	<u>5,000</u>
Change in net position	(6,605)	(5,055)	(4,055)	1,000	(4,027)
NET POSITION - July 1	<u>93,045</u>	<u>95,593</u>	<u>95,593</u>	<u>-</u>	<u>99,620</u>
NET POSITION - June 30	<u>\$ 86,440</u>	<u>\$ 90,538</u>	<u>\$ 91,538</u>	<u>\$ 1,000</u>	<u>\$ 95,593</u>

**HUMBOLDT COUNTY SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2018**

(Page 1 of 2)

	<u>BALANCE</u> <u>JUNE 30, 2017</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2018</u>
<u>ALBERT LOWRY HIGH SCHOOL</u>				
<u>SCHOLARSHIP FUND</u>				
ASSETS				
Cash	\$ <u>6,279</u>	\$ <u>2</u>	\$ <u>750</u>	\$ <u>5,531</u>
LIABILITIES				
Due to graduates	\$ <u>6,279</u>	\$ <u>2</u>	\$ <u>750</u>	\$ <u>5,531</u>
 <u>ALBERT LOWRY HIGH SCHOOL</u>				
<u>STUDENT ACTIVITIES FUND</u>				
ASSETS				
Cash	\$ <u>374,158</u>	\$ <u>776,113</u>	\$ <u>787,498</u>	\$ <u>362,773</u>
LIABILITIES				
Due to student groups	\$ <u>374,158</u>	\$ <u>776,113</u>	\$ <u>787,498</u>	\$ <u>362,773</u>
 <u>WINNEMUCCA JUNIOR HIGH</u>				
<u>STUDENT ACTIVITIES FUND</u>				
ASSETS				
Cash	\$ <u>75,016</u>	\$ <u>80,050</u>	\$ <u>74,912</u>	\$ <u>80,154</u>
LIABILITIES				
Due to student groups	\$ <u>75,016</u>	\$ <u>80,050</u>	\$ <u>74,912</u>	\$ <u>80,154</u>
 <u>WINNEMUCCA GRAMMAR SCHOOL</u>				
<u>STUDENT ACTIVITIES FUND</u>				
ASSETS				
Cash	\$ <u>10,631</u>	\$ <u>8,866</u>	\$ <u>7,465</u>	\$ <u>12,032</u>
LIABILITIES				
Due to student groups	\$ <u>10,631</u>	\$ <u>8,866</u>	\$ <u>7,465</u>	\$ <u>12,032</u>
 <u>SONOMA HEIGHTS SCHOOL</u>				
<u>STUDENT ACTIVITIES FUND</u>				
ASSETS				
Cash	\$ <u>26,109</u>	\$ <u>32,496</u>	\$ <u>38,449</u>	\$ <u>20,156</u>
LIABILITIES				
Due to student groups	\$ <u>26,109</u>	\$ <u>32,496</u>	\$ <u>38,449</u>	\$ <u>20,156</u>

**HUMBOLDT COUNTY SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2018**

(Page 2 of 2)

	<u>BALANCE</u> <u>JUNE 30, 2017</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2018</u>
<u>GRASS VALLEY SCHOOL</u>				
<u>STUDENT ACTIVITIES FUND</u>				
ASSETS				
Cash	\$ <u>10,699</u>	\$ <u>17,188</u>	\$ <u>14,564</u>	\$ <u>13,323</u>
LIABILITIES				
Due to student groups	\$ <u>10,699</u>	\$ <u>17,188</u>	\$ <u>14,564</u>	\$ <u>13,323</u>
<u>MCDERMITT COMBINED SCHOOLS</u>				
<u>STUDENT ACTIVITIES FUND</u>				
ASSETS				
Cash	\$ <u>19,077</u>	\$ <u>37,550</u>	\$ <u>35,605</u>	\$ <u>21,022</u>
LIABILITIES				
Due to student groups	\$ <u>19,077</u>	\$ <u>37,550</u>	\$ <u>35,605</u>	\$ <u>21,022</u>
<u>FRENCH FORD MIDDLE SCHOOL</u>				
<u>STUDENT ACTIVITIES FUND</u>				
ASSETS				
Cash	\$ <u>28,987</u>	\$ <u>42,753</u>	\$ <u>32,786</u>	\$ <u>38,954</u>
LIABILITIES				
Due to student groups	\$ <u>28,987</u>	\$ <u>42,753</u>	\$ <u>32,786</u>	\$ <u>38,954</u>
<u>DENIO ELEMENTARY SCHOOL</u>				
<u>STUDENT ACTIVITIES FUND</u>				
ASSETS				
Cash	\$ <u>5,723</u>	\$ <u>80</u>	\$ <u>5,803</u>	\$ <u>-</u>
LIABILITIES				
Due to student groups	\$ <u>5,723</u>	\$ <u>80</u>	\$ <u>5,803</u>	\$ <u>-</u>
<u>TOTAL - AGENCY FUNDS</u>				
ASSETS				
Cash	\$ <u>556,679</u>	\$ <u>995,098</u>	\$ <u>997,832</u>	\$ <u>553,945</u>
LIABILITIES				
Due to students and student groups	\$ <u>556,679</u>	\$ <u>995,098</u>	\$ <u>997,832</u>	\$ <u>553,945</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, 2018, 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, 2018.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have

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

Purpose of this Report

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

Blake Row : Associates, LLC

Winnemucca, Nevada
October 31, 2018



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, 2018. 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, 2018.

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 Rowe & Associates, LLC

Winnemucca, Nevada
October 31, 2018

**HUMBOLDT COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018
(Page 1 of 3)**

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-2018-3000	\$ 571,805
DIRECT - Indian Education - Grants to Local Educational Agencies	84.060	S060A170118	18,102
<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	18-639-07000	657,897
Special Education DIG	84.027	18-641-07000	67,752
Special Education Teacher Transition Specialist	84.027	18-667-07000	60,000
Goalbook	84.027	18-667-07000	11,131
Physical and Occupational Therapy	84.027	18-667-07001	56,268
IDEA Implementation	84.027	18-667-07005	95,774
			<u>948,822</u>
Special Education - Preschool Grants,			
Early Childhood Aide Time	84.173	18-675-07003	159,972
Early Childhood Speech Therapy	84.173	18-675-07002	60,000
Early Childhood Program	84.173	18-665-07000	13,225
			<u>233,197</u>
			<u>1,182,019</u>
Total Special Education Cluster (IDEA)			
Title I Grants to Local Education Agencies			
Title I - Part A, Helping Disadvantaged Students			
Meet High Standards	84.010	18-633-07000	353,302
Title I - School Improvement, Section 1003(a)	84.010A	18-624-07001	391,563
			<u>744,865</u>
School Safety National Activities			
School Climate Transformation Grant	84.184F	18-682-07000	11,261
Career and Technical Education - Carl D Perkins, Basic	84.048	18-631-07000	28,067
Gaining Early Awareness and Readiness for Undergraduate Programs - GEAR UP - Nevada	84.334S	18-610-07000	39,659

**HUMBOLDT COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018
(Page 2 of 3)**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH IDENTIFYING NUMBER	TOTAL FEDERAL EXPENDITURES
Title III, English Language Acquisition State Grants	84.365A	18-658-07000	\$ 32,438
English Language Acquisition, Consortium, State Grants	84.365A	18-658-07000	<u>2,894</u>
			<u>35,332</u>
Title II-A, Supporting Effective Instruction, State Grants, Teacher/Principal Training & Recruiting	84.367	18-709-07000	34,941
Title I, Part A - Migrant Education State Grant Program	84.011A	18-629-07000	50,654
Title I, Part A - Migrant Education Coordination Program	84.144A	18-628-07000	8,491
Title IV A Student Support and Academic Enrichment	84.424A	18-715-07000	26,818
Preschool Development Grant	84.419A	18-795-07000	<u>281,382</u>
Total U.S. Department of Education			<u>3,033,396</u>
<u>U.S. Department of Agriculture:</u>			
<i>Passed through Humboldt County, Nevada</i>			
Forest Service Schools and Roads Cluster			
Schools and Roads, Grants to States	10.665	n/a	<u>81,455</u>
Total Forest Service Schools and Roads Cluster			<u>81,455</u>
Child Nutrition Cluster			
<i>Passed through the State of Nevada Department of Agriculture</i>			
School Breakfast Program	10.553	n/a	127,396
National School Lunch Program	10.555	n/a	605,117
<i>Passed through the State of Nevada Department of General Services</i>			
National School Lunch Program - Commodities (Noncash)	10.555	n/a	<u>46,319</u>
Total Child Nutrition Cluster			<u>778,832</u>
<i>Passed through the State of Nevada Department of Agriculture</i>			
Fresh Fruit and Vegetable Program	10.582	18-808	<u>23,420</u>
Total U.S. Department of Agriculture			<u>883,707</u>

**HUMBOLDT COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018
(Page 3 of 3)**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH IDENTIFYING NUMBER	TOTAL FEDERAL EXPENDITURES
<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	17-698-07000	\$ 142,632
Project Aware	93.243	18-698-07000	<u>308,567</u>
Total U.S. Department of Health and Human Services			<u>451,199</u>
	TOTAL		\$ <u><u>4,368,302</u></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, 2018**

(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, 2018. The District's reporting entity is defined in Note 1 to its basic financial statements. All expenditures of federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Humboldt County School District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

(2) Summary of Significant Accounting Policies

The accompanying schedule of expenditures of federal awards is prepared on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Humboldt County School District has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance. The amounts shown as expenditures of the Food Distribution Program represent the fair value of commodity food received by the District.

(3) Relationship to Basic Financial Statements

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

General Fund	\$ 81,455
Major Special Revenue Funds	3,508,015
Nonmajor Special Revenue Funds	<u>778,832</u>
Total	<u>\$ 4,368,302</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, 2018 was \$744,865.

**HUMBOLDT COUNTY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

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, 2018.
- 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, 2018 included:

<u>CFDA</u>	<u>Program</u>
84.010 & 84.010A	Title I, Part A
84.041	Impact Aid

- The dollar threshold used for distinguishing between Type A and Type B programs for the year ended June 30, 2018, was \$750,000.
- Humboldt County School District qualified as a low risk auditee for the year ended June 30, 2018 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, 2018**

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, 2018**

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

None



Auditor's Comments

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

In connection with our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Humboldt County School District (the District) as of and for the year ended June 30, 2018, 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, 2017.

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.

Drake Rose & Associates, LLC

Winnemucca, Nevada
October 31, 2018