

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 27, 2019

**NEW ISSUE
BOOK-ENTRY ONLY**

**RATING: Moody's: "Aa"
See "RATING"**

In the opinion of Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the "Tax Code"), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code. See "TAX MATTERS."

\$11,000,000*
CARSON CITY SCHOOL DISTRICT, NEVADA
GENERAL OBLIGATION (LIMITED TAX)
SCHOOL IMPROVEMENT BONDS
SERIES 2019B

Dated: Date of Delivery

Due: June 1, as shown herein

The Bonds are issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. The Bonds initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), securities depository for the Bonds. Purchases of the Bonds are to be made in book-entry form only. Purchasers will not receive certificates representing their beneficial ownership interest in the Bonds. See "THE BONDS – Book-Entry Only System." The Bonds bear interest at the rates set forth below, payable semiannually on June 1 and December 1 of each year, commencing June 1, 2020. Interest will be paid to and including the maturity dates shown herein to the registered owners of the Bonds (initially Cede & Co.). The principal of the Bonds will be payable upon presentation and surrender at the corporate trust office of Zions Bancorporation, National Association, Los Angeles, California, or its successor as the paying agent for the Bonds. See "THE BONDS – Payment Provisions."

The maturity schedule for the Bonds appears on the inside cover page of this Official Statement.

The Bonds are subject to redemption prior to maturity at the option of the District as described in "THE BONDS – Redemption Provisions." At the option of the winning bidder, Bonds maturing on and after June 1, 2030 may also be subject to mandatory sinking fund redemption. See "APPENDIX F - OFFICIAL NOTICE OF BOND SALE."

Proceeds of the Bonds will be used to: (i) finance the acquisition, construction, improvement and equipping of school facilities, as more fully described herein; and (ii) pay the costs of issuing the Bonds. See "SOURCES AND USES OF FUNDS."

The Bonds constitute direct and general obligations of the District. The full faith and credit of the District is pledged for the payment of principal and interest on the Bonds, subject to State constitutional and statutory limitations on the aggregate amount of ad valorem taxes. See "SECURITY FOR THE BONDS – General Obligations."

This cover page contains certain information for quick reference only. It is *not* a summary of the issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

The Bonds are offered when, as, and if issued by the District, subject to the approval of legality of the Bonds by Sherman & Howard L.L.C., Reno, Nevada, and the satisfaction of certain other conditions. Sherman & Howard L.L.C., also has acted as special counsel to the District in connection with the preparation of this Official Statement. Certain legal matters will be passed upon for the District by its General Counsel, Allison MacKenzie, Ltd., Carson City, Nevada. JNA Consulting Group, LLC, Boulder City, Nevada, is acting as the Municipal Advisor to the District in connection with the issuance of the Bonds. It is expected that the Bonds will be available for delivery through the facilities of DTC, on or about December 18, 2019.*

*Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or filing under the securities laws of such jurisdiction.

MATURITY SCHEDULE*
(CUSIP© 6-digit issuer number: _____)

\$11,000,000*
CARSON CITY SCHOOL DISTRICT, NEVADA
GENERAL OBLIGATION (LIMITED TAX)
SCHOOL IMPROVEMENT BONDS
SERIES 2019B

<u>Maturing (June 1)</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>CUSIP© Issue Number</u>
2022	\$220,000			
2023	230,000			
2024	235,000			
2025	490,000			
2026	515,000			
2027	545,000			
2028	570,000			
2029	600,000			
2030	630,000			
2031	660,000			
2032	695,000			
2033	720,000			
2034	750,000			
2035	780,000			
2036	805,000			
2037	825,000			
2038	850,000			
2039	880,000			

*Preliminary; subject to change.

CUSIP® is a registered trademark of the American Bankers Association (the “ABA”). The CUSIP numbers set forth herein are provided by CUSIP Global Services, which is managed on behalf of the ABA by S&P Capital IQ, a part of McGraw Hill Financial, Inc. The CUSIP numbers are provided for convenience of reference only. The District does not take any responsibility for the selection or accuracy of the CUSIP numbers.

USE OF INFORMATION IN THIS OFFICIAL STATEMENT

This Official Statement, which includes the cover page, the inside cover page and the appendices, does not constitute an offer to sell or the solicitation of an offer to buy any of the Bonds (defined herein) in any jurisdiction in which it is unlawful to make such offer, solicitation, or sale. No dealer, salesperson, or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by the District. The District maintains an internet website; however, the information presented there is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

The information set forth in this Official Statement has been obtained from the District and from the sources referenced throughout this Official Statement, which the District believes to be reliable. No representation is made by the District, however, as to the accuracy or completeness of information provided from sources other than the District. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions, or that they will be realized.

The information, estimates, and expressions of opinion contained in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Bonds shall, under any circumstances, create any implication that there has been no change in the affairs of the District, or in the information, estimates, or opinions set forth herein, since the date of this Official Statement.

This Official Statement has been prepared only in connection with the original offering of the Bonds and may not be reproduced or used in whole or in part for any other purpose.

The Bonds have not been registered with the Securities and Exchange Commission due to certain exemptions contained in the Securities Act of 1933, as amended. The Bonds have not been recommended by any federal or state securities commission or regulatory authority, and the foregoing authorities have neither reviewed nor confirmed the accuracy of this document.

THE PRICES AT WHICH THE BONDS ARE OFFERED TO THE PUBLIC BY THE INITIAL PURCHASER (AND THE YIELDS RESULTING THEREFROM) MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES OR YIELDS APPEARING ON THE INSIDE COVER PAGE HEREOF. IN ADDITION, THE INITIAL PURCHASER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS. IN ORDER TO FACILITATE DISTRIBUTION OF THE BONDS, THE INITIAL PURCHASER MAY ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

CARSON CITY SCHOOL DISTRICT, NEVADA

BOARD OF TRUSTEES

Stacie Wilke-McCulloch, President

Michael Walker, Vice President

Donald Carine, Clerk

Joe Cacioppo, Member

Laurel Crossman, Member

Lupe Ramirez, Member

Richard Varner, Member

ADMINISTRATIVE OFFICIALS

Richard Stokes, Superintendent

Jose Delfin, Associate Superintendent of Human Resources

Tasha Fuson, Associate Superintendent of Educational Services

Andrew J. Feuling, Director of Fiscal Services

MUNICIPAL ADVISOR

JNA Consulting Group, LLC

Boulder City, Nevada

BOND AND SPECIAL COUNSEL

Sherman & Howard L.L.C.

Reno, Nevada

REGISTRAR AND PAYING AGENT

Zions Bancorporation, National Association

Los Angeles, California

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OFFICIAL STATEMENT

\$11,000,000*
CARSON CITY SCHOOL DISTRICT, NEVADA
GENERAL OBLIGATION (LIMITED TAX)
SCHOOL IMPROVEMENT BONDS
SERIES 2019B

INTRODUCTION

General

This Official Statement, including the cover page, the inside cover page and the appendices, provides information concerning the Carson City School District, Nevada (the “District” and the “State,” respectively) and its \$11,000,000* General Obligation (Limited Tax) School Improvement Bonds, Series 2019B (the “Bonds”). The Bonds will be issued pursuant to a resolution (the “Bond Resolution”) adopted by the Board of Trustees of the District (the “Board”) on October 22, 2019.

The offering of the Bonds is made only by way of this Official Statement, which supersedes any other information or materials used in connection with the offer or sale of the Bonds. The following introductory material is only a brief description of and is qualified by the more complete information contained throughout this Official Statement. A full review should be made of the entire Official Statement and the documents summarized or described herein. Detachment or other use of this “INTRODUCTION” without the entire Official Statement, including the cover page, the inside cover page and the appendices, is unauthorized.

The Issuer

The District is a political subdivision of the State organized under the terms of certain State legislation enacted in 1956. The District’s boundaries are coterminous with those of the City of Carson City (the “City,” the “County” or “Carson City”), which is a consolidated city and county pursuant to the Nevada constitution. See “CARSON CITY SCHOOL DISTRICT.”

The Bonds; Prior Redemption

The Bonds are issued solely as fully registered certificates in denominations of \$5,000, or any integral multiple thereof. The Bonds initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), the securities depository for the Bonds. Purchases of the Bonds are to be made in book-entry form only. Purchasers will not receive certificates representing their beneficial ownership interest in the Bonds. See “THE BONDS - Book-Entry Only System.” The Bonds are dated as of the date of their delivery and mature and bear interest (calculated based on a 360-day year consisting of twelve 30-day months) as set forth on the inside cover page hereof. The payment of principal and interest on the Bonds is described in “THE BONDS – Payment Provisions.”

*Preliminary; subject to change.

The Bonds are subject to redemption prior to maturity at the option of the District as described in “THE BONDS – Redemption Provisions.” At the option of the winning bidder, Bonds maturing on and after June 1, 2030 may also be subject to mandatory sinking fund redemption. See “APPENDIX F - OFFICIAL NOTICE OF BOND SALE.”

Authority for Issuance

The Bonds are being issued pursuant to the constitution and laws of the State, particularly Nevada Revised Statutes (“NRS”) 350.500 through 350.720, and all laws amendatory thereof, cited in NRS 350.500 as the Local Government Securities Law (the “Bond Act”), and Chapter 348 of NRS and the Bond Resolution.

Purpose

The Bonds are being issued to: (i) finance the acquisition, construction, improvement and equipping of school facilities (the “Project”); and (ii) pay the costs of issuing the Bonds. See “SOURCES AND USES OF FUNDS.”

Security

General. The Bonds constitute direct and general obligations of the District. The full faith and credit of the District is pledged for the payment of principal and interest of the Bonds (the “Bond Requirements”), subject to State constitutional and statutory limitations on the aggregate amount of ad valorem property taxes. See “SECURITY FOR THE BONDS – General Obligations.”

Including the issuance of the Bonds, the District has \$61,810,000* aggregate principal amount of general obligation bonds outstanding as of November 1, 2019. See “DEBT STRUCTURE – Outstanding Debt and Other Obligations.”

Professionals

Sherman & Howard L.L.C., Reno, Nevada, has acted as Bond Counsel in connection with the Bonds and also has acted as special counsel to the District in connection with this Official Statement. Certain legal matters will be passed upon for the District by its General Counsel, Allison MacKenzie, Ltd., Carson City, Nevada. JNA Consulting Group, LLC, Boulder City, Nevada, is providing Municipal Advisory services to the District. See “MUNICIPAL ADVISOR.” The audited basic financial statements of the District, attached to this Official Statement as APPENDIX A, include the report of Rife Silva & Co. LLC, certified public accountants, Reno, Nevada. See “INDEPENDENT AUDITORS.” Zions Bancorporation, National Association, Los Angeles, California, will act as Registrar and Paying Agent for the Bonds.

Tax Matters

In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the Bonds is excluded from gross income under federal

* Preliminary; subject to change.

income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the “Tax Code”) and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code. See “TAX MATTERS – Federal Tax Matters.”

Under the laws of the State in effect as of the date of delivery of the Bonds, the Bonds, their transfer, and the income therefrom, are free and exempt from taxation by the State or any subdivision thereof except for the tax on estates imposed pursuant to Chapter 375A of NRS and the tax on generation-skipping transfers imposed pursuant to Chapter 375B of NRS. See “TAX MATTERS – State Tax Exemption.”

Continuing Disclosure Undertaking

The District will execute a continuing disclosure certificate (“Disclosure Certificate”) at the time of the closing for the Bonds. The Disclosure Certificate will be executed for the benefit of the beneficial owners of the Bonds. The District will covenant in the Bond Resolution to comply with the terms of the Disclosure Certificate. The Disclosure Certificate will provide that so long as the Bonds remain outstanding, the District will provide the following information to the Municipal Securities Rulemaking Board (“MSRB”), through its Electronic Municipal Market Access (“EMMA”) system: (i) annually, certain financial information and operating data; and (ii) notice of the occurrence of certain material events; all as more particularly described in the Disclosure Certificate. The form of the Disclosure Certificate is attached hereto as APPENDIX C.

During the past five years, the District has never failed to materially comply with any prior continuing disclosure undertakings entered into pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (the “Rule”).

Certain Bondholder Risks

General. The purchase of the Bonds involves certain investment risks that are discussed throughout this Official Statement. Accordingly, each prospective purchaser of the Bonds should make an independent evaluation of all of the information presented in this Official Statement in order to make an informed investment decision.

General Risk Related to Property Taxes. Although the Bonds are general obligations of the District, the District may only levy property taxes to pay debt service on the Bonds in accordance with State law. See “PROPERTY TAX INFORMATION.” Due to the statutory process required for the levy of taxes, in any year in which the District is required to levy property taxes, there may be a delay in the availability of revenues to pay debt service on the Bonds.

Other Risks Related to Property Taxes. Numerous other factors over which the District has no control may impact the timely receipt of ad valorem property tax revenues in the future. These include the valuation of property within the District, the number of homes which are in foreclosure, bankruptcy proceedings of property taxpayers or their lenders, and the ability or willingness of property owners to pay taxes in a timely manner.

The District's ability to retire the indebtedness created by the issuance of the Bonds is dependent, in part, upon the maintenance of an adequate tax base against which the District may levy and collect property tax revenues. The amount of ad valorem property taxes (sometimes referred to herein as "General Taxes") collected will be dependent upon the assessed valuation of land within the District. As illustrated in "PROPERTY TAX INFORMATION – History of Assessed Value," the taxable value of the property in the District increased 6.7%, 5.2%, 3.9%, 4.4%, and 6.3% for fiscal years 2016, 2017, 2018, 2019, and 2020. It is not possible to predict whether property values in the District will decline again in future fiscal years, whether foreclosure rates will rise in future years or whether any increase in foreclosures will cause significant delinquencies in property tax payments and the realization of property tax revenues by the District.

Changes in Law. Various State laws apply to the imposition, collection, and expenditure of General Taxes as well as to the operation and finances of the District, including State funding of education.

The Nevada Legislature (the "Legislature") determines the amount of State funds that will be distributed to school districts in each year pursuant to statutory funding formulas. Economic indicators have stabilized and the State has made a push to diversify or bring in new businesses which is improving the economic outlook in Nevada. However, the State continues to face budgetary pressures in light of the recovering economy, and it is not possible to predict what actions the Legislature will take in future years. Future actions taken by the Legislature will impact the District's operations and finances to an extent that cannot be determined at this time.

There is no assurance that there will not be any change in, interpretation of, or addition to the applicable laws, provisions, and regulations which would have a material effect, directly or indirectly, on the affairs of the District and the imposition, collection, and expenditure of its revenues, including General Taxes.

Forward-Looking Statements

This Official Statement, particularly (but not limited to) the sections entitled "DISTRICT FINANCIAL INFORMATION – General Fund History of Revenues, Expenditures and Changes in Fund Balance," "DISTRICT FINANCIAL INFORMATION – Debt Service Fund History of Revenues, Expenditures and Changes in Fund Balance," and "DISTRICT FINANCIAL INFORMATION – Analysis of Recent Financial Developments," and any statements throughout this Official Statement referring to budgeted, unaudited or interim results for fiscal year 2019, 2020 or future years, contain statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "forecast," "intend," "expect" and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty. Accordingly, such statements are subject to risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not occur as assumed or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward-looking statements and actual results. Those differences could be materially adverse to the owners of the Bonds.

Secondary Market

No guarantee can be made that a secondary market for the Bonds will develop or be maintained by the initial purchaser of the Bonds (the “Initial Purchaser”) or others. Thus, prospective investors should be prepared to hold their Bonds to maturity.

Additional Information

This introduction is only a brief summary of the provisions of the Bonds and the Bond Resolution; a full review of the entire Official Statement should be made by potential investors. Brief descriptions of the Bonds, the Bond Resolution, the Project and the District are included in this Official Statement. All references herein to the Bonds, the Bond Resolution and other documents are qualified in their entirety by reference to such documents. *This Official Statement speaks only as of its date and the information contained herein is subject to change.*

Additional information and copies of the documents referred to herein are available from the District and the Municipal Advisor at the addresses set forth as follows:

Carson City School District
Attn: Director of Fiscal Services
1402 West King Street
Carson City, Nevada 89703
Telephone: (775) 283-2023

JNA Consulting Group, LLC
410 Nevada Way, Suite 200
Boulder City, Nevada 89005
E-mail: marty@jnaconsultinggroup.com
Telephone: (702) 294-5100

SOURCES AND USES OF FUNDS

Sources and Uses of Funds

The proceeds of the Bonds are expected to be applied in the manner set forth in the following table.

<u>Sources and Uses of Funds</u>	<u>Amount</u>
SOURCES:	
Principal amount	
Plus/(less): net original issue premium/(discount)	
Total	
USES:	
The Project	
Costs of issuance (including underwriting discount)	
Total	

Source: The Municipal Advisor.

The Project

The proceeds of the Bonds will be used to: (i) finance the acquisition, construction, improvement and equipping of school facilities; and (ii) pay the costs of issuing the Bonds.

THE BONDS

General

The Bonds will be issued as fully registered bonds in denominations of \$5,000 and any integral multiple thereof. The Bonds will be dated as of their date of delivery and will mature and bear interest (calculated on the basis of a 360-day year consisting of twelve 30-day months) as set forth on the inside cover page of this Official Statement. The Bonds initially will be registered in the name of “Cede & Co.,” as nominee for DTC, the securities depository for the Bonds. Purchases of the Bonds are to be made in book-entry only form. Purchasers will not receive certificates evidencing their beneficial ownership interest in the Bonds. See “Book-Entry Only System” below.

Payment Provisions

General. Interest on the Bonds is payable on June 1 and December 1 (each an interest payment date), commencing June 1, 2020, by check or draft mailed by the Paying Agent on each interest payment date (or, if the interest payment date is not a business day, on the next succeeding business day), to the registered owner thereof (*i.e.*, Cede & Co.) at the address shown on the registration records kept by the Registrar at the close of business on the 15th day of the calendar month preceding such interest payment date (the “Regular Record Date”); but any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner thereof at the close of business on the Regular Record Date and shall be payable to the person who is the registered owner thereof at the close of business on a special record date for the payment of any such defaulted interest (a “Special Record Date”). Such Special Record Date shall be fixed by the Registrar whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the registered owners of the Bonds not less than ten days prior thereto by first class mail to each such registered owner as shown on the Registrar’s registration records on a date selected by the Registrar, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. The Paying Agent may make payments of interest on any Bond by such alternative means as may be mutually agreed to between the owner of such Bond and the Paying Agent (provided, however, that the District shall not be required to make funds available to the Paying Agent prior to the due dates of interest and principal, respectively). All such payments of principal and interest shall be made in lawful money of the United States of America.

Notwithstanding the foregoing, payments of the principal of and interest on the Bonds will be made directly to DTC or its nominee, Cede & Co., by the Paying Agent, so long as DTC or Cede & Co. is the registered owner of the Bonds. Disbursement of such payments to DTC’s Participants (defined in Appendix B) is the responsibility of DTC, and disbursements of such payments to the Beneficial Owners (defined in Appendix B) is the responsibility of DTC’s Participants and the Indirect Participants (defined in Appendix B), as more fully described herein. See “Book-Entry Only System” below.

Redemption Provisions

Optional Redemption. The Bonds, or portions thereof, maturing on and after June 1, 2030, are subject to redemption prior to their respective maturities, at the option of the

District, on or after June 1, 2029, in whole or in part at any time, from such maturities as are selected by the District, and if less than all of the Bonds of a maturity are to be redeemed, the Bonds of such maturity are to be redeemed by lot within a maturity (giving proportionate weight to Bonds in denominations larger than \$5,000), in such other manner as the Paying Agent may determine, at redemption price equal to the principal amount of the Bond to be redeemed plus accrued interest thereon to the redemption date.

Mandatory Sinking Fund Redemption. The Bonds maturing on June 1, 20__ (the “Term Bonds”), are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof and accrued interest to the redemption date.

As and for a sinking fund for the redemption of the Term Bonds maturing on June 1, 20__, there shall be deposited into the Principal Account created in the Bond Resolution, on or before the dates shown below, a sum which, together with other moneys available therein, is sufficient to redeem the Term Bonds maturing on June 1, 20__, on the dates and in the principal amounts shown below.

Redemption Date (June 1)	Principal Amount
20__	\$ _____
20__ (maturity)	_____

Not more than 60 days nor less than 30 days prior to the sinking fund payment dates for the Term Bonds, the Registrar shall proceed to select for redemption (by lot in such manner as the Registrar may determine) from all outstanding Term Bonds, a principal amount of the Term Bonds equal to the aggregate principal amount of Bonds redeemable with the required sinking fund payments, and shall call such Term Bonds or portions thereof for redemption from the sinking fund on the next principal payment date, and give notice of such call as described in “Notice of Redemption” below.

At the option of the Board to be exercised by delivery of a written certificate to the Registrar not less than sixty days next preceding any sinking fund redemption date, it may (i) deliver to the Registrar for cancellation Term Bonds or portions thereof (\$5,000 or any integral multiple thereof) in an aggregate principal amount desired by the Board or, (ii) specify a principal amount of Term Bonds or portions thereof (\$5,000 or any integral multiple thereof) which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and cancelled by the Registrar and not theretofore applied as a credit against any sinking fund redemption obligation. Each Term Bond or portion thereof so delivered or previously redeemed which is a part of the maturity which would be subject to mandatory redemption on the following principal payment date shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Board on the sinking fund redemption dates and any excess shall be so credited against future sinking fund redemption obligations in such manner as the Board determines.

Notice of Prior Redemption. Unless waived by any registered owner of a Bond to be redeemed, notice of prior redemption shall be given by the Registrar, by electronic mail as long as Cede & Co. is registered owner of the Bonds and otherwise by first-class mail, at least 30 days but not more than 60 days prior to the Redemption Date to the registered owner of any

Bond (initially Cede & Co.) all or a part of which is called for prior redemption at his or her address as it last appears on the registration records kept by the Registrar, and electronically to the Municipal Securities Rulemaking Board via its Electronic Municipal Market Access (EMMA) system (“MSRB”). The notice shall identify the Bonds and state that on such date the principal amount thereof will become due and payable at the Paying Agent (accrued interest to the Redemption Date being payable by mail or as otherwise provided in the Bond Resolution), and that after such Redemption Date interest will cease to accrue. After such notice and presentation of said Bonds, the Bonds called for redemption will be paid. Actual receipt of the notice by the MSRB, or any registered owner of Bonds shall not be a condition precedent to redemption of such Bonds. Failure to give such notice to the MSRB, or the registered owner of any Bond designated for redemption, or any defect therein, shall not affect the validity of the proceedings for the redemption of any other Bond. A certificate by the Registrar that notice of call and redemption has been given as provided in the Bond Resolution shall be conclusive as against all parties; and no owner whose Bond is called for redemption or any other owner of any Bond may object thereto or may object to the cessation of interest on the Redemption Date on the ground that he failed actually to receive such notice of redemption.

Notwithstanding the provisions described above, any notice of redemption may contain a statement that the redemption is conditioned upon the receipt by the Paying Agent of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Bonds so called for redemption, and that if such funds are not available, such redemption shall be canceled by written notice to the owners of the Bonds called for redemption in the same manner as the original redemption notice was given.

Tax Covenant

In the Bond Resolution, the District covenants for the benefit of the owners of the Bonds that it will not take any action or omit to take any action with respect to the Bonds, the proceeds thereof, any other funds of the District or any facilities refinanced with the proceeds of the Bonds if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code, or (ii) would cause interest on the Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code. The covenant described above shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bonds until the date on which all obligations of the District in fulfilling the above covenant under the Tax Code have been met.

Defeasance

When all Bond Requirements of any Bond have been duly paid, the pledge and lien and all obligations under the Bond Resolution as to that Bond shall thereby be discharged and the Bond shall no longer be deemed to be outstanding within the meaning of the Bond Resolution. There shall be deemed to be such due payment when the District has placed in escrow or in trust with a trust bank located within or without the State, an amount sufficient (including the known minimum yield available for such purpose from Federal Securities in which such amount wholly or in part may be initially invested) to meet all Bond Requirements of the Bond, as the same become due to the final maturity of the Bond or upon any redemption date as of which the District shall have exercised or shall have obligated itself to exercise its prior

redemption option by a call of the Bond for payment. The Federal Securities shall become due before the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the District and the Bank at the time of the creation of the escrow or trust, or the Federal Securities shall be subject to redemption at the option of the owners thereof to assure availability as so needed to meet the schedule. For the purposes described in this paragraph, the term “Federal Securities” shall be as defined in NRS 350.522, and shall include only Federal Securities which are not callable for redemption prior to their maturities except at the option of the holder thereof.

Replacement of Registrar or Paying Agent

If the Registrar and Paying Agent hereunder shall resign, or if the District shall reasonably determine that said Registrar or Paying Agent has become incapable of performing its duties hereunder or that it would be in the best interests of the District to appoint a new Registrar or Paying Agent hereunder, the District may, upon notice mailed to each registered owner of any Bond at his address last shown on the registration records, appoint a successor Registrar or Paying Agent, or both. No resignation or dismissal of the Registrar or Paying Agent may take effect until a successor is appointed. Every such successor Registrar or Paying Agent shall be an officer or employee of the District or a banking institution authorized to exercise trust powers. It shall not be required that the same institution serve as both a Registrar and Paying Agent hereunder, but the Board shall have the right to have the same person or institution serve as both Registrar and Paying Agent hereunder. Any corporation or association into which the Registrar or Paying Agent may be converted or merged, or with which they may be consolidated, or to which they may sell or transfer their corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer, to which they are a party, shall be and become the successor Registrar or Paying Agent under this Resolution, without the execution or filing of any instrument or any further act, deed, or conveyance on the part of any of the parties hereto, anything in Bond Resolution to the contrary notwithstanding.

Amendment of the Bond Resolution

The Bond Resolution may be amended by the Board: (i) without the consent of or notice to the holders of the Bonds for the purpose of curing any ambiguity or formal defect or omission therein; and (ii) with the consent of a majority of the Bondholders and the State Treasurer in connection with any other amendment.

Notwithstanding the foregoing, no such amendment, unless consented to by the Bondholder adversely affected thereby, shall permit: (i) a change in the maturity or in the terms of redemption of the principal of any outstanding Bond or any installment of interest thereon; (ii) a reduction in the principal amount of any Bond, the rate of interest thereon, or any prior redemption premium payable in connection therewith; or (iii) the establishment of any priorities as between Bonds issued and outstanding under the provisions of the Bond Resolution.

Book-Entry Only System

The Bonds will be available only in book-entry form in the principal amount of \$5,000 or any integral multiple thereof. DTC will act as the initial securities depository for the

Bonds. The ownership of one fully registered Bond for each maturity, as set forth on the inside cover page of this Official Statement, each in the aggregate principal amount of such maturity, will be registered in the name of Cede & Co., as nominee for DTC. See Appendix B - Book-Entry Only System.

SO LONG AS CEDE & CO, AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE BONDS, REFERENCES IN THIS OFFICIAL STATEMENT TO THE OWNERS WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

None of the District, the Registrar, or the Paying Agent will have any responsibility or obligation to DTC's Direct Participants or Indirect Participants (each as defined in Appendix B), or the persons for whom they act as nominees, with respect to the payments to or the providing of notice for the Direct Participants, the Indirect Participants or the beneficial owners of the Bonds as further described in Appendix B to this Official Statement.

Debt Service Requirements

The following table sets forth the estimated debt service requirements for the Bonds in each fiscal year. See "DEBT STRUCTURE – Total Debt Service Requirements - General Obligation Bonds" for information on the debt service due on all of the District's outstanding general obligation bonds.

Bond Debt Service Requirements⁽¹⁾

<u>Fiscal</u> <u>Year</u>	<u>Principal*</u>	<u>Interest⁽²⁾</u>	<u>Total</u>
2020	\$ 0	\$ 201,735	\$201,735
2021	0	445,550	445,550
2022	220,000	445,550	665,550
2023	230,000	434,550	664,550
2024	235,000	423,050	658,050
2025	490,000	411,300	901,300
2026	515,000	386,800	901,800
2027	545,000	361,050	906,050
2028	570,000	333,800	903,800
2029	600,000	305,300	905,300
2030	630,000	275,300	905,300
2031	660,000	243,800	903,800
2032	695,000	210,800	905,800
2033	720,000	183,000	903,000
2034	750,000	154,200	904,200
2035	780,000	124,200	904,200
2036	805,000	100,800	905,800
2037	825,000	76,650	901,650
2038	850,000	51,900	901,900
2039	880,000	26,400	906,400
Total	\$11,000,000	\$5,195,735	\$16,195,735

⁽¹⁾ Totals may not add due to rounding.

⁽²⁾ Interest at rates estimated by the Municipal Advisor.

Source: The Municipal Advisor.

* Preliminary; subject to change.

SECURITY FOR THE BONDS

General Obligations

General. The Bonds are direct and general obligations of the District, and the full faith and credit of the District is pledged for the payment of the principal of, any prior redemption premiums and the interest on the Bonds, subject to State constitutional and statutory limitations on the aggregate amount of ad valorem taxes. See “PROPERTY TAX INFORMATION – Property Tax Limitations.” The Bonds are payable by the District from any source legally available therefor at the times such payments are due, including the General Fund of the District. In the event, however, that such legally available sources of funds are insufficient, the District is obligated to levy a general (ad valorem) tax on all taxable property within the District for payment of the Bonds, subject to the limitations provided in the constitution and statutes of the State.

Limitations on Property Tax Revenues. The constitution and laws of the State limit the total ad valorem property taxes that may be levied by all overlapping taxing units within each county (including the State, the District, the City or any special district) in each year. Those limitations are described in “PROPERTY TAX INFORMATION – Property Tax Limitations.” In any year in which the total property taxes levied within the City by all applicable taxing units exceed such property tax limitations, the reduction to be made by those units must be in taxes levied for purposes other than the payment of their bonded indebtedness, including interest on such indebtedness. See “PROPERTY TAX INFORMATION – Property Tax Limitations.”

Reserve Account

Pursuant to NRS 350.020(5) the Board established a reserve account (the “Reserve Account”) within its Debt Service Fund for payment of the outstanding general obligation bonds of the District (excluding medium-term bonds) and, if then permitted by the statutes of the State (currently only when amounts in the Reserve Account exceed the amount of the Reserve Requirement, described below), amounts in the Reserve Account may be withdrawn and used for purposes other than payment of debt service on outstanding District bonds. The Reserve Account must be established and maintained in an amount at least equal to the lesser of: (i) 50% of the amount of principal and interest payments due on all of the outstanding bonds of the District in the next fiscal year, or (ii) 10% of the outstanding principal amount of the District’s bonds (the “Reserve Requirement”). The amounts on deposit in the Reserve Account are not directly pledged to pay debt service on the Bonds or the other general obligation bonds of the District.

In order to issue the Bonds, the amount required to be on deposit in the Reserve Account is \$2,882,209.50;* that amount has been funded with available funds of the District. If the amount in the Reserve Account falls below the required amount, NRS 350.020(5) provides that: (a) the Board shall not issue additional bonds pursuant to NRS 350.020(4) until the Reserve Account is restored to an amount equal to the Reserve Requirement; and (b) the Board shall apply all of the taxes levied by the District for payment of bonds of the District that are not

* Preliminary; subject to change.

needed for payment of the principal and interest on bonds of the District in the current fiscal year to restore the reserve account to an amount equal to the Reserve Requirement.

Additional Bonds

At an election held on Tuesday, November 2, 2010 (the “Election”), District voters approved a proposal that allows the District to issue general obligation bonds for school construction purposes until November 2, 2020, provided that the Board makes a finding that the proposed bonds can be paid within a \$0.4300 property tax rate for debt service. Those findings require approval of the Carson City Debt Management Commission. At the time of the issuance of such bonds, the District must either have or maintain a reserve account for such bonds pursuant to NRS 350.020(5). See “SECURITY FOR THE BONDS – Reserve Account.” NRS 350.0201 permits the District to issue general obligation bonds pursuant to the authority granted by the Election until November 2, 2030.

During the 2019 legislative session, the Legislature passed, and the Governor signed, Assembly Bill 244 (“AB 244”), which authorizes the District to establish an advisory committee to recommend a property tax for consideration by the voters at a general election held not later than November 8, 2022 to fund certain capital projects of the District. The proceeds of the tax must be deposited in the District’s fund for capital projects and may be pledged to pay the principal of and interest on bonds issued for such purposes. If a majority of the voters approve the question, Carson City’s Board of Supervisors is required to impose the approved tax.

The District anticipates issuing additional bonds in the fall or winter of 2019 in the approximate principal amount of \$27,500,000. The District reserves the right to issue bonds at any time legal requirements are met, including bonds authorized by the Election.

Bond Resolution Irrepealable

After any of the Bonds are issued, the Bond Resolution shall constitute an irrevocable contract between the District and the registered owner or owners of the Bonds; and the Bond Resolution, if any Bonds are in fact issued, shall be and shall remain irrepealable until the Bonds, as to all Bond Requirements, shall be fully paid, canceled and discharged, as provided in the Bond Resolution.

Other Security Matters

No Repealer. State statutes provide that no act concerning the Bonds or their security may be repealed, amended, or modified in such a manner as to impair adversely the Bonds or their security until all of the Bonds have been discharged in full or provision for their payment and redemption has been fully made.

No Pledge of Property. The payment of the Bonds is not secured by an encumbrance, mortgage or other pledge of property of the District, except the proceeds of the General Taxes and any other monies pledged under the Bond Resolution for the payment of the Bonds. No property of the District, subject to that exception, shall be liable to be forfeited or taken in payment of the Bonds.

No Recourse. No recourse shall be had for the payment of the Bond Requirements of the Bonds or for any claim based thereon or otherwise upon the Bond Resolution or any other instrument relating thereto, against any individual member of the Board or any officer or other agent of the Board or District, past, present or future, either directly or indirectly through the Board or the District, or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any penalty or otherwise.

Limitations on Remedies

No Acceleration. There is no provision for acceleration of maturity of the principal of the Bonds in the event of a default in the payment of principal of or interest on the Bonds. Consequently, remedies available to the owners of the Bonds may have to be enforced from year to year.

Bankruptcy, Federal Lien Power and Police Power. The enforceability of the rights and remedies of the owners of the Bonds and the obligations incurred by the District in issuing the Bonds are subject to the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the federal Constitution; the power of the federal government to impose liens in certain situations; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings or the exercise of powers by the federal or State government (including the imposition of tax liens by the federal government), if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation or modification of their rights.

PROPERTY TAX INFORMATION

Property Tax Base

The State Department of Taxation reports that the total assessed valuation of property within the District for the fiscal year ending June 30, 2020, to be \$1,666,547,892 (excluding the assessed valuation attributable to the Carson City Redevelopment Agency (the “Redevelopment Agency”)), which represents a 6.3% increase from the assessed valuation reported for the prior fiscal year.

State law requires that the County assessor reappraise, at least once every five years, all real and secured personal property (other than certain utility owned property which is centrally appraised and assessed by the Nevada Tax Commission). The law provides that in years in which the property is not reappraised, the County assessor is to apply a factor representing typical changes in value in the area since the preceding year. State law requires that property be assessed at 35% of taxable value; that percentage may be adjusted upward or downward by the Legislature. Based on the assessed valuation for fiscal year 2020, the taxable value of all taxable property within the District is \$4,761,565,405 (excluding the taxable value attributable to the Redevelopment Agency).

“Taxable value” is defined in the statutes as the full cash value in the case of land, as the replacement cost less applicable straight-line depreciation and obsolescence in the case of improvements to land, and as the replacement cost less applicable depreciation and obsolescence (determined in accordance with the regulations of the Nevada Tax Commission) with respect to taxable personal property; but the computed taxable value of any property must not exceed its full cash value. Depreciation of improvements to real property must be calculated at 1.5% of the cost of replacement for each year of adjusted actual age up to a maximum of 50 years. Adjusted actual age is actual age adjusted for any addition or replacement. The maximum depreciation allowed is 75% of the cost of replacement. When a substantial addition or replacement is made to depreciable property, its “actual age” is adjusted, *i.e.*, reduced to reflect the increased useful term of the structure. The adjusted actual age has been used on appraisals for taxes since 1986-87.

In Nevada, county assessors are responsible for assessments in the counties except for certain properties centrally assessed by the State, which include property owned by railroads, airlines and utility companies.

History of Assessed Value

The following table illustrates a history of the assessed valuation in the District, excluding the assessed values attributable to the Redevelopment Agency. Due to property tax abatement laws enacted in 2005 (described in “Required Property Tax Abatements” below), and green building (LEED) tax abatement laws enacted in 2007, the taxes collected by taxing entities within the District are capped and there is no longer a direct correlation between changes in assessed value and property tax revenue.

History of Assessed Valuation

Fiscal Year Ended June 30	Assessed Valuation ⁽¹⁾	Percent Change
2015	\$1,286,890,682	--
2016	1,373,408,853	6.7%
2017	1,445,154,773	5.2
2018	1,502,046,933	3.9
2019	1,568,475,621	4.4
2020	1,666,547,892 ⁽²⁾	6.3

⁽¹⁾ Excludes the assessed valuation of the Redevelopment Agency.

⁽²⁾ As of March 24, 2019; subject to change.

Source: Nevada Department of Taxation, Division of Local Government Services, *Property Tax Rates for Nevada Local Governments*, 2014-2015 through 2019-2020.

Property Tax Collections

In Nevada, county treasurers (or, in the case of the City, the City Treasurer) are responsible for the collection of property taxes, and forwarding the allocable portions thereof to the overlapping taxing units within the counties.

A history of the City's tax roll collection record appears in the following table. *This table reflects all amounts collected by the City, including amounts levied by the City, the District and certain special taxing districts. The figures in the following table include property taxes that are not available to pay debt service on the Bonds.* The table below provides information with respect to the historic collection rates for the City, but may not be relied upon to depict the amounts of ad valorem property taxes available to the City in each year. There is no assurance that collection rates will be similar to the historic collection rates depicted below.

Property Tax Levies, Collections and Delinquencies⁽¹⁾
Amounts in Thousands

Fiscal Year	Net Secured	Current Tax	% of Net	Delinquent	Total Tax	Total Tax
Ending	Roll Tax Levy ⁽²⁾	Collections	Levy	Tax	Collections	Collections as %
June 30			Collected			of Current Levy ⁽³⁾
2015	\$41,363	\$41,061	99.27%	\$301	\$41,362	100.00%
2016	41,696	41,237	98.90	457	41,693	99.99
2017	42,164	41,916	99.41	237	42,153	99.97
2018	43,881	43,543	99.23	280	43,823	99.87
2019	46,326	46,008	99.31	102	46,110	99.53
2020 ⁽⁴⁾	48,953	27,663	56.51	0 ⁽⁵⁾	27,663	56.51

(1) Subject to revision. Represents the real property tax roll levies and collections.

(2) Adjusted county tax levied for the fiscal year.

(3) Percentage of total taxes collected to date (calculated on the Net Secured Roll Tax Levy).

(4) Collections as of October 14, 2019.

(5) Collections in progress.

Source: The City Treasurer's Office.

Taxes on real property are due on the third Monday in August unless the taxpayer elects to pay in installments on or before the third Monday in August and the first Mondays in October, January, and March of each fiscal year. Penalties are assessed if any taxes are not paid within 10 days of the due date as follows: 4% of the delinquent amount if one installment is delinquent, 5% of the delinquent amount plus accumulated penalties if two installments are delinquent, 6% of the delinquent amount plus accumulated penalties if three installments are delinquent and 7% of the delinquent amount plus accumulated penalties if four installments are delinquent. In the event of nonpayment, the county treasurer is authorized to hold the property for two years, subject to redemption upon payment of taxes, penalties and costs, together with interest at the rate of 10% per year from the date the taxes were due until paid. If delinquent taxes are not paid within the two-year redemption period, the county treasurer obtains a deed to the property free of all encumbrances. Upon receipt of a deed, the county treasurer may sell the property to satisfy the tax lien and assessments by local governments for improvements to the property. State law provides alternative remedies for the collection of taxes in certain instances, including judicial foreclosure (which may take place before the expiration of the two-year redemption period) and the issuance of a tax lien to the county treasurer which may be sold before the expiration of the two-year redemption period (but remains subject to redemption).

Largest Taxpayers in the District

The following table represents the ten largest property-owning taxpayers in the District based on fiscal year 2018-19 assessed valuations. The assessed valuations in this table represent both the secured tax roll (real property) and the unsecured tax roll (generally personal property). No independent investigation has been made of, and consequently there can be no representation as to, the financial conditions of the taxpayers listed, or that any such taxpayer will continue to maintain its status as a major taxpayer based on the assessed valuation of its property in the District. It is possible that one or more of the major taxpayers in the District may be experiencing varying degrees of financial difficulty; those or other entities may encounter future difficulties that could negatively impact the timely payment of property taxes.

Ten Largest Taxpayers in the District
Fiscal Year 2018-19

<u>Taxpayer</u>	<u>Type of Business</u>	FY 2018-19 Assessed <u>Value</u>	% of Total Assessed <u>Value</u> ⁽¹⁾
Southwest Gas Corporation	Gas Distribution	\$ 24,159,789	1.46%
NV Energy	Electric Company	17,457,726	1.06
Carson-Tahoe Hospital	Healthcare Provider	9,046,078	0.55
ARHC CRCRCNV001LLC	Healthcare Provider	7,422,747	0.45
C&A Investments	Property Management	6,150,036	0.37
Harley-Davidson Credit Corp.	Financial Services	5,202,437	0.32
Carson Gaming LLC	Casino/Entertainment	4,999,035	0.30
Nevada Bell Telephone Co.	Telephone Company	4,980,112	0.30
Carson Fandango	Hotels/Casinos	4,909,985	0.30
Lennar Reno LLC	Home Construction	<u>4,795,822</u>	<u>0.29</u>
Total		<u>\$89,123,767</u>	<u>5.40%</u>

(1) Based on the District's fiscal year 2019 assessed valuation of \$1,649,185,408 (which includes the assessed valuation attributable to the Redevelopment Agency).

Source: Nevada Department of Taxation, Division of Local Government Services.

Property Tax Limitations

Overlapping Property Tax Caps. Article X, Section 2, of the State constitution limits the total ad valorem property taxes levied by all overlapping governmental units within the boundaries of any county (*i.e.*, the State, and any county, city, town, school district or special district) to an amount not to exceed five cents per dollar of assessed valuation (\$5 per \$100 of assessed valuation) of the property being taxed. Further, the combined overlapping tax rate is limited by statute to \$3.64 per \$100 of assessed valuation in all counties of the State with certain exceptions that (a) permit a combined overlapping tax rate of up to \$4.50 per \$100 of assessed valuation in the case of certain entities that are in financial difficulties; and (b) require that \$0.02 of the statewide property tax rate of \$0.17 per \$100 of assessed valuation is not included in computing compliance with this \$3.64 cap. (This \$0.02 is, however, counted against the \$5.00 cap.) State statutes provide a priority for taxes levied for the payment of general obligation bonded indebtedness in any year in which the proposed tax rate to be levied by overlapping units within a county exceeds any rate limitation; a reduction must be made by those units for purposes other than the payment of general obligation bonded indebtedness, including interest thereon.

Local Government Property Tax Revenue Limitation. State statutes limit the revenues school districts may receive from ad valorem property taxes for operating purposes. Pursuant to NRS 387.195, each board of county commissioners (or, in the case of the District, the District's Board of Trustees) levies a tax of \$0.75 per \$100 of assessed valuation for school district operating purposes. This limitation does not apply to ad valorem taxes levied to repay the Bonds. School districts are also allowed additional levies for voter-approved debt service and voter-approved tax overrides for capital projects.

State statutes also limit the revenues local governments, other than school districts, may receive from ad valorem property taxes for purposes other than paying certain general obligation indebtedness which is exempt from such ad valorem revenue limits. This rate is generally limited as follows. The assessed value of property is first differentiated between that for property existing on the assessment rolls in the prior year (old property) and new property. Second, the property tax revenue derived in the prior year is increased by no more than 6% and the tax rate to generate the increase is determined against the current assessed value of the old property. Finally, this tax rate is applied against all taxable property to produce the allowable property tax revenues. This cap operates to limit property tax revenue dependent upon changes in the value of old property and the growth and value of new property.

A local government, other than a school district, may exceed the property tax revenue limitation if the proposal is approved by its electorate at a general or special election. In addition, the Executive Director of the Department of Taxation will add to the allowed revenue from ad valorem taxes, the amount approved by the Legislature for the costs to a local government of any substantial programs or expenses required by legislative enactment. Nevada local governments receiving certain sales tax revenues also may levy a property tax to make up any shortfalls between sales tax revenues estimated by the Nevada Department of Taxation and actual sales tax revenues available to local governments.

The District is levying tax overrides as allowed or required by State statutes.

The Nevada Tax Commission monitors the impact of tax legislation on local government services.

Constitutional Amendment - Abatement of Taxes for Severe Economic Hardship.

At the November 5, 2002 election, the State's voters approved an amendment to the State constitution authorizing the State Legislature to enact a law providing for an abatement of the tax upon or an exemption of part of the assessed value of an owner-occupied single-family residence to the extent necessary to avoid severe economic hardship to the owner of that residence.

The legislation implementing that amendment provides that the owner of a single-family residence may file a claim with the county treasurer to postpone the payment of all or part of the property tax due against the residence if (among other requirements): the residence has an assessed value of not more than \$175,000; the property owner does not own any other real property in the State with an assessed value of more than \$30,000; the residence has been occupied by the owner for at least 6 months; the owner is not in bankruptcy; the owner owes no delinquent property taxes on the residence; the owner has suffered severe economic hardship caused by circumstances beyond his control (such as illness or disability expected to last for at least 12 continuous months); and the total annual income of the owner's household is at or below the federally designated poverty level. The amount of tax that may be postponed may not exceed the amount of property tax that will accrue against the residence in the succeeding three fiscal years. Any postponed property tax (and any penalties and the interest that accrue as provided in the statute) constitutes a perpetual lien against the residence until paid. The postponed tax becomes due and payable if: the residence ceases to be occupied by the claimant or is sold; any non-postponed property tax becomes delinquent; if the claimant dies; or on the date upon which the postponement expires, as determined by the county treasurer.

Required Property Tax Abatements

General. In 2005, the Legislature approved the Abatement Act (NRS 361.471 to 361.4735), which established formulas to determine whether tax abatements are required for property owners in each year. The general impact of the Abatement Act is to limit increases in ad valorem property tax revenues owed by taxpayers to a maximum of 3% per year for primary owner-occupied residential properties (and low-income housing properties) and, for all other properties, an annual percentage equal to the lesser of (a) 8% or (b) the greater of the average annual change in taxable values over the last ten years, as determined by a formula or twice the percentage of increase in the consumer price index for the immediately preceding calendar year. The Abatement Act limits do not apply to new construction. The Abatement Act formulas are applied on a parcel-by-parcel basis each year.

Generally, reductions in the amount of ad valorem property tax revenues levied in the City are required to be allocated among all of the taxing entities in the City in the same proportion as the rate of ad valorem taxes levied for that taxing entity bears to the total combined rate of all ad valorem taxes levied for that fiscal year. However, abatements caused by tax rate increases are to be allocated against the entity that would benefit from the tax increase rather than among all entities uniformly. Revenues realized from new or increased ad valorem taxes that are required by any legislative act that was effective after April 6, 2005, generally are *not* exempt from the abatement formulas. The Abatement Act provides for the recapture of previously abated property tax revenues in certain limited situations.

Levies for Debt Service. Revenues resulting from increases in the rate of ad valorem taxes for the payment of tax-secured obligations are exempt from the Abatement Act formulas if increased rates are necessary to pay debt service on the related obligation in any fiscal year if (i) the tax-secured obligations were issued before July 1, 2005; or (ii) the governing body of the taxing entity and the Carson City Debt Management Commission make findings that no increase in the rate of an ad valorem tax is anticipated to be necessary for payment of the obligations during their term. Ad valorem tax rate increases to pay debt service on the Bonds may not be exempt from the Abatement Act formulas.

General Effects of Abatement. Limitations on property tax revenues could negatively impact the finances and operations of the taxing entities in the State, including the District, to an extent that cannot be determined at this time.

Overlapping Tax Rates and General Obligation Indebtedness

Overlapping Tax Rates. The following table sets forth a history of statewide average tax rates and a representative overlapping tax rate for taxing districts located in the City. The overlapping rates for various areas within the City, a consolidated municipality, vary depending on the rates imposed by applicable taxing entities. Currently, the overlapping rates in the City range from \$3.5400 to \$3.5700.

History of Statewide Average and Sample Overlapping Property Tax Rates⁽¹⁾

<u>Fiscal Year Ended June 30,</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Average Statewide rate	<u>\$3.1232</u>	<u>\$3.1360</u>	<u>\$3.1500</u>	<u>\$3.1615</u>	<u>\$3.1572</u>
Carson City	\$2.1600	\$2.1400	\$2.1400	2.1900	2.1900
Carson City School District	1.1800	1.1800	1.1800	1.1800	1.1800
Carson Water Subconservancy District	0.0300	0.0300	0.0300	0.0300	0.0300
State of Nevada ⁽²⁾	<u>0.1700</u>	<u>0.1700</u>	<u>0.1700</u>	<u>0.1700</u>	<u>0.1700</u>
Total	\$3.5400	\$3.5200	\$3.5200	\$3.5700	\$3.5700

(1) Per \$100 of assessed valuation.

(2) \$0.0200 of the State rate is exempt from the \$3.64 cap. See “Property Tax Limitations” above.

Source: Nevada Department of Taxation, Division of Local Government Services, *Property Tax Rates for Nevada Local Governments*, 2014-2015 through 2018-2019.

Estimated Overlapping General Obligation Indebtedness. In addition to the general obligation indebtedness of the District, other taxing entities are authorized to incur general obligation debt within boundaries that overlap or partially overlap the boundaries of the District. In addition to the entities listed below, other governmental entities may overlap the District but have no general obligation debt outstanding. The following chart sets forth the estimated overlapping general obligation debt chargeable to property owners within the District as of November 1, 2019.

Estimated Overlapping Net General Obligation Indebtedness

<u>Entity⁽¹⁾</u>	<u>Total</u> <u>General</u> <u>Obligation</u> <u>Indebtedness</u>	<u>Presently</u> <u>Self-Supporting</u> <u>General</u> <u>Obligation</u> <u>Indebtedness</u>	<u>Net Direct</u> <u>General</u> <u>Obligation</u> <u>Indebtedness</u>	<u>Percent</u> <u>Applicable⁽²⁾</u>	<u>Overlapping</u> <u>Net General</u> <u>Obligation</u> <u>Indebtedness⁽³⁾</u>
Carson City	\$ 177,380,189	\$172,974,189	\$ 4,406,000	100%	\$ 4,406,000
State of Nevada	1,246,505,000	293,843,000	952,662,000	1.3%	12,204,232
Total	<u>\$1,423,885,189</u>	<u>\$466,817,189</u>	<u>\$957,068,000</u>		<u>\$16,610,232</u>

(1) Other taxing entities overlap the District and may issue general obligation debt in the future.

(2) Based on fiscal year 2020 assessed valuation in the respective jurisdiction. The percent applicable is derived by dividing the assessed valuation of the District into the assessed valuation of the governmental entity (excluding redevelopment agencies).

(3) Overlapping Net General Obligation Indebtedness equals total existing general obligation indebtedness less presently self-supporting general obligation indebtedness times the percent applicable.

Sources: Carson City Finance Department; state debt information compiled by the Municipal Advisor; percentages calculated using information from Local Government Finance Property Tax Rates for Nevada Local Governments Fiscal Year 2019-2020.

The following table sets forth the total direct and overlapping general obligation indebtedness attributable to the District as of November 1, 2019 (including the issuance of the Bonds).

Net Direct & Overlapping General Obligation Indebtedness

Total Direct General Obligation Indebtedness ⁽¹⁾	\$61,810,000*
Plus: Overlapping Net General Obligation Indebtedness	<u>16,610,232</u>
Net Direct & Overlapping Net General Obligation Indebtedness	<u>\$78,420,232*</u>

⁽¹⁾ Includes the issuance of the Bonds. See “DEBT STRUCTURE -Outstanding Debt and Other Obligations.”

Selected Debt Ratios

The following table illustrates selected ratios for the District.

<u>Selected Debt Ratios for the District*</u>	
Population ⁽¹⁾	56,057
Net Direct Debt ⁽²⁾	\$61,810,000*
Overlapping Debt ⁽²⁾⁽³⁾	<u>16,610,232</u>
Total Direct Debt & Overlapping Debt.....	\$78,420,232*
Per Capita Net Direct Debt.....	\$1,102.63
Per Capita Net Total Direct Debt & Overlapping Debt	\$1,398.94
2020 Assessed Valuation ⁽⁴⁾	\$1,666,547,892
% Net Direct Debt to Assessed Valuation.....	3.71%
% Net Total Direct Debt & Overlapping Debt to Assessed Valuation	4.71%
2020 Taxable Value ⁽⁴⁾	\$4,761,565,405
% Net Direct Debt to Taxable Value	1.30%
% Net Total Direct Debt & Overlapping Debt to Taxable Value	1.65%

⁽¹⁾ Nevada State Demographer projection dated July 1, 2018.

⁽²⁾ Outstanding debt as of November 1, 2019 (including the issuance of the Bonds). See “DEBT STRUCTURE – Outstanding Debt and Other Obligations.” Also see the table entitled “Net Direct & Overlapping General Obligation Indebtedness” above.

⁽³⁾ Figure is estimated based on information supplied by other taxing authorities and does not include self-supporting general obligation debt. See the table “Estimated Overlapping General Obligation Debt.”

⁽⁴⁾ See “Property Tax Base and Tax Roll Collection” for an explanation of the Assessed Value and Taxable Value.

* Preliminary; subject to change.

CARSON CITY SCHOOL DISTRICT

General

All school districts in Nevada are organized under the terms of legislation enacted in 1956. There is one school district in each county with responsibility for all public education from preschool through the twelfth grade. The District's boundaries are coterminous with those of Carson City. According to the State Demographer's office, the estimated population of the City (and therefore the District) was 56,057 as of July 1, 2018 (based on State Demographer Projections).

Board of Trustees

The District has a seven-member board of trustees. The Board meets on the second and fourth Tuesday of each month. Trustees serve staggered four-year terms. The Board elects a President, a Vice President and a Clerk from its members to serve one-year terms. Board members are limited to 12 years in office pursuant to State constitutional term limitations. The current members of the Board and their terms of office are as follows:

<u>Board Member and Title</u>	<u>District Represented</u>	<u>Expiration of Term</u>
Stacie Wilke-McCulloch, President	3	12/2022
Michael Walker, Vice President	5	12/2020
Donald Carine, Clerk	6	12/2022
Joe Cacioppo, Member	7	12/2020
Laurel Crossman, Member	2	12/2020
Lupe Ramirez, Member	1	12/2022
Richard Varner, Member	4	12/2022

Administration

General. The Board establishes District policy and oversees its operations. The Board appoints the Superintendent as its chief executive officer to administer the day-to-day operations of the District. The Superintendent is the chief executive officer responsible for the administration of the District in accordance with policy set by the Board. As the chief executive officer and educational leader of the District, the Superintendent oversees the administration of all curriculum, instruction, support services, personnel, fiscal operations, and facilities. In fulfilling this responsibility, the Superintendent operates through members of the administrative team who are each assigned specific functions in designated areas.

The Director of Fiscal Services oversees the operations of the Fiscal Services Department, which exists to support the programs and operations of the District in order to accomplish the desired results of public education. The fiscal services function is accomplished through the combined efforts of classified staff, supervisors, and administrators, in cooperation with other divisions, school staffs, outside businesses, and government agencies. Each member of this team performs specific functions as designated by the Superintendent in carrying out the policies established by the Board. The Director of Fiscal Services reports to the Superintendent.

Brief biographies for the Superintendent and the Director of Fiscal Services are set forth below.

Superintendent of Schools – Richard Stokes. Richard W. Stokes has been with the District since 2001. He has been the Superintendent since 2009 and previously served as the District’s Associate Superintendent of Human Resources. Prior to that time, Mr. Stokes served as the Superintendent of Schools for Mineral County School District, Nevada, as a high school principal in Mineral County School District and as a science teacher in Uinta County School District #6 (Wyoming). Mr. Stokes holds a BS degree in Zoology from Idaho State University, a Secondary Teaching Certificate from Idaho State University, and an MA degree in Education Administration from the University of Wyoming.

Director of Fiscal Services – A.J. Feuling. Andrew J. Feuling has been with the District since March 2014. Before that he worked for Robert W. Baird in Milwaukee, WI in its Public Finance division as a School Business Specialist assisting districts with school finance items, budget projection, and budget planning all across southeastern Wisconsin. Prior to that Mr. Feuling served as the District Business Manager for Salem School District in Salem, WI. Mr. Feuling holds a BS in Business Administration (Finance) from Drake University, a BA in Economics from the University of Wisconsin-Parkside, an MS in Leadership in Educational Administration from Capella University, and an MS in School Business Management from the University of Wisconsin-Whitewater.

Facilities

The District operates 11 school sites, including two high schools, two middle schools, six elementary schools, and one adult education facility. The District also includes one District-sponsored elementary charter school.

Enrollment

The following table shows an enrollment history for the District.

<u>Enrollment History</u>					
<u>Academic Year</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
Elementary Schools	3,531	3,489	3,447	3,468	3,390
Secondary Schools	4,054	4,074	4,144	4,255	4,350
Total	7,585	7,563	7,591	7,723	7,740
Percent change	0.80%	(0.22%)	0.37%	1.62%	0.22%

Source: The District.

Employee Relations and Pension Benefits

Employee Relations. The District considers its relations with its employees to be good. As of November 1, 2019, the District has 987 benefitted full-time employees, including the administrative staff. The District is an equal opportunity/affirmative action employer with

four employee bargaining units: nurses, administration, certified and classified staff. The District has entered into agreements with each bargaining unit that expire June 30, 2022.

Benefits. The District provides life insurance, health insurance, paid vacation, sick leave and holidays.

Pension Matters. The State Public Employees’ Retirement System (“PERS”) covers substantially all public employees of the State, its agencies and its political subdivisions, including the County. PERS, established by the Legislature effective July 1, 1948, is governed by the Public Employees’ Retirement Board whose seven members are appointed by the Governor. Retirement Board members serve for a term of four years. **Except for certain District specific information set forth below, the information in this section has been obtained from publicly-available documents provided by PERS. The District has not independently verified the information obtained from the publicly available documents provided by PERS and is not responsible for its accuracy.**

All public employees who meet certain eligibility requirements participate in PERS, which is a cost sharing multiple-employer defined benefit plan. Benefits, as required by statute, are determined by the number of years of accredited service at the time of retirement and the member’s highest average compensation. Benefit payments to which participants may be entitled under PERS include pension benefits, disability benefits, and death benefits. PERS has several tiers based on legislative changes effective with membership dates. The following table illustrates the PERS service credit multiplier.

Membership Date	<u>PERS Benefit Multiplier</u>				Highest Contiguous Average Over
	Before 07/01/01	<u>Service Credit Multiplier</u>		After 07/01/15	
		After 07/01/01	After 01/01/10		
Before July 1, 2001	2.50%	2.67%	2.67%	2.67%	36 months
After July 1, 2001, before January 1, 2010	--	2.67%	2.67%	2.67%	36 months
After January 1, 2010, before July 1, 2015	--	--	2.50%	2.50%	36 months
After July 1, 2015	--	--	--	2.25%	36 months

Similarly, legislative changes have created several tiers of retirement eligibility thresholds. The following table illustrates the PERS retirement eligibility thresholds.

Nevada PERS Retirement Eligibility

Membership Date	Regular		Police/Fire	
	Age	Years of Service	Age	Years of Service
Before January 1, 2010	65	5	65	5
	60	10	55	10
	Any	30	50	20
			Any	25
After January 1, 2010, before July 1, 2015	65	5	65	5
	62	10	60	10
	Any	30	50	20
			Any	30
After July 1, 2015	65	5	65	5
	62	10	60	10
	55	30	50	20
	Any	33 1/3	Any	33 1/3

The salary cap reportable to PERS is capped at the federal limit for public employees hired prior to July 1, 2015 but is capped at approximately \$200,000 per year for employees hired on or after July 1, 2015. PERS allows certain post retirement increases in benefit income that range: (i) from 2% per year beginning in the 4th year of retirement up to 5% per year in the fifteenth year of retirement and beyond for employees hired prior to January 1, 2010; (ii) from 2% per year beginning in the 4th year of retirement up to 4% per year in the thirteenth year of retirement and beyond for employees hired after January 1, 2010; and (iii) from 2% per year beginning in the 4th year of retirement up to the lesser of 3% of the CPI cap or 3% every year thereafter for employees hired on or after July 1, 2015.

Nevada law requires PERS to conduct a biennial actuarial valuation showing unfunded actuarial accrued liability (“UAAL”) and the contribution rates required to fund PERS on an actuarial reserve basis. The actual employer and employee contribution rates are established in cycle with the State’s biennium budget on the first full pay period of the even numbered fiscal years. By PERS policy, the system actually performs an annual actuary study. The most recent independent actuarial valuation report of PERS was completed as of June 30, 2018. The following table reflects some of the key valuation results from the last three PERS’ actuary studies:

PERS Actuarial Report

Key Valuation Results	June 30, 2018	June 30, 2017	June 30, 2016
UAAL	\$13.73 billion	\$13.27 billion	\$12.56 billion
Market Value Funding Ratio	75.2%	74.4%	72.2%
Actuarial Value Funding Ratio	75.1%	74.5%	74.1%
Assets Market Value	\$41.42 billion	\$38.69 billion	\$35.00 billion
Assets Actuarial Value	\$41.34 billion	\$38.72 billion	\$35.90 billion

For the purpose of calculating the actuarially determined contribution rate, the UAAL is amortized as a level percent of payroll over a year-by-year closed amortization period where each amortization period is set at 20 years. The amortization period prior to fiscal year 2012 was 30 years. Effective starting fiscal year 2012, the PERS Board adopted a shorter amortization period to be used to amortize new UAAL resulting from actuarial gains or losses

and changes in actuarial assumptions. Any new UAAL is amortized over a period equal to the truncated average remaining amortization period of all prior UAAL layers, until the average remaining amortization period is less than 20 years; after that time, 20-year amortization periods will be used. The PERS Board also adopted a five-year asset smoothing policy for net deferred gains/losses.

The following presents the net pension liability of PERS as of June 30, 2017, and the District's proportionate share of the net pension liability of PERS as of June 30, 2018, calculated using the discount rate of 7.50%, as well as what the PERS net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.50%) or one percentage point higher (8.50%) than the current discount rate:

Net Pension Liability

	1% Decrease in <u>Discount Rate (6.5%)</u>	<u>Discount Rate (7.5%)</u>	1% Increase in <u>Discount Rate (8.5%)</u>
PERS Net Pension Liability	\$20,105,650,986	\$13,299,844,084	\$7,647,514,916
District Share of PERS Net Pension Liability	\$129,773,113	\$85,844,630	\$49,361,337

The following represents the net pension liability of PERS as of June 30, 2018. The District's proportionate share has not yet been determined.

Net Pension Liability

	1% Decrease in <u>Discount Rate (6.5%)</u>	<u>Discount Rate (7.5%)</u>	1% Increase in <u>Discount Rate (8.5%)</u>
PERS Net Pension Liability	\$20,808,662,703	\$13,637,741,889	\$7,700,469,943

Contribution rates to PERS are established in accordance with State statute. The statute allows for biennial increases or decreases of the actuarially determined rate. The State Legislature can increase the contribution rate for members by any amount it determines necessary. Pursuant to statute, there is no obligation on the part of the employers to pay for their proportionate share of the unfunded liability. The County is obligated to contribute all amounts due under PERS. A history of contribution rates, as a percentage of payroll, is shown below.

Contribution Rates

	<u>Fiscal Years 2012 and 2013</u>	<u>Fiscal Years 2014 and 2015</u>	<u>Fiscal Years 2016 and 2017</u>	<u>Fiscal Years 2018 and 2019</u>	<u>Fiscal Years 2020 and 2021</u>
Regular members					
Employer-pay plan	23.75%	25.75%	28.00%	28.00%	29.25%

The District's contributions to PERS for its fiscal years 2015 through 2019 were \$10,475,949, \$11,325,210, \$11,665,319, and \$12,260,721, and \$13,500,650 (estimated), respectively; those amounts equaled the contributions required by law. The District has budgeted \$13,715,910 in PERS contributions for its fiscal year ending June 30, 2020.

See Note 9 in the audited financial statements attached hereto as Appendix A for a summary description of PERS. In addition, copies of the most recent audited financial statements for PERS are available from the Public Employees Retirement System of the State of Nevada, 693 West Nye Lane, Carson City, Nevada 89703-1599, 775-687-4200.

Other Post-Employment Benefits (“OPEB”). The District participates in the State of Nevada Public Employee’s Benefit Program (“PEBP”), a cost-sharing multiple-employer defined benefit plan administered by the State. The benefits provided through this program are established and may be amended by the Board of the Public Employees’ Benefit Program (the “PEBP Board”) and consist of partial subsidies of health, dental, and vision insurance premiums (determined on a sliding scale) for retired persons who have worked five to 20 years for the District and who elect to participate in the program. The District is required by law to pay a percentage of the base amount for each fiscal year for participants. As of November 30, 2008 retirees may no longer enroll in the plan however, retirees already enrolled prior to that date are allowed to remain in the plan. The plan issues a separate financial report which can be obtained by writing to Public Employee’s Benefit Program, 901 South Stewart Street, Suite 1001, Carson City, Nevada, 89701.

The District is required by law to participate in PEBP. The PEBP Board establishes the contribution requirements for plan members in accordance with State law and may amend those funding requirements at any time. As of June 30, 2013, the required subsidy paid by the District was based on a percentage of the legally determined base amount for each participant (based on years of service). Currently, the sources of funding for the payments are reimbursements from the State and nominal charges to those District funds with benefitted payrolls. The District contributed \$916,143, \$858,377, \$872,868, \$864,935, and \$824,314 for fiscal years 2015 through 2019 (estimated), respectively, and has budgeted to contribute \$933,814 for fiscal year 2020. See Note 11 in the audited basic financial statements attached hereto as APPENDIX A for a further discussion of the District’s participation in PEBP, its funding status, its net OPEB obligation, and related matters.

The District also permits retirees to elect to maintain insurance coverage under the Carson City School District Health Care Plan (the “Plan”). Retirees electing to continue coverage under the Plan must pay the full cost of premiums. The District pays the full cost of the premiums for active employees and, therefore, pays the implicit cost of retirees’ coverage. See Note 11 in the audited basic financial statements attached hereto as Appendix A for a further discussion of the Plan.

Compliance with Federal Laws

As a public entity, the District is subject to various federal laws, including those relating to environmental matters, accommodation of those with disabilities and compliance with federal affordable healthcare requirements. The District also is subject to federal laws and regulations related to certain of its educational programs and is subject, to various degrees, to legislation reducing grants or payments associated with those programs. The laws described above and other federal laws presently in effect or enacted in the future may require the expenditure of funds on programs without necessarily providing sufficient resources (in the form

of federal grants or otherwise) to pay for the mandates of those requirements. The District cannot predict the ultimate effect of current or future federal legislation on the District.

DISTRICT FINANCIAL INFORMATION

Budgeting

On or before April 15 of each year, the District is required to submit to the State Department of Taxation the tentative budget for the next fiscal year which commences on July 1. The tentative budget contains the proposed expenditures and means of financing them. After reviewing the tentative budget, the State Department of Taxation is required to notify the District upon its acceptance of the budget.

Following acceptance of the proposed budget by the State Department of Taxation, the Board is required to conduct public hearings not sooner than the third Monday in May and not later than the last day in May. The adopted final budget is required to be submitted to the State Department of Taxation by June 1st. On or before January 1, the Board may adopt an amended final budget reflecting any adjustments necessary as a result of the complete count of students.

The District is authorized to transfer budgeted amounts within functions or funds, but any other transfers must be approved by the Board. Increases to a fund's budget other than by transfers are accomplished through formal action of the Board. With the exception of monies appropriated for specific capital projects or Federal and State grant expenditures, all unencumbered appropriations lapse at the end of the fiscal year.

Accounting

All governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting in which revenues are recognized when they become measurable and available as net current assets. Property taxes, sales and use taxes, governmental service taxes and moneys from the Distributive School Account (described below) are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. The District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. The exception to this general rule is debt service expenditures, as well as expenditures related to compensated absences and claims or judgments, which are recorded only when payment is due.

All proprietary funds are accounted for using the current financial resources measurement focus and the accrual basis of accounting in which revenues are recognized when they are earned and their expenses are recognized when they are incurred.

Annual Reports

The District prepares an annual financial report setting forth the financial condition of the District as of June 30 of each fiscal year. The annual financial report, which includes the District's audited basic financial statements, constitutes the official financial report

of the District. It is prepared using generally accepted accounting principles. The latest completed annual financial report is for the year ended June 30, 2018. See Note 1 in the audited basic financial statements attached hereto as APPENDIX A for a summary of the District's significant accounting policies. The District does not expect to have its annual financial report for the year ended June 30, 2019 until December, 2019.

The audited basic financial statements for the year ended June 30, 2018, which are attached hereto as APPENDIX A, are excerpted from the annual financial report and represent the most recent audited financial statements of the District. Financial statements for prior years may be obtained from the sources listed in "INTRODUCTION – Additional Information."

The State Public Charter School Authority Legislation

During the 2019 legislative session, the Legislature adopted, and the Governor signed, Assembly Bill 78 ("AB 78"), Senate Bill 321 ("SB 321") and Assembly Bill 462 ("AB 462"), which impact the State Public Charter School Authority (the "SPCSA"). AB 78 gives the SPCSA the authority to become a local education agency that can adopt its own regulations and transfers achievement charter schools to the authority of the SPCSA. Achievement charter schools are underperforming schools that were selected by the State Department of Education and then converted and sponsored by the Achievement School District pursuant to 2015 legislation codified in NRS Chapter 388B (the "Achievement Charter School Legislation"). SB 321 effectively repeals the Achievement School District Legislation and reverts the various related statutes back to their pre-2015 state. Additionally, SB 321 eliminates the Achievement School District and converts the four existing achievement charter schools to charter schools under the sponsorship and authority of the SPCSA. The State Department of Education never selected any school within the District for conversion to an achievement charter school. AB 462 requires the SPCSA to adopt a five-year growth management plan, which must be revised as necessary biennially. The SPCSA's initial plan must be completed and submitted for legislative approval no later than January 1, 2020. It is not possible to predict at this time what impact, if any, this new legislation concerning the SPCSA will have on the District's finances, except that it will not impact the District's 43.00 cent per \$100 assessed valuation property tax imposed for debt repayment purposes.

General Fund

General. 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. Included are all transactions related to the approved current operating budget, its accompanying revenue, expenditures and encumbrances, and its related asset, liability, and fund equity accounts.

Sources of Funding. The operating revenues of school districts in Nevada are derived primarily from local and State sources. The districts also receives other miscellaneous and federal revenues.

Local Sources. The District's local operating revenue sources are comprised largely of a countywide \$0.75 ad valorem property tax and the Local School Support sales and use taxes (the "LSST"), a sales and use tax currently equal to 2.60% of taxable sales.

The District estimates receiving \$10,328,212 (15.8% of General Fund revenues) from the property tax and estimates receiving \$26,617,562 (40.7% of General Fund revenues) from the LSST in fiscal year 2019, and the District received \$10,041,183 (15.7% of General Fund revenues) from the property tax and \$25,194,894 (39.3% of General Fund revenues) from the LSST in fiscal year 2018. Other local operating sources to the General Fund include governmental services taxes (taxes imposed on licensing of motor vehicles), earnings on investments, utility franchise fees and other local revenues. For fiscal year 2020, the District budgets receiving \$10,873,508 (16.4% of General Fund revenues) from property tax and budgets receiving \$28,174,191 (42.5% of General Fund revenues) from the LSST. These represent increases of 5.3% and 5.8%, respectively, over the prior fiscal year.

State Sources. State revenue sources consist primarily of payments from the State Distributive School Account (the "DSA") received pursuant to the Nevada Plan for School Finance (the "School Finance Plan"); State revenues also include transportation reimbursements.

The revenue for the DSA is received from the following five sources: (a) appropriation from the State General Fund; (b) a portion of the annual excise tax of \$250 for each slot machine operated in the State; (c) revenue from mineral leases on federal land; (d) interest earned on the Permanent School Fund established by the State Constitution; and (e) sales tax, currently at a rate of 2.60%, on out-of-state sales that cannot be attributed to a particular county.

Existing law declares that "the proper objective of state financial aid to public education is to ensure each Nevada child a reasonably equal educational opportunity." Each school district's share of State aid is set by the Legislature for the biennium in accordance with a formula set forth in the School Finance Plan. The School Finance Plan was adopted by the Legislature in 1967 to compensate for wide local variations in resources and in cost per pupil. It is designed to provide reasonable equal educational opportunity and can be expressed in a formula partially on a per-pupil basis and partially on a per-program basis. The formula in the School Finance Plan contains four basic calculations: equalized basic support ratios, wealth adjustment factors, transportation allotments, and guaranteed basic support. As part of the School Finance Plan, the Legislature establishes, during each legislative session and for each school year of the biennium, an estimated statewide average basic support guarantee per pupil. This is the per pupil amount that is "guaranteed" on a statewide basis through a combination of state money and certain local revenues, supplemented by other local revenues which are not "guaranteed" by the state. The basic support guarantee for each school district is computed by multiplying the basic support guarantee per pupil that is established by law for the school district for each school year by pupil enrollment. In addition to the basic support guarantee per pupil, state financial aid to public education is provided through various programs, commonly known as "categorical funding," that target specific purposes or populations of pupils for additional support. To protect districts during times of declining enrollment, State law contains a "hold-harmless" provision which provides that the guaranteed level of funding is based on the higher of the current or the previous year's enrollment (unless the decline in

enrollment is more than 5%, in which case the funding is based on the higher of the current or the previous two years' enrollment). The Legislature may amend the provisions of the School Finance Plan at any time, including the various funding formulas embedded within it, and has done so on numerous occasions in the past, including during the 2019 legislative session as described below.

The per-pupil State guaranteed support for the District for fiscal years 2015-2019 was \$6,637, \$6,908, \$6,996, \$7,102, and \$7,198 respectively and \$7,184 is estimated for fiscal year 2020. The District estimates receiving \$25,547,850 (39.1% of General Fund revenue) in State DSA funding in fiscal year 2019 and received \$25,496,294 (39.8% of General Fund revenue) in State DSA funding in fiscal year 2018. For fiscal year 2020, the per pupil support has been reduced by \$14 to \$7,184, which translates into \$24,084,206 for State DSA funding or 36.4% of General Fund revenues.

The School Finance Plan provides a substantial guarantee of revenue support for the District's General Fund budget. Under the School Finance Plan, the District is generally protected from fluctuations in receipts of the LSST (see "Local Sources" above) and from fluctuations in receipts with respect to one-third of the revenues generated by the \$0.75 (*i.e.*, as to \$0.25) property tax levy for operating purposes (see "Local Sources" above) by virtue of the State's guarantee of such receipts from those tax sources to the District. The effect of this guarantee is that over 75% of the District's budgeted General Fund revenue is statutorily fixed as a State obligation and is therefore not generally subject to revenue fluctuations during the course of the school year. See "PROPERTY TAX INFORMATION--Required Property Tax Abatements."

Legislative Changes to School Funding. The Legislature may amend the provisions of the School Finance Plan at any time, including the various funding formulas embedded within them, and has done so on numerous occasions in the past. Most recently, the Legislature enacted the Pupil-Centered Funding Plan (described below). It is likely that the School Finance Plan and/or Pupil-Centered Funding Plan will be amended in the future; there is no assurance that such amendments will not result in reduced funding to the District.

Beginning with the 2021-2023 biennium, Senate Bill 543 ("SB 543"), which was adopted by the Legislature in its 2019 legislative session, replaces the School Finance Plan with the Pupil-Centered Funding Plan, which combines money raised pursuant to State law at the local level with State money to provide a certain basic level of support to each pupil in the State which is adjusted: (1) to account for variation in the local costs to provide a reasonably equal educational opportunity to pupils; and (2) for the costs of providing a reasonably equal educational opportunity to pupils with certain additional educational needs. SB 543 creates the State Education Fund and identifies numerous sources of revenues to be deposited into the State Education Fund, in addition to direct legislative appropriations from the State General Fund, and also authorizes the Superintendent of Public Instruction to create one or more accounts in the State Education Fund for the purpose of administering money received from the federal government. SB 543 also creates the Education Stabilization Account in the State Education Fund and provides for the funding of the Education Stabilization Account and the use of the money in such account. SB 543 directs certain sources of revenues to the State Education Fund and makes conforming changes for the direction of such sources of revenues to the State

Education Fund and the replacement of the State Distributive School Account with the State Education Fund.

SB 543 requires the Legislature, after making a direct legislative appropriation to the State Education Fund, to determine the statewide base per pupil funding amount for each fiscal year of the biennium. SB 543 expresses the intent of the Legislature that the statewide base per pupil funding amount should, to the extent practicable, increase each year by not less than inflation. SB 543 further requires the Legislature to appropriate the whole of the State Education Fund, less the money in the Education Stabilization Account or any account created by the Superintendent of Public Instruction to receive federal money, to fund, in an amount determined to be sufficient by the Legislature: (1) the operation of the State Board of Education, the Superintendent of Public Instruction and the Department of Education; (2) the food service, transportation and similar services of the school districts; (3) the operation of each school district for all pupils generally through adjusted base per pupil funding for each pupil enrolled in the school district; (4) the operation of each charter school and university school for profoundly gifted pupils for all pupils generally through a statewide base per pupil funding amount for each pupil enrolled in such a school, with an adjustment for certain schools; and (5) the additional educational needs of English learners, at-risk pupils, pupils with disabilities and gifted and talented pupils through additional weighted funding for each such pupil. SB 543 specifies that additional weighted funding be expressed as a multiplier to be applied to the statewide base per pupil funding amount and that a pupil who belongs to more than one category receive only the additional weighted funding for the single category with the highest multiplier. SB 543 generally prohibits the use of additional weighted funding for collective bargaining and further generally prohibits the use of a school district's ending fund balance for collective bargaining.

The Nevada Constitution requires that the revenue from a tax upon the net proceeds of all minerals be appropriated to each county and apportioned among the respective governmental units within the county, including the school district. SB 543 require the proceeds of such a tax that are apportioned to each school district be deposited to the credit of the State Education Fund. SB 543 further deems such money to be the first money appropriated as part of the adjusted base per pupil funding and weighted funding to the county school district from which the money originated. To the extent that money exceeds the adjusted base per pupil funding and weighted funding for the county school district to which it was apportioned, SB 543 requires the excess to be transferred to the county school district from which the money originated and authorizes the expenditure of that money as a continuing appropriation. SB 543 also specifies that the purposes for which the money may be used include mitigating the adverse effects of the cyclical nature of the mining industry on the school district. These effects include, without limitation, significant and rapid changes in the number of pupils enrolled in the school district which are a unique impediment to pupils receiving a reasonably equal educational opportunity in the counties in which the mining industry is pervasive and cannot be reasonably addressed in a uniform statewide funding plan. SB 543 establishes certain factors which are applied to the statewide base per pupil funding amount to create the adjusted base per pupil funding for each school district and certain charter schools and university schools for profoundly gifted pupils. Specifically, SB 543 establishes a cost adjustment factor by which the statewide base per pupil funding amount is adjusted for each school district and certain charter schools and university schools for profoundly gifted pupils to account for variation between the counties in the cost of living and the cost of labor. SB 543 establishes an adjustment for each necessarily

small school in a school district to account for the increased cost to operate certain schools which must necessarily be smaller than the school could be most efficiently operated, and also establishes a small district equity adjustment by which the statewide base per pupil funding amount is adjusted for each school district to account for the increased cost per pupil to operate a school district in which relatively fewer pupils are enrolled.

SB 543 requires each school district to account separately for the adjusted base per pupil funding received by the school district and deduct an amount of not more than the amount prescribed by the Department of Education by regulation of the adjusted base per pupil funding for the administrative expenses of the school district. SB 543 also requires the remainder of the adjusted base per pupil funding to be distributed to the public schools in the school district in a manner that ensures each pupil in the school district receives a reasonably equal educational opportunity. Similarly, SB 543 requires each school district to account separately for all weighted funding received by the school district and requires all weighted funding to be distributed directly to each school in which the relevant pupils are enrolled. SB 543 also: (1) requires each public school to account separately for the adjusted base per pupil funding and each category of weighted funding the school receives; (2) requires weighted funding to be used for each relevant pupil to supplement the adjusted base per pupil funding for the pupil and provide such educational programs, services or support as are necessary to provide the pupil a reasonably equal educational opportunity; and (3) limits the use of weighted funding for at-risk pupils and English learners to certain services.

SB 543 generally requires the Governor, when preparing the proposed executive budget and to the extent practicable, to reserve an amount of money in the State General Fund for transfer to the State Education Fund which is sufficient to fully fund certain increases in the amount of money in the State Education Fund if the Economic Forum projects an increase in state revenue in the upcoming biennium. If the Economic Forum projects a decrease in state revenue, SB 543 requires the Governor to reserve an amount of money in the State General Fund sufficient to ensure that the amount of money transferred from the State General Fund to the State Education Fund does not decrease by a greater percentage than the projected decline in state revenues. SB 543 requires the Governor to include in the proposed executive budget recommendations for the statewide base per pupil funding amount and the multiplier for each category of pupils and further requires the Governor to consider the recommendations of the Commission on School Funding for an optimal level of school funding and authorizes the Governor to reserve an additional amount of money for transfer to the State Education Fund to fund any such recommendation. SB 543 also authorizes the Governor to include in the proposed executive budget a recommendation for such funding for the public schools in this State as the Governor determines to be appropriate if the Governor determines that preparing a proposed executive budget as described in SB 543 would be impracticable. If the Governor includes such a recommendation, the Governor must also recommend appropriate legislation to improve the method for determining funding for the public schools in this State.

SB 543 creates the Commission on School Funding (the "Commission") and prescribes its membership. SB 543 requires the Commission to project the distribution of education funding for the 2019-2021 biennium as if the Pupil Centered Funding Plan were in effect and compare that projection to the projected distribution of education funding for the 2019-2021 biennium under existing law. SB 543 additionally requires each school district to

project its budget for the 2019-2021 biennium as if the Pupil-Centered Funding Plan were in effect, compare that projection to its projected budget for the 2019-2021 biennium under existing law and submit both budgets to the Commission. Finally, SB 543 requires the Commission to make recommendations for the implementation of the Pupil Centered Funding Plan to the Governor and Legislature.

General Fund History of Revenues, Expenditures and Changes in Fund Balance

General. The following table provides a history of the financial operations for the District's General Fund for fiscal years 2015 to 2019, and budgeted information for fiscal year 2020. The information for fiscal years 2015 through 2018 was derived from the District's audited financial reports for those years, and the fiscal year 2019 unaudited actual information was derived by the District's staff upon review of the District's draft financial report for fiscal year 2019. The budget information for fiscal year 2020 was derived from the District's fiscal year 2020 budget adopted on May 28, 2019, as amended on June 25, 2019. The unaudited actual information for fiscal year 2019 presented in the table below is not expected to differ from the information in the District's 2019 annual financial report, and the District's 2019 annual financial report is expected to be accepted by the Board prior to the posting of the final Official Statement and be attached to the final Official Statement. The information in this table should be read together with the District's audited financial statements for the year ended June 30, 2018, and the accompanying notes, which are included as APPENDIX A hereto. Financial statements for prior years can be obtained from the sources listed in "INTRODUCTION – Additional Information."

General Fund History of Revenues, Expenditures and Changes in Fund Balance⁽¹⁾

Fiscal Year Ending June 30,	2015 Audited	2016 Actual	2017 Actual	2018 Actual	2019 Unaudited Actual	2020 Budget
Revenues						
Local sources	\$30,275,019	\$33,276,655	\$35,876,860	\$38,471,792	\$41,189,221	\$42,446,171
State sources	26,339,365	26,011,999	24,402,602	25,496,294	24,046,181	23,696,229
Federal sources	<u>58,020</u>	<u>77,374</u>	<u>59,312</u>	<u>92,979</u>	<u>73,799</u>	<u>105,000</u>
Total revenues	<u>56,672,404</u>	<u>59,366,028</u>	<u>60,338,774</u>	<u>64,061,065</u>	<u>65,309,201</u>	<u>66,247,400</u>
Expenditures						
Current:						
Regular programs	24,079,688	23,356,842	24,452,088	28,569,020	29,519,292	29,131,923
Special programs	3,746	19,367	19,636	33,895	16,209	11,000
Vocational programs	2,371,028	2,492,083	2,280,912	2,391,932	2,743,800	2,860,571
Extra-curricular activities	534,711	557,957	599,764	613,481	645,055	666,285
Other instructional programs	1,176,208	3,026,820	2,730,780	3,118,902	3,110,274	3,514,048
Community service programs	--	--	--	50,510	50,805	53,343
Undistributed expenditures:						
Student support	2,744,806	2,902,708	2,691,931	3,073,798	3,216,062	3,489,209
Instructional staff support	1,763,556	1,625,984	1,546,581	2,123,797	2,381,261	1,967,775
General administration	492,689	517,929	632,460	600,355	578,032	543,570
School administration	3,502,331	3,569,040	3,593,398	3,647,637	3,793,033	4,080,214
Operation and maintenance	6,458,844	6,362,240	6,512,147	6,564,215	6,517,472	6,724,722
Student transportation	1,506,464	1,813,162	1,673,439	1,722,742	1,895,803	1,914,631
Central support/services	3,189,678	3,785,242	4,040,744	4,301,846	4,135,465	4,203,582
Other Support	--	--	--	<u>75,067</u>	<u>78,720</u>	<u>79,224</u>
Total expenditures	<u>47,823,749</u>	<u>50,029,374</u>	<u>50,773,880</u>	<u>56,887,197</u>	<u>58,681,283</u>	<u>59,240,097</u>
Budgeted contingency	--	--	--	--	--	<u>1,000,000</u>
Total expenditures and budgeted contingency	<u>47,823,749</u>	<u>50,029,374</u>	<u>50,773,880</u>	<u>56,887,197</u>	<u>58,681,283</u>	<u>60,240,097</u>
Excess of revenues over expenditures	<u>8,848,655</u>	<u>9,336,654</u>	<u>9,564,894</u>	<u>7,173,868</u>	<u>6,627,918</u>	<u>6,007,303</u>
Other Financing Sources (Uses)⁽²⁾						
Transfers out/to other funds ⁽²⁾	(7,318,031)	(7,572,451)	(8,073,524)	(7,224,284)	(8,676,858)	(8,947,688)
Proceeds from sale of fixed assets	<u>4,152</u>	--	--	<u>12,093</u>	<u>17,435</u>	<u>5,000</u>
Total other financing sources (uses)	(7,313,879)	(7,572,451)	(8,073,524)	(7,212,191)	(8,659,423)	(8,942,688)
Net change in fund balance	<u>1,534,776</u>	<u>1,764,203</u>	<u>1,491,370</u>	<u>(38,323)</u>	<u>(2,031,505)</u>	<u>(2,935,385)</u>
Fund balance as of July 1	<u>11,461,557</u>	<u>12,996,333</u>	<u>14,760,536</u>	<u>16,251,906</u>	<u>16,213,583</u>	<u>12,047,170</u>
Fund balance as of June 30	<u>\$12,996,333</u>	<u>\$14,760,536</u>	<u>\$16,251,906</u>	<u>\$16,213,583</u>	<u>\$14,182,078</u>	<u>\$9,111,785</u>
Reserved/Nonspendable in form ⁽³⁾	152,551	160,837	126,629	134,877	137,031	150,000
Designated/Assigned ⁽³⁾	2,609,128	2,271,008	2,051,952	3,178,352	2,935,385	0
Unreserved & Undesignated/Unassigned ⁽³⁾	10,234,654	12,328,691	14,073,325	12,900,354	11,109,662	8,961,785

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- (1) Totals may not add due to rounding.
 - (2) Comprised primarily of transfers to the Special Education Fund for special education programs.
 - (3) Effective in fiscal year 2010, GASB 54 changed the terminology for reporting fund balance. The GASB 54 categories are not directly comparable to the prior classifications.

Source: Derived from the District's audited financial statements for fiscal years 2015 through 2018, the District's staff upon review of the District's draft financial report for the unaudited actual fiscal year 2019 information, and the District's 2020 budget adopted on May 28, 2019, as amended on June 25, 2019, for the budget fiscal year 2020 information.

Debt Service Fund

The Debt Service Fund is used to accumulate funds for payment of principal and interest on general obligation bonds and other District obligations. Taxes generated by the District's existing bond property tax rate may be used for capital projects if they are not needed for the payment of the bonds and purposes related to bonds, including maintaining the required reserves.

The information for fiscal years 2015 through 2018 was derived from the District's audited financial reports for those years, and the fiscal year 2019 unaudited actual information was derived by the District's staff upon review of the District's draft financial report for fiscal year 2019. The budget information for fiscal year 2020 was derived from the District's fiscal year 2020 budget adopted on May 28, 2019, as amended on June 25, 2019. The unaudited actual information for fiscal year 2019 presented in the table below is not expected to differ from the information in the District's 2019 annual financial report, and the District's 2019 annual financial report is expected to be accepted by the Board prior to the posting of the final Official Statement and be attached to the final Official Statement. The information in this table should be read together with the District's audited financial statements for the year ended June 30, 2018, and the accompanying notes, which are included as APPENDIX A hereto. Financial statements for prior years can be obtained from the sources listed in "INTRODUCTION – Additional Information."

Debt Service Fund History of Revenues, Expenses and Changes in Fund Balance

Fiscal Year Ending June 30,	2015 Audited	2016 Audited	2017 Audited	2018 Audited	2019 Unaudited Actual	2020 Budget
Revenues						
Property taxes	\$5,551,923	\$5,735,724	\$5,783,167	\$6,025,842	\$6,251,784	\$6,541,155
Other	--	39,827	--	7,390	36,128	0
Investment earnings	<u>54,998</u>	<u>89,082</u>	<u>47,449</u>	<u>76,910</u>	<u>197,845</u>	<u>100,000</u>
Total Revenues	<u>5,606,921</u>	<u>5,864,633</u>	<u>5,820,616</u>	<u>6,110,142</u>	<u>6,485,757</u>	<u>6,641,155</u>
Expenditures						
Principal retirement	3,531,000	3,603,000	3,615,000	3,769,000	4,207,000	4,440,000
Interest	2,218,378	2,063,143	1,994,307	2,258,549	2,063,501	1,901,315
Other	<u>187,526</u>	--	<u>62,362</u>	--	--	--
Total Expenditures	<u>5,936,904</u>	<u>5,666,143</u>	<u>5,771,939</u>	<u>6,027,549</u>	<u>6,270,501</u>	<u>6,341,315</u>
Excess/(Deficiency) of Revenues Over (Under) Expenditures	<u>(329,983)</u>	<u>198,490</u>	<u>48,677</u>	<u>82,593</u>	<u>215,256</u>	<u>299,840</u>
Other Financing Sources/Uses						
Transfer in ⁽¹⁾	260,000	276,481	--	118,525	291,850	303,770
Transfer out ⁽²⁾	(200,000)	--	(1,000,000)	--	--	(350,000)
Proceeds from refunding bonds	8,530,000	--	9,560,000	14,303,000	--	--
Premium on refunding bonds	657,922	--	273,279	--	--	--
Refunded bonds escrow agent	(8,991,192)	--	(9,733,279)	(14,303,000)	--	--
Energy rebates	--	--	--	--	--	--
Total other financing sources (uses)	<u>256,730</u>	<u>276,481</u>	<u>(900,000)</u>	<u>118,525</u>	<u>291,850</u>	<u>(46,230)</u>
Net change in fund balances	(73,253)	474,971	(851,823)	201,118	507,106	253,610
Fund balance, July 1	3,593,009	3,519,756	3,994,727	3,143,404	3,344,522	3,653,355
Fund balance, June 30	<u>\$3,519,756</u>	<u>\$3,994,727</u>	<u>\$3,143,404</u>	<u>\$3,344,522</u>	<u>\$3,851,628</u>	<u>\$3,906,965</u>

(1) Represents transfers in from the General Fund to pay debt service on the District's medium term obligations.

(2) Represents transfers out for capital projects.

Source: Derived from the District's audited financial statements for fiscal years 2015 through 2018, the District's staff upon review of the District's draft financial report for the unaudited actual fiscal year 2019 information, and the District's 2020 budget adopted on May 28, 2019, as amended on June 25, 2019, for the budget fiscal year 2020 information.

Management’s Discussion and Analysis

An overview of the financial activity and overall financial condition of the District for the fiscal year ended June 30, 2018, is presented in the “Management’s Discussion and Analysis” section of the audited financial statements attached to this Official Statement as Appendix A. The Management’s Discussion and Analysis includes a general description of the District’s funds and pertinent results in those funds, a district-wide financial analysis, a brief discussion of economic and budget factors impacting the 2018 fiscal year and other information, including information about State financial difficulties and declining enrollment in the District. Unless discussed in “Analysis of Recent Financial Developments” or elsewhere in this Official Statement, the District is not aware of any material adverse change in its financial condition since June 30, 2018.

Analysis of Recent Financial Developments

Fiscal Year 2019. In fiscal year 2019, enrollment increased 17 students and enrollment is expected to increase by an additional 63 students. In fiscal year 2019, revenues are estimated to be up \$1,239,000 over fiscal year 2018 and again increase by \$940,000 in fiscal year 2020. The per pupil amount received by the district in fiscal year 2019 was \$7,198, but is expected to decrease to \$7,184 in fiscal year 2020 (the increase in total revenue stems from an increased student population). Fiscal year 2019 expenditures are estimated to increase \$5,000,000 over fiscal year 2018 due to significant one-time increases in curriculum and technology upgrade costs (\$1,100,000 and \$1,000,000 respectively), increased special education transfer costs (\$1,500,000), and an attempt to continue some positions that had been grant funded but the grants had expired. Budgeted fiscal year 2020 expenditures fall by -\$1,000,000 and are planned to be reduced further in fiscal years 2021 and beyond due to expected reduced revenue increases. Local revenues from property taxes are expected to increase somewhat but limited due to the impact of Nevada’s abatement laws, with most growth coming from expected new construction. Special education funding is expected to increase \$250,000 from fiscal year 2019 to fiscal year 2020 following an increase of \$230,000 from fiscal year 2018 to 2019. The Local School Support Tax (“LSST”) is budgeted to increase by \$1,500,000 in fiscal year 2020 based on Nevada Department of Taxation projections which is on top of a \$1,500,000 budgeted increase from fiscal year 2018 to 2019 (actual 2018 to 2019 looks to be closer to \$2,200,000 increase). All District negotiations with bargaining units have agreements with 2% salary increases for both fiscal years 2019-2022, which is accounted for in the fiscal year 2020 budget. The final budget for fiscal year 2020 adopted on May 28, 2019, as amended on June 25, 2019, shows an expected deficit of -\$1.9 million for fiscal year 2020, not including contingency; the final budget is expected to be amended on December 10, 2019.

During the 2019 legislative session, the Legislature passed, and the Governor signed, SB 543 which overhauls the funding formula for K-12 education, but does not take effect until the 2021-2023 biennium. The Commission on School Funding will be working in the interim to fine tune the proposed model and make recommendations for modifications and potential funding streams to bring Nevada’s funding of K-12 education to a desired level of “adequacy.” See “DISTRICT FINANCIAL INFORMATION--General Fund--State Sources.”

Risk Management

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

The District 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 (the "Pool") is a public entity risk pool currently operating as a common risk management and insurance program for its members. See Note 13 in the audited basic financial statements attached hereto as APPENDIX A for a description of the District's risk management program and the coverage provided by the Pool. In the opinion of the District's Director of Fiscal Services, the District's insurance coverages provide adequate insurance protection for the District.

DEBT STRUCTURE

Debt Limitation

State statutes limit the aggregate principal amount of the District's general obligation debt to 15% of the District's total assessed valuation. The following table presents a record of the District's outstanding general obligation indebtedness with respect to its statutory debt limitation.

Statutory Debt Limitation

Fiscal Year Ended <u>June 30</u>	Assessed <u>Valuation</u> ⁽¹⁾	<u>Debt Limit</u>	Outstanding General <u>Obligation Debt</u>	Additional Statutory Debt <u>Capacity</u>
2015	\$1,338,006,691	\$200,701,003	\$50,063,000	\$150,638,003
2016	1,424,652,666	213,697,900	46,460,000	167,237,900
2017	1,511,939,926	226,790,989	61,490,000	165,300,989
2018	1,578,809,029	236,821,354	56,574,000	180,247,354
2019	1,649,185,408	247,377,811	52,503,000	194,874,811
2020	1,760,784,958	264,117,744	61,810,000 ^{(2)*}	202,307,744

⁽¹⁾ Includes the assessed value of the Redevelopment Agency, which is included for purposes of calculating the debt limit.

⁽²⁾ Including the issuance of the Bonds.

*Preliminary; subject to change.

Sources: The District; Property Tax Rates for Nevada Local Governments - Department of Taxation; State of Nevada.

Outstanding Debt and Other Obligations

Outstanding General Obligation Bonds. The following table presents the outstanding general obligation indebtedness of the District as of November 1, 2019, including the issuance of the Bonds.

Outstanding Debt and Other Obligations⁽¹⁾

	<u>Date Issued</u>	<u>Final Maturity</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>
<u>GENERAL OBLIGATIONS BONDS</u> ⁽²⁾				
Refunding Bonds, Series 2010	08/04/10	12/01/20	\$10,705,000	\$ 2,940,000
School Improvement Bonds, Series 2011	02/23/11	06/01/31	16,000,000	745,000
School Improvement Bonds, Series 2011B	07/07/11	06/01/31	10,000,000	1,015,000
School Imp. & Refunding Bonds, Series 2012	03/06/12	06/01/32	4,025,000	3,045,000
Refunding Bonds, Series 2014	12/09/14	06/01/27	8,530,000	8,380,000
Refunding Bonds, Series 2016	07/28/16	06/01/31	9,560,000	8,610,000
School Improvement Bonds, Series 2017A	02/08/17	06/01/37	15,000,000	15,000,000
Refunding Bonds, Series 2019A	08/13/19	06/01/31	11,075,000	11,075,000
School Improvement Bonds, Series 2019B (<i>this issue</i>)	12/04/19	06/01/39	11,000,000*	<u>11,000,000*</u>
Total*				<u>\$61,810,000</u>

FOOTNOTES ON FOLLOWING PAGE

- (1) As of November 1, 2019, including the issuance of the Bonds. Does not include accrued compensated absences, deferred amounts from bonds issuance, arbitrage, other post employment benefits, remediation, and claims and judgments.
- (2) General obligation bonds secured by the full faith, credit and taxing power of the District. The ad valorem tax available to pay these bonds is limited to the \$3.64 statutory and the \$5.00 constitutional limit.

*Preliminary; subject to change.

Source: The District and the Municipal Advisor.

Additional Bonds. The District reserves the privilege of issuing additional general obligation bonds hereafter authorized at any time or from time to time for any lawful purpose, as permitted by law. The District has received the approval of the Carson City Debt Management Commission to issue up to \$40 million of general obligation bonds. After the issuance of the Bonds and subject to the approval by the Board and fulfillment of all other legal requirements, the District will be authorized to issue additional general obligation bonds in the aggregate principal amount of \$29 million*.

Other Obligations. From time to time, the District may also enter into operating leases for items such as office equipment. The District also records liabilities for compensated absences. See Note 8 in the audited financial statements attached hereto as Appendix A for more information.

On February 8, 2017, the District entered into an Installment Purchase Agreement in the aggregate principal amount of \$5,235,000 for the acquisition and installation of certain energy efficiency equipment and improvements in numerous schools within the District. The District's obligations under the agreement are subject to annual appropriation and will be paid from legally available and appropriated funds. The agreement will extend through February 1, 2035, unless the District exercises its right not to appropriate funds in any year. As of November 1, 2019, \$5,059,000 remained outstanding under such Installment Purchase Agreement.

Total Debt Service Requirements - General Obligation Bonds

The following table illustrates the debt service requirements for the District's outstanding general obligation bonds repaid by the debt service property tax levy as of November 1, 2019, including the Bonds.

* Preliminary, subject to change.

Outstanding Debt Service Requirements - General Obligation Bonds^{(1)(2)*}

Fiscal Year Ended June 30	General Obligation Bonds		Grand Total
	Principal	Interest	
2020	\$4,160,000	\$2,019,044	\$6,179,044
2021	3,575,000	2,189,419	5,764,419
2022	4,005,000	2,080,194	6,085,194
2023	3,955,000	1,921,844	5,876,844
2024	3,955,000	1,745,644	5,700,644
2025	4,425,000	1,578,394	6,003,394
2026	4,585,000	1,388,544	5,973,544
2027	4,775,000	1,191,494	5,966,494
2028	3,690,000	1,031,444	4,721,444
2029	3,660,000	898,994	4,558,994
2030	3,780,000	764,644	4,544,644
2031	3,915,000	625,344	4,540,344
2032	1,890,000	490,400	2,380,400
2033	1,800,000	416,200	2,216,200
2034	1,870,000	344,200	2,214,200
2035	1,945,000	269,400	2,214,400
2036	2,015,000	199,400	2,214,400
2037	2,080,000	126,850	2,206,850
2038	850,000	51,900	901,900
2039	880,000	26,400	906,400
Total	\$61,810,000	\$19,359,750	\$81,169,753

- (1) Includes interest on the Bonds at rates estimated by the Municipal Advisor.
(2) Totals may not add due to rounding.

Source: The District and the Municipal Advisor.

* Preliminary; subject to change.

TAX MATTERS

Federal Tax Matters

In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described below, interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the “Tax Code”), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code.

The Tax Code imposes several requirements which must be met with respect to the Bonds in order for the interest thereon to be excluded from gross income and alternative minimum taxable income (except to the extent of the aforementioned adjustment applicable to corporations). Certain of these requirements must be met on a continuous basis throughout the term of the Bonds. These requirements include: (a) limitations as to the use of proceeds of the Bonds; (b) limitations on the extent to which proceeds of the Bonds may be invested in higher yielding investments; and (c) a provision, subject to certain limited exceptions, that requires all investment earnings on the proceeds of the Bonds above the yield on the Bonds to be paid to the United States Treasury. The District covenants and represents in the Bond Resolution that it will take all steps to comply with the requirements of the Tax Code to the extent necessary to maintain the exclusion of interest on the Bonds from gross income and alternative minimum taxable income under such federal income tax laws in effect when the Bonds are delivered. Bond Counsel’s opinion as to the exclusion of interest on the Bonds from gross income and alternative minimum taxable income is rendered in reliance on these covenants, and assumes continuous compliance therewith. The failure or inability of the District to comply with these requirements could cause the interest on the Bonds to be included in gross income, alternative minimum taxable income or both from the date of issuance. Bond Counsel’s opinion also is rendered in reliance upon certifications of the District and other certifications furnished to Bond Counsel. Bond Counsel has not undertaken to verify such certifications by independent investigation.

The Tax Code contains numerous provisions which may affect an investor’s decision to purchase the Bonds. Owners of the Bonds should be aware that the ownership of tax-exempt obligations by particular persons and entities, including, without limitation, financial institutions, insurance companies, recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, foreign corporations doing business in the United States and certain “subchapter S” corporations may result in adverse federal and state tax consequences. Under Section 3406 of the Tax Code, backup withholding may be imposed on payments on the Bonds made to any owner who fails to provide certain required information, including an accurate taxpayer identification number, to certain persons required to collect such information pursuant to the Tax Code. Backup withholding may also be applied if the owner underreports “reportable payments” (including interest and dividends) as defined in Section 3406, or fails to provide a certificate that the owner is not subject to backup withholding in circumstances where such a certificate is required by the Tax Code. Certain of the Bonds may be sold at a premium, representing a difference between the original offering price of those Bonds and the principal amount thereof payable at maturity. Under certain circumstances, an initial owner of such bonds

(if any) may realize a taxable gain upon their disposition, even though such bonds are sold or redeemed for an amount equal to the owner's acquisition cost. Bond Counsel's opinion relates only to the exclusion of interest on the Bonds from gross income and alternative minimum taxable income as described above and will state that no opinion is expressed regarding other federal tax consequences arising from the receipt or accrual of interest on or ownership of the Bonds. Owners of the Bonds should consult their own tax advisors as to the applicability of these consequences.

The opinions expressed by Bond Counsel are based on existing law as of the delivery date of the Bonds. No opinion is expressed as of any subsequent date nor is any opinion expressed with respect to pending or proposed legislation. Amendments to the federal or state tax laws may be pending now or could be proposed in the future that, if enacted into law, could adversely affect the value of the Bonds, the exclusion of interest on the Bonds from gross income or alternative minimum taxable income or both from the date of issuance of the Bonds or any other date, the tax value of that exclusion for different classes of taxpayers from time to time, or that could result in other adverse tax consequences. In addition, future court actions or regulatory decisions could affect the tax treatment or market value of the Bonds. Owners of the Bonds are advised to consult with their own tax advisors with respect to such matters.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Service will commence an audit of the Bonds. If an audit is commenced, the market value of the Bonds may be adversely affected. Under current audit procedures the Service will treat the District as the taxpayer and the Bond owners may have no right to participate in such procedures. The District has covenanted in the Bond Resolution not to take any action that would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes or lose its exclusion from alternative minimum taxable income except to the extent described above for the owners thereof for federal income tax purposes. None of the District, the Municipal Advisor, the Initial Purchaser, Bond Counsel or Special Counsel is responsible for paying or reimbursing any Bond holder with respect to any audit or litigation costs relating to the Bonds.

State Tax Exemption

In the opinion of Bond Counsel, the Bonds, their transfer, and the income therefrom are free and exempt from taxation by the State or any subdivision thereof except for the tax on estates imposed pursuant to Chapter 375A of NRS and the tax on generation-skipping transfers imposed pursuant to Chapter 375B of NRS.

LEGAL MATTERS

Litigation

The District's general counsel states that, as of the date of this Official Statement, there is no pending or threatened litigation which would restrain or enjoin the issuance, sale, execution and delivery of the Bonds or the pledge or application of any moneys or security provided for the payment of the Bonds. The District is, however, subject to certain threatened

litigation regarding a matter arising in the ordinary course of operation of the District. It is the opinion of the District's general counsel that such threatened litigation will not result in final judgment against the District which would materially adversely affect the District's financial position, its ability to pay debt service on the Bonds or its ability perform its obligations to the owners of the Bonds.

Approval of Certain Legal Proceedings

The approving opinion of Sherman & Howard L.L.C., as Bond Counsel, will be delivered with the Bonds. A form of the bond counsel opinion is attached to this Official Statement as APPENDIX D. The opinion will include a statement that the obligations of the District are subject to the reasonable exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of the powers delegated to it by the federal constitution, including bankruptcy. Sherman & Howard L.L.C. has also acted as Special Counsel to the District in connection with this Official Statement. Certain matters will be passed upon for the District by its general counsel.

Police Power

The obligations of the District are subject to the reasonable exercise in the future by the State and its governmental bodies of the police power and powers of taxation inherent in the sovereignty of the State, and to the exercise by the United States of the powers delegated to it by the federal constitution (including bankruptcy).

Sovereign Immunity

Pursuant to State statute (NRS 41.035), an award for damages in an action sounding in tort against the District may not include any amount as exemplary or punitive damages and is limited to \$100,000 per cause of action. The \$100,000 limitation shall be increased to \$150,000 for causes of actions that accrue on or after July 1, 2020, but before July 1, 2022, and will increase to \$200,000 for causes of actions that accrue after July 1, 2022. The limitation does not apply to federal actions brought under federal law such as civil rights actions under 42 U.S.C. Section 1983 and actions under The Americans with Disabilities Act of 1990 (P.L. 101-336), or to actions in other states.

INDEPENDENT AUDITORS

The audited basic financial statements of the District as of and for the year ended June 30, 2018, attached hereto as APPENDIX A, have been audited by Rife Silva & Co. LLC, certified public accountants, Reno, Nevada, to the extent and for the period stated in their report appearing herein.

The audited financial statements of the District, including the auditor's report thereon, are public documents and pursuant to State law no consent from the auditors is required to be obtained prior to inclusion of the audited financial statements in this Official Statement. Accordingly, the District has not requested consent from its auditors. Rife Silva & Co. LLC, the District's independent auditor has not been engaged to perform and has not performed, since the

date of its report included herein, any procedures on the financial statements addressed in that report. Rife Silva & Co. LLC, also has not performed any procedures relating to this Official Statement.

RATING

Moody's Investors Service ("Moody's") has assigned the Bonds the rating shown on the cover page of this Official Statement. Such rating reflects only the views of such rating agency and there is no assurance that any rating, once received, will continue for any given period of time or that any rating will not be revised downward or withdrawn entirely by the rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds. Except for its responsibilities under the Disclosure Certificate, the District has not undertaken any responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of such rating once received or to oppose any such proposed revision.

MUNICIPAL ADVISOR

JNA Consulting Group, LLC, is serving as Municipal Advisor to the District in connection with the Bonds. The Municipal Advisor has not audited, authenticated, or otherwise verified the information set forth in this Official Statement, or any other related information set forth in this Official Statement, or any other information available to the District, with respect to the accuracy and completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting accuracy and completeness of this Official Statement or any other matter related to this Official Statement.

PUBLIC SALE

The District currently expects to offer the Bonds at public sale on December 5, 2019. See "APPENDIX F - OFFICIAL NOTICE OF BOND SALE."

OFFICIAL STATEMENT CERTIFICATION

The undersigned official of the District hereby confirms and certifies that the execution and delivery of this Official Statement and its use in connection with the offering and sale of the Bonds have been duly authorized by the Board.

CARSON CITY SCHOOL DISTRICT, NEVADA

By: _____
Director of Fiscal Services

APPENDIX A

**AUDITED BASIC FINANCIAL STATEMENTS OF CARSON CITY
SCHOOL DISTRICT, NEVADA FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

CARSON CITY SCHOOL DISTRICT
*FINANCIAL STATEMENTS &
SUPPLEMENTARY INFORMATION*

Fiscal Year Ended
June 30, 2018

CARSON CITY SCHOOL DISTRICT

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of the
Carson City School District
Carson City, 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 Carson City School District, Carson City, 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 of 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 Carson City School District as of June 30, 2018, and the respective changes in its financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund, the Federal Grants Fund, and the Special Education Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter – Correction of an Error

As discussed in Note 9 to the financial statements, errors related to the determination or classification of payments for the adoption, as of July 1, 2016, of GASB Statement No. 82, *Pension Issues – an Amendment of GASB Statements No. 67, No. 68, and No. 73*, resulting in the overstatement of amounts previously reported for deferred outflows of resources and net pension liability-related amounts for the year ended June 30, 2017 were discovered by management during the current year based on information provided by the Public Employees' Retirement System of Nevada (PERS), included their restated Schedule of Employer Allocations for GASB 82 Implementation. Accordingly, amounts for deferred outflows of resources and net pension liability-related amounts, have resulted in a restatement of net position as of July 1, 2017. Our opinions are not modified with respect to this matter.

Emphasis of Matter – Change in Accounting Principle

As discussed in Notes 1 and 11 to the financial statements, the District implemented Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*, which resulted in a restatement of the net position as of July 1, 2017. Our opinions are not modified with respect to this matter.

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 4 through 15, and the schedules related to the District's net pension liability and net postemployment liability on pages 70 through 73 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 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 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 the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

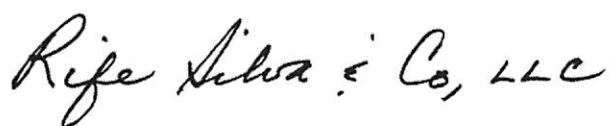
Prior Year Partial Comparative Information

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the District as of and for the year ended June 30, 2017 and have issued our report thereon dated October 27, 2017, which expressed an unmodified opinion on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The summarized comparative information presented in the basic financial statements as of and for the year ended June 30, 2017 is consistent with the audited financial statements from which it has been derived.

The nonmajor combining and individual fund financial statements and schedules related to the 2017 financial statements are presented for purposes of additional analysis and were derived from and relate directly to the underlying accounting and other records used to prepare the 2017 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2017 basic financial statements and certain other additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. The individual fund financial statements and schedules are consistent in relation to the basic financial statements from which they have been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Reno, Nevada
November 30, 2018

CARSON CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2018

Management's Discussion and Analysis of Carson City School District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2018. We encourage readers to read the information presented here in conjunction with the District's financial statements, which follow this narrative.

Financial Highlights

The District implemented two Governmental Accounting Standards Board (GASB) statements during the year, which required a significant restatement of beginning net position. The first was GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which revises the accounting for postemployment benefits other than pensions. Secondly was GASB 82, *Pension Issues*, which addressed certain issues raised subsequent to the implementation of GASB 68, *Accounting and Financial Reporting for Pensions*. As a result of the implementation of these standards, beginning net position (deficit) was restated from the previously reported \$(6.6) million to \$(26.9) million. See page 8 for further discussion of these accounting pronouncements.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Carson City School District's basic financial statements. The District's basic financial statements consist of three components: 1) District-wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Financial Statements. The basic financial statements present two different views of the District through the use of district-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the District.

The first two statements in the basic financial statements are the **District-wide Financial Statements**. (These are sometimes referred to as Government-wide Financial Statements.) They provide both short and long-term information about the District's financial status.

The next statements are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the District. These statements provide more detail than the district-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the proprietary fund statements; and 3) the fiduciary fund statements.

The next section of the basic financial statements is the **Notes**. The notes to the financial statements explain in detail some of the data contained in those statements.

Supplemental information includes combining and individual fund statements and schedules, budget to actual and prior year comparisons, and is presented in the section following the notes.

CARSON CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2018

District-wide Financial Statements

The District-wide financial statements are designed to provide the reader with a broad overview of the Carson City School District's finances, similar in format to a financial statement of 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 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 for some items that will only result in cash flows in future fiscal periods. The District has no functions in the business-type category, which results in the entire statement representing governmental activities. The District-wide financial statements are on pages 16-17 of this report.

Fund Financial Statements

The fund financial statements provide a more detailed look at the District's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the Nevada Revised Statutes (NRS) and the District's regulations. The District's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. These funds focus on how assets can readily be converted into cash, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the District's programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in reconciliations (pages 19 and 22) that are a part of the fund financial statements.

The focus of the governmental fund statements is on major funds. The District has 16 individual governmental funds of which the following are considered major funds:

- ◇ General Fund
- ◇ Special Education Fund
- ◇ Federal Grants Fund
- ◇ Debt Service Fund

CARSON CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2018

◇ Bond Issues Fund

These funds are disclosed separately in the governmental funds Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances. The remaining 11 nonmajor governmental funds are combined into a single aggregated presentation in these statements. Individual fund data for each of these nonmajor funds is reported within the Combining and Individual Fund Statements and Schedules section and beginning on page 74 of this report.

Proprietary Funds – Proprietary funds are comprised of enterprise funds and internal service funds. As previously discussed, the District has no business-type activities to be accounted for in enterprise funds. **Internal Service Funds** are an accounting device used to accumulate and allocate costs internally among the functions of the District. The District uses three internal service funds to account for its risk financing of employees' health care and unemployment compensation as well as the self-insurance of workers' compensation. Because internal service fund operations primarily benefit governmental funds, they are included in the governmental activities in the district-wide financial statements.

Fiduciary Funds - Fiduciary Funds account for resources held by the District in a trustee or agency capacity for the benefit of others; as such, fiduciary funds are not included in the district-wide statements. Within this fund type, the District accounts for assets held in custodial capacity as an agent for the Student Activity Funds. The District also maintains a Private-Purpose Special Pay Plan Trust Fund which accounts for funds contributed for the benefit of retiring or terminating employees.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements are on pages 40-69 of this report.

DISTRICT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The largest component of the District's net position reflects the District's investment in capital assets (e.g. land, buildings, and equipment), less any related outstanding debt that was issued to acquire those items. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

The negative net position can be attributed to GASB 68 and GASB 75 and the recording of a net pension liability and other postemployment benefits liability totaling \$104.2 million at year end.

The table which follows provides a summary of the District's net position (deficit) for 2018 compared to 2017.

CARSON CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2018

DISTRICT'S NET POSITION				
	<u>2018</u>	<u>2017</u>	<u>Change</u>	
	<i>(In Millions)</i>			
Assets				
Current and other assets	\$ 53.7	\$ 63.2	\$ (9.5)	(15.03%)
Net capital assets	93.6	93.2	0.4	0.43%
Total Assets	<u>147.3</u>	<u>156.4</u>	<u>(9.1)</u>	<u>(5.82%)</u>
Deferred Outflows of Resources	<u>16.7</u>	<u>24.6</u>	<u>(7.9)</u>	<u>(32.11%)</u>
Liabilities				
Current liabilities	16.8	20.7	(3.9)	(18.84%)
Long-term liabilities	166.1	160.9	5.2	3.23%
Total Liabilities	<u>182.9</u>	<u>181.6</u>	<u>1.3</u>	<u>0.72%</u>
Deferred Inflows of Resources	<u>7.9</u>	<u>6.0</u>	<u>1.9</u>	<u>31.67%</u>
Net Position				
Net investment in capital assets	45.9	48.0	(2.1)	(4.38%)
Restricted	4.0	4.0	-	0.00%
Unrestricted	<u>(76.8)</u>	<u>(58.6)</u>	<u>(18.2)</u>	<u>(31.06%)</u>
Total Net Position	<u>\$ (26.9)</u>	<u>\$ (6.6)</u>	<u>\$ (20.3)</u>	<u>(307.58%)</u>

CARSON CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2018

A case could be made that the largest impact on the District's financial statement in 2018 had absolutely no impact on the District's financial condition; GASB 75 and GASB 68 (as amended by GASB 82) require the District to recognize a net pension and OPEB liability of \$95.1 million. As discussed below, users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and the net pension and OPEB liabilities to the reported net position and subtracting deferred outflows related to pension/OPEB. The resulting net position would be \$65 million, which is \$95 million more than the net position reported.

GASB statements are national and apply to all governmental financial reports which are prepared in accordance with generally accepted accounting principles. Under the standards required by GASB 68 and GASB 75, the pension and OPEB liability equals the District's proportionate share of each plan's collective present value of estimated future pension and OPEB benefits attributable to active and inactive employees' past service, less plan assets available to pay benefits.

GASB noted that the unfunded portion of the pension and OPEB benefit promise is a present obligation of the government – part of a bargained-for-benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the District is not responsible for certain key factors affecting the balance of this liability. In Nevada, the employee shares the obligation of funding pension benefits with the employer. Contribution rates are established by State statute and are determined. Nevada's Public Employees' Retirement Act requires an adjustment in the statutory contribution rates on July 1 of each odd-numbered year, based on the actuarially determined rates indicated in the actuarial valuation report for the immediately preceding year. There is no legal means to enforce the unfunded liability of the pension and OPEB systems against the public employer.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences, are satisfied through paid time-off or termination payments. There is no repayment schedule for the pension and OPEB liabilities. Changes in pension and OPEB, contribution rates, and return on investments affect the balance of the pension and OPEB liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with the required pension and OPEB payments, State statute does not assign or identify the responsible party for the unfunded portion. In accordance with GASB 68 and GASB 75, the District's statements prepared on an accrual basis of accounting including an annual pension and OPEB expense for its proportionate share of each plan's change in net pension liability and OPEB liability not accounted for as deferred inflows or outflows.

As a result of implementing GASB 75 and GASB 82, the District's net position as of June 30, 2017 was restated from \$(6.6) million to \$(26.9) million.

CARSON CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2018

In order to further understand what makes up the changes in net position for the current year, the following table provides details of the District's activities for the current year and the immediately preceding year.

DISTRICT'S CHANGES IN NET POSITION

	Governmental Activities	
	2018	2017
	<i>(In Millions)</i>	
Revenues		
Program revenues:		
Charges for services	\$ 0.6	\$ 0.8
Operating grants and contributions	23.1	23.8
General revenues:		
Property taxes	16.1	15.5
Local school support taxes	25.2	23.3
Government service taxes	2.8	2.5
State aid not restricted to specific purposes	25.5	24.4
Other revenues	0.8	1.2
Total Revenues	94.1	91.5
Expenses		
Instruction	58.8	55.6
Support services	25.1	24.8
Nutrition services	2.9	3.0
Facilities acquisition/improvement	5.1	4.3
Interest on long-term debt	2.2	1.9
Total Expenses	94.1	89.6
Change in Net Position (Deficit)	<u>\$ -</u>	<u>\$ 1.90</u>

CARSON CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2018

Governmental Activities:

- ◇ The largest and main revenue sources for the District are local school support taxes, property taxes (ad valorem), and state aid. Together, these revenue sources comprise over 71% of total revenues.
- ◇ Grants and contributions represent 24.5% of the District's revenues.
- ◇ For the third consecutive year, the local school support taxes (LSST) saw a significant increase over the previous years' amount, albeit a smaller increase of 8.3% for FY18, along with 11.6% in FY17 and 11.5% in FY16. These increases were due to increases in taxable sales, an indicator of what are still rather positive economic conditions in the Northern Nevada economy.

FINANCIAL ANALYSIS OF THE DISTRICT'S MAJOR FUNDS

Carson City 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 near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the District's current funding requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2018, the District's governmental funds reported a combined fund balance of \$36.2 million, down slightly from last year's \$40.9 million. The decrease was primarily attributable to activity in the Bond Issues Fund, and was, therefore, anticipated due to the planned spending from last year's 2017 School Improvement Bonds of \$15.0 million, issued in February 2017. During the fiscal year ended June 30, 2018, \$4.3 million was spent from the fund, leaving a year end fund balance of \$14.7 million, restricted for spending related to capital projects. As discussed in Note 13 on page 67, the District has over \$13.5 million in construction commitments as of June 30, 2018, which will be funded through the Bond Issues Fund during FY19.

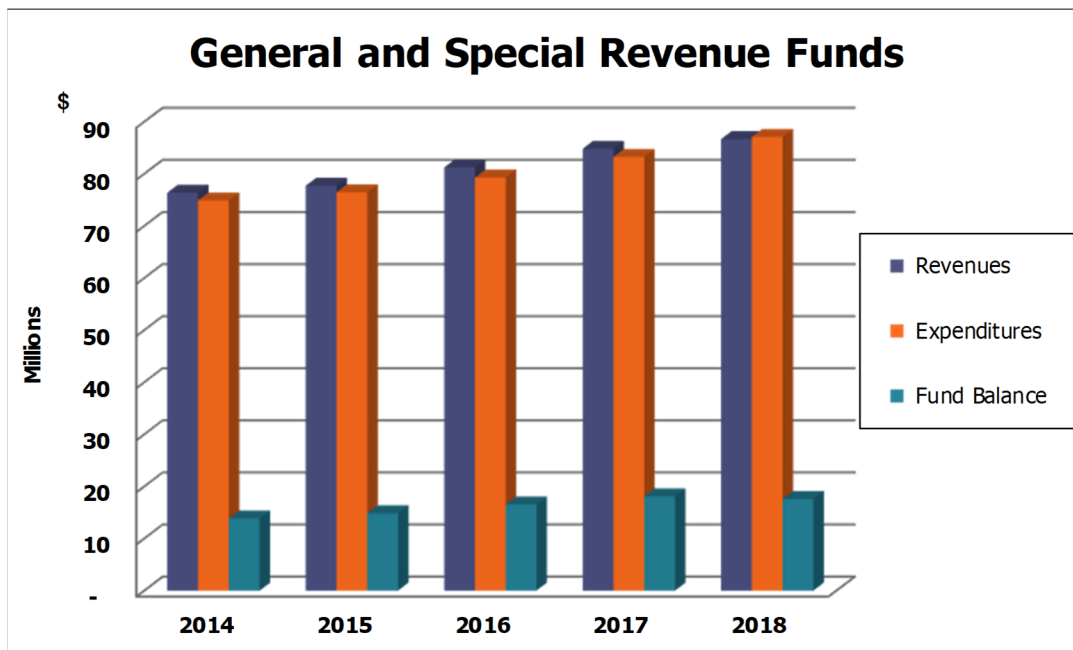
Of the District's \$36.2 million fund balance of the governmental funds, approximately 64% or \$23.3 million is nonspendable, restricted or assigned fund balance. (As discussed above, \$14.7 million of the \$23.3 million is restricted in the Bond Issues Fund.) The remaining \$13.0 million, or 35.6% constitutes unassigned fund balance, which is available for spending at the District's discretion within the parameters of the respective fund. This unassigned fund balance as of June 30, 2018, was approximately 8.3% less than the prior year, yet comprised a slightly higher percentage of fund balance than in the previous year (35.6% compared to FY17's 34.4%).

CARSON CITY SCHOOL DISTRICT

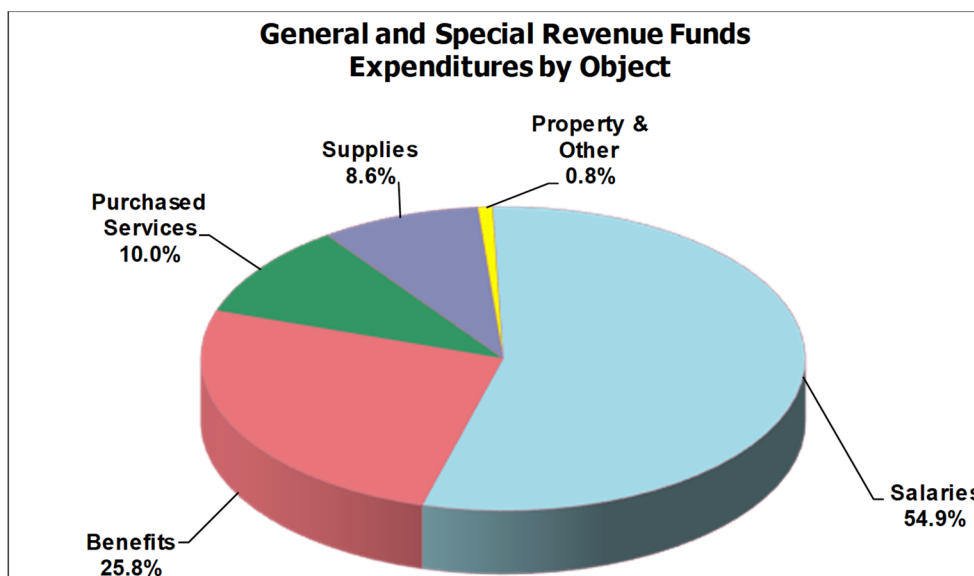
MANAGEMENT’S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2018

General and Special Revenue Funds

The General Fund and the special revenue funds are often referred to as the District’s “operating funds.” The following chart compares the revenues to expenditures and fund balance for these funds for the last five years:



Education is labor intensive, which is evident from the following chart. This chart displays the expenditures (by object) for the District’s General and Special Revenue Funds:



CARSON CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2018

Debt Service Fund

The June 30, 2018 fund balance of \$3.3 million, combined with revenues budgeted for the 2018-19 year of \$6.3 million exceed the 2018-19 anticipated debt service requirements (principal and interest payments) of \$6.3 million on the District's general obligation debt. Further, the fund is in compliance with the reserve requirements established by Nevada Revised Statutes (NRS) 350.020(5).

BUDGETARY HIGHLIGHTS

Nevada's school districts are funded in large part based on student enrollment, as determined by a quarterly calculation of average daily enrollment (ADE). State statutes require all school districts to amend their General Fund budgets on or before January 1 of each school year, after the ADE is reported for the preceding quarter. This amended budget was approved by the Board of Trustees. During the year, the Director of Fiscal Services is authorized to transfer appropriations between accounts and funds, subject to the subsequent approval by the Board of Trustees.

The **Budget-to-Actual information** contained within these financial statements present the original and final budget and the variance between the final budget and the current year actual results. The overall variance between actual expenditures and the final budget in the General Fund (found on pages 23-28) is primarily the result of continued efforts by the District to operate efficiently in the face of challenging economic circumstances. The Budget-to-Actual information for the Federal Grants Fund can be found on pages 29-32 and for the Special Education Fund on pages 33-34. For all other funds, please refer to the appropriate schedule(s) found in the "Combining and Individual Fund Statements and Schedules" section of this report.

DEBT ADMINISTRATION AND CAPITAL ASSETS

Debt Administration

As of June 30, 2018, the District's debt was comprised of the following:

Outstanding General Obligation Debt

	<u>2018</u>	<u>2017</u>
	<i>(In Millions)</i>	
General Obligation Bonds *	\$ 56.6	\$ 59.1
Installment Purchase Agreement	5.2	5.2
	<u>\$ 61.8</u>	<u>\$ 64.3</u>

* Does not include unamortized bond premiums.

CARSON CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2018

Principal and interest payments on the combined General Obligation debt noted above for the 2018-19 fiscal year are scheduled to total \$6.3 million. All debt is serviced by the Debt Service Fund.

On December 21, 2017, the District issued \$14,030,000 Refunding Bonds, Series 2017B to early refund existing debt of \$13,050,000, with an unamortized premium of \$551,934. Total debt service on the refunded bonds was reduced by a present value of \$589,692 (economic gain).

The District is limited by state statutes as to the amount of general obligation debt it can have outstanding. The limit is equal to 15% of the District's total assessed property valuation, for a limit of \$236.8 million. As of June 30, 2018, the District's general obligation debt outstanding did not exceed its statutory limit; however, other factors may exist which limits the amount of additional debt that the District can issue.

Additional detail with respect to the District's debt can be found on pages 55-57 of these statements.

Capital Assets

The District's capital assets as of June 30, 2018 and 2017 are as follows:

Capital Assets (Net of Depreciation)

	<u>2018</u>	<u>2017</u>
	<i>(In Millions)</i>	
Land	\$ 0.4	\$ 0.4
Construction in progress	7.2	4.3
Buildings and improvements	82.4	85.4
Equipment and vehicles	3.6	3.1
	<u>\$ 93.6</u>	<u>\$ 93.2</u>

In February 2017, the District issued \$15 million School Improvement Bonds for the modernization and upgrade of the District's schools and facilities. The majority of the remaining bond proceeds will be used through FY19 to replace portable classrooms throughout the District with brick-and-mortar buildings and adding additional square footage to accommodate current elementary school enrollment and expected enrollment growth.

CARSON CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2018

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Enrollment and Funding

Nevada's school districts are funded primarily through the Nevada State Distributive School Account (DSA), property taxes, and local school support taxes. Changes in any of the economic or other factors that affect these funding sources will affect the level of support received for a given year.

Nevada's school districts are highly dependent on the economic condition of the State. Nevada's formula for school district funding guarantees the majority of operating revenue by making up any shortfall in ad valorem or LSST collections. One of the factors determining the amount of DSA funding received is the weighted student enrollment within the District.

A large percentage of revenues received by the District is provided through the State Distributive School Account (DSA) monies or basic support guarantee for school districts. These revenues are based on a weighted average per pupil within total enrollment. The State's funding model now (beginning in FY16) utilizes a quarterly average daily enrollment (ADE) number multiplied by the districts' per-pupil support amount to determine the districts' Guaranteed Basic Support amount.

The formula weights pre-kindergarten (pre-k) students receiving special education services at 0.6, while all other students are weighted at 1.0. This weighted enrollment number (determined quarterly) is then multiplied by the basic per-pupil support rate. The District's per-pupil support rate for FY19 has been established at \$7,193, compared to FY18's of \$7,103, an increase of 1.3%.

In previous years, the "hold harmless" provisions of the DSA formula protected districts during times of declining enrollment, by providing that the guaranteed level of funding was based on the higher of the current or the previous year's enrollment (unless the decline in enrollment was more than 5%, in which case the funding was based on the higher of the current or the previous two year's enrollment). Now, Districts will only qualify for "hold-harmless" status if their enrollment decreased by more than 5%, and it will only then look to the previous year's ADE.

Clearly, the DSA formula will continue to be subject to review and potential revisions. As such, there is a high likelihood that the District will continue to be impacted in some manner by future amendments to the funding model. The District is diligent in its on-going evaluation of its staffing levels relative to State guaranteed funding, Federal grant programs, pupil enrollment levels, and other costs, with the goal of ensuring continuity and stability of its educational programs.

CARSON CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2018

REQUESTS FOR INFORMATION

This report is designed to provide an overview of Carson City School District's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to Andrew Feuling, Director of Fiscal Services, 1402 West King Street, Carson City, Nevada 89702 or via email at afeuling@carson.k12.nv.us.

CARSON CITY SCHOOL DISTRICT

STATEMENT OF NET POSITION (DEFICIT) JUNE 30, 2018

	Governmental Activities
ASSETS	
Cash and investments	\$ 40,968,422
Receivables	12,522,271
Inventories	174,980
Prepaid expenses	64,284
Capital assets, net	93,555,203
Total Assets	<u>147,285,160</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	2,313,830
Deferred outflows related to pensions and postemployment benefits	14,344,162
	<u>16,657,992</u>
Total Assets and Deferred Outflows	<u>163,943,152</u>
LIABILITIES	
Accounts payable	2,077,245
Accrued liabilities	9,723,434
Interest payable	226,743
Unearned revenues	229,066
Noncurrent liabilities:	
Due within one year	4,566,767
Due in more than one year	61,877,304
Obligation for other postemployment benefits	18,397,374
Net pension liability	85,844,630
Total Liabilities	<u>182,942,563</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	7,875,289
Total Liabilities and Deferred Inflows	<u>190,817,852</u>
NET POSITION (DEFICIT)	
Net investment in capital assets	45,900,261
Restricted for:	
Debt service	3,344,522
Capital projects	649,608
Unrestricted	(76,769,091)
Total Net Position (Deficit)	<u>\$ (26,874,700)</u>

See accompanying notes.

CARSON CITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2018

PROGRAMS/FUNCTIONS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	GRANTS AND CONTRIBUTIONS	
GOVERNMENTAL ACTIVITIES				
Instruction	\$ 58,779,118	\$ 36,525	\$ 14,890,455	\$ (43,852,138)
Support services	25,095,890	201,160	5,373,383	(19,521,347)
Facilities acquisition and construction	5,197,721	-	534,737	(4,662,984)
Nutrition services	2,896,614	397,955	2,288,053	(210,606)
Interest and other costs on long-term debt	2,176,681	-	-	(2,176,681)
Total School District	<u>\$ 94,146,024</u>	<u>\$ 635,640</u>	<u>\$ 23,086,628</u>	<u>(70,423,756)</u>

General Revenues:

Property taxes, levied for general purposes	\$ 10,041,183
Property taxes, levied for debt service	6,025,842
Local school support taxes	25,194,894
Government service taxes for general purposes	2,185,897
Government service taxes for capital purposes	626,620
Franchise taxes	164,171
Earnings on investments	389,481
Other local sources	283,589
State aid not restricted to specific purposes	25,496,294
Total General Revenues	<u>70,407,971</u>
Change in Net Position	<u>(15,785)</u>
NET POSITION (DEFICIT), July 1, 2017, original	<u>(6,638,004)</u>
Prior period adjustment - implementation of GASB 75, 82	<u>(20,220,911)</u>
NET POSITION (DEFICIT), July 1, 2017, as restated	<u>(26,858,915)</u>
NET POSITION (DEFICIT), June 30, 2018	<u>\$ (26,874,700)</u>

See accompanying notes.

CARSON CITY SCHOOL DISTRICT

GOVERNMENTAL FUNDS BALANCE SHEET

JUNE 30, 2018

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2017)

	GENERAL FUND	FEDERAL GRANTS FUND	SPECIAL EDUCATION FUND	DEBT SERVICE FUND	BOND ISSUES FUND	NON-MAJOR GOV'T FUNDS	TOTALS GOVERNMENTAL FUNDS	
							2018	2017
ASSETS								
Cash and investments	\$ 12,842,942	\$ -	\$ 2,461,787	\$ 3,369,584	\$ 15,088,681	\$ 1,627,080	\$ 35,390,074	\$ 46,352,455
Receivables	5,567,334	3,150,233	28,352	53,841	15,872	3,706,370	12,522,002	10,689,747
Due from other funds	4,511,101	-	-	-	-	-	4,511,101	3,586,255
Inventories	116,488	-	-	-	-	58,492	174,980	177,901
Prepaid expenditures	18,389	8,493	-	-	-	1,845	28,727	28,001
Total Assets	<u>\$ 23,056,254</u>	<u>\$ 3,158,726</u>	<u>\$ 2,490,139</u>	<u>\$ 3,423,425</u>	<u>\$ 15,104,553</u>	<u>\$ 5,393,787</u>	<u>\$ 52,626,884</u>	<u>\$ 60,834,359</u>
LIABILITIES								
Accounts payable	\$ 684,209	\$ 355,882	\$ 104,030	\$ 36,128	\$ 418,673	\$ 298,522	\$ 1,897,444	\$ 3,970,106
Due to other governments	-	-	-	-	-	16,147	16,147	3,105,365
Accrued liabilities	6,158,462	538,746	1,537,202	-	-	1,489,024	9,723,434	9,066,148
Due to other funds	-	2,264,047	-	-	-	2,247,054	4,511,101	3,586,255
Unearned revenues	-	51	-	42,775	-	186,240	229,066	222,029
Total Liabilities	<u>6,842,671</u>	<u>3,158,726</u>	<u>1,641,232</u>	<u>78,903</u>	<u>418,673</u>	<u>4,236,987</u>	<u>16,377,192</u>	<u>19,949,903</u>
FUND BALANCES								
Nonspendable	134,877	-	-	-	-	58,916	193,793	177,901
Restricted	-	-	-	3,344,522	14,685,880	649,608	18,680,010	22,800,440
Assigned	3,178,352	-	848,907	-	-	448,276	4,475,535	3,832,790
Unassigned	12,900,354	-	-	-	-	-	12,900,354	14,073,325
Total Fund Balance	<u>16,213,583</u>	<u>-</u>	<u>848,907</u>	<u>3,344,522</u>	<u>14,685,880</u>	<u>1,156,800</u>	<u>36,249,692</u>	<u>40,884,456</u>
Total Liabilities and Fund Balance	<u>\$ 23,056,254</u>	<u>\$ 3,158,726</u>	<u>\$ 2,490,139</u>	<u>\$ 3,423,425</u>	<u>\$ 15,104,553</u>	<u>\$ 5,393,787</u>	<u>\$ 52,626,884</u>	<u>\$ 60,834,359</u>

See accompanying notes.

CARSON CITY SCHOOL DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION (DEFICIT) JUNE 30, 2018

Fund Balance - Governmental Funds \$ 36,249,692

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:

Governmental capital assets	\$ 177,974,535	
Less accumulated depreciation	(84,419,332)	
	<u>93,555,203</u>	93,555,203

Deferred outflows related to pension payments made subsequent to the measurement date.	14,344,162
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Long-term liabilities, including bonds payable and the noncurrent liability for compensated absences, are not due and payable in the current period and therefore are not reported in the governmental funds:

Bonds payable	(61,769,000)	
Bond premium, net	(3,288,453)	
Deferred charges on refunding, net	2,313,830	
Compensated absences	(1,386,618)	(64,130,241)
	<u>(64,130,241)</u>	

The liability for interest on bonds is reported in the fund statements when due and as accrued in the Statement of Activities.	(226,743)
--	-----------

The liability for estimated future payments of benefits to be provided to current and future retirees is not reported as a fund liability since these costs will not be paid from current resources.	(18,397,374)
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Net pension obligations do not present a claim on current financial resources and are not reported as fund liabilities.	(85,844,630)
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Deferred inflows related to pension investment returns and changes in assumptions are not reported in the governmental funds.	(7,875,289)
---	-------------

Internal service funds are used by management to charge the costs of certain activities to individual funds. Net positions of the internal service funds are reported with governmental activities.	<u>5,450,520</u>
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Net Position (Deficit) - Governmental Activities \$ (26,874,700)

See accompanying notes.

CARSON CITY SCHOOL DISTRICT

GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017)

	GENERAL FUND	FEDERAL GRANTS FUND	SPECIAL EDUCATION FUND	DEBT SERVICE FUND	BOND ISSUES FUND	NON-MAJOR GOV'T FUNDS	TOTAL GOVERNMENTAL FUNDS	
							2018	2017
REVENUES								
Local sources	\$ 38,471,792	\$ -	\$ -	\$ 6,110,142	\$ 164,597	\$ 1,180,371	\$ 45,926,902	\$ 42,986,021
State sources	25,496,294	-	4,002,665	-	-	9,921,755	39,420,714	40,345,845
Federal sources	92,979	5,549,542	-	-	-	3,128,009	8,770,530	8,156,364
Total Revenues	64,061,065	5,549,542	4,002,665	6,110,142	164,597	14,230,135	94,118,146	91,488,230
EXPENDITURES								
Regular programs	28,569,020	1,918,724	-	-	-	5,751,216	36,238,960	33,555,543
Special programs	33,895	1,641,311	10,980,882	-	-	745,012	13,401,100	12,730,901
Vocational programs	2,391,932	148,579	-	-	-	464,782	3,005,293	3,203,123
Adult Education programs	-	-	-	-	-	1,332,060	1,332,060	1,455,106
Extra and Cocurricular activities	613,481	-	-	-	-	-	613,481	599,764
Other Instructional programs	3,118,902	254,013	-	-	-	934,799	4,307,714	3,951,775
Community Services programs	50,510	150,550	-	-	-	-	201,060	93,272
Undistributed Expenditures:								
Student support	3,073,798	474,556	-	-	-	884,116	4,432,470	4,289,837
Instructional staff support	2,123,797	529,111	-	-	-	479,750	3,132,658	3,337,981
General administration	600,355	-	-	-	-	693	601,048	632,835
School administration	3,647,637	-	-	-	-	23,719	3,671,356	3,593,398
Central services	4,301,846	63,705	-	-	-	940,276	5,305,827	4,161,265
Operation and maintenance	6,564,215	-	-	-	-	7,066	6,571,281	6,516,150
Student transportation	1,722,742	74,843	-	-	-	55,030	1,852,615	1,767,299
Other support services	75,067	278,465	-	-	-	23,138	376,670	385,311
Nutrition services	-	15,685	-	-	-	2,882,835	2,898,520	2,978,529

Continued on next page.

See accompanying notes.

CARSON CITY SCHOOL DISTRICT

GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017)

	GENERAL FUND	FEDERAL GRANTS FUND	SPECIAL EDUCATION FUND	DEBT SERVICE FUND	BOND ISSUES FUND	NON-MAJOR GOV'T FUNDS	TOTAL GOVERNMENTAL FUNDS	
							2018	2017
Facilities acquisition and construction	\$ -	\$ -	\$ -	\$ -	\$ 4,259,655	\$ 535,686	\$ 4,795,341	\$ 5,322,344
Debt Service:								
Principal	-	-	-	3,769,000	-	-	3,769,000	3,615,000
Interest	-	-	-	2,258,549	-	-	2,258,549	1,994,307
Other	-	-	-	-	-	-	-	162,632
Total Expenditures	56,887,197	5,549,542	10,980,882	6,027,549	4,259,655	15,060,178	98,765,003	94,346,372
Revenues Over (Under) Expenditures	7,173,868	-	(6,978,217)	82,593	(4,095,058)	(830,043)	(4,646,857)	(2,858,142)
OTHER FINANCING SOURCES (USES)								
Sale of fixed assets	12,093	-	-	-	-	-	12,093	-
Proceeds from refunding bonds	-	-	-	14,303,000	-	-	14,303,000	9,560,000
Proceeds from bonds issued	-	-	-	-	-	-	-	20,235,000
Bond premiums	-	-	-	-	-	-	-	2,475,759
Refunded bonds escrow agent	-	-	-	(14,303,000)	-	-	(14,303,000)	(9,733,279)
Transfers from other funds	-	-	6,676,000	118,525	-	429,759	7,224,284	9,149,622
Transfers to other funds	(7,224,284)	-	-	-	-	-	(7,224,284)	(9,149,622)
	(7,212,191)	-	6,676,000	118,525	-	429,759	12,093	22,537,480
Net Change in Fund Balances	(38,323)	-	(302,217)	201,118	(4,095,058)	(400,284)	(4,634,764)	19,679,338
FUND BALANCES, July 1	16,251,906	-	1,151,124	3,143,404	18,780,938	1,557,084	40,884,456	21,205,118
FUND BALANCES, June 30	\$ 16,213,583	\$ -	\$ 848,907	\$ 3,344,522	\$ 14,685,880	\$ 1,156,800	\$ 36,249,692	\$ 40,884,456

See accompanying notes.

CARSON CITY SCHOOL DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2018

Net Change in Fund Balances - Total Governmental Funds	\$ (4,634,764)
 Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives.	338,312
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.	17,964,340
Issuance of new debt is a resource in the governmental fund, but it increases long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.	(14,303,000)
In the Statement of Activities, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due.	29,577
Discount or premium realized at the time of incurring debt are recognized as an expenditure and other financing source or use respectively in the governmental funds. These items are accrued and deferred in the Statement of Activities and amortized over the life of the new debt.	159,952
The change in the long-term portion of compensated absences is reported in the Statement of Activities. These do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(263,713)
Change in pension expense related to deferred items.	97,582
The full cost of postemployment benefits to current employees earned during the current year and the amortization of the past cost is recognized as an expense in the Statement of Activities while only the current contributions are reported in the fund statements.	995,447
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net income (expense) of the internal service funds is reported with governmental activities.	(399,518)
Change in Net Position (Deficit) of Governmental Activities	\$ (15,785)

See accompanying notes.

CARSON CITY SCHOOL DISTRICT

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local Sources:					
Ad valorem taxes	\$ 9,828,472	\$ 9,828,472	\$ 10,041,183	\$ 212,711	\$ 9,706,258
School support taxes	23,292,958	23,292,958	25,194,894	1,901,936	23,257,052
Franchise taxes	86,000	86,000	164,171	78,171	139,385
Governmental services tax	1,952,639	1,952,639	2,185,897	233,258	1,972,907
Transportation fees	90,900	90,900	201,160	110,260	173,068
Earnings on investments	30,000	30,000	147,974	117,974	57,176
Income from pupil activities	60,000	60,000	48,929	(11,071)	55,327
Grant indirect cost recovery	200,000	200,000	274,517	74,517	213,390
Other	183,055	183,055	213,067	30,012	302,297
Total Local Sources	35,724,024	35,724,024	38,471,792	2,747,768	35,876,860
State Sources:					
Distributive school account	26,662,957	27,382,133	25,496,294	(1,885,839)	24,402,602
Federal Sources:					
Restricted	70,000	70,000	87,885	17,885	58,664
Unrestricted	5,000	5,000	5,094	94	648
Total Federal Sources	75,000	75,000	92,979	17,979	59,312
Total Revenues	62,461,981	63,181,157	64,061,065	879,908	60,338,774
EXPENDITURES					
Regular Programs:					
Instruction:					
Salaries	17,135,519	17,751,759	17,599,651	152,108	14,951,448
Benefits	7,963,030	8,165,358	8,049,154	116,204	6,994,533
Purchased services	21,000	48,032	39,206	8,826	123,707
Supplies	1,657,132	2,608,057	2,552,945	55,112	2,193,040
Property	-	16,929	16,929	-	48,121
Other	-	2,371	3,986	(1,615)	2,213
	26,776,681	28,592,506	28,261,871	330,635	24,313,062
Other Direct Support:					
Salaries	-	193,913	191,917	1,996	3,357
Benefits	-	86,841	86,452	389	121
Purchased services	-	100,880	28,780	72,100	135,548
	-	381,634	307,149	74,485	139,026
Total Regular Programs	26,776,681	28,974,140	28,569,020	405,120	24,452,088

Continued on next page.

See accompanying notes.

CARSON CITY SCHOOL DISTRICT

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Special Programs:					
Instruction:					
Salaries	\$ -	\$ 14,700	\$ 14,700	\$ -	\$ 4,282
Benefits	-	1,000	301	699	422
Supplies	11,000	10,936	10,671	265	11,163
	<u>11,000</u>	<u>26,636</u>	<u>25,672</u>	<u>964</u>	<u>15,867</u>
Other Direct Support:					
Salaries	-	7,400	7,271	129	2,873
Benefits	-	1,500	952	548	896
	<u>-</u>	<u>8,900</u>	<u>8,223</u>	<u>677</u>	<u>3,769</u>
Total Special Programs	<u>11,000</u>	<u>35,536</u>	<u>33,895</u>	<u>1,641</u>	<u>19,636</u>
Vocational Programs:					
Instruction:					
Salaries	1,681,400	1,516,081	1,512,780	3,301	1,526,518
Benefits	777,334	692,522	684,330	8,192	731,230
Purchased services	-	3,246	3,246	-	1,116
Supplies	20,500	15,134	14,536	598	22,048
	<u>2,479,234</u>	<u>2,226,983</u>	<u>2,214,892</u>	<u>12,091</u>	<u>2,280,912</u>
Other Direct Support:					
Salaries	-	130,659	128,278	2,381	-
Benefits	-	53,471	48,762	4,709	-
	<u>-</u>	<u>184,130</u>	<u>177,040</u>	<u>7,090</u>	<u>-</u>
Total Vocational Programs	<u>2,479,234</u>	<u>2,411,113</u>	<u>2,391,932</u>	<u>19,181</u>	<u>2,280,912</u>
Extra and Cocurricular Activities:					
Cocurricular Activities:					
Instruction:					
Salaries	56,681	46,111	48,500	(2,389)	46,144
Benefits	1,190	1,144	1,005	139	1,717
Purchased services	-	2,500	-	2,500	-
Supplies	-	6,313	4,313	2,000	1,458
Other	-	350	350	-	-
	<u>57,871</u>	<u>56,418</u>	<u>54,168</u>	<u>2,250</u>	<u>49,319</u>

Continued on next page.

See accompanying notes.

CARSON CITY SCHOOL DISTRICT

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Other Direct Support:					
Salaries	\$ 40,271	\$ 55,235	\$ 53,769	\$ 1,466	\$ 50,928
Benefits	19,254	23,187	22,162	1,025	22,529
Purchased services	-	4,137	4,034	103	9,745
Supplies	10,000	-	-	-	-
	69,525	82,559	79,965	2,594	83,202
Total Cocurricular Activities	127,396	138,977	134,133	4,844	132,521
Athletics:					
Instruction:					
Salaries	212,629	218,774	216,140	2,634	197,373
Benefits	11,056	10,377	9,603	774	11,534
Purchased services	60,000	64,650	64,880	(230)	55,115
Supplies	101,925	79,008	71,492	7,516	79,996
Property	-	10,382	7,350	3,032	-
Other	-	10,685	9,853	832	13,472
	385,610	393,876	379,318	14,558	357,490
Student Transportation:					
Purchased services	19,000	-	-	-	9,075
Other Direct Support:					
Salaries	84,969	81,234	70,190	11,044	77,697
Benefits	22,668	22,308	20,891	1,417	22,981
Purchased services	-	18,500	8,949	9,551	-
	107,637	122,042	100,030	22,012	100,678
Total Athletics	512,247	515,918	479,348	36,570	467,243
Total Extra and Cocurricular	639,643	654,895	613,481	41,414	599,764
Other Instructional Programs:					
Instruction:					
Salaries	1,659,579	1,570,420	1,568,110	2,310	1,258,510
Benefits	844,196	795,926	779,685	16,241	645,149
Purchased services	-	4,800	4,800	-	2,000
Supplies	318,500	350,423	344,759	5,664	357,761
Other	-	1,000	960	40	1,126
	2,822,275	2,722,569	2,698,314	24,255	2,264,546

Continued on next page.

See accompanying notes.

CARSON CITY SCHOOL DISTRICT

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Other Direct Support:					
Salaries	\$ 283,432	\$ 274,181	\$ 266,185	\$ 7,996	\$ 258,640
Benefits	143,279	142,769	120,195	22,574	120,424
Purchased services	-	33,541	32,800	741	33,262
Supplies	-	1,622	1,408	214	-
	<u>426,711</u>	<u>452,113</u>	<u>420,588</u>	<u>31,525</u>	<u>412,326</u>
Total Other Instructional	<u>3,248,986</u>	<u>3,174,682</u>	<u>3,118,902</u>	<u>55,780</u>	<u>2,676,872</u>
Community Service Programs:					
Salaries	28,879	31,713	31,610	103	33,826
Benefits	18,086	19,201	18,900	301	20,082
	<u>46,965</u>	<u>50,914</u>	<u>50,510</u>	<u>404</u>	<u>53,908</u>
Undistributed Expenditures:					
Student Support:					
Salaries	2,119,730	2,095,298	2,082,554	12,744	1,781,164
Benefits	961,885	935,443	930,154	5,289	835,257
Purchased services	25,000	26,000	25,574	426	25,021
Supplies	28,169	42,134	35,516	6,618	50,489
	<u>3,134,784</u>	<u>3,098,875</u>	<u>3,073,798</u>	<u>25,077</u>	<u>2,691,931</u>
Instructional Staff Support:					
Salaries	1,288,887	1,354,484	1,346,598	7,886	954,062
Benefits	510,252	544,296	529,520	14,776	395,970
Purchased services	177,115	81,572	68,505	13,067	49,983
Supplies	231,282	195,851	176,429	19,422	145,461
Other	25,540	11,651	2,745	8,906	1,105
	<u>2,233,076</u>	<u>2,187,854</u>	<u>2,123,797</u>	<u>64,057</u>	<u>1,546,581</u>
General Administration:					
Salaries	259,105	266,049	265,296	753	246,107
Benefits	86,761	97,204	94,430	2,774	142,863
Purchased services	123,900	166,277	164,946	1,331	153,949
Supplies	23,470	68,782	55,427	13,355	66,709
Other	33,735	47,745	20,256	27,489	22,832
	<u>526,971</u>	<u>646,057</u>	<u>600,355</u>	<u>45,702</u>	<u>632,460</u>

Continued on next page.

See accompanying notes.

CARSON CITY SCHOOL DISTRICT

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
School Administration:					
Salaries	\$ 2,458,573	\$ 2,436,593	\$ 2,436,527	\$ 66	\$ 2,384,477
Benefits	1,050,552	1,059,717	1,054,386	5,331	1,058,706
Purchased services	6,200	75,007	70,943	4,064	49,751
Supplies	169,085	120,550	51,601	68,949	63,865
Property	500	34,451	32,823	1,628	22,751
Other	72,600	240,965	1,357	239,608	13,848
	<u>3,757,510</u>	<u>3,967,283</u>	<u>3,647,637</u>	<u>319,646</u>	<u>3,593,398</u>
Central Services:					
Salaries	1,825,465	1,799,777	1,796,692	3,085	1,605,382
Benefits	813,109	828,062	810,912	17,150	750,452
Purchased services	787,930	1,199,498	1,162,849	36,649	955,014
Supplies	597,364	543,463	507,693	35,770	481,647
Property	20,550	10,550	-	10,550	152,413
Other	87,629	61,323	23,700	37,623	46,608
	<u>4,132,047</u>	<u>4,442,673</u>	<u>4,301,846</u>	<u>140,827</u>	<u>3,991,516</u>
Operation and Maintenance:					
Salaries	2,368,431	2,245,624	2,243,541	2,083	2,148,611
Benefits	1,227,473	1,199,362	1,191,850	7,512	1,190,993
Purchased services	1,260,349	2,173,226	2,081,306	91,920	2,263,527
Supplies	1,776,301	944,321	923,546	20,775	894,714
Property	-	130,456	122,683	7,773	12,929
Other	25,000	25,294	1,289	24,005	1,373
	<u>6,657,554</u>	<u>6,718,283</u>	<u>6,564,215</u>	<u>154,068</u>	<u>6,512,147</u>
Student Transportation:					
Salaries	860,459	826,217	805,266	20,951	764,962
Benefits	522,504	516,499	515,471	1,028	502,287
Purchased services	21,250	74,526	58,898	15,628	19,121
Supplies	368,605	354,489	323,599	30,890	278,795
Property	135,000	230,000	18,078	211,922	106,543
Other	12,350	2,350	1,430	920	1,731
	<u>1,920,168</u>	<u>2,004,081</u>	<u>1,722,742</u>	<u>281,339</u>	<u>1,673,439</u>

Continued on next page.

See accompanying notes.

CARSON CITY SCHOOL DISTRICT

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Other Support:					
Salaries	\$ 732	\$ 50,580	\$ 49,320	\$ 1,260	\$ -
Benefits	15	25,394	24,538	856	-
Property	-	-	-	-	32,562
Other	-	1,209	1,209	-	16,666
	<u>747</u>	<u>77,183</u>	<u>75,067</u>	<u>2,116</u>	<u>49,228</u>
Total Undistributed Expenditures	22,362,857	23,142,289	22,109,457	1,032,832	20,690,700
Contingency	1,000,000	1,000,000	-	1,000,000	-
Total Expenditures	<u>56,565,366</u>	<u>59,443,569</u>	<u>56,887,197</u>	<u>2,556,372</u>	<u>50,773,880</u>
Revenues Over Expenditures	<u>5,896,615</u>	<u>3,737,588</u>	<u>7,173,868</u>	<u>3,436,280</u>	<u>9,564,894</u>
OTHER FINANCING SOURCES (USES)					
Sales of fixed assets	5,000	5,000	12,093	-	-
Transfers (to) other funds	(7,953,567)	(7,225,198)	(7,224,284)	914	(8,073,524)
	<u>(7,948,567)</u>	<u>(7,220,198)</u>	<u>(7,212,191)</u>	<u>914</u>	<u>(8,073,524)</u>
Net Change in Fund Balance	(2,051,952)	(3,482,610)	(38,323)	3,437,194	1,491,370
FUND BALANCE, July 1	<u>11,931,164</u>	<u>16,251,906</u>	<u>16,251,906</u>	<u>-</u>	<u>14,760,536</u>
FUND BALANCE, June 30	<u>\$ 9,879,212</u>	<u>\$ 12,769,296</u>	<u>\$ 16,213,583</u>	<u>\$ 3,437,194</u>	<u>\$ 16,251,906</u>

See accompanying notes.

CARSON CITY SCHOOL DISTRICT

FEDERAL GRANTS FUND - SPECIAL REVENUE FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Federal Sources - grants	\$ 5,251,023	\$ 7,147,233	\$ 5,549,542	\$ (1,597,691)	\$ 5,459,332
EXPENDITURES					
Regular Programs:					
Instruction:					
Salaries	524,848	930,286	727,893	202,393	451,071
Benefits	315,050	405,644	326,882	78,762	230,773
Purchased services	51,000	48,147	46,753	1,394	33,648
Supplies	118,400	687,355	488,295	199,060	229,615
Other	200,000	-	-	-	-
	1,209,298	2,071,432	1,589,823	481,609	945,107
Other Direct Support:					
Salaries	455,608	256,170	204,040	52,130	250,619
Benefits	139,213	119,322	92,846	26,476	120,280
Purchased services	45,000	34,780	32,015	2,765	33,960
	639,821	410,272	328,901	81,371	404,859
Total Regular Programs	1,849,119	2,481,704	1,918,724	562,980	1,349,966
Special Programs:					
Instruction:					
Salaries	634,124	891,086	667,179	223,907	457,382
Benefits	338,746	529,674	411,544	118,130	291,611
Purchased services	45,000	-	-	-	-
Supplies	80,000	-	-	-	-
Other	2,530	-	-	-	-
	1,100,400	1,420,760	1,078,723	342,037	748,993
Other Direct Support:					
Salaries	201,244	203,045	103,933	99,112	48,515
Benefits	121,356	84,178	50,313	33,865	24,324
Purchased services	400,000	360,076	271,723	88,353	287,369
Supplies	120,000	261,832	82,473	179,359	39,108
Other	25,000	54,146	54,146	-	-
	867,600	963,277	562,588	400,689	399,316
Total Special Programs	1,968,000	2,384,037	1,641,311	742,726	1,148,309

Continued on next page.

See accompanying notes.

CARSON CITY SCHOOL DISTRICT

FEDERAL GRANTS FUND - SPECIAL REVENUE FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Vocational Programs:					
Instruction:					
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 2,782
Benefits	-	-	-	-	60
Purchased services	-	15,000	15,000	-	-
Supplies	-	8,188	8,026	162	43,597
Property	-	5,000	5,000	-	-
	-	28,188	28,026	162	46,439
Other Direct Support:					
Salaries	121,510	31,500	31,405	95	98,947
Benefits	41,251	12,741	11,042	1,699	41,445
Purchased services	50,000	75,677	75,471	206	52,429
Supplies	-	1,106	885	221	6,556
Other	-	1,750	1,750	-	6,750
	212,761	122,774	120,553	2,221	206,127
Total Vocational Programs	212,761	150,962	148,579	2,383	252,566
Other Instructional Programs:					
Instruction:					
Salaries	138,454	105,985	90,809	15,176	106,504
Benefits	78,684	61,538	59,828	1,710	62,936
Purchased services	100,000	3,000	3,000	-	30,385
Supplies	50,000	8,630	6,734	1,896	11,508
	367,138	179,153	160,371	18,782	211,333
Other Direct Support:					
Salaries	-	81,246	74,964	6,282	65,553
Benefits	-	14,853	11,834	3,019	8,124
Purchased services	-	9,350	4,400	4,950	47,048
Supplies	-	5,860	2,249	3,611	73,883
Other	-	487	195	292	338
	-	111,796	93,642	18,154	194,946
Total Other Instructional Programs	367,138	290,949	254,013	36,936	406,279

Continued on next page.

See accompanying notes.

CARSON CITY SCHOOL DISTRICT

FEDERAL GRANTS FUND - SPECIAL REVENUE FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Community Service Programs:					
Salaries	\$ 25,114	\$ 24,300	\$ 24,235	\$ 65	\$ 22,892
Benefits	17,031	16,700	16,566	134	16,472
Purchased services	5,000	-	-	-	-
	<u>47,145</u>	<u>41,000</u>	<u>40,801</u>	<u>199</u>	<u>39,364</u>
Undistributed Expenditures:					
Student Support:					
Salaries	340,352	190,756	176,730	14,026	294,477
Benefits	157,236	104,193	95,589	8,604	151,442
Purchased services	50,000	158,955	146,365	12,590	110,823
Supplies	-	70,814	55,872	14,942	13,720
Other	-	-	-	-	2,174
	<u>547,588</u>	<u>524,718</u>	<u>474,556</u>	<u>50,162</u>	<u>572,636</u>
Instructional Staff Support:					
Salaries	78,890	263,979	225,157	38,822	723,924
Benefits	20,000	91,945	90,443	1,502	325,881
Purchased services	-	228,080	177,372	50,708	110,368
Supplies	-	42,400	36,024	6,376	18,360
Other	-	200	115	85	1,039
	<u>98,890</u>	<u>626,604</u>	<u>529,111</u>	<u>97,493</u>	<u>1,179,572</u>
Community Service:					
Salaries	-	52,217	30,983	21,234	-
Benefits	-	28,272	19,605	8,667	-
Purchased services	-	58,000	58,000	-	-
Supplies	-	1,161	1,161	-	-
	<u>-</u>	<u>139,650</u>	<u>109,749</u>	<u>29,901</u>	<u>-</u>
Central Services:					
Salaries	114,101	53,320	47,010	6,310	111,316
Benefits	46,281	19,086	14,086	5,000	44,934
Purchased services	-	158	158	-	360
Supplies	-	2,491	2,451	40	11,407
Other	-	-	-	-	294
	<u>160,382</u>	<u>75,055</u>	<u>63,705</u>	<u>11,350</u>	<u>168,311</u>

Continued on next page.

See accompanying notes.

CARSON CITY SCHOOL DISTRICT

FEDERAL GRANTS FUND - SPECIAL REVENUE FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Student Transportation:					
Purchased services	\$ -	\$ 120,380	\$ 74,843	\$ 45,537	\$ 50,100
	-	120,380	74,843	45,537	50,100
Other Support:					
Other	-	296,489	278,465	18,024	213,390
	-	296,489	278,465	18,024	213,390
Nutrition Services:					
Salaries	-	-	-	-	2,663
Benefits	-	-	-	-	696
Purchased services	-	-	-	-	333
Supplies	-	-	-	-	55,747
Property	-	15,685	15,685	-	19,400
Total Nutrition Services	-	15,685	15,685	-	78,839
Total Undistributed Expenditures	806,860	1,798,581	1,546,114	252,467	2,262,848
Total Expenditures	5,251,023	7,147,233	5,549,542	1,597,691	5,459,332
Net Change in Fund Balance	-	-	-	-	-
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

See accompanying notes.

CARSON CITY SCHOOL DISTRICT

SPECIAL EDUCATION FUND - SPECIAL REVENUE FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
State Sources:					
State appropriation	\$ 3,993,570	\$ 3,943,570	\$ 4,002,665	\$ 59,095	\$ 3,636,373
EXPENDITURES					
Special Programs:					
Instruction:					
Salaries	5,156,550	4,860,363	4,635,658	224,705	4,503,521
Benefits	2,856,791	2,619,969	2,486,349	133,620	2,496,999
Purchased services	15,000	4,795	4,310	485	4,460
Supplies	30,000	2,235	2,226	9	5,512
	<u>8,058,341</u>	<u>7,487,362</u>	<u>7,128,543</u>	<u>358,819</u>	<u>7,010,492</u>
Other Direct Support:					
Salaries	1,481,533	1,474,475	1,403,183	71,292	1,521,690
Benefits	679,764	660,561	643,629	16,932	710,389
Purchased services	800,000	1,230,482	1,103,809	126,673	714,902
Supplies	25,000	50,766	49,432	1,334	36,653
Other	-	2,000	1,192	808	2,513
	<u>2,986,297</u>	<u>3,418,284</u>	<u>3,201,245</u>	<u>217,039</u>	<u>2,986,147</u>
Student Transportation:					
Salaries	341,794	377,554	376,476	1,078	338,145
Benefits	266,521	275,251	274,618	633	279,261
Purchased services	-	-	-	-	19,190
	<u>608,315</u>	<u>652,805</u>	<u>651,094</u>	<u>1,711</u>	<u>636,596</u>
Total Special Programs	<u>11,652,953</u>	<u>11,558,451</u>	<u>10,980,882</u>	<u>577,569</u>	<u>10,633,235</u>
Vocational Programs:					
Instruction:					
Salaries	256	1,013	-	1,013	-
Benefits	5	306	-	306	-
	<u>261</u>	<u>1,319</u>	<u>-</u>	<u>1,319</u>	<u>-</u>
Student Transportation:					
Salaries	256	253	-	253	-
Benefits	5	77	-	77	-
	<u>261</u>	<u>330</u>	<u>-</u>	<u>330</u>	<u>-</u>
Total Vocational Programs	<u>522</u>	<u>1,649</u>	<u>-</u>	<u>1,649</u>	<u>-</u>

Continued on next page.

See accompanying notes.

CARSON CITY SCHOOL DISTRICT

SPECIAL EDUCATION FUND - SPECIAL REVENUE FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Total Expenditures	\$ 11,653,475	\$ 11,560,100	\$ 10,980,882	\$ 579,218	\$ 10,633,235
Revenues Over (Under) Expenditures	(7,659,905)	(7,616,530)	(6,978,217)	520,123	(6,996,862)
OTHER FINANCING SOURCES					
Transfers from other funds	7,000,000	6,700,000	6,676,000	(24,000)	7,272,252
Net Change in Fund Balance	(659,905)	(916,530)	(302,217)	496,123	275,390
FUND BALANCE, July 1	722,393	1,151,124	1,151,124	-	875,734
FUND BALANCE, June 30	\$ 62,488	\$ 234,594	\$ 848,907	\$ 496,123	\$ 1,151,124

See accompanying notes.

CARSON CITY SCHOOL DISTRICT

PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2018
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2017)

	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS	
	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and investments	\$ 5,578,348	\$ 5,888,031
Accounts receivable	269	48
Prepaid expenses	35,557	-
Total Assets	<u>5,614,174</u>	<u>5,888,079</u>
LIABILITIES		
Accounts payable	163,654	8,445
Accrued liabilities	-	29,596
Total Liabilities	<u>163,654</u>	<u>38,041</u>
NET POSITION		
Unrestricted	<u>\$ 5,450,520</u>	<u>\$ 5,850,038</u>

See accompanying notes.

CARSON CITY SCHOOL DISTRICT

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017)

	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS	
	2018	2017
OPERATING REVENUES		
Charges for services	\$ 1,354,389	\$ 1,937,848
OPERATING EXPENSES		
Salaries	52,013	51,378
Benefits	1,293,056	23,769
Purchased services	408,338	1,385,256
	<u>1,753,907</u>	<u>1,460,403</u>
Change in Net Position	(399,518)	477,445
NET POSITION, July 1	<u>5,850,038</u>	<u>5,372,593</u>
NET POSITION, June 30	<u><u>\$ 5,450,520</u></u>	<u><u>\$ 5,850,038</u></u>

See accompanying notes.

CARSON CITY SCHOOL DISTRICT

PROPRIETARY FUNDS STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017)

	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS	
	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received for services	\$ 1,354,168	\$ 1,937,848
Cash paid for salaries and benefits	(99,026)	(75,147)
Cash paid for claims and related	(1,564,825)	(1,512,116)
	<u>(309,683)</u>	<u>350,585</u>
Net cash provided (used) by operating activities	(309,683)	350,585
Net Increase (Decrease) in Cash	(309,683)	350,585
CASH AND INVESTMENTS, July 1	<u>5,888,031</u>	<u>5,537,446</u>
CASH AND INVESTMENTS, June 30	<u><u>\$ 5,578,348</u></u>	<u><u>\$ 5,888,031</u></u>
 RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATIONS		
Operating income (loss)	<u>\$ (399,518)</u>	<u>\$ 477,445</u>
Adjustments to reconcile operating income to net cash provided by operations:		
Change in assets and liabilities:		
Receivables	(221)	-
Prepaid expenses	(35,557)	1,846
Accounts payable	155,209	(3,559)
Accrued liabilities	(29,596)	(125,147)
Total Adjustments	<u>89,835</u>	<u>(126,860)</u>
Net cash provided (used) by operations	<u><u>\$ (309,683)</u></u>	<u><u>\$ 350,585</u></u>

See accompanying notes.

CARSON CITY SCHOOL DISTRICT

FIDUCIARY FUNDS

JUNE 30, 2018

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2017)

STATEMENT OF FIDUCIARY NET POSITION

	PRIVATE-PURPOSE		TOTALS	
	TRUST FUND SPECIAL PAY PLAN	AGENCY FUNDS	FIDUCIARY FUNDS	
			2018	2017
ASSETS				
Cash and investments	\$ 1,848,301	\$ 789,869	\$ 2,638,170	\$ 2,747,695
LIABILITIES				
Due to student groups and others	-	789,869	789,869	725,785
Held for compensated absences	1,848,301	-	1,848,301	2,021,910
Total Liabilities	1,848,301	789,869	2,638,170	2,747,695
NET POSITION				
Unrestricted	\$ -	\$ -	\$ -	\$ -

PRIVATE PURPOSE TRUST FUND / SPECIAL PAY PLAN STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

	SPECIAL PAY PLAN FIDUCIARY FUND	
	2018	2017
ADDITIONS		
Earnings on investments	\$ 58,404	\$ 59,559
DEDUCTIONS		
Benefits	232,013	113,546
Change in compensated absences benefits	(173,609)	(53,987)
Total Deductions	58,404	59,559
Change in Net Position	-	-
NET POSITION, July 1,	-	-
NET POSITION, June 30,	\$ -	\$ -

See accompanying notes.

CARSON CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Carson City School District, Carson City, Nevada (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 authoritative standard-setting body for governmental accounting and financial reporting.

The following is a summary of the District's significant accounting policies consistently applied in the preparation of the accompanying financial statements.

Reporting Entity

The District is organized under terms of legislation enacted in 1956 creating countywide school districts. The governing Board of Trustees consists of seven members elected by district voters for four-year terms and has authority to adopt and administer budgets. As required by GAAP, the accompanying financial statements include the accounts of all District operations. The District is not financially accountable for any other entity.

Basic Financial Statements – District-Wide Statements

The basic financial statements include both district-wide (based on the District as a whole) and fund financial statements. The district-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Interfund activities relating to services provided and used between functions are not eliminated. Elimination of these charges would distort the direct cost and program revenues reported for the various functions concerned.

In the district-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 that 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 net position, and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities then unrestricted resources, as they are needed. Within unrestricted resources, the District first utilizes committed resources, then assigned resources, then unassigned resources as they are needed.

The district-wide Statement of Activities reports both the gross and net cost of each of the District's functions. The functions are also supported by 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 support a specific program. Program revenue must be directly associated with the program/function. Operating grants include operating-specific and discretionary grants. The net costs (by program/function) are normally covered by general revenue.

CARSON CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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, liabilities, fund equity, revenues and expenditures/expenses. District resources are allocated to and accounted for in the 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, proprietary funds, and fiduciary funds.

The emphasis of the fund financial statements is on the 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/expenses of either fund category or the governmental and enterprise categories combined) 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 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 assets, financial position, and cash flows. 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 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 district-wide financial statements. To the extent possible, the costs of these services are reported in the appropriate functional activity.

The District's fiduciary funds are presented in the fiduciary fund financial statements 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 district-wide statements.

CARSON CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

The District reports the following **major governmental funds**:

General Fund

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.

Federal Grants Fund

The Federal Grants Fund accounts for transactions of the District relating to federal funded grant programs and/or assistance.

Special Education Fund

The Special Education Fund accounts for transactions of the District relating to educational services provided to children with special needs supported by federal, state and local sources.

Debt Service Fund

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt, capital leases, and other debt of governmental activities.

Bonds Issues Fund

The Bond Issues Fund accounts for the 2017 bond proceeds which are to be used for the acquisition or construction of major capital facilities or major improvements to the District's existing facilities.

The District reports the following **nonmajor governmental funds**:

Adult Education Fund

Adult Education Correctional Fund

Nutrition Services Fund

Gifts and Donations Fund

Class Size Reduction Fund

Summer and Remediation

Programs Fund

State Grants Fund

New Nevada Plan Fund

Medicaid Program Fund

Local Grants Fund

Capital Projects Fund

CARSON CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Additionally, the District reports the following fund types:

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.

Unemployment Insurance Fund
Workers' Compensation Insurance Fund
Health Insurance Fund

The **Private-Purpose Special Pay Plan Trust Fund** accounts for funds contributed to the District's Special Pay Plan arrangement under which principal and income benefit employees retiring or terminating with compensation due in connection with unused personal leave, sick leave, or other separation payments.

Agency funds are used to account for assets held by the District in a custodial capacity as an agent for the Student Activity Funds and the Carson Montessori Charter School Payroll Fund.

Measurement Focus

District-Wide Financial Statements

The district-wide statements, as well as the proprietary and fiduciary fund financial statements, are prepared using the economic resources measurement focus. The agency funds (student activity funds) have no measurement focus.

All assets and liabilities associated with the operation of the District are included on the Statement of Net Position. The Statement of Activities presents increases (revenues) and decreases (expenses) in total net position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the district-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the district-wide financial statements and the governmental funds financial statements.

CARSON CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Basis of Accounting

The basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements. The district-wide; proprietary fund; and fiduciary fund financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences between the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows/outflows, and in the presentation of expenses versus expenditures.

Revenues

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available generally means expected to be received within 60 days of the fiscal year-end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include taxes, grants, entitlements and donations for which the revenue is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Property taxes are recognized as revenues in the year for which they are levied. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are deemed both measurable and available at fiscal year-end: investment earnings, grants and entitlements.

Deferred Inflows/Outflows of Resources

In addition to assets, the Statement of Net Position and Balance Sheet will sometimes report a separate section for deferred *outflows* of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then.

In addition to liabilities, the Statement of Net Position and Balance Sheet will sometimes report a separate section for deferred *inflows* of resources. This separate financial statement element 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 then. The District has only one item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds Balance Sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

CARSON CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds. Debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Budgets and Budgetary Accounting

The District adheres to the *Local Government Budget and Finance Act* incorporated within the statutes of the State of Nevada, which includes the following major procedures to establish the budgetary data which is reflected in these financial statements:

1. Prior to April 15, the Superintendent of Schools submits to the Board of Trustees, and to both the State of Nevada Department of Taxation and Department of Education, a tentative budget for the fiscal year beginning the following July 1. This is in accordance with Nevada Revised Statutes. The tentative budget includes proposed expenditures and the means of financing them.
2. On or before the third Wednesday in May, and with proper public notice, a public hearing is held 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 the following January 1, the Board of Trustees adopts an amended final budget to reflect any adjustments necessary as a result of the complete count of students.
5. The Board of Trustees may augment the appropriations by a majority vote of the Board. Prior public notice must be filed in any fund receiving ad valorem taxes.
6. The Director of Fiscal Services is authorized to transfer appropriations between and within accounts, departments and funds if amounts do not exceed the approved budget, subject to subsequent approval by the Board of Trustees.
7. In any year in which the State Legislature, by law, increases or decreases the revenues or expenditures of the District, and the increase or decrease was not included or anticipated in the final budget as adopted, the District may file an amended budget

CARSON CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

which incorporates those increases or decreases with the State of Nevada Department of Taxation and Department of Education.

8. Budgeted appropriations may not be exceeded by actual expenditures of the various functions in the budgeted governmental funds. The sum of operating and non-operating expenses in the proprietary funds also may not exceed appropriations.
9. Formal budgetary integration is employed as a management control device for the General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Funds, and the Internal Service Funds. Such funds have legally adopted annual budgets which lapse at year-end.
10. All budgets are adopted on a basis consistent with GAAP. Budgeted amounts reflected in the accompanying financial statements as "FINAL" include all budget amendments made during the year.

Cash and Investments

The District pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the District's investments. Investments are carried at fair value as determined by quoted market prices, net of accrued interest, as provided by the pool sponsors.

Pursuant to NRS 355.170 and 355.175, the District may only invest in the following types of securities:

1. United States bonds and debentures maturing within (10) years from the date of purchase.
2. Certain farm loan bonds and obligations of the Federal Agricultural Mortgage Corporation.
3. Securities of the United States Treasury, obligations of an agency or instrumentality of the United States, or a corporation sponsored by the government maturing within (10) years from the date of purchase.
4. Negotiable certificates of deposit from commercial banks, insured credit unions or savings and loan associations.
5. Certain nonnegotiable certificates of deposit issued by insured commercial banks, insured credit unions, or insured savings and loan associations.
6. Certain securities issued by local governments of the State of Nevada.

CARSON CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

7. Certain bankers' acceptances, commercial paper issued by a corporation organized and operating in the United States, and certain money market mutual funds.
8. Certain obligations of state and local governments.
9. State of Nevada Local Government Investment Pool Fund.
10. Other securities expressly provided by other statutes, including repurchase agreements and collateralized investment contracts.

Statements of Cash Flows

For purposes of the statements of cash flows, the District considers all short-term highly liquid instruments purchased with an original maturity of three months or less and all pooled investments to be cash equivalents.

Inventories

Inventories in the General Fund and Nutrition Services Special Revenue Fund consist of supplies and equipment on hand not yet distributed to requisitioning units. Reported inventories are equally offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. Inventories are valued at cost, as determined using the first-in, first-out (FIFO) cost method, except for commodities, which are stated at fair value.

Capital Assets

Capital assets, which include land, buildings and improvements, equipment, and vehicles, are reported in the government-wide financial statements. The District defines capital assets as having an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. If purchased or constructed, all capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are valued at their estimated fair value as of the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's useful life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings and Improvements	7-50
Vehicles/Buses	15
Machinery and Equipment	5-10

CARSON CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Allowance for Uncollectible Receivables

The District has not established an allowance for uncollectible receivables since prior experience has shown that uncollectible receivables are not significant in amount.

Accrued Liabilities

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

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources on the district-wide Statement of Net Position. Net position is classified in the following categories:

Net investment in capital assets – Consists of capital assets net of accumulated depreciation and reduced by any outstanding debt attributable to the acquisition, construction, or improvement of the capital assets.

Restricted net position – Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted net position – Consists of net position which does not meet the definition of either “net investment in capital assets” or “restricted net position”.

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

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to honor constraints imposed upon the use of the resources in the governmental funds. The classifications are:

Nonspendable fund balance includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

Restricted fund balance includes amounts that are restricted for specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or rescinded only with the consent of resource providers.

Committed fund balance includes amounts that can only be used for the specific purposes determined by a formal action of the District’s highest level of decision-making authority, the Board of Trustees of the Carson City School District. Commitments may be changed or lifted only

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by the District taking the same formal action that imposed the constraint originally (for example: a resolution.)

Assigned fund balance includes amounts intended to be used by the District for specific purposes that are neither restricted nor committed. Intent is expressed by (a) the District Board of Trustees or (b) the Director of Fiscal Services. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) that are not classified as nonspendable, restricted, or committed.

Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

When an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned amounts are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally, unassigned funds, as needed, unless the Board of Trustees has provided otherwise in its commitment or assignment actions.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the funds. Any revenues and expenses not meeting the definitions of operating are reported as nonoperating.

Expenditures

Expenditure data is characterized by major program classifications pursuant to the provisions of the National Center for Education Statistics handbook entitled *Financial Accounting for Local and State School Systems* as modified by the State of Nevada Department of Education. A brief description of the major program classifications follows:

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 for students receiving special education and related services. having special needs. Special programs include services for the gifted and talented, mentally challenged, physically handicapped, emotionally disturbed, learning disabled, and special programs for other types of students at all levels.

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

Extra-curricular and co-curricular activities add to the educational experience of students and include events and activities that take place outside the traditional classroom, including student government, athletics, band, clubs and honors societies.

Other instructional programs are activities that provide elementary and secondary students with learning experiences in school-sponsored activities, ESL, alternative education, remediation and summer school, and online educational programs.

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.

Undistributed expenditures are charges not readily assignable to a specific program. Student and instructional staff support and overall general and administrative costs are classified as undistributed expenditures. Also included are costs of operating, maintaining, and constructing the physical facilities of the District.

Nutrition services programs consist of activities to provide food services to students and staff.

Compensated Absences

Teachers and certain school administrators do not receive vacation leave. For other District employees, vacation leave is earned at rates dependent on length of employment and can be accumulated to specific maximum days/hours. Employees are allowed to accumulate unlimited sick days for future use. Vacation and sick leave used is recorded as a payroll expenditure. Upon retirement, the District pays up to 200 days accumulated sick leave benefits to certain employees. To the extent that compensated absences have not been pre-funded in the District's Special Pay Plan, the current portion of unused vacation and sick leave is recorded as a payroll expenditure and the estimated long-term liability for vacation and sick leave is accounted for in the government-wide financial statements.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses/expenditures and disclosure of contingent assets and liabilities. Accordingly, actual results could differ from these estimates.

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Prior Year Information

The fund financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2017, from which the summarized information was derived. Certain amounts presented in the prior year data may be reclassified in order to be consistent with the current year's presentation.

Implementation of New Accounting Pronouncements

As of July 1, 2017, the District adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The implementation is intended to improve the usefulness of information about postemployment benefits other than pensions (OPEB) and improve the accounting and financial reporting of OPEB from the employers' perspective. The disclosures required by this standard can be found at Note 11 and the effect of the standard's implementation on beginning net position is disclosed in Note 15.

NOTE 2 – COMPLIANCE WITH NEVADA REVISED STATUTES

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

NOTE 3 – "NEVADA PLAN" FOR FINANCING LOCAL EDUCATION AGENCIES

The State revenue source presented in the financial statements includes payments from the State of Nevada Distributive School Account (State's General Fund) pursuant to the Nevada Plan for School Finance (Plan). The Plan was adopted by the Nevada Legislature in 1967 to compensate for wide variations in resources. The Plan design provides reasonable equal educational opportunities and can be expressed in a formula calculated on a per pupil and per program basis for each of the school districts in Nevada.

The State provides a guaranteed amount of funding to each local school and this total basic support guarantee is a combination of three revenue streams:

- A. 50 cents per \$100 in assessed value in Ad Valorem (property) tax;
- B. 2.60 cents per dollar of Local School Support tax (sales tax); and
- C. State of Nevada Distributive School Account (DSA)

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The combination of the three revenue sources equals the dollar value of the weighted student enrollment multiplied by the basic support per student. The DSA payment is the equalizing amount ensuring the total guarantee for the fiscal year is available for appropriation.

NOTE 4 – PROPERTY TAXES

Taxes on real property located in Carson City are levied and the lien attaches on July 1st of each year. They are due on the third Monday of August and can be paid in quarterly installments on or before the third Monday of August and the first Monday of October, January, and March, respectively. In the event of nonpayment, a tax lien is taken on the first Monday in May, and the Carson City Treasurer is authorized to hold property for two additional years, subject to redemption upon payment of taxes, penalties, and costs, together with interest from the date the taxes were due, until paid. If delinquent taxes are not paid within the two-year redemptions period, the Carson City Treasurer obtains a deed to the property free of all encumbrances. Upon receipt of a deed, the Carson City Treasurer may sell the property to satisfy the tax lien.

Property tax revenue and the related receivable have been recognized for property tax assessments in the fiscal year for which they were levied, provided that such taxes were collected within 60 days after the District's year-end. Taxes receivable not collected within such time period are recorded as deferred revenue at the District's year-end. To record amounts due and deemed collectible, secured roll property taxes receivable reflect only those taxes receivable from the last two delinquent roll years.

NOTE 5 – CASH AND INVESTMENTS

The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of the pool is displayed on the Governmental Funds Balance Sheet as "Cash and Investments." Student Activity Funds are reported as Agency funds. These funds are not part of the District's pooled cash and investments; rather, they are held separately.

As of June 30, 2018, the District had the following amounts reported as cash and investments:

District-Wide Balances:	
Pooled Cash	\$ 10,728,229
Bank of America Public Capital Corp. (Esco)	255,155
Investments	29,985,038
	<u>40,968,422</u>
Trust and Agency Funds:	
Student Activity Agency Funds Cash	789,869
Special Pay Plan Trust Fund	1,848,301
	<u>2,638,170</u>
Total Cash and Investments	<u>\$ 43,606,592</u>

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The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The District's investments in the Carson City Investment Pool and in the State of Nevada's Local Government Investment Pool are categorized as Level 2 investments as they are valued at fair value based on the observable market prices of the underlying assets held by the pool.

The District held bank balances totaling \$11,503,047 at June 30, 2018. These deposits are held in noninterest-bearing transaction accounts and are either fully insured by the Federal Depository Insurance Corporation (FDIC) or are fully collateralized by the Office of the State Treasurer / Nevada Collateral Pool.

As of June 30, 2018, the District had the following investments, at fair value with a maturity date of less than one year:

Carson City Investment Pool	\$ 8,492,395
State of Nevada, Local Government Investment Pool	21,492,643
VALIC Guaranteed Fixed Deferred Annuity Contracts	<u>1,848,301</u>
Total Investments	<u>\$ 31,833,339</u>

The State of Nevada Local Government Investment Pool and the Carson City Investment Pool are authorized by NRS 355.167 and are administered by the State Treasurer and the Carson City Treasurer, respectively. Administrative policies are adopted by the State Board of Finance, which has oversight responsibilities. The fair value of the District's position in the pools equals the value of the pools' shares. The investment in the investment pools are carried at market and are unrated external investment pools.

Interest Rate Risk – Interest rate risk is the risk of possible reduction in the value of a security, especially a bond, resulting from the rise in interest rates. To limit exposure to interest rate risk, the Nevada Revised Statutes limits bankers' acceptances to 180 days maturities, repurchase agreements to 90 days, U.S. Treasuries and Agencies to less than 10 years, and commercial paper to 270 days maturity.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation and is a function of the credit quality ratings of its investments. In accordance with the Nevada Revised Statutes, the District limits its investment instruments by their credit risk. As mentioned above, the State of Nevada Local Government Investment Pool and the Carson City Investment Pool are unrated external investment pools. The District's investment in VALIC Guaranteed Fixed Deferred Annuity Contracts is rated by nationally recognized statistical rating organizations as "A."

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JUNE 30, 2018

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank or brokerage failure, the District’s deposits may not be returned. The District’s bank deposits are generally covered by FDIC insurance and are collateralized by the Office of the State Treasurer/Nevada Collateral Pool.

NOTE 6 – RECEIVABLES

The District’s receivables in the governmental funds as of June 30, 2018 were as follows:

	Ad Valorem Taxes	Due from Other Governments	Interest	Other	Total Receivables
Major Funds:					
General Fund	\$ 109,613	\$ 5,091,906	\$ 19,172	\$ 346,643	\$ 5,567,334
Federal Grants Fund	-	3,150,233	-	-	3,150,233
Special Education Fund	-	28,352	-	-	28,352
Debt Service Fund	53,841	-	-	-	53,841
Bond Issues Fund	-	-	15,872	-	15,872
Non-Major Funds	-	3,279,357	-	427,013	3,706,370
Health Insurance Fund	-	-	-	269	269
Total Receivables	<u>\$ 163,454</u>	<u>\$ 11,549,848</u>	<u>\$ 35,044</u>	<u>\$ 773,925</u>	<u>\$ 12,522,271</u>

NOTE 7 – CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2018 is shown below:

CARSON CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

	Balance July 1, 2017	Additions / Transfers	Deletions / Transfers	Balance June 30, 2018
Nondepreciable Capital Assets				
Land	\$ 430,282	\$ -	\$ -	\$ 430,282
Construction in progress	4,348,309	3,348,384	(527,378)	7,169,315
	<u>4,778,591</u>	<u>3,348,384</u>	<u>(527,378)</u>	<u>7,599,597</u>
Depreciable Capital Assets				
Buildings and improvements	158,437,814	1,138,731	-	159,576,545
Equipment and vehicles	9,779,160	1,066,658	(47,425)	10,798,393
	<u>168,216,974</u>	<u>2,205,389</u>	<u>(47,425)</u>	<u>170,374,938</u>
Less accumulated depreciation for:				
Buildings and improvements	73,064,867	4,156,500	-	77,221,367
Equipment and vehicles	6,713,807	531,583	(47,425)	7,197,965
	<u>79,778,674</u>	<u>4,688,083</u>	<u>(47,425)</u>	<u>84,419,332</u>
Governmental Activities, Capital Assets, net	<u>\$ 93,216,891</u>	<u>\$ 865,690</u>	<u>\$ (527,378)</u>	<u>\$ 93,555,203</u>

Depreciation expense was allocated to the following programs/functions:

Regular programs	\$ 47,609
School administration	8,615
Central services	125,865
Operation and maintenance	34,620
Student transportation	135,209
Nutrition services	11,800
Facilities	<u>4,324,365</u>
Total 2018 Depreciation	<u>\$ 4,688,083</u>

CARSON CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

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NOTE 8 – GENERAL LONG-TERM OBLIGATIONS

As of June 30, 2018, general long-term obligations consisted of the following:

General Obligation Bonds

Series	Date Issued	Date of Final Maturity	Original Interest Rate (%)	Amount Issued	Balance June 30, 2018
2010	08/04/10	12/01/20	2.75-5.00	\$ 10,705,000	\$ 4,300,000
2011A	02/23/11	06/01/31	3.00-5.00	16,000,000	1,465,000
2011B	07/07/11	06/01/31	2.00-5.00	10,000,000	1,500,000
2012	03/06/12	06/01/32	2.00-3.125	4,025,000	3,250,000
2014	12/09/14	06/01/27	3.00-4.00	8,530,000	8,480,000
2016	07/28/16	06/01/31	2.00-3.00	9,560,000	8,985,000
2017	02/02/17	06/01/37	4.00-5.00	15,000,000	15,000,000
2017B	12/21/17	06/01/31	2.64	14,303,000	13,594,000
					<u>\$ 56,574,000</u>

2017 Refunding Bond Issue

On December 21, 2017, the District issued \$14,030,000 Refunding Bonds, Series 2017B. The bonds mature in June 2031, with an interest rate of 2.640%. Net proceeds of the bond issue were used for the early refunding of \$13,050,000 par value bonds, with an unamortized premium of \$551,934, resulting in a deferred charge of \$551,934, which will be amortized ratably through June 2031. Total debt service on the refunded bonds was reduced by a present value of \$589,692 (economic gain). The net proceeds of \$14,195,320 were placed in escrow for the purpose of meeting all future debt service payments on the refunded debt.

Installment Note Payable

On April 13, 2017, the District entered into an installment purchase agreement with Banc of America Public Capital Corp. in the amount of \$5,235,000 to finance District-wide energy efficiency improvements. The note matures on February 1, 2035 and bears an interest rate of 3% over the term of the agreement (note). The balance of the installment note on June 30, 2018 was \$5,195,000.

CARSON CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

A summary of general long-term debt service requirements to maturity follows. The requirements presented exclude the amortization of any bond premiums or discounts.

Fiscal Year	General Long-Term Debt		Total Requirements
	Principal	Interest	
2019	\$ 4,207,000	\$ 2,063,500	\$ 6,270,500
2020	4,440,000	1,901,314	6,341,314
2021	4,067,000	1,718,585	5,785,585
2022	4,294,000	1,597,975	5,891,975
2023	4,230,000	1,466,707	5,696,707
2024 - 2028	21,097,000	5,222,333	26,319,333
2029 - 2033	13,774,000	2,267,263	16,041,263
2034 - 2037	5,660,000	525,310	6,185,310
Total	<u>\$ 61,769,000</u>	<u>\$ 16,762,987</u>	<u>\$ 78,531,987</u>

Changes in the District's long-term debt during the year ended June 30, 2018 are as follows:

	Balance July 1, 2017	Additions of New Debt	Retirements, Repayments and Reductions	Balance June 30, 2018	Due Within One Year
General Obligation					
Bonds	\$ 59,050,000	\$ 14,303,000	\$ (16,779,000)	\$ 56,574,000	\$ 4,071,000
Installment note	5,235,000	-	(40,000)	5,195,000	136,000
Deferred amounts for issuance premiums	4,171,252	-	(882,799)	3,288,453	359,767
Compensated absences	1,122,905	263,713	-	1,386,618	-
	<u>\$ 69,579,157</u>	<u>\$ 14,566,713</u>	<u>\$ (17,701,799)</u>	<u>\$ 66,444,071</u>	<u>\$ 4,566,767</u>

Total interest expense on general long-term obligations for the year ended June 30, 2018 was \$2,176,681.

As of June 30, 2018, the most current assessed valuation of taxable property, excluding motor vehicles, as defined by NRS 387.400 was \$1,578,809,029. The District's limit of bonded indebtedness is 15% of the aforementioned assessed value, or \$236,821,354. The District had \$56,574,000 in general obligation debt, leaving \$180,247,354 in potential additional capacity, which may be subject to other limiting factors.

CARSON CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

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NOTE 9 – NEVADA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Plan Description

The District contributes to the State of Nevada Public Employees Retirement System (PERS) a statewide, cost-sharing, multiple-employer defined benefit plan administered by the State of Nevada that covers substantially all employees of the District. PERS provides retirement, disability, and death benefits, including annual cost of living adjustments, to plan members and their beneficiaries. Chapter 286 of the Nevada Revised Statutes establishes the benefit provisions provided to the participants of PERS. These benefit provisions may only be amended through legislation. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report is available on the web at <http://www.nvpers.org> or by writing to the State of Nevada Public Employees Retirement System, 693 West Nye Lane, Carson City, NV 89703-1599 or by calling (775) 687-4200.

Benefits Provided

Benefits provisions of the defined benefit pension plan are established by Nevada Revised Statutes (NRS or statute), which may be amended. Benefits 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 on or after July 1, 2015. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed at 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.5% multiplier, and for regular members entering PERS on or after July 1, 2015, there is a 2.25% multiplier. The System offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Post-retirement increases are provided by authority of NRS 286.575-.579.

Vesting

Regular members are eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, or at any age with thirty years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with ten years of service, or any age with thirty years of service. Regular members who entered the System on or after July 2015, are eligible for retirement at age 65 with 5 years of service, or at age 62 with 10 years of service or at age 55 with 30 years of service or any age with 33 1/3 years of service.

CARSON CITY SCHOOL DISTRICT

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

Contributions

Contribution provisions are specified by state statute and may be amended only by action of the State legislature. Contribution rates are based on biennial actuarial valuations and are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance a portion of the unfunded accrued liability. 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 the System 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's contributions to the Plan were \$6,159,229 and \$5,644,459 (restated) for the years ended June 30, 2018 and 2017.

PERS Investment Policy

PERS' policies which determine the investment portfolio target asset allocation are established by the PERS 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 PERS Board's adopted policy target asset allocation as of June 30, 2017:

<u>Investment Category</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic Equity	42%	5.50%
Private Markets	10%	6.80%
International Equity	18%	5.75%
Domestic Fixed Income	<u>30%</u>	0.25%
Total	<u>100%</u>	

Net Pension Liability

At June 30, 2018, the District reported a liability of \$85,844,630 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

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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 share of contributions in the PERS pension plan relative to the total contributions of all participating reporting units and members. At June 30, 2017, the District's proportion of the regular plan was .64546%, which was a decrease from its .66573% proportion measured as of June 30, 2016.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the District calculated using the discount rate of 7.5%. The following also reflects what the District's net pension liability would be if it were calculated using a discount rate that is 1.00 percentage point lower (6.50%) or 1.00 percentage point higher (8.50%) than the current discount rate of 7.50%.

	1% Decrease in Discount Rate (6.50%)	Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
Net Pension Liability	\$ 129,773,113	\$ 85,844,630	\$ 49,361,337

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the Comprehensive Annual Financial Report, available on the NVPERS website.

Actuarial Assumptions

The System's 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 total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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Investment rate of return	7.5% per year.
Salary increases	4.25% to 9.15% depending on service.
Inflation rate	2.75% per year.
Payroll growth	5.00% per year, including inflation.
Productivity pay increase	0.50%
Consumer Price Index	2.75%
Other assumptions	Same as those used in the June 30, 2017 funding actuarial valuation.

Actuarial assumptions used in the June 30, 2017 valuation were based on the results of the experience review completed in 2017.

The discount rate used to measure the total pension liability was 7.50%. 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 was projected to be available to make all projected future benefit payments for 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.

Changes in assumptions include changes in the inflation rate and Consumer Price Index from 3.5% to 2.75%; change in the investment rate of return from 8.00% to 7.50%; change in the productivity pay increase from 0.75% to 0.50%; and, changes in projected salary increases. Lastly, the mortality rates are now based on the Headcount-Weighted RP-2014 Mortality Tables rather than the RP-2000 Mortality Tables.

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

For the year ended June 30, 2018, the District recognized pension expense of \$6,210,751. As of June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 5,633,143
Changes in assumptions	5,694,974	
Net difference between projected and actual earnings on pension plan assets	557,374	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	887,798	2,242,146
The District's contributions subsequent to the measurement date	6,159,229	-
	<u>\$ 13,299,375</u>	<u>\$ 7,875,289</u>

The District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending 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:

Years Ending June 30	Amount
2019	\$ (115,046)
2020	(115,046)
2021	(115,046)
2022	(115,046)
2023	(115,046)
Thereafter	(159,913)
	<u>\$ (735,143)</u>

CARSON CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 10 – TRANSFERS AND INTERFUND BALANCES

Interfund transfers are shown as other financing sources (uses) in all funds other than the proprietary funds, where they are shown as operating transfers. Transfers are used to reimburse funds for indirect costs, and to supplement programs that are not fully funded by general revenues through the distributive school account. Transfers made during the year ended June 30, 2018 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 7,224,284
Special Revenue Funds:		
Special Education Fund	6,676,000	-
Nutrition Services Fund	196,799	-
Class Size Reduction	232,960	-
Debt Service Fund	118,525	-
	<u>\$ 7,224,284</u>	<u>\$ 7,224,284</u>

From time to time, certain funds may temporarily overdraw their allocation of the pooled cash resources creating interfund receivable/payable balances. These occurrences typically arise either because the fund is a reimbursement-type fund and must expend resources prior to reimbursement or because the fund would otherwise have to liquidate investments.

The interfund receivable/payable balances at June 30, 2018 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Governmental Funds:		
General Fund	\$ 4,511,101	\$ -
Federal Grants Fund	-	2,264,047
Nonmajor Governmental Fund:		
Adult Education Fund	-	12,572
Adult Education - Correctional Fund	-	187,591
State Grants Fund	-	2,046,891
	<u>\$ 4,511,101</u>	<u>\$ 4,511,101</u>

CARSON CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Retirees of the District may receive these other postemployment benefits (OPEB) through the Nevada Public Employees' Benefits Program (PEBP) or through the District's healthcare plan offered to its active employees.

Plan Descriptions

Nevada Public Employees' Benefits Program

The District contributes to the Nevada Public Employees' Benefits Program (PEBP), an agent, multiple-employer defined benefit plan, which provides medical benefits to eligible retired District employees and their beneficiaries. PEBP is administered by the Board of the Public Employees' Benefits Program, consisting of nine appointed members. Before November 30, 2008, NRS 287.023 allowed retirees of local governments meeting established criteria to enroll in the PEBP and required the local governments to subsidize the cost of their retirees' premiums. Although retirees may no longer enroll in the PEBP, retirees enrolled as of November 30, 2008 may remain in the plan with continued premium subsidies paid by the District. The PEBP issues a publicly available report that includes financial statements and required supplementary information. That report may be obtained by writing to the Nevada Public Employees' Benefits Program, 901 South Stewart Street, Suite 1001, Carson City, Nevada 89701. The information is also located on their website at www.pebp.state.nv.us, or by calling (800) 326-5496.

Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which was effective for fiscal years beginning after June 15, 2016, makes changes to the financial reporting for OPEB plans administered through trusts which meet certain criteria. PEBP is administered by the State of Nevada and is not considered a "plan" for GASB 74 purposes. (However, to enhance the understanding of this footnote, this PEBP program may be referred to as a "plan.") Any assets accumulated for OPEB purposes are to be reported as assets of the employer. As of June 30, 2018, \$4.0 million of assets have been accumulated in the District's Health Insurance Fund. These assets are restricted for employee benefits and are not subject to the claims of the District's creditors.

The contribution requirements of plan members and the District are established and may be amended by the Board of the Public Employees' Benefits Program. The amount of subsidy an individual retiree is entitled is predicated on the years of service and a legislatively determined base amount. The District contributed \$864,935 during the year on behalf of 362 participating retirees.

Carson City School District Healthcare Plan

The District administers a single-employer defined benefit healthcare plan. This plan provides postemployment healthcare benefits to retirees of the District. Any retiree who participates in the Nevada Public Employees' Retirement System (PERS) may purchase coverage for themselves and dependents at the same premium rate which is charged to the District's active employees. Because retirees pay the same premium as active employees rather than a higher rate that would result from rating retirees as a separate

CARSON CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

insured group, the District incurs the cost of an implicit premium subsidy. A separate report has not been issued for this plan. The District has elected to pay the implicit cost of postemployment benefits on the *pay-as-you-go* basis.

Plan membership consisted of 871 active plan members and 46 retirees as of June 30, 2016, the date of the latest actuarial valuation. The District contributed \$154,226 on their behalf during the year ended June 30, 2018.

NRS 288.150 specifies that insurance benefits are subject to mandatory bargaining. The amount employees contribute towards their insurance premium is negotiated with each association.

Actuarial Methods and Assumptions

The District's net OPEB liability for each plan was measured as of June 30, 2017, and the total OPEB liabilities used to calculate their respective net OPEB liability were determined by actuarial valuations for each plan as of June 30, 2016, with the amounts rolled forward to June 30, 2018.

The total OPEB liability in the actuarial valuation for each plan was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement, unless otherwise specified:

	<u>District</u>	<u>PEBP</u>
Inflation	2.75%	2.75%
Salary increases	4%	N/A
Discount rate		
As of June 30, 2017	3.13%	3.13%
As of June 30, 2016	2.68%	2.68%
Healthcare inflation		
Initial	7.00%	6.50%
Ultimate	5.00%	5.00%

Mortality rates used were those based on the June 30, 2015 report of Nevada PERS and were adjusted by applying the MacLeod Watts Scale 2017 on a generational basis from 2015 forward.

Sensitivity of the OPEB Liabilities to Changes in the Discount Rate and Healthcare Cost Trend Rate

The following presents the net OPEB liabilities of the District's plan and PEBP, as well as what the liabilities would be if they were calculated using a discount rate that is 1% lower (2.13%) or 1% higher (4.13%).

CARSON CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

<u>Net OPEB Liability</u>	<u>1% Decrease in Discount Rate to 2.13%</u>	<u>Current Discount Rate 3.13%</u>	<u>1% Increase in Discount Rate to 4.13%</u>
District	\$ 6,641,660	\$ 5,780,384	\$ 5,084,817
PEBP	<u>14,107,980</u>	<u>12,616,990</u>	<u>11,373,413</u>
	<u>\$ 20,749,640</u>	<u>\$ 18,397,374</u>	<u>\$ 16,458,230</u>

The following presents the net OPEB liabilities of the District's Plan and PEBP, as well as what the liabilities would be if they were calculated using a 1% decrease and a 1% increase in the healthcare cost trend rate.

<u>Net OPEB Liability</u>	<u>1% Decrease in Current Trend</u>	<u>Current Trend</u>	<u>1% Increase in Current Trend</u>
District	\$ 3,773,664	\$ 5,780,384	\$ 8,699,214
PEBP	<u>11,286,131</u>	<u>12,616,990</u>	<u>15,864,497</u>
	<u>\$ 15,059,795</u>	<u>\$ 18,397,374</u>	<u>\$ 24,563,711</u>

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

For the year ended June 30, 2018, the District recognized OPEB expense of \$657,384 for the District Plan and \$(279,580) for PEBP. As of June 30, 2018, the District reported deferred inflows of \$-0- and \$-0- for the District Plan and PEBP, respectively, and deferred outflows of \$180,894 and \$863,893 for both plans.

Change in Net OPEB Liability

The following table depicts the District's changes in the net OPEB liability for the year ended June 30, 2018:

	<u>District</u>	<u>PEBP</u>	<u>Combined</u>
Balance, July 1, 2017	\$ 5,605,690	\$ 13,761,505	\$ 19,367,195
Changes for the Year:			
Service cost	531,158	-	531,158
Interest cost	162,401	357,218	519,619
Changes of assumptions	(364,639)	(636,798)	(1,001,437)
Benefit payments	(154,226)	(864,935)	(1,019,161)
Net Changes	<u>174,694</u>	<u>(1,144,515)</u>	<u>(969,821)</u>
Balance, June 30, 2018	<u>\$ 5,780,384</u>	<u>\$ 12,616,990</u>	<u>\$ 18,397,374</u>

CARSON CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 12 – DEFERRED COMPENSATION PLANS

Deferred Salary Arrangements

Employees may elect to participate in two deferred compensation plans established in accordance with Sections 403(b) and 457 of the Internal Revenue Code. The plans permit District employees to defer a portion of their salary until future years. Participation in the plans is optional. Early distribution of deferred compensation is not available without penalty to employees except under limited circumstances specified in the Internal Revenue Code. Investments are selected by the District and limited to annuity contracts and other plan investments as specified in the Participants' Deferred Compensation Agreements.

Special Pay Plan

Subject to certain restrictions based on age and amount due, employees retiring or terminating employment with compensation due in connection with unused personal leave, sick leave, or other separation payments will be paid in the form of deferred compensation through a Special Pay Plan qualified under Internal Revenue Code Sections 457 and 403(b) and maintained by a third-party administrator. Employees are immediately vested in all such contributions to the plan. Additionally, as of June 30, 2017, the current and estimated long-term accrued liability for unused personal leave, sick leave, or other separation payments has been partially pre-funded by District contributions to the plan which are invested in a pooled, unvested account. The unfunded long-term portion of \$1,122,905 is reflected as a liability in the district-wide financial statements.

NOTE 13 – COMMITMENTS AND CONTINGENCIES

Risk Management

The District, like all governmental entities, is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District 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 coverage as indicated below and obtains independent coverage for insured events in excess of these limits.

The deductible amount paid by the District for each incident as of June 30, 2018 is \$25,000 for property damages and \$2,500 for all other incidents. The Pool covers 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 sublimits established for earthquake, flood, equipment breakdown, and money and securities.

CARSON CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Construction Projects

The District issued a \$15 million School Improvement Bond in February 2017. The majority of the bond proceeds have been used in FY18 or will be used in FY19 to replace portable classrooms throughout the District with brick-and-mortar buildings, and adding additional square footage to accommodate current elementary school enrollment and expected growth. Construction is anticipated to continue through June 30, 2019. The following commitments have been made with respect to projects not completed as of June 30, 2018. No additional financing is expected to be required to complete these projects:

Elevator upgrades	\$ 420,000
Middle school STEM lab project	475,000
Capacity additions/Portable replacements	<u>12,625,260</u>
	<u>\$ 13,520,260</u>

NOTE 14 – FUND BALANCES

A summary of the District's fund balances as of June 30, 2018 is as follows:

	Major Funds					Total Governmental Funds
	General Fund	Special Education Fund	Debt Service Fund	Bond Issues Fund	Nonmajor Gov't Funds	
Nonspendable:						
Inventories / prepaids	\$ 134,877	\$ -	\$ -	\$ -	\$ 58,916	\$ 193,793
Restricted:						
Debt service	-	-	3,344,522	-	-	3,344,522
Capital projects	-	-	-	14,685,880	649,608	15,335,488
Assigned:						
Education services	-	848,907	-	-	300,072	1,148,979
Nutrition services	-	-	-	-	148,204	148,204
Subsequent year's budget	3,178,352	-	-	-	-	3,178,352
Unassigned	<u>12,900,354</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,900,354</u>
Total Fund Balances	<u>\$16,213,583</u>	<u>\$ 848,907</u>	<u>\$3,344,522</u>	<u>\$14,685,880</u>	<u>\$1,156,800</u>	<u>\$ 36,249,692</u>

CARSON CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 15 – PRIOR PERIOD ADJUSTMENT / ADOPTION OF GASB STATEMENT NO. 75

During 2018, the District identified amounts in the June 30, 2017 financial statements related to certain contribution payments which according to GASB Statement No. 82, *Pension Issues – an Amendment of GASB Statements No. 67, No. 68, and No. 73*, are deemed to be in satisfaction of employee contribution requirements. The Public Employee’s Retirement System of Nevada (PERS) provided Nevada governments with a restated Schedule of Employer Allocations for GASB 82 Implementation, which sets forth the amounts to determine the previous overstatement of the balances reported for deferred outflows of resources and net pension liability-related amounts as of June 30, 2017.

As of July 1, 2017, the District adopted GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The implementation of this standard requires governments to calculate and report the cost, obligations, deferred outflows of resources, and deferred inflows of resources associated with other postemployment benefits in their financial statements, including additional footnote disclosures and required supplementary information. Beginning net position was restated to retroactively report the beginning total OPEB liability and deferred outflows and inflows of resources related to the OPEB liability.

The effect of these accounting changes on the District’s net position as of June 30, 2017 is as follows:

	<u>Governmental Activities</u>
Net position (deficit) as of June 30, 2017, as previously reported	\$ (6,638,004)
Restatement of pension related amounts, as per GASB 82	<u>(7,591,139)</u>
Net position (deficit) as of June 30, 2017, restated for correction of error	(14,229,143)
Change in OPEB liability, as per GASB 75	<u>(12,629,772)</u>
Net position (deficit) as of July 1, 2017, as restated	<u>\$ (26,858,915)</u>

CARSON CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 16 – NEW ACCOUNTING PRONOUNCEMENTS

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. The District is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the District's financial statements for the year ending June 30, 2020.

In June 2017, the Governmental Accounting Standards Board issued GASB Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The District is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the District's financial statements for the year ending June 30, 2021.

In March 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. This statement establishes criteria to improve the information that is disclosed in the notes to the government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The District is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the District's financial statements for the year ending June 30, 2019.

CARSON CITY SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NPL
 (NET PENSION LIABILITY)
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEVADA
 LAST TEN FISCAL YEARS*

	Plan Year Ended			
	2017	2016	2015	2014
District's proportion of the Net Pension Liability	0.64546%	0.66574%	0.65793%	0.65526%
District's proportionate share of the Net Pension Liability	\$ 85,844,630	\$ 89,588,944	\$ 75,395,446	\$ 68,291,472
District's covered employee payroll	\$ 43,994,508	\$ 41,567,714	\$ 40,447,450	\$ 40,683,297
District's proportionate share of the Net Pension Liability as a percentage of its covered employee payroll	195.13%	215.53%	186.40%	167.86%
Plan fiduciary net position as a percentage of the Total Pension Liability	74.42%	72.20%	75.10%	76.30%

*GASB Statement No. 68 requires ten years of information to be presented. However, until a full 10 year trend is available, the District presents information for those years for which the information is available.

CARSON CITY SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF DISTRICT'S CONTRIBUTIONS
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEVADA
 LAST TEN FISCAL YEARS*

	Determined for the Year Ended			
	2018	2017 <i>(As Restated)</i>	2016 <i>(As Previously Reported)</i>	2015
Statutorily required contribution	\$ 6,159,229	\$ 5,644,459	\$ 11,325,210	\$ 10,475,949
Contributions in relation to the statutorily required contribution	<u>\$ 6,159,229</u>	<u>\$ 5,644,459</u>	<u>\$ 11,325,210</u>	<u>\$ 10,475,949</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered employee payroll	\$ 43,994,508	\$ 41,567,714	\$ 40,447,450	\$ 40,683,297
Contributions as a percentage of covered employee payroll	14.00%	13.58%	28.00%	25.75%

*GASB Statement No. 68 requires ten years of information to be presented. However, until a full 10 year trend is available, the District presents information for those years for which the information is available.

CARSON CITY SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES OF CHANGES IN NET OTHER POSTEMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS LAST TEN FISCAL YEARS*

	2018		
	District	PEBP	Total
Total OPEB Liability			
Service cost	\$ 531,158	\$ -	\$ 531,158
Interest	162,401	357,218	519,619
Changes in benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Changes in assumptions	(364,639)	(636,798)	(1,001,437)
Benefit payments	(154,226)	(864,935)	(1,019,161)
Net change in Total OPEB Liability	174,694	(1,144,515)	(969,821)
Total OPEB Liability, beginning	5,605,690	13,761,505	19,367,195
Total OPEB Liability, ending	5,780,384	12,616,990	18,397,374
Plan Fiduciary Net Position			
Employer contributions	262,271	766,650	1,028,921
Net investment income	-	-	-
Benefit payments	(262,271)	(766,650)	(1,028,921)
Net change in Plan Fiduciary Net Position	-	-	-
Plan Fiduciary Net Position, beginning	-	-	-
Plan Fiduciary Net Position, ending	-	-	-
District's Net OPEB Liability	\$ 5,780,384	\$ 12,616,990	\$ 18,397,374
Covered payroll	\$ 41,120,937	N/A	N/A
District's Net OPEB Liability as a percentage of covered payroll	14.06%	N/A	N/A

*GASB Statement No. 75 requires ten years of information to be presented. However, until all 10 years of data is available the District presents information for those years for which the information is available.

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CARSON CITY SCHOOL DISTRICT

DEBT SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local Sources:					
Ad valorem taxes	\$ 5,877,548	\$ 5,877,548	\$ 6,025,842	\$ 148,294	\$ 5,783,167
Earnings on investments	100,000	100,000	76,910	(23,090)	37,449
Other	-	-	7,390	7,390	-
Total Revenues	<u>5,977,548</u>	<u>5,977,548</u>	<u>6,110,142</u>	<u>132,594</u>	<u>5,820,616</u>
EXPENDITURES					
Debt Service:					
Principal	3,630,000	3,630,000	3,769,000	(139,000)	3,615,000
Interest	2,367,519	2,367,519	2,258,549	108,970	1,994,307
Other	-	-	-	-	162,632
Total Expenditures	<u>5,997,519</u>	<u>5,997,519</u>	<u>6,027,549</u>	<u>(30,030)</u>	<u>5,771,939</u>
Revenues Over (Under) Expenditures	<u>(19,971)</u>	<u>(19,971)</u>	<u>82,593</u>	<u>102,564</u>	<u>48,677</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from refunding bonds	-	-	14,303,000	14,303,000	9,560,000
Premium on refunding bonds	-	-	-	-	273,279
Refunded bonds escrow agent	-	-	(14,303,000)	(14,303,000)	(9,733,279)
Transfers from other funds	118,525	118,525	118,525	-	-
Transfers (to) other funds	-	-	-	-	(1,000,000)
Total Other Financing Sources (Uses)	<u>118,525</u>	<u>118,525</u>	<u>118,525</u>	<u>-</u>	<u>(900,000)</u>
Net Change in Fund Balance	98,554	98,554	201,118	102,564	(851,323)
FUND BALANCE, July 1	<u>3,441,275</u>	<u>3,143,404</u>	<u>3,143,404</u>	<u>-</u>	<u>3,994,727</u>
FUND BALANCE, June 30	<u>\$ 3,539,829</u>	<u>\$ 3,241,958</u>	<u>\$ 3,344,522</u>	<u>\$ 102,564</u>	<u>\$ 3,143,404</u>

CARSON CITY SCHOOL DISTRICT

BOND ISSUES FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local Sources:					
Earnings on investments	\$ -	\$ -	\$ 164,597	\$ 164,597	\$ 62,311
State Sources	-	-	-	-	105,159
Total Revenues	-	-	164,597	164,597	167,470
EXPENDITURES					
Undistributed Expenditures:					
Facilities Acquisition and Construction:					
Site Improvement:					
Property	-	1,144,049	-	1,144,049	-
Building Improvement:					
Salaries	-	42,543	-	42,543	-
Benefits	-	18,048	-	18,048	-
Property	14,055,149	15,024,071	4,259,655	10,764,416	3,824,012
	14,055,149	15,084,662	4,259,655	10,825,007	3,824,012
Total Expenditures	14,055,149	16,228,711	4,259,655	11,969,056	3,824,012
Revenues Over (Under) Expenditures	(14,055,149)	(16,228,711)	(4,095,058)	10,929,013	(3,656,542)
OTHER FINANCING SOURCES (USES)					
Proceeds from issuance of bonds	-	-	-	-	15,000,000
Proceeds from installment purchase	-	-	-	-	5,235,000
Bond premiums	-	-	-	-	2,202,480
Total Other Financing Sources (Uses)	-	-	-	-	22,437,480
Net Change in Fund Balance	(14,055,149)	(16,228,711)	(4,095,058)	10,929,013	18,780,938
FUND BALANCE, July 1	17,286,083	18,780,938	18,780,938	-	-
FUND BALANCE, June 30	\$ 3,230,934	\$ 2,552,227	\$ 14,685,880	\$ 10,929,013	\$ 18,780,938

CARSON CITY SCHOOL DISTRICT

NONMAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET

JUNE 30, 2018

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2017)

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SPECIAL REVENUE FUNDS

	SPECIAL REVENUE FUNDS				
	ADULT EDUCATION	ADULT EDUCATION CORRECTIONAL	NUTRITION SERVICES	GIFTS AND DONATIONS	CLASS SIZE REDUCTION
ASSETS					
Cash and investments	\$ -	\$ -	\$ 330,057	\$ 145,259	\$ 488,460
Receivables	102,620	302,946	87,045	-	-
Inventories	-	-	58,492	-	-
Prepaid expenditures	424	-	-	-	-
Total Assets	<u>\$ 103,044</u>	<u>\$ 302,946</u>	<u>\$ 475,594</u>	<u>\$ 145,259</u>	<u>\$ 488,460</u>
LIABILITIES					
Accounts payable	\$ 365	\$ 10	\$ 42,011	\$ -	\$ -
Due to other governments	-	-	-	-	6,565
Accrued liabilities	35,325	114,706	226,887	-	481,895
Due to other funds	12,572	187,591	-	-	-
Unearned revenues	-	-	-	145,259	-
Total Liabilities	<u>48,262</u>	<u>302,307</u>	<u>268,898</u>	<u>145,259</u>	<u>488,460</u>
FUND BALANCES					
Nonspendable	424	-	58,492	-	-
Restricted	-	-	-	-	-
Assigned	54,358	639	148,204	-	-
Total Fund Balances	<u>54,782</u>	<u>639</u>	<u>206,696</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 103,044</u>	<u>\$ 302,946</u>	<u>\$ 475,594</u>	<u>\$ 145,259</u>	<u>\$ 488,460</u>

See accompanying notes.

CARSON CITY SCHOOL DISTRICT

NONMAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET

JUNE 30, 2018

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2017)

Page 2 of 3

SPECIAL REVENUE FUNDS

	SUMMER AND REMEDATION PROGRAMS	NEW NEVADA PLAN	MEDICAID PROGRAM	LOCAL GRANTS	STATE GRANTS
ASSETS					
Cash and investments	\$ 118,913	\$ 12,416	\$ 182,881	\$ 32,923	\$ -
Receivables	205	-	-	1,808	2,730,781
Inventories	-	-	-	-	-
Prepaid expenditures	-	-	-	-	1,421
Total Assets	<u>\$ 119,118</u>	<u>\$ 12,416</u>	<u>\$ 182,881</u>	<u>\$ 34,731</u>	<u>\$ 2,732,202</u>
LIABILITIES					
Accounts payable	\$ 11,031	\$ 3,027	\$ 21,710	\$ -	\$ 72,840
Due to other governments	-	8,425	-	-	1,157
Accrued liabilities	17,632	964	301	-	611,314
Due to other funds	-	-	-	-	2,046,891
Unearned revenues	6,250	-	-	34,731	-
Total Liabilities	<u>34,913</u>	<u>12,416</u>	<u>22,011</u>	<u>34,731</u>	<u>2,732,202</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Assigned	84,205	-	160,870	-	-
Total Fund Balances	<u>84,205</u>	<u>-</u>	<u>160,870</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 119,118</u>	<u>\$ 12,416</u>	<u>\$ 182,881</u>	<u>\$ 34,731</u>	<u>\$ 2,732,202</u>

See accompanying notes.

CARSON CITY SCHOOL DISTRICT

NONMAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET

JUNE 30, 2018

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2017)

Page 3 of 3

	SPECIAL REVENUE FUNDS TOTALS	CAPITAL PROJECTS	TOTAL NONMAJOR GOVERNMENTAL FUNDS	
			2018	2017
ASSETS				
Cash and investments	\$ 1,310,909	\$ 316,171	\$ 1,627,080	\$ 3,133,800
Receivables	3,225,405	480,965	3,706,370	2,874,437
Inventories	58,492	-	58,492	-
Prepaid expenditures	1,845	-	1,845	51,272
Total Assets	<u>\$ 4,596,651</u>	<u>\$ 797,136</u>	<u>\$ 5,393,787</u>	<u>\$ 6,059,509</u>
LIABILITIES				
Accounts payable	\$ 150,994	\$ 147,528	\$ 298,522	\$ 395,415
Due to other governments	16,147	-	16,147	511,036
Accrued liabilities	1,489,024	-	1,489,024	1,755,077
Due to other funds	2,247,054	-	2,247,054	1,667,851
Unearned revenues	186,240	-	186,240	173,046
Total Liabilities	<u>4,089,459</u>	<u>147,528</u>	<u>4,236,987</u>	<u>4,502,425</u>
FUND BALANCES				
Nonspendable	58,916	-	58,916	51,272
Restricted	-	649,608	649,608	876,098
Assigned	448,276	-	448,276	629,714
Total Fund Balances	<u>507,192</u>	<u>649,608</u>	<u>1,156,800</u>	<u>1,557,084</u>
Total Liabilities and Fund Balances	<u>\$ 4,596,651</u>	<u>\$ 797,136</u>	<u>\$ 5,393,787</u>	<u>\$ 6,059,509</u>

See accompanying notes.

CARSON CITY SCHOOL DISTRICT

NONMAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017)

Page 1 of 3

SPECIAL REVENUE FUNDS

	SPECIAL REVENUE FUNDS				
	ADULT EDUCATION	ADULT EDUCATION CORRECTIONAL	NUTRITION SERVICES	GIFTS AND DONATIONS	CLASS SIZE REDUCTION
REVENUES					
Local sources	\$ 1,990	\$ -	\$ 397,992	\$ 60,528	\$ -
State sources	393,786	935,081	8,237	-	2,585,433
Federal sources	-	-	2,279,816	-	-
Total Revenues	395,776	935,081	2,686,045	60,528	2,585,433
EXPENDITURES					
Regular programs	-	-	-	15,007	2,818,393
Special programs	-	-	-	-	-
Vocational programs	-	-	-	6,692	-
Adult Education programs	397,618	934,442	-	-	-
Other Instructional programs	-	-	-	-	-
Community Services programs	-	-	-	-	-
Undistributed Expenditures:					
Student support	-	-	-	13,882	-
Instructional staff support	-	-	-	1,969	-
General administration	-	-	-	693	-
School administration	-	-	-	15,219	-
Central services	-	-	-	-	-
Operation and maintenance	-	-	-	7,066	-
Student transportation	-	-	-	-	-
Other support	-	-	-	-	-
Nutrition services	-	-	2,882,835	-	-
Facilities acquisition and construction	-	-	-	-	-
Total Expenditures	397,618	934,442	2,882,835	60,528	2,818,393
Revenues Over (Under) Expenditures	(1,842)	639	(196,790)	-	(232,960)
OTHER FINANCING SOURCES (USES)					
Transfers from (to) other funds	-	-	196,799	-	232,960
Net Change in Fund Balances	(1,842)	639	9	-	-
FUND BALANCES, July 1	56,624	-	206,687	-	-
FUND BALANCES, June 30	\$ 54,782	\$ 639	\$ 206,696	\$ -	\$ -

See accompanying notes.

CARSON CITY SCHOOL DISTRICT

NONMAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017)

Page 2 of 3

	SPECIAL REVENUE FUNDS				
	SUMMER AND REMEDICATION PROGRAMS	NEW NEVADA PLAN	MEDICAID PROGRAM	LOCAL GRANTS	STATE GRANTS
REVENUES					
Local sources	\$ 36,525	\$ -	\$ -	\$ 56,633	\$ -
State sources	-	32,375	-	-	5,966,843
Federal sources	-	-	313,456	-	-
Total Revenues	36,525	32,375	313,456	56,633	5,966,843
EXPENDITURES					
Regular programs	-	-	-	46,185	2,871,631
Special programs	-	-	475,184	1,447	268,381
Vocational programs	-	-	-	-	458,090
Adult Education programs	-	-	-	-	-
Other Instructional programs	47,397	32,375	-	-	855,027
Community Services programs	-	-	-	-	-
Undistributed Expenditures:					
Student support	-	-	-	6,522	863,712
Instructional staff support	-	-	-	2,479	475,302
General administration	-	-	-	-	-
School administration	-	-	-	-	8,500
Central services	-	-	-	-	88,032
Operation and maintenance	-	-	-	-	-
Student transportation	-	-	-	-	55,030
Other support	-	-	-	-	23,138
Nutrition services	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Total Expenditures	47,397	32,375	475,184	56,633	5,966,843
Revenues Over (Under) Expenditures	(10,872)	-	(161,728)	-	-
OTHER FINANCING SOURCES (USES)					
Transfers from (to) other funds	-	-	-	-	-
Net Change in Fund Balances	(10,872)	-	(161,728)	-	-
FUND BALANCES, July 1	95,077	-	322,598	-	-
FUND BALANCES, June 30	\$ 84,205	\$ -	\$ 160,870	\$ -	\$ -

See accompanying notes.

CARSON CITY SCHOOL DISTRICT

NONMAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017)

Page 3 of 3

	SPECIAL		TOTAL	
	REVENUE	CAPITAL	NONMAJOR	
	FUNDS	PROJECTS	GOVERNMENTAL FUNDS	
	TOTALS		2018	2017
REVENUES				
Local sources	\$ 553,668	\$ 626,703	\$ 1,180,371	\$ 1,226,234
State sources	9,921,755	-	9,921,755	12,201,711
Federal sources	2,593,272	534,737	3,128,009	2,637,720
Total Revenues	13,068,695	1,161,440	14,230,135	16,065,665
EXPENDITURES				
Regular programs	5,751,216	-	5,751,216	7,753,489
Special programs	745,012	-	745,012	929,721
Vocational programs	464,782	-	464,782	669,645
Adult Education programs	1,332,060	-	1,332,060	1,455,106
Other Instructional programs	934,799	-	934,799	868,624
Community Services programs	-	-	-	-
Undistributed Expenditures:				
Student support	884,116	-	884,116	1,025,270
Instructional staff support	479,750	-	479,750	611,828
General administration	693	-	693	375
School administration	23,719	-	23,719	-
Central services	88,032	852,244	940,276	1,438
Operation and maintenance	7,066	-	7,066	4,003
Student transportation	55,030	-	55,030	43,760
Other support	23,138	-	23,138	122,693
Nutrition services	2,882,835	-	2,882,835	2,899,690
Facilities acquisition and construction	-	535,686	535,686	1,498,332
Total Expenditures	13,672,248	1,387,930	15,060,178	17,883,974
Revenues Over (Under)				
Expenditures	(603,553)	(226,490)	(830,043)	(1,818,309)
OTHER FINANCING SOURCES (USES)				
Transfers from (to) other funds	429,759	-	429,759	1,801,272
Net Change in Fund Balances	(173,794)	(226,490)	(400,284)	(17,037)
FUND BALANCES, July 1	680,986	876,098	1,557,084	1,574,121
FUND BALANCES, June 30	\$ 507,192	\$ 649,608	\$ 1,156,800	\$ 1,557,084

See accompanying notes.

CARSON CITY SCHOOL DISTRICT

ADULT EDUCATION FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local Sources:					
Other	\$ 2,000	\$ 2,000	\$ 1,990	\$ (10)	\$ 1,527
State Sources:					
State funding	439,219	439,219	393,786	(45,433)	244,665
Total Revenues	441,219	441,219	395,776	(45,443)	246,192
EXPENDITURES					
Instruction:					
Salaries	44,896	175,096	165,427	9,669	42,559
Benefits	943	54,911	52,634	2,277	1,544
Purchased services	-	-	-	-	335
Supplies	-	18,000	11,544	6,456	59,633
Other	-	1,999	-	1,999	-
	45,839	250,006	229,605	20,401	104,071
Other Direct Support:					
Salaries	94,765	82,659	82,784	(125)	80,795
Benefits	44,631	40,822	40,901	(79)	30,371
Purchased services	35,000	36,100	35,901	199	16,846
Supplies	84,314	31,632	8,427	23,205	9,120
	258,710	191,213	168,013	23,200	137,132
Total Expenditures	304,549	441,219	397,618	43,601	241,203
Revenues Over (Under) Expenditures	136,670	-	(1,842)	(1,842)	4,989
OTHER FINANCING (USES)					
Transfers (to) other funds	(136,670)	-	-	-	(76,098)
Net Change in Fund Balance	-	-	(1,842)	(1,842)	(71,109)
FUND BALANCE, July 1	-	56,624	56,624	-	127,733
FUND BALANCE, June 30	\$ -	\$ 56,624	\$ 54,782	\$ (1,842)	\$ 56,624

CARSON CITY SCHOOL DISTRICT

ADULT EDUCATION CORRECTIONAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
State Sources:					
State funding	\$ 1,008,559	\$ 1,008,559	\$ 935,081	\$ (73,478)	\$ 1,137,805
EXPENDITURES					
Instruction:					
Salaries	628,400	465,416	452,240	13,176	555,066
Benefits	254,077	164,088	162,338	1,750	222,965
Purchased services	22,500	2,000	838	1,162	1,915
Supplies	50,000	84,000	42,667	41,333	163,370
	954,977	715,504	658,083	57,421	943,316
Other Direct Support:					
Salaries	100,147	183,147	180,388	2,759	176,671
Benefits	45,079	81,208	78,749	2,459	79,364
Purchased services	25,026	21,500	16,552	4,948	14,249
Supplies	20,000	7,200	670	6,530	303
	190,252	293,055	276,359	16,696	270,587
Total Expenditures	1,145,229	1,008,559	934,442	74,117	1,213,903
Revenues Over (Under)					
Expenditures	(136,670)	-	639	639	(76,098)
OTHER FINANCING SOURCES					
Transfers from other funds	136,670	-	-	-	76,098
Net Change in Fund Balance	-	-	639	639	-
FUND BALANCE, July 1					
	-	-	-	-	-
FUND BALANCE, June 30					
	\$ -	\$ -	\$ 639	\$ 639	\$ -

CARSON CITY SCHOOL DISTRICT

NUTRITION SERVICES FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local Sources:					
Food sales	\$ 391,500	\$ 391,500	\$ 397,955	\$ 6,455	\$ 386,611
Other	50,000	50,000	37	(49,963)	9,137
Total Local Sources	441,500	441,500	397,992	(43,508)	395,748
State Sources:					
Special appropriations	9,090	9,090	8,237	(853)	8,332
Federal Sources:					
School Lunch Program	2,205,758	2,205,758	2,040,021	(165,737)	2,051,916
Commodity Foods	185,000	199,000	239,795	40,795	193,695
Total Federal Sources	2,390,758	2,404,758	2,279,816	(124,942)	2,245,611
Total Revenues	2,841,348	2,855,348	2,686,045	(169,303)	2,649,691
EXPENDITURES					
Salaries	1,011,124	1,011,124	943,827	67,297	948,739
Benefits	629,643	629,643	613,872	15,771	623,262
Purchased services	1,355,580	997,580	923,575	74,005	1,112,048
Supplies	95,000	466,836	401,397	65,439	214,384
Other	-	164	164	-	1,257
Total Expenditures	3,091,347	3,105,347	2,882,835	222,512	2,899,690
Revenues Over (Under)					
Expenditures	(249,999)	(249,999)	(196,790)	53,209	(249,999)
OTHER FINANCING SOURCES					
Transfers from other funds	249,999	249,999	196,799	(53,200)	249,999
Net Change in Fund Balance	-	-	9	9	-
FUND BALANCE, July 1	206,687	206,687	206,687	-	206,687
FUND BALANCE, June 30	\$ 206,687	\$ 206,687	\$ 206,696	\$ 9	\$ 206,687

CARSON CITY SCHOOL DISTRICT

GIFTS AND DONATIONS FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local Sources:					
Donations	\$ 300,000	\$ 53,600	\$ 60,528	\$ 6,928	\$ 31,444
EXPENDITURES					
Regular Programs:					
Instruction:					
Purchased services	4,100	3,710	3,710	-	-
Supplies	39,100	15,132	4,047	11,085	3,067
Other	-	9,000	7,250	1,750	1,500
	<u>43,200</u>	<u>27,842</u>	<u>15,007</u>	<u>12,835</u>	<u>4,567</u>
Other Direct Support:					
Purchased services	238,000	-	-	-	-
Supplies	11,500	-	-	-	-
	<u>249,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Regular Programs	<u>292,700</u>	<u>27,842</u>	<u>15,007</u>	<u>12,835</u>	<u>4,567</u>
Special Programs:					
Other Direct Support:					
Purchased services	-	7,138	-	7,138	-
Supplies	-	450	-	450	1,095
Total Special Programs	<u>-</u>	<u>7,588</u>	<u>-</u>	<u>7,588</u>	<u>1,095</u>
Vocational Programs:					
Instruction:					
Purchased services	-	4,700	3,492	1,208	3,935
Supplies	-	3,200	3,200	-	-
Other Direct Support:					
Purchased services	-	889	-	889	-
Total Vocational Programs	<u>-</u>	<u>8,789</u>	<u>6,692</u>	<u>2,097</u>	<u>3,935</u>

Continued on next page.

CARSON CITY SCHOOL DISTRICT

GIFTS AND DONATIONS FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Community Services Programs:					
Purchased services	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	1,070	-	1,070	-
	-	1,070	-	1,070	-
Other Instructional Programs:					
Purchased services	-	-	-	-	750
Athletics:					
Supplies	-	507	-	507	-
Undistributed Expenditures:					
Student Support:					
Purchased services	-	3,118	2,425	693	3,464
Supplies	-	76,136	11,457	64,679	9,926
Other	-	-	-	-	900
	-	79,254	13,882	65,372	14,290
Instructional Staff Support:					
Purchased services	-	25	25	-	991
Supplies	-	7,474	1,944	5,530	-
	-	7,499	1,969	5,530	991
General Administration:					
Supplies	-	376	318	58	-
Other	-	375	375	-	375
	-	751	693	58	375
School Administration:					
Supplies	-	2,406	2,332	74	-
Property	-	12,887	12,887	-	-
	-	15,293	15,219	74	-
Central Services:					
Purchased services	-	48,155	-	48,155	1,438

Continued on next page.

CARSON CITY SCHOOL DISTRICT

GIFTS AND DONATIONS FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Operation and Maintenance:					
Purchased services	\$ 500	\$ 6,450	\$ 6,450	\$ -	\$ 1,500
Supplies	5,500	2,589	616	1,973	1,003
Property	500	-	-	-	1,500
	<u>6,500</u>	<u>9,039</u>	<u>7,066</u>	<u>1,973</u>	<u>4,003</u>
Student Transportation:					
Purchased services	250	-	-	-	-
Other Support:					
Supplies	550	-	-	-	-
Total Undistributed Expenditures	<u>7,300</u>	<u>159,991</u>	<u>38,829</u>	<u>121,162</u>	<u>21,097</u>
Total Expenditures	<u>300,000</u>	<u>205,787</u>	<u>60,528</u>	<u>145,259</u>	<u>31,444</u>
Net Change in Fund Balance	-	(152,187)	-	152,187	-
FUND BALANCE, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, June 30	<u>\$ -</u>	<u>\$ (152,187)</u>	<u>\$ -</u>	<u>\$ 152,187</u>	<u>\$ -</u>

CARSON CITY SCHOOL DISTRICT

CLASS SIZE REDUCTION FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
State Sources:					
Special appropriations	\$ 2,495,074	\$ 2,706,755	\$ 2,585,433	\$ (121,322)	\$ 2,525,199
EXPENDITURES					
Regular Programs:					
Salaries	2,026,608	1,955,035	1,923,546	31,489	1,948,969
Benefits	953,509	908,394	894,847	13,547	925,101
Total Expenditures	2,980,117	2,863,429	2,818,393	45,036	2,874,070
Revenues Over (Under)					
Expenditures	(485,043)	(156,674)	(232,960)	(76,286)	(348,871)
OTHER FINANCING SOURCES					
Transfers from other funds	485,043	156,674	232,960	76,286	348,871
Net Change in Fund Balance	-	-	-	-	-
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

CARSON CITY SCHOOL DISTRICT

SUMMER AND REMEDIATION PROGRAMS FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local Sources:					
Tuition	\$ 25,000	\$ 25,000	\$ 36,525	\$ 11,525	\$ 21,280
EXPENDITURES					
Summer School:					
Salaries	35,487	38,000	34,975	3,025	25,377
Benefits	767	2,000	1,391	609	1,647
Supplies	20,000	25,000	11,031	13,969	16,438
Total Expenditures	56,254	65,000	47,397	17,603	43,462
Revenues Over (Under) Expenditures	(31,254)	(40,000)	(10,872)	29,128	(22,182)
OTHER FINANCING SOURCES					
Transfers from other funds	-	-	-	-	100,000
Net Change in Fund Balances	(31,254)	(40,000)	(10,872)	29,128	77,818
FUND BALANCE, July 1	89,278	95,077	95,077	-	17,259
FUND BALANCE, June 30	\$ 58,024	\$ 55,077	\$ 84,205	\$ 29,128	\$ 95,077

CARSON CITY SCHOOL DISTRICT

NEW NEVADA PLAN (SB 178) FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
State Sources					
Special appropriations	\$ -	\$ 40,800	\$ 32,375	\$ (8,425)	\$ -
EXPENDITURES					
Other Instructional Programs:					
Instruction:					
Salaries	-	25,204	24,907	297	-
Benefits	-	1,515	1,313	202	-
Supplies	-	10,981	3,058	7,923	-
	-	37,700	29,278	8,422	-
Other Direct Support:					
Supplies	-	3,100	3,097	3	-
Total Other Instructional	-	40,800	32,375	8,425	-
Net Change in Fund Balance	-	-	-	-	-
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

CARSON CITY SCHOOL DISTRICT

MEDICAID PROGRAM FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Federal Sources:					
Medicaid Program	\$ 500,000	\$ 450,000	\$ 313,456	\$ (136,544)	\$ 392,109
EXPENDITURES					
Special Programs:					
Instruction:					
Salaries	74,066	74,346	-	74,346	72,964
Benefits	51,588	52,259	427	51,832	52,447
	<u>125,654</u>	<u>126,605</u>	<u>427</u>	<u>126,178</u>	<u>125,411</u>
Other Direct Support:					
Salaries	48,717	48,822	47,893	929	46,388
Benefits	24,560	24,364	24,206	158	23,998
Purchased services	450,000	450,000	394,548	55,452	367,763
Supplies	10,000	10,000	8,110	1,890	38,077
	<u>533,277</u>	<u>533,186</u>	<u>474,757</u>	<u>58,429</u>	<u>476,226</u>
Total Special Programs	<u>658,931</u>	<u>659,791</u>	<u>475,184</u>	<u>184,607</u>	<u>601,637</u>
Net Change in Fund Balance	(158,931)	(209,791)	(161,728)	48,063	(209,528)
FUND BALANCE, July 1	<u>260,976</u>	<u>322,598</u>	<u>322,598</u>	<u>-</u>	<u>532,126</u>
FUND BALANCE, June 30	<u>\$ 102,045</u>	<u>\$ 112,807</u>	<u>\$ 160,870</u>	<u>\$ 48,063</u>	<u>\$ 322,598</u>

CARSON CITY SCHOOL DISTRICT

LOCAL GRANTS FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local Sources - other	\$ 118,107	\$ 91,364	\$ 56,633	\$ (34,731)	\$ 92,121
EXPENDITURES					
Regular Programs:					
Salaries	10,000	402	402	-	-
Benefits	500	33	33	-	-
Purchased services	-	5,204	-	5,204	6,640
Supplies	15,000	58,891	45,750	13,141	10,831
Other	-	-	-	-	450
	<u>25,500</u>	<u>64,530</u>	<u>46,185</u>	<u>18,345</u>	<u>17,921</u>
Special Programs:					
Salaries	17,480	-	-	-	8,740
Benefits	1,000	-	-	-	388
Purchased services	-	-	-	-	503
Supplies	651	1,467	1,447	20	355
	<u>19,131</u>	<u>1,467</u>	<u>1,447</u>	<u>20</u>	<u>9,986</u>
Other Instructional Programs:					
Salaries	48,087	-	-	-	35,000
Benefits	24,369	-	-	-	19,909
	<u>72,456</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,909</u>
Undistributed Expenditures:					
Student Support:					
Salaries	750	847	711	136	756
Benefits	15	18	14	4	50
Purchased services	-	11,873	3,704	8,169	987
Supplies	-	5,306	1,763	3,543	4,254
Other	-	330	330	-	-
	<u>765</u>	<u>18,374</u>	<u>6,522</u>	<u>11,852</u>	<u>6,047</u>

Continued on next page.

CARSON CITY SCHOOL DISTRICT

LOCAL GRANTS FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Undistributed Expenditures (Cont'd.):					
Instructional Staff Support:					
Salaries	\$ 250	\$ 3,965	\$ 2,134	\$ 1,831	\$ -
Benefits	5	83	45	38	-
Purchased services	-	2,345	-	2,345	-
Supplies	-	600	300	300	2,922
	255	6,993	2,479	4,514	2,922
Other Support:					
Supplies	-	-	-	-	336
	-	-	-	-	336
Total Undistributed Expenditures	1,020	25,367	9,001	16,366	9,305
Total Expenditures	118,107	91,364	56,633	34,731	92,121
Net Change in Fund Balance	-	-	-	-	-
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

CARSON CITY SCHOOL DISTRICT

STATE GRANTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2018
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
State Sources:					
State grants	\$ 6,385,500	\$ 6,115,660	\$ 5,966,843	\$ (148,817)	\$ 8,285,710
EXPENDITURES					
Regular Programs:					
Salaries	1,245,846	998,858	959,251	39,607	2,394,803
Benefits	587,016	458,655	436,034	22,621	1,150,335
Purchased services	333,500	290,450	273,813	16,637	243,863
Supplies	5,000	802,868	764,964	37,904	966,723
Other	-	-	-	-	8,025
	<u>2,171,362</u>	<u>2,550,831</u>	<u>2,434,062</u>	<u>116,769</u>	<u>4,763,749</u>
Other Direct Support:					
Salaries	254,042	300,360	300,360	-	-
Benefits	119,007	137,322	137,209	113	-
	<u>373,049</u>	<u>437,682</u>	<u>437,569</u>	<u>113</u>	<u>-</u>
Total Regular Programs	<u>2,544,411</u>	<u>2,988,513</u>	<u>2,871,631</u>	<u>116,882</u>	<u>4,763,749</u>
Special Programs:					
Instruction:					
Salaries	180,000	42,951	42,951	-	46,738
Benefits	60,000	2,220	2,220	-	3,590
Purchased services	-	4,350	4,350	-	3,974
Supplies	-	9,562	9,562	-	24,021
Other	-	411	411	-	-
	<u>240,000</u>	<u>59,494</u>	<u>59,494</u>	<u>-</u>	<u>78,323</u>
Other Direct Support:					
Salaries	345,000	60,034	60,034	-	74,109
Benefits	107,600	16,156	16,156	-	26,385
Purchased services	-	126,731	126,731	-	114,144
Supplies	-	5,847	5,847	-	22,583
Other	-	119	119	-	1,459
	<u>452,600</u>	<u>208,887</u>	<u>208,887</u>	<u>-</u>	<u>238,680</u>
Total Special Programs	<u>692,600</u>	<u>268,381</u>	<u>268,381</u>	<u>-</u>	<u>317,003</u>

Continued on next page.

CARSON CITY SCHOOL DISTRICT

STATE GRANTS FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Vocational Programs:					
Instruction:					
Salaries	\$ 201,564	\$ 50,913	\$ 50,913	\$ -	\$ 54,391
Benefits	69,054	5,557	4,952	605	23,607
Purchased services	150,000	62,732	62,673	59	68,165
Supplies	1,374	223,654	216,709	6,945	151,333
Property	-	48,766	48,766	-	261,442
	<u>421,992</u>	<u>391,622</u>	<u>384,013</u>	<u>7,609</u>	<u>558,938</u>
Other Direct Support:					
Salaries	184,358	8,561	8,566	(5)	26,915
Benefits	50,150	465	324	141	13,270
Purchased services	-	62,560	61,610	950	66,587
Supplies	-	3,660	3,577	83	-
	<u>234,508</u>	<u>75,246</u>	<u>74,077</u>	<u>1,169</u>	<u>106,772</u>
Total Vocational Programs	<u>656,500</u>	<u>466,868</u>	<u>458,090</u>	<u>8,778</u>	<u>665,710</u>
Other Instructional Programs:					
Salaries	98,464	563,374	533,854	29,520	478,310
Benefits	37,992	263,111	233,555	29,556	211,036
Purchased services	-	5,000	-	5,000	41,097
Supplies	235	52,466	47,452	5,014	39,060
	<u>136,691</u>	<u>883,951</u>	<u>814,861</u>	<u>69,090</u>	<u>769,503</u>
Other Direct Support:					
Salaries	-	5,500	35	5,465	-
Benefits	-	115	-	115	-
Purchased services	-	46,310	35,366	10,944	-
Supplies	-	24,700	4,765	19,935	-
	<u>-</u>	<u>76,625</u>	<u>40,166</u>	<u>36,459</u>	<u>-</u>
Total Other Instructional	<u>136,691</u>	<u>960,576</u>	<u>855,027</u>	<u>105,549</u>	<u>769,503</u>
Undistributed Expenditures:					
Student Support:					
Salaries	83,046	176,397	141,452	34,945	202,426
Benefits	35,151	68,824	56,461	12,363	85,955
Purchased services	102,500	684,962	657,763	27,199	699,281
Supplies	3,000	8,036	8,036	-	17,271
	<u>223,697</u>	<u>938,219</u>	<u>863,712</u>	<u>74,507</u>	<u>1,004,933</u>

Continued on next page.

CARSON CITY SCHOOL DISTRICT

STATE GRANTS FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Undistributed Expenditures (Cont'd.):					
Instructional Staff Support:					
Salaries	\$ 231,032	\$ 199,208	\$ 192,267	\$ 6,941	\$ 353,129
Benefits	76,543	70,440	68,345	2,095	137,086
Purchased services	-	197,440	187,013	10,427	72,046
Supplies	-	35,410	27,677	7,733	45,654
	<u>307,575</u>	<u>502,498</u>	<u>475,302</u>	<u>27,196</u>	<u>607,915</u>
School Administration:					
Salaries	-	8,400	8,324	76	-
Benefits	-	176	176	-	-
	<u>-</u>	<u>8,576</u>	<u>8,500</u>	<u>76</u>	<u>-</u>
Central Services:					
Salaries	-	66,432	55,390	11,042	-
Benefits	-	39,412	32,642	6,770	-
	<u>-</u>	<u>105,844</u>	<u>88,032</u>	<u>17,812</u>	<u>-</u>
Student Transportation:					
Salaries	-	-	-	-	12,845
Benefits	-	-	-	-	4,010
Purchased services	-	60,711	55,030	5,681	26,671
	<u>-</u>	<u>60,711</u>	<u>55,030</u>	<u>5,681</u>	<u>43,526</u>
Community Service:					
Salaries	-	23,912	12,794	11,118	-
Benefits	-	18,666	10,344	8,322	-
	<u>-</u>	<u>42,578</u>	<u>23,138</u>	<u>19,440</u>	<u>-</u>
Other Support:					
Salaries	-	-	-	-	77,568
Benefits	-	-	-	-	45,023
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>122,591</u>
Total Undistributed Expenditures	<u>531,272</u>	<u>1,658,426</u>	<u>1,513,714</u>	<u>144,712</u>	<u>1,778,965</u>

Continued on next page.

CARSON CITY SCHOOL DISTRICT

STATE GRANTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2018
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Total Expenditures	\$ 4,561,474	\$ 6,342,764	\$ 5,966,843	\$ 375,921	\$ 8,294,930
Revenues Over (Under)					
Expenditures	1,824,026	(227,104)	-	227,104	(9,220)
OTHER FINANCING SOURCES					
Transfers from other funds	-	-	-	-	9,220
Net Change in Fund Balance	1,824,026	(227,104)	-	227,104	-
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	<u>\$ 1,824,026</u>	<u>\$ (227,104)</u>	<u>\$ -</u>	<u>\$ 227,104</u>	<u>\$ -</u>

CARSON CITY SCHOOL DISTRICT

CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local Sources:					
Governmental services tax	\$ 559,757	\$ 559,757	\$ 626,620	\$ 66,863	\$ 565,104
Other	-	-	83	83	119,010
	<u>559,757</u>	<u>559,757</u>	<u>626,703</u>	<u>66,946</u>	<u>684,114</u>
Federal Sources:					
Grants - restricted	425,000	425,000	534,737	-	-
Total Revenues	<u>984,757</u>	<u>984,757</u>	<u>1,161,440</u>	<u>66,946</u>	<u>684,114</u>
EXPENDITURES					
Undistributed Expenditures:					
Central Services:					
Property	-	852,244	852,244	-	-
Facilities Acquisition and Construction:					
Site Improvements:					
Property	-	168,179	170,501	(2,322)	-
Building Improvements:					
Salaries	-	79,497	-	79,497	-
Benefits	-	39,182	-	39,182	-
Property	1,445,000	453,398	365,185	88,213	1,498,332
	<u>1,445,000</u>	<u>572,077</u>	<u>365,185</u>	<u>206,892</u>	<u>1,498,332</u>
Other Acquisitions/Construction:					
Purchased services	-	3,500	-	3,500	-
Total Expenditures	<u>1,445,000</u>	<u>1,596,000</u>	<u>1,387,930</u>	<u>208,070</u>	<u>1,498,332</u>
Revenues Over (Under) Expenditures	(460,243)	(611,243)	(226,490)	275,016	(814,218)
OTHER FINANCING SOURCES					
Transfer from other funds	-	-	-	-	1,000,000
Net Change in Fund Balance	(460,243)	(611,243)	(226,490)	275,016	185,782
FUND BALANCE, July 1	<u>557,071</u>	<u>876,098</u>	<u>876,098</u>	<u>-</u>	<u>690,316</u>
FUND BALANCE, June 30	<u>\$ 96,828</u>	<u>\$ 264,855</u>	<u>\$ 649,608</u>	<u>\$ 275,016</u>	<u>\$ 876,098</u>

CARSON CITY SCHOOL DISTRICT

PROPRIETARY FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2018
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2017)

	UNEMPLOY- MENT INSURANCE FUND	HEALTH INSURANCE FUND	WORKERS' COMPENSATION INSURANCE FUND	TOTALS	
				GOVERNMENTAL INTERNAL SERVICE FUNDS 2018	ACTIVITIES INTERNAL SERVICE FUNDS 2017
ASSETS					
Cash and investments	\$ 449,383	\$ 4,020,043	\$ 1,108,922	\$ 5,578,348	\$ 5,888,031
Accounts receivable	-	269	-	269	48
Prepaid expenses	-	35,557	-	35,557	-
Total Assets	<u>449,383</u>	<u>4,055,869</u>	<u>1,108,922</u>	<u>5,614,174</u>	<u>5,888,079</u>
LIABILITIES					
Accounts payable	401	269	162,984	163,654	8,445
Accrued liabilities	-	-	-	-	29,596
Total Liabilities	<u>401</u>	<u>269</u>	<u>162,984</u>	<u>163,654</u>	<u>38,041</u>
NET POSITION					
Unrestricted	<u>\$ 448,982</u>	<u>\$ 4,055,600</u>	<u>\$ 945,938</u>	<u>\$ 5,450,520</u>	<u>\$ 5,850,038</u>

See accompanying notes.

CARSON CITY SCHOOL DISTRICT

PROPRIETARY FUNDS
COMBINING STATEMENT OF
REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017)

	UNEMPLOY- MENT INSURANCE FUND	HEALTH INSURANCE FUND	WORKERS' COMPENSATION INSURANCE FUND	TOTALS GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS	
				2018	2017
OPERATING REVENUES					
Charges for services	\$ 21,377	\$ 923,326	\$ 409,686	\$ 1,354,389	\$ 1,937,848
OPERATING EXPENSES					
Salaries	10,893	12,066	29,054	52,013	51,378
Benefits	4,760	1,275,639	12,657	1,293,056	23,769
Purchased services	22,797	83	385,458	408,338	1,385,256
Other	-	-	500	500	-
	<u>38,450</u>	<u>1,287,788</u>	<u>427,669</u>	<u>1,753,907</u>	<u>1,460,403</u>
Change in Net Position	(17,073)	(364,462)	(17,983)	(399,518)	477,445
NET POSITION, July 1	<u>466,055</u>	<u>4,420,062</u>	<u>963,921</u>	<u>5,850,038</u>	<u>5,372,593</u>
NET POSITION, June 30	<u>\$ 448,982</u>	<u>\$ 4,055,600</u>	<u>\$ 945,938</u>	<u>\$ 5,450,520</u>	<u>\$ 5,850,038</u>

See accompanying notes.

CARSON CITY SCHOOL DISTRICT

PROPRIETARY FUNDS COMBINING STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017)

	UNEMPLOY- MENT INSURANCE FUND	HEALTH INSURANCE FUND	WORKERS' COMPENSATION INSURANCE FUND	TOTALS GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS	
				2018	2017
CASH FROM OPERATING ACTIVITIES					
Cash received for services	\$ 21,377	\$ 923,105	\$ 409,686	\$ 1,354,168	\$ 1,937,848
Cash paid for salaries and benefits	(15,653)	(12,066)	(71,307)	(99,026)	(75,147)
Cash paid for claims and related	(24,448)	(1,311,276)	(229,101)	(1,564,825)	(1,512,116)
Net cash provided (used) by operating activities	(18,724)	(400,237)	109,278	(309,683)	350,585
Net Increase (Decrease) in Cash	(18,724)	(400,237)	109,278	(309,683)	350,585
CASH AND INVESTMENTS, July 1	<u>468,107</u>	<u>4,420,280</u>	<u>999,644</u>	<u>5,888,031</u>	<u>5,537,446</u>
CASH AND INVESTMENTS, June 30	<u>\$ 449,383</u>	<u>\$ 4,020,043</u>	<u>\$ 1,108,922</u>	<u>\$ 5,578,348</u>	<u>\$ 5,888,031</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATIONS					
Operating income (loss)	\$ (17,073)	\$ (364,462)	\$ (17,983)	\$ (399,518)	\$ 477,445
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Change in assets and liabilities:					
Receivables	-	(221)	-	(221)	-
Prepaid expenses	-	(35,557)	-	(35,557)	1,846
Accounts payable	(1,651)	3	156,857	155,209	(3,559)
Accrued liabilities	-	-	(29,596)	(29,596)	(125,147)
Total Adjustments	(1,651)	(35,775)	127,261	89,835	(126,860)
Net cash provided (used) by operations	<u>\$ (18,724)</u>	<u>\$ (400,237)</u>	<u>\$ 109,278</u>	<u>\$ (309,683)</u>	<u>\$ 350,585</u>

See accompanying notes.

CARSON CITY SCHOOL DISTRICT

UNEMPLOYMENT INSURANCE FUND
 SCHEDULE OF REVENUES, EXPENSES, AND
 CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2018
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
OPERATING REVENUES					
Charges for services	\$ 23,348	\$ 23,348	\$ 21,377	\$ (1,971)	\$ 4,626
OPERATING EXPENSES					
Salaries	10,893	10,893	10,893	-	10,695
Benefits	4,756	4,737	4,760	(23)	4,807
Purchased services	13,000	14,000	22,797	(8,797)	12,619
	<u>28,649</u>	<u>29,630</u>	<u>38,450</u>	<u>(8,820)</u>	<u>28,121</u>
Change in Net Position	(5,301)	(6,282)	(17,073)	6,849	(23,495)
NET POSITION, July 1	<u>443,957</u>	<u>466,055</u>	<u>466,055</u>	<u>-</u>	<u>489,550</u>
NET POSITION, June 30	<u>\$ 438,656</u>	<u>\$ 459,773</u>	<u>\$ 448,982</u>	<u>\$ 6,849</u>	<u>\$ 466,055</u>

CARSON CITY SCHOOL DISTRICT

UNEMPLOYMENT INSURANCE FUND SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received for services	\$ 23,348	\$ 23,348	\$ 21,377	\$ (1,971)	\$ 4,626
Cash paid for salaries and benefits	(15,649)	(15,630)	(15,653)	(23)	(15,502)
Cash paid for claims and related	(13,000)	(14,000)	(24,448)	(10,448)	(14,268)
Net cash provided (used) by operating activities	(5,301)	(6,282)	(18,724)	(12,442)	(25,144)
Net Increase (Decrease) in Cash	(5,301)	(6,282)	(18,724)	(12,442)	(25,144)
CASH AND INVESTMENTS, July 1	<u>447,658</u>	<u>468,107</u>	<u>468,107</u>	<u>-</u>	<u>493,251</u>
CASH AND INVESTMENTS, June 30	<u>\$ 442,357</u>	<u>\$ 461,825</u>	<u>\$ 449,383</u>	<u>\$ (12,442)</u>	<u>\$ 468,107</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATIONS					
Operating income (loss)	\$ (5,301)	\$ (6,282)	\$ (17,073)	\$ (10,791)	\$ (23,495)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operations:					
Change in assets and liabilities:					
Accounts payable	<u>-</u>	<u>-</u>	<u>(1,651)</u>	<u>(1,651)</u>	<u>(1,649)</u>
Net cash provided (used) by operations	<u>\$ (5,301)</u>	<u>\$ (6,282)</u>	<u>\$ (18,724)</u>	<u>\$ (12,442)</u>	<u>\$ (25,144)</u>

CARSON CITY SCHOOL DISTRICT

HEALTH INSURANCE FUND
 SCHEDULE OF REVENUES, EXPENSES, AND
 CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2018
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
OPERATING REVENUES					
Charges for services	\$ 952,883	\$ 952,883	\$ 923,326	\$ (29,557)	\$ 1,066,504
OPERATING EXPENSES					
Salaries	13,147	13,149	12,066	1,083	12,987
Benefits	6,419	1,287,955	1,275,639	12,316	6,531
Purchased services	1,281,567	-	83	(83)	1,225,216
	1,301,133	1,301,104	1,287,788	13,316	1,244,734
Change in Net Position	(348,250)	(348,221)	(364,462)	(16,241)	(178,230)
NET POSITION, July 1	4,166,867	4,420,062	4,420,062	-	4,598,292
NET POSITION, June 30	\$ 3,818,617	\$ 4,071,841	\$ 4,055,600	\$ (16,241)	\$ 4,420,062

CARSON CITY SCHOOL DISTRICT

HEALTH INSURANCE FUND SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received for services	\$ 952,883	\$ 952,883	\$ 923,105	\$ (29,778)	\$ 1,066,504
Cash paid for salaries and benefits	(19,566)	(19,537)	(12,066)	7,471	(19,518)
Cash paid for claims and related	(1,281,567)	(1,281,567)	(1,311,276)	(29,709)	(1,224,998)
Net cash provided (used) by operating activities	(348,250)	(348,221)	(400,237)	(52,016)	(178,012)
Net Increase (Decrease) in Cash	(348,250)	(348,221)	(400,237)	(52,016)	(178,012)
CASH AND INVESTMENTS, July 1	<u>4,166,867</u>	<u>4,420,280</u>	<u>4,420,280</u>	<u>-</u>	<u>4,598,292</u>
CASH AND INVESTMENTS, June 30	<u>\$ 3,818,617</u>	<u>\$ 4,072,059</u>	<u>\$ 4,020,043</u>	<u>\$ (52,016)</u>	<u>\$ 4,420,280</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATIONS					
Operating income (loss)	\$ (348,250)	\$ (348,221)	\$ (364,462)	\$ (16,241)	\$ (178,230)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operations:					
Change in assets and liabilities:					
Receivables	-	-	(221)	(221)	-
Prepays	-	-	(35,557)	(35,557)	-
Accounts payable	-	-	3	3	218
Total Adjustments	-	-	(35,775)	(35,775)	218
Net cash provided (used) by operations	<u>\$ (348,250)</u>	<u>\$ (348,221)</u>	<u>\$ (400,237)</u>	<u>\$ (52,016)</u>	<u>\$ (178,012)</u>

CARSON CITY SCHOOL DISTRICT

WORKERS' COMPENSATION INSURANCE FUND
 SCHEDULE OF REVENUES, EXPENSES, AND
 CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2018
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
OPERATING REVENUES					
Charges for services	\$ 280,165	\$ 280,165	\$ 409,686	\$ 129,521	\$ 866,718
OPERATING EXPENSES					
Salaries	29,054	29,028	29,054	(26)	27,696
Benefits	12,659	12,592	12,657	(65)	12,431
Purchased services	250,000	250,000	385,458	(135,458)	147,421
Other	-	-	500	(500)	-
	<u>291,713</u>	<u>291,620</u>	<u>427,669</u>	<u>(135,549)</u>	<u>187,548</u>
Change in Net Position	(11,548)	(11,455)	(17,983)	(6,028)	679,170
NET POSITION, July 1	<u>1,058,800</u>	<u>963,921</u>	<u>963,921</u>	<u>-</u>	<u>284,751</u>
NET POSITION, June 30	<u>\$ 1,047,252</u>	<u>\$ 952,466</u>	<u>\$ 945,938</u>	<u>\$ (6,028)</u>	<u>\$ 963,921</u>

CARSON CITY SCHOOL DISTRICT

WORKERS' COMPENSATION INSURANCE FUND SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018	2017	
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received for services	\$ 280,165	\$ 280,165	\$ 409,686	\$ 129,521	\$ 866,718
Cash paid for salaries and benefits	(41,713)	(41,620)	(71,307)	(29,687)	(40,127)
Cash paid for claims and related	(250,000)	(250,000)	(229,101)	20,899	(272,850)
Net cash provided by operating activities	(11,548)	(11,455)	109,278	120,733	553,741
Net Increase in Cash	(11,548)	(11,455)	109,278	120,733	553,741
CASH AND INVESTMENTS, July 1	1,219,952	999,644	999,644	-	445,903
CASH AND INVESTMENTS, June 30	<u>\$ 1,208,404</u>	<u>\$ 988,189</u>	<u>\$ 1,108,922</u>	<u>\$ 120,733</u>	<u>\$ 999,644</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATIONS					
Operating income	\$ (11,548)	\$ (11,455)	\$ (17,983)	\$ (6,528)	\$ 679,170
Adjustments to reconcile operating income to net cash provided by operations:					
Change in assets and liabilities:					
Prepaid expenses	-	-	-	-	1,846
Accounts payable	-	-	156,857	156,857	(2,128)
Accrued liabilities	-	-	(29,596)	(29,596)	(125,147)
Total Adjustments	-	-	127,261	127,261	(125,429)
Net cash provided by operations	<u>\$ (11,548)</u>	<u>\$ (11,455)</u>	<u>\$ 109,278</u>	<u>\$ 120,733</u>	<u>\$ 553,741</u>

CARSON CITY SCHOOL DISTRICT

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2018

	<u>BALANCE</u> <u>July 1, 2017</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>June 30, 2018</u>
CARSON ELEMENTARY SCHOOLS STUDENT ACTIVITY FUNDS				
Assets:				
Cash and investments	\$ 131,298	\$ 144,102	\$ 125,999	\$ 149,401
Liabilities:				
Due to student groups and others	\$ 131,298	\$ 144,102	\$ 125,999	\$ 149,401
 CARSON MIDDLE SCHOOL STUDENT ACTIVITY FUND				
Assets:				
Cash and investments	\$ 99,552	\$ 134,278	\$ 123,753	\$ 110,077
Liabilities:				
Due to student groups and others	\$ 99,552	\$ 134,278	\$ 123,753	\$ 110,077
 EAGLE VALLEY MIDDLE SCHOOL STUDENT ACTIVITY FUND				
Assets:				
Cash and investments	\$ 61,823	\$ 87,662	\$ 98,519	\$ 50,966
Liabilities:				
Due to student groups and others	\$ 61,823	\$ 87,662	\$ 98,519	\$ 50,966
 CARSON HIGH SCHOOL STUDENT ACTIVITY FUND				
Assets:				
Cash and investments	\$ 431,975	\$ 1,111,483	\$ 1,064,580	\$ 478,878
Liabilities:				
Due to student groups and others	\$ 431,975	\$ 1,111,483	\$ 1,064,580	\$ 478,878
 PIONEER HIGH SCHOOL STUDENT ACTIVITY FUND				
Assets:				
Cash and investments	\$ 261	\$ 2,865	\$ 2,579	\$ 547
Liabilities:				
Due to student groups and others	\$ 261	\$ 2,865	\$ 2,579	\$ 547

Continued on next page.

CARSON CITY SCHOOL DISTRICT

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2018

	BALANCE	ADDITIONS	DELETIONS	BALANCE
	July 1, 2017			June 30, 2018
ADULT HIGH SCHOOL DIPLOMA PROGRAM				
STUDENT ACTIVITY FUND				
Assets:				
Cash and investments	\$ 576	\$ -	\$ 576	\$ -
Liabilities:				
Due to student groups and others	\$ 576	\$ -	\$ 576	\$ -
 MONTESSORI CHARTER SCHOOL PAYROLL FUND				
Assets:				
Cash and investments	\$ 300	\$ -	\$ 300	\$ -
Liabilities:				
Due to student groups and others	\$ 300	\$ -	\$ 300	\$ -
 TOTALS - ALL AGENCY FUNDS				
Assets:				
Cash and investments	\$ 725,785	\$ 1,480,390	\$ 1,416,306	\$ 789,869
Liabilities:				
Due to student groups and others	\$ 725,785	\$ 1,480,390	\$ 1,416,306	\$ 789,869

CARSON CITY SCHOOL DISTRICT

AGENCY FUND - CARSON ELEMENTARY SCHOOLS
SCHEDULE OF CHANGES IN CASH BALANCES
YEAR ENDED JUNE 30, 2018

	<u>BALANCE</u> <u>July 1, 2017</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>June 30, 2018</u>
Bordewich-Bray	\$ 13,430	\$ 19,556	\$ 16,126	\$ 16,860
Empire Elementary	13,077	25,933	23,588	15,422
Fremont Elementary	18,130	26,232	21,825	22,537
Fritsch Elementary	21,457	14,571	15,070	20,958
Mark Twain Elementary	10,384	14,438	13,480	11,342
Seeliger Elementary	53,539	43,262	35,838	60,963
Student Support Services	1,281	110	72	1,319
	<hr/>	<hr/>	<hr/>	<hr/>
Total	\$ 131,298	\$ 144,102	\$ 125,999	\$ 149,401
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CARSON CITY SCHOOL DISTRICT

AGENCY FUND - CARSON MIDDLE SCHOOL SCHEDULE OF CHANGES IN CASH BALANCES YEAR ENDED JUNE 30, 2018

	BALANCE July 1, 2017	ADDITIONS	DELETIONS	BALANCE June 30, 2018
7th Grade Reward trip	\$ -	\$ 1,030	\$ 1,000	30
Art	162	-	-	162
Band	5,200	18,881	6,863	17,218
Band Trip	-	44,460	43,930	530
Band Uniforms	14	368	382	-
Band Instrument Repair	2,728	3,698	2,486	3,940
Basketball Camp	12,794	4,561	10,640	6,715
Box Tops	862	629	1,225	266
Choir	494	1,908	1,894	508
Coke/Student Soda Machine	12,649	4,995	6,300	11,344
Cross Country	8,369	715	928	8,156
CTE Fee	6,481	-	286	6,195
Girls' Basketball	432	-	-	432
Health Schools	369	-	-	369
Home Economics	2,129	-	-	2,129
HOSA	-	4,033	3,404	629
Leadership	5,731	3,948	5,243	4,436
Lego Robotic	257	21	278	-
Library	7,826	4,513	6,954	5,385
Mr. Whisler's Class	487	-	178	309
Musical Theatre	-	1,111	-	1,111
Nurse	134	-	-	134
Paulson Class	147	-	-	147
Physical Education	8,605	13,851	4,358	18,098
Recycle Club	210	-	-	210
Strings	154	4,003	3,389	768
Sunshine	397	435	306	526
Track	3,713	4,645	3,518	4,840
Volleyball	1,164	5,687	6,851	-
Wrestling	6,000	75	649	5,426
Yearbook	12,044	10,711	12,691	10,064
Total	<u>\$ 99,552</u>	<u>\$ 134,278</u>	<u>\$ 123,753</u>	<u>\$ 110,077</u>

CARSON CITY SCHOOL DISTRICT

AGENCY FUND - EAGLE VALLEY MIDDLE SCHOOL SCHEDULE OF CHANGES IN CASH BALANCES YEAR ENDED JUNE 30, 2018

	BALANCE July 1, 2017	ADDITIONS	DELETIONS	BALANCE June 30, 2018
Art	\$ 457	\$ 310	\$ 660	\$ 107
Athletic Fund	1,766	6,089	4,302	3,553
Blakemore Memorial	10	-	10	-
Cheerleader	175	360	476	59
CLS	-	479	479	-
Computer Sleeves	2,451	-	2,451	-
CTE	8,461	-	8,461	-
Culinary	50	-	50	-
Fund Raising	955	-	955	-
Helping Hand	986	4,277	3,964	1,299
Instrument Fees	2,199	-	-	2,199
Leadership	11,223	4,313	3,388	12,148
Library	830	4,446	4,390	886
Materials	7,034	5,568	6,050	6,552
Music	8,462	29,710	33,355	4,817
National Honor Society	1,195	-	-	1,195
Pancake Breakfast	10	-	-	10
Physical Education-Bowling	1,850	1,023	955	1,918
Physical Education-Pinkies	522	-	522	-
Physical Education- Student Support	500	-	500	-
Physical Education-Uniforms	1,134	8,776	8,287	1,623
Pride	583	852	1,024	411
Principal's Fund	196	13,439	7,534	6,101
Recycle	835	-	-	835
Robotics	802	2,890	2,237	1,455
Ruby Tun	50	-	50	-
Smith, J.	300	-	-	300
Sparkletts	209	364	261	312
Strings	141	1,537	1,087	591
Sunshine Fund	1,000	-	-	1,000
Volleyball Tees	14	-	-	14
Yearbook	7,423	3,229	7,071	3,581
Total	\$ 61,823	\$ 87,662	\$ 98,519	\$ 50,966

CARSON CITY SCHOOL DISTRICT

AGENCY FUND - CARSON HIGH SCHOOL SCHEDULE OF CHANGES IN CASH BALANCES YEAR ENDED JUNE 30, 2018

	<u>BALANCE</u> <u>July 1, 2017</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>June 30, 2018</u>
A. Bourque Scholarship	\$ 1,400	\$ -	\$ -	\$ 1,400
Academic Support	-	196	-	196
Aiazzi/Anderson Scholarship	14,904	-	-	14,904
AP Biology	615	1,638	2,055	198
AP Environmental	405	225	12	618
AP Testing	21,216	44,305	44,823	20,698
Astronomy Recon Club	1	-	-	1
Athletic Concessions	913	16,132	15,553	1,492
Athletic Supplies	826	17,657	8,929	9,554
Athletic Testing	25,380	11,000	7,095	29,285
Athletic Tournaments	226	27,355	27,355	226
Athletic Training	510	3,650	1,112	3,048
AVID	-	496	-	496
B. Blood Wrestling Scholarship	500	1,000	1,500	-
Band	6,863	43,898	48,871	1,890
Baseball	6,397	29,265	31,446	4,216
Book Club	328	-	-	328
Bowling Club	466	-	176	290
Boys Basketball	9,127	22,413	18,220	13,320
Boys Golf	2,471	700	1,003	2,168
Boys Soccer	2,223	7,274	9,190	307
Boys Tennis	274	1,738	1,586	426
Carneta	21,643	66,180	58,691	29,132
Carson Track	973	33,035	16,676	17,332
CC Fire Scholarship	2,000	2,000	2,000	2,000
CC Schools Foundation	1,785	-	-	1,785
CEA	-	254	-	254
Ceramics	640	1,860	2,042	458
Cheerleading	9,874	76,034	61,720	24,188
Chess/Game Club	1	-	1	-
Choir	29	4,547	4,442	134
Chrome Books	2,717	2,184	190	4,711
CHS Floral Shop	1,093	1,656	2,323	426
CHS Robotics	878	2,843	2,300	1,421
Class of 1977	-	500	500	-
Class of 2018	4,554	25,834	30,388	-
Class of 2019	897	19,587	599	19,885
Class of 2020	316	271	163	424

Continued on next page.

CARSON CITY SCHOOL DISTRICT

AGENCY FUND - CARSON HIGH SCHOOL SCHEDULE OF CHANGES IN CASH BALANCES YEAR ENDED JUNE 30, 2018

	<u>BALANCE</u> <u>July 1, 2017</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>June 30, 2018</u>
Class of 2021	\$ -	\$ 113	\$ -	\$ 113
Class of 2022	-	453	-	453
Climbing Club	378	-	-	378
CLS Class	737	335	500	572
CLS/Friendship Ball	188	500	84	604
College Testing Fund	1,521	4,911	5,275	1,157
Collision Repair	954	-	954	-
Comstock Soccer	225	-	-	225
Craft Fair Scholarship	500	4,200	3,550	1,150
Cross Country	281	3,587	1,972	1,896
Culinary Arts	8,376	12,519	16,541	4,354
CV Babe Ruth Baseball Scholarship	-	1,600	1,600	-
CV Quilt Guild Scholarship	-	250	250	-
D. Elder Scholarship	-	500	500	-
D. Stoddard Scholarship	-	2,000	1,000	1,000
Dance Crew	168	130	298	-
DASA	-	1,500	-	1,500
DHH (Deaf-Hard of Hearing)	60	8	68	-
Drama Production	18,748	18,567	29,146	8,169
Environment Club	294	-	-	294
Environment Science Class	425	-	327	98
FBLA	5,420	27,674	22,162	10,932
Facility Use	384	-	-	384
Families United Scholarship	5,750	9,000	7,000	7,750
Father/Daughter Dance	1,646	19,561	20,207	1,000
Fellow Christian Athletes	143	68	69	142
FFA	1,241	11,113	10,686	1,668
Football	879	51,012	48,328	3,563
French Club	76	-	-	76
G Adair Memorial Scholarship	2,045	-	-	2,045
G. Reading Scholarship	36,155	2,500	7,500	31,155
Girls Basketball	20,936	26,912	27,762	20,086
Girls Golf	4,246	1,901	2,939	3,208
Girls Soccer	2,401	3,545	2,449	3,497
Girls Tennis	1,092	1,548	1,538	1,102
Glen Lucky Scholarship	-	500	500	-
Graphic Design	2,551	2,230	3,167	1,614
Greenhouse	173	-	-	173

Continued on next page.

CARSON CITY SCHOOL DISTRICT

AGENCY FUND - CARSON HIGH SCHOOL SCHEDULE OF CHANGES IN CASH BALANCES YEAR ENDED JUNE 30, 2018

	<u>BALANCE</u> <u>July 1, 2017</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>June 30, 2018</u>
GSA	\$ 10	\$ -	\$ -	\$ 10
Guidance Scholarship	91	-	-	91
HOSA - Health Occupations	8,640	61,512	47,458	22,694
IED	75	1,830	394	1,511
Interact Club	465	175	575	65
IT Essentials	503	2,634	3,127	10
J. Woodward Scholarship	3,405	100	1,000	2,505
Jim Frank Scholarship	-	2,000	2,000	-
K. Oxoby Scholarship	11	7,700	7,645	66
Key Club	1,445	569	518	1,496
L.A.D. Fund	220	1,240	853	607
Leads Unlimited	250	-	-	250
Library Fund	10,178	3,953	2,276	11,855
L. Reedy Donation	364	46,877	47,241	-
Link Crew	1,940	3,442	2,304	3,078
Malley - Art	1,298		360	938
Management - Coke	-	553	259	294
Management - Guidance	248	30	-	278
Management - Locker Fund	6,433	3,770	891	9,312
Management Team	256	63,289	62,450	1,095
Manufacturing	-	254	254	-
Masonic Scholarship #1	-	2,000	2,000	-
Math Text Fees	522	-	66	456
Media Technologies	2,919	7,088	7,601	2,406
Merry Bayer Scholarship	374	817	1,000	191
Mock Trial Club	-	216	60	156
Mountain Bike Team	78	665	-	743
NAT/NEWCMR Scholarship	100	500	500	100
National History Day	83	-	-	83
National Honor Society	6,508	6,217	3,658	9,067
Native American Club	126	-	-	126
NCSEA	2,000	-	-	2,000
NJROTC	13,723	47,101	48,271	12,553
Nurses' Fund	201	6	-	207
Outdoor Education	56	-	56	-
Parking permits	11,084	6,995	14,163	3,916
Photo Class	6,922	8,105	6,712	8,315
Physical Education Uniforms	7,075	14,049	18,643	2,481

Continued on next page.

CARSON CITY SCHOOL DISTRICT

AGENCY FUND - CARSON HIGH SCHOOL SCHEDULE OF CHANGES IN CASH BALANCES YEAR ENDED JUNE 30, 2018

	<u>BALANCE</u> <u>July 1, 2017</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>June 30, 2018</u>
POE	\$ 909	\$ 1,210	\$ 1,350	\$ 769
R. Hawkins Scholarship	3,803	3,000	3,000	3,803
R. Scott Scholarship	2,360	-	-	2,360
S. Andersen Scholarship	200	1,400	1,000	600
Sage	-	270	-	270
Schneider Class	1,217	-	-	1,217
School Excellence	31	-	31	-
Science Lab Fees	5,747	3,890	4,291	5,346
Science Text Fees	1,710	-	-	1,710
Seeliger Scholarship	900	3,864	2,332	2,432
S.E.L.	-	2,016	-	2,016
Self Defense	103	545	644	4
Senator News	14	-	-	14
Senator Pride	369	380	200	549
Senior Projects Committee	1,489	1,853	176	3,166
Sewing Club	296	-	-	296
Ski Team	250	3,441	3,078	613
Skills USA VICA	1,627	6,212	5,653	2,186
Social Studies	5	250	-	255
Softball	728	2,909	1,379	2,258
Special Ed Class Fund	421	-	144	277
Speech and Debate	634	6,956	6,287	1,303
Staff Appreciation	44	5,173	4,675	542
Strings	697	6,926	7,182	441
Student Assistance	7,722	52	972	6,802
Student Body	9,577	7,945	15,384	2,138
Student Body cards	2,680	8,519	9,425	1,774
Student Reserve	487	-	487	-
Student Store	7,728	39,298	35,453	11,573
Summer School	20,925	8,090	29,015	-
Summer Softball	470	-	470	-
Swim/Dive Team	2,042	4,423	5,188	1,277
T. Jones HOSA Scholarship	-	3,735	2,500	1,235
Tiger Drive Scholarship	100	2,575	2,375	300
Timothy Jones Memorial Scholarship	-	1,200	1,000	200
TR EDU100	-	564	-	564
Volleyball	1,216	11,800	12,151	865
W. Loftin Scholarship	1,277	-	1,277	-

Continued on next page.

CARSON CITY SCHOOL DISTRICT

AGENCY FUND - CARSON HIGH SCHOOL
SCHEDULE OF CHANGES IN CASH BALANCES
YEAR ENDED JUNE 30, 2018

	<u>BALANCE</u> <u>July 1, 2017</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>June 30, 2018</u>
Welding - Shirley	\$ 3,381	\$ 1,800	\$ 3,568	\$ 1,613
Wilson Memorial Scholarship	800	2,000	2,800	-
Wrestling	1,975	1,036	1,425	1,586
	<hr/>	<hr/>	<hr/>	<hr/>
Total	\$ 431,975	\$ 1,111,483	\$ 1,064,580	\$ 478,878
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CARSON CITY SCHOOL DISTRICT

AGENCY FUND - PIONEER HIGH SCHOOL
SCHEDULE OF CHANGES IN CASH BALANCES
YEAR ENDED JUNE 30, 2018

	<u>BALANCE</u> <u>July 1, 2017</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>June 30, 2018</u>
Pioneer High School	\$ 261	\$ 2,865	\$ 2,579	\$ 547
Total	<u>\$ 261</u>	<u>\$ 2,865</u>	<u>\$ 2,579</u>	<u>\$ 547</u>

CARSON CITY SCHOOL DISTRICT

AGENCY FUND - ADULT HIGH SCHOOL DIPLOMA PROGRAM
SCHEDULE OF CHANGES IN CASH BALANCES
YEAR ENDED JUNE 30, 2018

	<u>BALANCE</u> <u>July 1, 2017</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>June 30, 2018</u>
Carson High School Correctional Ed	\$ 576	\$ -	\$ 576	\$ -
Total	<u>\$ 576</u>	<u>\$ -</u>	<u>\$ 576</u>	<u>\$ -</u>

**INDEPENDENT AUDITORS' 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
Carson City School District
Carson City, 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 Carson City School District (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 November 30, 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.

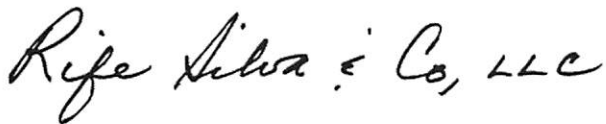
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Rife Silva & Co, LLC". The signature is written in a cursive, flowing style.

Reno, Nevada
November 30, 2018

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Trustees
Carson City School District
Carson City, Nevada

Report on Compliance for Each Major Federal Program

We have audited the Carson City School District'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 of 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.

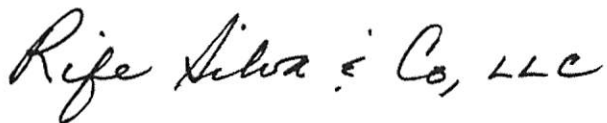
Report on Internal Control Over Compliance

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.

A handwritten signature in cursive script that reads "Rife Silva & Co, LLC".

Reno, Nevada
November 30, 2018

CARSON CITY SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2018

(Page 1 of 2)

FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM	FEDERAL CFDA NUMBER	PASS- THROUGH GRANTOR'S NUMBER	AMOUNT
U.S. DEPARTMENT OF EDUCATION			
<i>Passed through the State of Nevada Department of Education</i>			
Individuals with Disabilities Education Act (IDEA) - Special Education Cluster:			
IDEA, Part B Grants to States	84.027	18-639-13000	\$ 1,613,760
IDEA - Special Project	84.027	18-667-13000	207,614
IDEA - District Improvement Grant	84.027	18-641-13000	52,200
IDEA - Preschool	84.173	18-665-13000	76,865
Total Special Education Cluster			1,950,439
Title I, Part A - Grants to Local Educational Agencies	84.010	18-633-13000	1,737,129
Title I, Part D - Neglected and Delinquent	84.010	18-650-13000	55,021
Title I, School Improvement 1003A	84.010A	18-624-13000	169,413
Career and Technical Education (Perkins IV)	84.048	18-631-13000	91,057
Perkins Reserve Competitive Grant	84.048	18-634-13000	50,000
School Emergency Management	84.184Q	18-683-13000	1,635
McKinney-Vento Homeless Assistance	84.196A	18-688-13000	93,590
Twenty First Century Community Learning Centers	84.287	18-770-13000	481,147
Title III, Part A - English Language Acquisition	84.365A	18-658-13000	88,093
Title III, Part A - English Language Acquisition Immigrant	84.365A	18-659-13000	1,087
Title II, Part A - Teacher/Principal Training & Recruiting	84.367	18-709-13000	232,605
Preschool Development	84.419A	18-795-13000	421,825
<i>Total Passed through the State of Nevada Department of Education</i>			5,373,041
Race to the Top - District	84.416A	N/A	98,044
Total U.S. Department of Education			5,471,085

Continued on next page.

See accompanying notes.

CARSON CITY SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2018

(Page 2 of 2)

FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM	FEDERAL CFDA NUMBER	PASS- THROUGH GRANTOR'S NUMBER	AMOUNT
U.S. DEPARTMENT OF JUSTICE			
<i>Passed through the State of Nevada Department of Education</i>			
Workers Safe Voice Grant	16.560	18-617-13000	\$ 3,461
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed through the State of Nevada Department of Agriculture</i>			
Child Nutrition Cluster			
School Breakfast Program	10.553	N/A	520,202
National School Lunch Program	10.555	N/A	1,448,479
National School Lunch Program - After School Snack	10.555	N/A	26,808
National School Lunch Program - Commodities	10.555	N/A	239,795
Summer Food Service Program	10.559	N/A	44,532
Total Child Nutrition Cluster			2,279,816
Fresh Fruits and Vegetables Program	10.582	N/A	59,310
NSLP Equipment Grant	10.579	N/A	15,685
Total U.S. Department of Agriculture			2,354,811
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 7,829,357

See accompanying notes.

CARSON CITY SCHOOL DISTRICT

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS JUNE 30, 2018

NOTE 1 – REPORTING ENTITY

The accompanying *Schedule of Expenditures of Federal Awards* presents the expenditure activity of all federal award programs of the Carson City 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 of Expenditures of Federal Awards*.

NOTE 2 – BASIS OF ACCOUNTING

The accompanying *Schedule of Expenditures of Federal Awards* is prepared on the modified accrual basis of accounting. The amounts shown as expenditures of CFDA #10.555 – National School Lunch Program - Commodities represents the fair value of commodity foods expended by the District for the year ended June 30, 2018.

NOTE 3 – INDIRECT COST RATE

The Carson City School District has elected to use a 7.19% indirect cost rate approved by the Nevada Department of Education.

CARSON CITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS JUNE 30, 2018

A. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal Control over Financial Reporting	
Material weaknesses identified:	No
Significant deficiencies identified:	None reported
Noncompliance material to financial statements noted:	No

Federal Awards

Internal Control over Major Programs	
Material weaknesses identified:	No
Significant deficiencies identified:	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a):	No

Major Programs

The major programs for the year ended June 30, 2018 are as follows:

Title I, Part A – Grants to Local Educational Agencies (CFDA 84.010)
Preschool Development (CFDA 84.419A)

The threshold for distinguishing Types A and B programs was \$750,000.

Low-Risk Auditee

Carson City School District was determined to be a low-risk auditee.

CARSON CITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS JUNE 30, 2018

B. FINDINGS – FINANCIAL STATEMENTS

None.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

None.

CARSON CITY SCHOOL DISTRICT

INDEPENDENT AUDITORS' COMMENTS

JUNE 30, 2018

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.

PRIOR YEAR STATUTE VIOLATIONS

No potential statute violations were noted in the 2017 audit.

CURRENT YEAR AUDIT RECOMMENDATIONS

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

STATUS OF PRIOR YEAR AUDIT RECOMMENDATIONS

There were no prior year recommendations related to financial weaknesses of a magnitude to justify inclusion within the audit report.

APPENDIX B

BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC

and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption proceeds on the Bonds will be made to Cede& Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest or redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Registrar and Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by Carson City School District, Nevada (the “Issuer”) in connection with the issuance of the Issuer’s Carson City School District, Nevada, General Obligation (Limited Tax) School Improvement Bonds, Series 2019B, in the aggregate principal amount of \$_____ (the “Bonds”). The Bonds are being issued pursuant to the bond resolution of the Issuer adopted October 22, 2019 (the “Resolution”). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the “SEC”).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution or parenthetically defined herein, which apply to any capitalized terms used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Dissemination Agent” shall mean, initially, the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“Financial Obligation” shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board in compliance with the Rule.

“Material Events” shall mean any of the events listed in Section 5 of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board. The MSRB’s required method of filing is electronically via its Electronic Municipal Market Access (EMMA) system available on the Internet at <http://emma.msrb.org>.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with an offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than nine (9) months following the end of the Issuer's fiscal year of each year, commencing nine (9) months following the end of the Issuer's fiscal year ending June 30, 2019, provide to the MSRB in an electronic format as prescribed by the MSRB, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than five (5) business days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report.

(b) If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send or cause to be sent a notice in substantially the form attached as Exhibit "A" to the MSRB.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the appropriate electronic format prescribed by the MSRB;

(ii) if the Dissemination Agent is other than the Issuer, send written notice to the Issuer at least 45 days prior to the date the Annual Report is due stating that the Annual Report is due as provided in Section 3(a) hereof; and

(iii) if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the entities to which it was provided.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following:

(a) A copy of its annual financial statements prepared in accordance with generally accepted accounting principles audited by a firm of certified public accountants. If audited annual financial statements are not available by the time specified in Section 3(a) above, unaudited financial statements will be provided as part of the Annual Report and audited financial statements will be provided when and if available.

(b) An update of the type of information identified in Exhibit "B" hereto, which is contained in the tables in the Official Statement with respect to the Bonds (excluding projections, forecasts and budgeted information which are not required to be updated).

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are

available to the public on the MSRB's Internet Web Site or filed with the SEC. The Issuer shall clearly identify each such document incorporated by reference.

SECTION 5. Reporting of Material Events. The Issuer shall provide or cause to be provided, in a timely manner, not in excess of ten business days after the occurrence of the event, notice of any of the following events with respect to the Bonds, to the MSRB:

- (a) Principal and interest payment delinquencies;
- (b) Non-payment related defaults, if material;
- (c) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) Substitution of credit or liquidity providers, or their failure to perform;
- (f) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (g) Modifications to rights of bondholders, if material;
- (h) Bond calls, if material, and tender offers;
- (i) Defeasances;
- (j) Release, substitution or sale of property securing repayment of the Bonds, if material;
- (k) Rating changes;
- (l) Bankruptcy, insolvency, receivership or similar event of the obligated person*;

* For the purposes of the event identified in subparagraph (b)(5)(i)(C)(12) of the Rule, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and official or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(m) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms if material;

(n) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(o) Incurrence of a Financial Obligation of the obligated person, if material, or an agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and

(p) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of an obligated person, any of which reflect financial difficulties.

SECTION 6. Format; Identifying Information. All documents provided to the MSRB pursuant to this Disclosure Certificate shall be in the format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

As of the date of this Disclosure Certificate, all documents submitted to the MSRB must be in portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. In addition, such PDF files must be word-searchable, provided that diagrams, images and other non-textual elements are not required to be word-searchable.

SECTION 7. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the earliest of: (i) the date of legal defeasance, prior redemption or payment in full of all of the Bonds; (ii) the date that the Issuer shall no longer constitute an "obligated person" within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this written undertaking are held to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds.

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist the Issuer in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and may waive any provision of this Disclosure Certificate, without the consent of the holders and beneficial owners of the Bonds, if such amendment or waiver does not, in and of itself, cause the undertakings herein (or action of any Participating Underwriter in reliance on the undertakings herein) to

violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule. The Issuer will provide notice of such amendment or waiver to the MSRB.

SECTION 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

SECTION 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter, and the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

DATE: _____, 2019.

CARSON CITY SCHOOL DISTRICT, NEVADA

Director of Fiscal Services

EXHIBIT "A"

**NOTICE TO MSRB
OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: Carson City School District, Nevada

Name of Bond Issue: General Obligation (Limited Tax) School Improvement Bonds, Series 2019B

CUSIP:

Date of Issuance: _____, 2019

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Bond Resolution adopted on October 22, 2019 and the Continuing Disclosure Certificate executed on _____, 2019 by the Issuer. The Issuer anticipates that the Annual Report will be filed by _____.

Dated: _____

CARSON CITY SCHOOL DISTRICT,
NEVADA

By: _____

.....

EXHIBIT B

INDEX OF OFFICIAL STATEMENT TABLES TO BE UPDATED

[See page -iv- of this Official Statement]

APPENDIX D

FORM OF APPROVING OPINION OF BOND COUNSEL

Carson City School District, Nevada
1402 W. King Street
Carson City, Nevada 89703

\$ _____
Carson City School District, Nevada
General Obligation (Limited Tax) School Improvement Bonds
Series 2019B

We have acted as bond counsel to the Carson City School District (the “District”), Nevada (the “State”), in connection with the issuance of its General Obligation (Limited Tax) School Improvement Bonds, Series 2019B, in the aggregate principal amount of \$ _____ (the “Bonds”), pursuant to an authorizing resolution adopted and approved by the District’s Board of Trustees on October 22, 2019 (the “Bond Resolution”). In such capacity, we have examined the District’s certified proceedings and such other documents and such law of the State and of the United States of America as we have deemed necessary to render this opinion letter. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Bond Resolution.

Regarding questions of fact material to our opinions, we have relied upon the District’s certified proceedings and other representations and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon such examination, it is our opinion as bond counsel that:

1. The Bonds constitute valid and binding limited tax general obligations of the District.
2. All of the taxable property in the District is subject to the levy of annual general (ad valorem) taxes to pay the Bonds, subject to the limitations imposed by the Constitution and laws of the State.
3. As provided in the Bond Resolution and in accordance with the provisions of NRS 361.463, taxes levied for the payment of the bonded indebtedness (including the Bonds) of all overlapping units within the boundaries of the District (i.e., the State, the District and any other political subdivision in the District) and for the payment of interest on such indebtedness enjoy a priority over taxes levied by each such unit (including, without limitation, the State and

the District) for all other purposes (subject to any exception implied by law for the exercise of the police power) where reduction is necessary in order to comply with NRS 361.453.

4. Interest on the Bonds is excluded from gross income under federal income tax laws pursuant to section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Tax Code"), and interest on the Bonds is excluded from alternative minimum taxable income as defined in section 55(b)(2) of the Tax Code. The opinions expressed in this paragraph assume continuous compliance with the covenants and continued accuracy of the representations contained in the District's certified proceedings and in certain other documents and certain other certifications furnished to us.

5. Under laws of the State in effect on the date hereof, the Bonds, their transfer, and the income therefrom are free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to Chapter 375A of NRS and the tax on generation skipping transfers imposed pursuant to Chapter 375B of NRS.

The opinions expressed in this opinion letter are subject to the following:

The obligations of the District incurred pursuant to the Bonds and the Bond Resolution may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

In this opinion letter rendered in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not passing upon the accuracy, adequacy or completeness of the Official Statement or any other statements made in connection with any offer or sale of the Bonds or upon any federal or state tax consequences arising from the receipt or accrual of interest on or the disposition or ownership of the Bonds, except those specifically addressed herein.

This opinion letter is rendered as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in laws that may hereafter occur.

Respectfully submitted,

APPENDIX E

ECONOMIC AND DEMOGRAPHIC INFORMATION

This Appendix E contains general information concerning the historic economic and demographic conditions in the City and the District. This Appendix E is intended only to provide prospective investors with general information regarding the District's community. The information was obtained from the sources indicated and is limited to the time periods indicated. The information is historic in nature; it is not possible to predict whether the trends shown will continue in the future. The District makes no representation as to the accuracy or completeness of data obtained from parties other than the District.

The City is the capital city and seat of State and local governments, and is situated in northwestern Nevada 30 miles south of Reno and 14 miles east of Lake Tahoe. Carson City is a combined City and County government entity formed in 1969. The smallest of the State's counties, the City encompasses 147 square miles but serves as a retail and commercial center for a larger area.

Population and Age Distribution

Population. The table below sets forth the population growth of the City and the State since 1970. Between 2011 and 2018, the City's population remained the same, and the State increased 12.3%.

Calendar Year	<u>Population</u>			
	Carson City	Percent Change	State of Nevada	Percent Change
1970	15,468	--	488,738	--
1980	32,022	107.0%	800,508	63.8%
1990	40,443	26.3	1,201,833	50.1
2000	52,457	29.7	1,998,257	66.3
2010	55,274	5.4	2,700,551	35.1
2011	56,066	1.4	2,721,794	0.8
2012	55,441	(1.1)	2,750,217	1.0
2013	54,668	(1.4)	2,800,967	1.8
2014	53,969	(1.3)	2,843,301	1.5
2015	54,273	0.6	2,897,584	1.9
2016	55,182	1.7	2,953,375	1.9
2017	55,438	0.5	2,986,656	1.1
2018	56,057	1.1	3,057,582	2.4

Sources: U.S. Bureau of the Census (1970-2010 as of April 1); and Nevada State Department of Taxation (2011-2017 estimates as of July 1st). Populations are subject to periodic revision.

Age Distribution. The following table sets forth a comparative age distribution profile for the City, the State and the United States as of January 1, 2019.

Age Distribution

Age	Percent of Population		
	Carson City	State of Nevada	United States
0-17	20.2%	22.7%	22.5%
18-24	8.1	8.5	9.5
25-34	12.4	14.0	13.5
35-44	11.0	13.3	12.6
45-54	12.3	13.0	12.7
55-64	14.5	12.4	12.9
65-74	12.6	10.0	9.7
75 and Older	8.9	6.1	6.6

Source: Claritas, © 2019 by Environics Analytics (EA).

Income

The following two tables reflect Median Household Effective Buying Income (“EBI”), and also the percentage of households by EBI groups. EBI is defined as “money income” (defined below) less personal tax and nontax payments. “Money income” is defined as the aggregate of wages and salaries, net farm and nonfarm self-employment income, interest, dividends, net rental and royalty income, Social Security and railroad retirement income, other retirement and disability income, public assistance income, unemployment compensation, Veterans Administration payments, alimony and child support, military family allotments, net winnings from gambling, and other periodic income. Deductions are made for personal income taxes (federal, state and local), personal contributions to social insurance (Social Security and federal retirement payroll deductions), and taxes on owner-occupied nonbusiness real estate. The resulting figure is known as “disposable” or “after-tax” income.

Median Household Effective Buying Income Estimates⁽¹⁾

Calendar Year	Carson City	State of Nevada	United States
2015	\$46,548	\$44,110	\$45,448
2016	44,237	46,230	46,738
2017	46,293	47,914	48,043
2018	45,428	50,009	50,620
2019	45,255	51,985	52,468

⁽¹⁾ The difference between consecutive years is not an estimate of change from one year to the next; combinations of data are used each year to identify the estimated mean of income from which the median is computed.

Sources: © The Nielsen Company, *SiteReports*, 2015-2017; and Claritas 2018-2019, © by Environics Analytics (EA).

Percent of Households by Effective Buying Income Groups – 2019 Estimates

Effective Buying Income Group	Carson City Households	State of Nevada Households	United States Households
Under \$24,999	24.7%	20.0%	21.4%
\$25,000 - \$49,999	30.0	28.1	26.4
\$50,000 - \$74,999	20.6	20.9	19.7
\$75,000 - \$99,999	12.8	14.7	14.8
\$100,000 - \$124,999	5.5	7.1	6.3
\$125,000 - \$149,999	2.9	3.6	3.8
\$150,000 or more	3.5	5.6	7.6

Source: Claritas, © 2019 by Environics Analytics (EA).

The following table sets forth the annual per capita personal income levels for the residents of the City, the State and the nation.

Per Capita Personal Income⁽¹⁾

Calendar Year	Carson City	State of Nevada	United States
2013	\$41,021	\$39,271	\$44,851
2014	42,006	41,484	47,058
2015	45,488	44,065	48,978
2016	45,219	44,967	49,870
2017	48,997	46,914	51,885
2018	n/a	49,176	54,446

⁽¹⁾ County figures posted November 2018; state and national figures posted September 2019. All figures are subject to periodic revisions.

Source: United States Department of Commerce, Bureau of Economic Analysis.

Employment

The average annual labor force summary for the City as prepared by the State’s Department of Employment, Training and Rehabilitation is as follows:

Average Annual Labor Force Summary

Carson City MSA, Nevada

(Estimates in Thousands)

Calendar Year ⁽¹⁾	2014	2015	2016	2017	2018	2019 ⁽¹⁾
TOTAL LABOR FORCE	24.9	24.8	24.7	25.4	25.7	26.5
Unemployment	2.2	1.8	1.5	1.3	1.2	1.1
Unemployment Rate ⁽³⁾	8.7%	7.2%	6.1%	5.1%	4.7%	4.2%
Total Employment	22.7	23.0	23.2	24.1	24.5	25.4

(1) Averaged figures through August 31, 2019.

(2) The annual average U.S. unemployment rates for the years 2014 through 2018 are 6.2%, 5.3%, 4.9%, 4.4%, and 3.9%, respectively.

Sources: Research and Analysis Bureau, Nevada Dept. of Employment, Training and Rehabilitation; and U.S. Bureau of Labor, Bureau of Labor Statistics.

The following table indicates the number of persons employed, by type of employment, in non-agricultural industrial employment in the Carson City MSA.

Industrial Employment

Carson City MSA, Nevada

(Estimates in Thousands)

Calendar Year	2014	2015	2016	2017	2018	2019 ⁽¹⁾
<i>Goods Producing</i>	3.6	3.6	3.7	4.1	4.1	4.1
Manufacturing	2.7	2.6	2.5	2.6	2.6	2.5
<i>Service Providing</i>	24.1	24.6	25.0	25.8	26.1	27.0
<i>Private Service Providing</i>	14.9	15.2	15.6	16.2	16.5	17.0
Trade, Transportation & Utilities	3.9	4.0	4.0	4.1	4.2	4.3
Retail	3.1	3.1	3.1	3.2	3.3	3.3
Professional & Business Services	2.0	1.9	1.9	2.0	2.1	2.2
Leisure and Hospitality	3.3	3.5	3.5	3.6	3.6	3.8
Government	9.2	9.4	9.4	9.7	9.6	10.0
TOTAL ALL INDUSTRIES ⁽²⁾	<u>27.8</u>	<u>28.2</u>	<u>28.7</u>	<u>30.0</u>	<u>30.2</u>	<u>31.1</u>

(1) As of August 31, 2019.

(2) Data may not add due to rounding. All numbers are subject to periodic revision.

Source: Research and Analysis Bureau, Nevada Dept. of Employment, Training and Rehabilitation.

The following table sets forth a selection of major employers in Carson City. No independent investigation has been made of and consequently no assurances can be given as to the financial condition or stability of the employers listed below or the likelihood that such entities will maintain their status as major employers in the City.

Carson City's Major Employers
2019 – 2nd Half

Employer	Employment Range	Industry
Nevada Prisons Department	1,000 - 4,499	State government
Nevada Transportation Department	1,000 - 4,499	State government
Nevada Employment Security Division	1,000 - 4,499	State government
Carson City School District (987??)	1,000 - 4,499	Public education
Carson Tahoe Regional Healthcare	500 - 999	Healthcare provider
City of Carson City	500 - 999	Local government
Nevada Legislative Counsel Bureau	500 - 999	State government
Click Bond Inc.	250 - 499	General contractor
Carson City Nugget	250 - 499	Casino
Harley-Davidson Credit Corp.	250 - 499	Financing

Source: Infogroup ®, Omaha, NE, 800-555-5211 © July 1, 2019 (as compiled by Nevada DETR Research & Analysis Bureau). All Rights Reserved.

The following table lists the firm employment size breakdown for the City.

Size Class of Industries⁽¹⁾

Carson City, Nevada
(Non-Government Worksites)

Calendar Year	1 st Qtr 2019	1 st Qtr 2018	Percent Change 2019/2018	Employment Totals 1 st Qtr 2019
TOTAL NUMBER OF WORKSITES	1,935	1,905	1.6%	20,494
Less Than 10 Employees	1,467	1,432	2.4	4,256
10-19 Employees	230	242	(5.0)	3,115
20-49 Employees	173	167	3.6	5,148
50-99 Employees	43	42	2.4	2,895
100-249 Employees	17	17	0.0	2,351
250-499 Employees	4	4	0.0	1,342
500-999 Employees	0	0	0.0	0
1000+ Employees	1	1	0.0	1,387

(1) Subject to revisions.

Source: Research and Analysis Bureau, Nevada Dept. of Employment, Training and Rehabilitation.

Retail Sales

The following table sets forth a record of taxable sales in the City and the State. The City serves as a retail and commercial center for a larger area including portions of adjoining Lyon, Churchill, Mineral and Douglas Counties and Bishop, California, to the southwest.

Taxable Sales⁽¹⁾

Fiscal Year ⁽²⁾	City Total	Percent Change	State Total	Percent Change
2015	\$ 892,529,769	--	\$ 50,347,535,591	--
2016	961,716,995	7.8%	52,788,295,421	4.8%
2017	1,055,090,538	9.7	56,547,741,530	7.1
2018	1,144,376,853	8.5	58,947,823,520	4.2
2019	1,240,116,234	8.4	62,561,025,875	6.1
July 2018	\$ 102,107,657	--	\$ 5,047,867,279	--
July 2019	101,444,163	(0.6)%	5,232,884,218	3.7%

(1) Subject to revision.

(2) Fiscal year runs from July 1 to the following June 30.

Source: State of Nevada - Department of Taxation.

Construction

Construction valuation is a value placed on a project in order to determine permit and plans check fees. Construction valuation has no relationship to assessed valuation. Set forth in the following table is summary of the number and valuation of building permits issued in the City within the years indicated.

Building Permit Issuance in Carson City, Nevada

Calendar Year	New Single Family ⁽¹⁾		New Multiple Family		New Commercial	
	Permits	Valuation	Units	Valuation	Permits	Valuation
2014	35	\$11,342,942	2	\$335,975	4	\$2,408,160
2015	40	10,888,681	4	360,259	5	4,547,856
2016	86	25,893,738	111	12,617,761	15	24,281,688
2017	118	33,192,611	20	2,545,672	12	8,397,679
2018	127	33,244,800	83	8,023,932	8	8,555,756
2019 ⁽²⁾	112	27,268,174	15	34,701,251	9	10,920,685

(1) Includes attached.

(2) As of June 30, 2019.

Source: Carson City Building Division.

Gaming

General. The economy of the State is heavily dependent upon a tourist industry based on legalized casino gambling. Gaming has been legal in Nevada since 1931 and is controlled and regulated by the State. Control is vested in a five-member Gaming Commission and a three-member Gaming Control Board. All of the board and commission members are appointed by the Governor. These bodies investigate and approve all licenses, establish operating rules, and collect gaming taxes due the State. The following table sets forth a five-year record of gross taxable gaming revenues and total gaming taxes collected on a State-wide basis and in the City.

Gross Taxable Gaming Revenue and Total Gaming Taxes⁽¹⁾ Carson Valley Area, Nevada

Fiscal Year Ended	Gross Taxable Gaming Revenue ⁽²⁾		% Change Carson Valley	State Gaming Collection ⁽³⁾		% Change Carson Valley
	<u>State Total</u>	<u>Carson Valley</u>		<u>State Total</u>	<u>Carson Valley</u>	
	<u>June 30</u>					
2015	\$10,511,495,144	\$ 99,745,421	--	\$909,857,085	\$8,327,461	--
2016	10,612,521,986	99,788,724	0.04%	876,040,147	8,132,845	(2.34)%
2017	10,964,590,630	100,798,877	1.01	874,777,727	8,210,934	0.96
2018	11,330,605,257	108,271,765	7.41	866,305,681	8,890,034	8.27
2019	11,358,392,003	110,770,726	2.31	919,517,317	8,767,710	(1.38)
Jul 18 – Aug 18	\$1,889,567,531	\$19,210,045	--	\$114,922,319	\$1,215,274	--
Jul 19 – Aug 19	1,960,582,497	19,796,061	3.05%	141,991,182	1,339,654	10.23%

(1) The figures shown are subject to adjustments due to amended tax filings, fines and penalties.

(2) The total of all sums received as winnings less only the total of all sums paid out as losses (before operating expenses).

(3) Cash receipts of the State from all sources relating to gaming (General Fund and other revenues) including percentage license fees, quarterly flat license fees, annual license fees, casino entertainment taxes, annual slot machine taxes, penalties, advance fees, and miscellaneous collections. A portion of collections is deposited to the State funds other than the State's General Fund.

Source: State of Nevada - Gaming Control Board.

Gaming Competition. Different forms of legalized gaming have been authorized by many states across the United States, including tribal gaming. The different forms of gaming include casino gaming, riverboat gambling, internet gaming and lotteries. Other states may authorize gaming in the future in one form or another. Historically, the availability of these forms of gaming in other states has not had any significant impact on gaming in the State. Nonetheless, the City cannot predict the future impact of legalization of legalized gaming in other states on the economy of the area.

Tourism

Tourism is an important segment of the City's economy. Attractions include recreational and historical features of the area. Carson City is located in a protected valley surrounded on all sides by mountains, including the Sierra Nevada Mountains which provide downhill and cross-country skiing, as well as hiking and cycling trails. Two major winter ski resorts, Heavenly and Mt. Rose at Lake Tahoe, are within 35 minutes of the City's downtown; two additional Lake Tahoe ski resorts (Kirkwood and Diamond Peak) are within an hour from

the City. The City also offers nine world-class golf courses and a dozen casinos. Convention facilities and meeting spaces are available. One of the West's largest historic home districts is located in the City featuring the State Capitol, Governor's Mansion and the Nevada State Museum, which was once a United States Mint Building. Virginia City, located 20 minutes west of the City, offers an early historic Nevada mining town to explore.

Transportation

U.S. Highways 395 and 50 connect the City north to the City of Reno and west to the Lake Tahoe recreational area. The City's strategic location at the intersection of two major highway corridors provides convenient access to major markets throughout the West. Over 25 local, regional and national carriers provide next day freight service to 80 percent of the eleven states in the western region. The last leg of Interstate 580 Carson City Freeway was opened to traffic in 2017, and will help relieve downtown traffic and provide better freeway access to Reno and Tahoe. Previously, there was no interstate connection to the capital city. Carson City Airport is located three miles northeast of downtown Carson City and is a public facility serving the general aviation needs of the area, including business, pleasure, and legislative sessions, with a 5,900-foot runway. Hangar space and other services are available. International and interstate commercial passenger services are available at the Reno-Tahoe International Airport located approximately 30 to 40 minutes from the City

RTC Intercity, operated by the Washoe Regional Transportation Commission, runs an express commuter bus service between downtown Reno and downtown Carson City. Likewise, the South Tahoe Area Transit Authority operates the Spooner Express, an express bus service between South Lake Tahoe and downtown Carson City. Both the Union Pacific and Amtrak rail services are available in Reno/Sparks metropolitan center.

Development Activity

The Northern Nevada Development Authority (NNDA) serves to promote economic development activity in the Sierra Region which includes Carson City, Douglas, Lyon and Storey counties.

Complementing the area's emphasis on economic diversification are the numerous business advantages unique to the State. Competitive wage rates, low workers' compensation costs, an expanding labor force, centralized location and attractive transportation costs to other prominent western markets, and the State's incentive programs combine to give business and industry an attractive incentive to move to, relocate or expand in the Sierra Region of Nevada.

APPENDIX F

OFFICIAL NOTICE OF BOND SALE

\$11,000,000*

**CARSON CITY SCHOOL DISTRICT, NEVADA
GENERAL OBLIGATION (LIMITED TAX)
SCHOOL IMPROVEMENT BONDS
SERIES 2019B**

PUBLIC NOTICE IS HEREBY GIVEN that the Board of Trustees of the Carson City School District, in the State of Nevada (the “Board”, the “District”, and the “State”, respectively), on

Thursday, December 5, 2019

at the hour of 9:30 a.m., local time, in the office of the

**Director of Fiscal Services
Carson City School District
1402 W. King Street
Carson City, Nevada 89703**

will publicly open and receive bids electronically via PARITY, a division of i-Deal LLC ("PARITY") (no bids will be received by mail) for the purchase of the above-referenced bonds of the District, particularly described below. Bids must be submitted electronically via PARITY, and must be received on or before 9:30 a.m., local time, on such day of sale, or at such other time, date or place as designated via PARITY before the date of sale.

BOND PROVISIONS

ISSUE: Carson City School District, Nevada, General Obligation (Limited Tax) School Improvement Bonds, Series 2019B in the aggregate principal amount of \$11,000,000* (the Bonds”) will be dated as of the date of delivery of the Bonds. The Bonds will be issued by means of a book entry system with no physical distribution of bond certificates to the public. See “BOOK ENTRY TRANSFER AND EXCHANGE” below. The Bonds will be in book entry form.

MATURITIES: Except as provided below in “ADJUSTMENT OF MATURITIES AFTER DETERMINATION OF BEST BID”, the Bonds will mature on the dates and in the amounts designated in the maturity schedule set forth in the preliminary official statement relating to the Bonds dated November 27, 2019 (the “Preliminary Official Statement”) or as amended in the maturity schedule available from JNA Consulting Group, LLC the District's Municipal Advisor, and published on PARITY prior to the bid opening for the Bonds (the "Maturity Schedule").

* Not to Exceed. Preliminary; subject to change.

ADJUSTMENT OF MATURITIES AFTER DETERMINATION OF BEST

BID: The aggregate principal amount and the principal amount of each maturity of the Bonds are subject to adjustment by the District, after the determination of the best bid. Changes to be made will be communicated to the successful bidder by time of written award of the Bonds, and will not reduce or increase the aggregate principal amount of Bonds or the amount of Bonds maturing in any year by more than ten percent or \$500,000, whichever is greater, from the amounts shown in the Maturity Schedule. The price bid (i.e., par less the discount bid or plus the premium bid) by a successful bidder may be changed as described below, but the interest rates specified by the successful bidder for all maturities will not change. A successful bidder may not withdraw its bid as a result of any changes made within these limits. The price bid will be changed so that the percentage net compensation to the successful bidder (i.e., the percentage resulting from dividing (i) the aggregate difference between the offering price of the Bonds to the public and the price to be paid to the District (excluding accrued interest), less any bond insurance premium to be paid by the bidder, by (ii) the principal amount of the Bonds) does not increase or decrease from what it would have been if no adjustment was made to the principal amounts shown in the Maturity Schedule.

To facilitate any adjustment in the principal amounts and price bid, the successful bidder is required to indicate by email to the Municipal Advisor on behalf of the District, to **marty@jnaconsultinggroup.com** no later than one-half hour after the bid opening, the amount of any original issue discount or premium on each maturity of the Bonds, the amount received from the sale of the Bonds to the public that will be retained by the successful bidder as its compensation, and in the case of a bid submitted with bond insurance, the cost of the insurance premium. A bidder who intends to insure the Bonds shall also state, in that email, whether the amount of the insurance premium will change as a result of changes in the principal amount of the Bonds or the amount of principal maturing in any year, and the method used to calculate any such change in the insurance premium.

OPTIONAL PRIOR REDEMPTION: The Bonds, or portions thereof, maturing on and after June 1, 2030, will be subject to redemption prior to their respective maturities at the option of the District, on and after June 1, 2029, in whole or in part at any time, from such maturities as are selected by the District, and if less than all the Bonds of a maturity are to be redeemed, the Bonds of such maturity to be redeemed by lot, or in such other manner as the Registrar deems fair, within a maturity at a price equal to the principal amount of each Bond or portion thereof so redeemed, accrued interest thereon to the redemption date.

MANDATORY SINKING FUND REDEMPTION: A bidder may request that Bonds maturing on or after June 1, 2030 may be included in one or more terms. Amounts included in a single term Bond must consist of consecutive maturities of Bonds, must bear the same rate of interest and must include the entire principal amount listed in the Maturity Schedule for any maturity included in the term Bond (i.e., an amount for any year listed in the Maturity Schedule may not be divided between a serial maturity and a mandatory sinking fund redemption). Any such term will be subject to mandatory sinking fund redemptions in installments in the same amounts and on the same dates as the Bonds would have matured if they were not included in a term Bond. Bonds redeemed pursuant to the mandatory sinking fund redemption provisions will be redeemed at a redemption price equal to the principal amount of the Bonds to be redeemed plus accrued interest to the redemption date in the manner and as otherwise provided in the resolution authorizing the issuance of the Bonds. Any election to

designate Bonds as being included in a term Bond must be made electronically (see "BID PROPOSALS").

NOTICE OF REDEMPTION: Notice of redemption, unless waived, will be given electronically, as long as Cede & Co., the nominee of The Depository Trust Company or a successor depository is the registered owner of the Bonds, and otherwise by first class mail, at least 30 days and not more than 60 days prior to the date fixed for redemption addressed to (among others) the registered owner of the Bond or Bonds to be redeemed (which, initially, shall be The Depository Trust Company, registered in the name of its nominee Cede & Co.) in the manner and upon the conditions to be provided in the resolution authorizing the issuance of the Bonds (the "Bond Resolution").

INTEREST RATES AND LIMITATIONS: The following interest limitations are applicable to any bid for the Bonds:

A. Interest on the Bonds will be payable on June 1, and December 1, in each year, commencing on June 1, 2020.

B. The interest rate on any Bond and the True Interest Cost for the Bonds (see "BASIS OF AWARD", below) may not exceed by more than 3% the "Index of Twenty Bonds" most recently published in The Bond Buyer before the bids are received.

C. Each interest rate specified must be stated in a multiple of 1/8th or 1/20th of 1% per annum.

D. Only one interest rate can be stated for any maturity for the Bonds, i.e., all Bonds with the same maturity date must bear the same rate of interest.

E. Each as initially issued will bear interest from its date to its stated maturity date at the applicable interest rate stated in the bid. A zero rate of interest may not be named.

It is permissible to bid different interest rates for the Bonds, but only as stated in the bid and subject to the above limitations. If any is not paid upon presentation at maturity, it will draw interest at the same rate until principal is paid in full.

PREMIUM PERMITTED: A bidder may offer to purchase the Bonds at par or at a premium.

PAYMENT: The principal of the Bonds, shall be payable at Zions Bancorporation, National Association, as Paying Agent, or such other office as designated by the Paying Agent to the registered owner thereof (i.e., Cede & Co.) as shown on the registration records of Zions Bancorporation, National Association, as Registrar, upon maturity thereof (or earlier prior redemption) and upon presentation and surrender of such Bonds at such Paying Agent. Payment of interest on any Bond shall be made to the registered owner thereof (i.e., Cede & Co.) by check or draft mailed by the Paying Agent, on each interest payment date (or, if such interest payment date is not a business day, on the next succeeding business day), to the

registered owner thereof at his or her address as it appears on the registration records of the Registrar for such Bonds as of the close of business on the 15th day of the calendar month preceding such interest payment date (or by such other arrangement as may be mutually agreed to by the Paying Agent and The Depository Trust Company). All such payments shall be made in lawful money of the United States of America.

BOND INSURANCE/RATING LETTERS: Payment of the principal of and interest on the Bonds when due may be insured by a municipal bond insurance policy at bidder's option and expense. The District will pay for ratings on the Bonds from Moody's Investors Service.

BOOK ENTRY/TRANSFER AND EXCHANGE: The Bonds will be issued as fully registered book entry bonds, in the denomination of \$5,000 or any integral multiple thereof. The Bonds will be issued in registered form and bond certificates for each maturity of each series of Bonds will be issued to The Depository Trust Company, New York, New York ("DTC"), registered in the name of its nominee, Cede & Co., and immobilized in its custody or in the custody of the Paying Agent pursuant to the "FAST" system, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. Principal of and interest on the Bonds will be payable by the Paying Agent by wire transfer or in same day funds to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC. Transfer of principal and interest payments to the beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. Neither the District nor the Paying Agent will be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

BOND RESOLUTION: The Bond Resolution adopted on October 22, 2019 is available for inspection at the office of the Superintendent of the District and at the office of the District's Municipal Advisor at the addresses listed under "INFORMATION", below.

SECURITY FOR THE BONDS: The Bonds, in the opinion, of Sherman & Howard L.L.C. ("Bond Counsel"), will be direct general obligations of the District, payable as to all principal, interest and any prior redemption premium (the "Bond Requirements") from general (ad valorem) taxes (herein "General Taxes") levied against all taxable property within the District except to the extent that other revenues are made available therefor, subject to the limitations imposed by the statutes and Constitution of the State (see "Constitutional Tax Limitations" and "Statutory Tax Limitation" below). The Bonds will be a debt of the District, and the District shall thereby pledge its full faith and credit for their payment.

AUTHORIZATION AND PURPOSE OF BONDS: The Bonds are authorized to be issued pursuant to Nevada Revised Statutes ("NRS") 350.500 through 350.720, designated in NRS 350.500 thereof as the Local Government Securities Law (the "Bond Act") for the purpose of financing the construction, improvement, acquisition and equipment of school facilities for the District.

ADDITIONAL BONDS: The District reserves the privilege of issuing additional general obligation bonds hereafter authorized at any time or from time to time for any lawful purpose, as permitted by law. The District has received the approval of the Carson City Debt Management Commission to issue up to \$40 million of general obligation bonds. After the issuance of the Bonds and subject to the approval by the Board and fulfillment of all other legal requirements, the District will be authorized to issue additional general obligation bonds in the aggregate principal amount of \$29 million*.

FEDERAL TAX MATTERS: In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described below, interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the “Tax Code”), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code as further described in the Preliminary Official Statement.

STATE TAX EXEMPTION: In the opinion of Bond Counsel, under present laws of the State, the Bonds, their transfer, and the income therefrom are free and exempt from taxation by the State or any subdivision thereof except for the tax on estates imposed pursuant to chapter 375A of NRS and the tax on generation skipping transfers imposed pursuant to chapter 375B of NRS.

CONSTITUTIONAL TAX LIMITATION: Sec. 2, art. 10, Constitution of the State, provides:

“The total tax levy for all public purposes including levies for bonds, within the state, or any subdivision thereof, shall not exceed five cents on one dollar of assessed valuation.”

STATUTORY TAX LIMITATION: NRS 361.453 provides:

“. . . the total ad valorem tax levy for all public purposes must not exceed \$3.64 on each \$100 of assessed valuation, or a lesser or greater amount fixed by the state board of examiners if the state board of examiners is directed by law to fix a lesser or greater amount for that fiscal year.”

STATUTORY PRIORITY FOR BONDS: NRS 361.463:

“1. . . . the total taxes levied by all overlapping units within the boundaries of the state exceed the limitation imposed by NRS 361.453, and it becomes necessary for that reason to reduce the levies made by any of those units, the reduction so made must be in taxes levied by those units (including the state) for purposes other than the payment of bonded indebtedness, including interest thereon.

* Preliminary, subject to change.

2. The taxes levied for the payment of bonded indebtedness and the interest thereon enjoy a priority over taxes levied by each such unit (including the state) for all other purposes where reduction is necessary to comply with the limitation imposed by NRS 361.453.”

relevant part: **STATUTORY PROVISION FOR TAX LEVIES:** NRS 350.592 provides in

“1. There must be levied annually in due season a special tax on all property, both real and personal, subject to taxation within the boundaries of the municipality, fully sufficient together with the revenue which will result from application of the rate to the net proceeds of minerals, without regard to any statutory or charter tax limitation, other than the limitation set forth in NRS 361.453, to pay the interest on the general obligation municipal securities and to pay and retire the securities as provided in the Local Government Securities Law and in any act supplemental hereto. The amount of money to be raised by the tax must be included in the annual estimate or budget for each county within the state for each year for which the tax is hereby required to be levied. The tax must be levied and collected in the same manner and at the same time as other taxes are levied and collected.

2. The proceeds thereof levied to pay interest on the securities must be kept by the treasurer in a special fund, separate and apart from all other funds, and the proceeds of the tax levied to pay the principal of the securities must be kept by the treasurer in a special fund, separate and apart from all other funds. The two special funds must be used for no other purpose than the payment of the interest on the securities and the principal thereof, respectively, when due; * * *.”

TIME OF LEVIES: NRS 350.594 provides:

“Such tax shall be levied immediately after the issuance of any general obligation securities issued in accordance with the provisions of the Local Government Securities Law, and annually thereafter, at the times and in the manner provided by law, until all of the securities, and the interest thereon, have been fully discharged. Such tax may be first levied after the municipality has contracted to sell any securities but before their issuance.”

STATUTORY APPROPRIATIONS: NRS 350.602 provides:

“There is by the Local Government Securities Law, and there shall be by ordinance authorizing the issuance of any indebtedness contracted in accordance with the provisions of the

Local Government Securities Law, specially appropriated the proceeds of such taxes to the payment of such principal and interest; and such appropriations shall not be repealed nor the taxes postponed or diminished (except as herein otherwise expressly provided) until the principal of and interest on the municipal securities evidencing such debt have been wholly paid.”

NO PLEDGE OF PROPERTY: The payment of the Bonds is not secured by an encumbrance, mortgage or other pledge of property of the District.

IMMUNITY OF INDIVIDUALS: NRS 350.606 provides:

“No recourse shall be had for the payment of the principal of, any interest on, and any prior redemption premiums due in connection with any bonds or other municipal securities or for any claim based thereon or otherwise upon the ordinance authorizing their issuance or other instrument appertaining thereto, against any individual member of the governing body or any officer or other agent of the municipality, past, present or future, either directly or indirectly through the governing body or the municipality, or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of the securities and as a part of the consideration of their issuance specially waived and released.”

ACTS IRREPEALABLE: NRS 350.610 provides:

“The faith of the state is hereby pledged that the Local Government Securities Law, any law supplemental or otherwise appertaining thereto, and any other act concerning the bonds or other municipal securities, taxes or the pledged revenues or any combination of such securities, such taxes and such revenues shall not be repealed nor amended or otherwise directly or indirectly modified in such a manner as to impair adversely any outstanding municipal securities, until all such securities have been discharged in full or provision for their payment and redemption has been fully made, including without limitation the known minimum yield from the investment or reinvestment of moneys pledged therefor in federal securities.”

TERMS OF SALE

BID PROPOSALS: Bids are required to be submitted electronically via PARITY as described below. Any bidder is required to submit an unconditional and written bid for all of the Bonds specifying:

(1) The lowest rate or rates of interest on the Bonds and the premium or discount at which the bidder will purchase the Bonds; and

(2) Whether the bidder intends to designate term bonds (with respect to the Bonds described above under "MANDATORY SINKING FUND REDEMPTION") and the maturities affected thereby.

It is also requested for informational purposes only, but is not required, that each bid disclose:

(3) The true interest cost (i.e., actuarial yield) on the Bonds stated as a nominal annual percentage rate (see "BASIS OF AWARD", below).

Solely as an accommodation to the bidders, the District will receive bids delivered electronically through PARITY. Each bidder submitting an electronic bid is solely responsible for all arrangements with PARITY.

By utilizing PARITY, a prospective electronic bidder represents and warrants to the District that such bidder's bid for the purchase of the Bonds (if a bid is submitted in connection with the sale) is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid and enforceable contract for the purchase of the Bonds. Bids must be submitted electronically for the purchase of the Bonds by means of PARITY by 9:30 a.m. local time. Prior to that time, an eligible prospective bidder may (1) input the proposed terms of its bid on PARITY, (2) modify the proposed terms of its bid, in which event the proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid for the Bonds, (3) send its proposed bid, or (4) withdraw its proposed bid. Once the bids are communicated electronically via PARITY, each bid will constitute an irrevocable offer to purchase the Bonds on the terms therein provided.

Each prospective electronic bidder shall be solely responsible to register to bid via PARITY as described above. Each qualified prospective electronic bidder shall be solely responsible to make necessary arrangements to access PARITY for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Bond Sale. Neither the District nor the Municipal Advisor shall have any duty or be obligated to provide or assure such access to any qualified prospective bidder, and neither the District nor the Municipal Advisor shall be responsible for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by PARITY. The District is not responsible for, and each bidder expressly assumes the risk of and responsibility for, any incomplete, inaccurate or untimely bid submitted by such bidder and is not liable for any damages caused by PARITY. Bidders must obtain instructions for submitting electronic bids from PARITY. The District is using PARITY as a communication mechanism, and not as the District's agent, to conduct the electronic bidding for the Bonds.

Each electronic bidder is required to transmit electronically via PARITY an unconditional bid specifying the lowest rate or rates of interest and the premium, or discount, as applicable, at which the bidder will purchase the Bonds. Each bid must be for all of the Bonds. If any provision in this Official Notice of Bond Sale conflicts with information or terms provided or represented by PARITY, the Official Notice of Bond Sale, including any amendments issued by public wire shall control.

For informational purposes only, the electronic bid will show the effective interest rate for the Bonds represented on a TIC basis, as described under "BASIS OF AWARD" below, represented by the rate or rates of interest and the bid price specified in the bid. No bid will be received after the time for receiving such bids specified above.

GOOD FAITH DEPOSIT: Except as otherwise provided below, a good faith deposit ("Deposit") in the form of a certified or cashier's check drawn on a solvent commercial bank or trust company in the United States of America, made payable to

Carson City School District, Nevada

in the amount of

\$110,000

is required for each bid to be considered. If a check is used, it must accompany each bid. *If the apparent winning bidder on the Bonds is determined to be a bidder who has not submitted a Deposit in the form of a check, as provided above, the Municipal Advisor will request the apparent winning bidder to immediately wire the Deposit and provide the Federal wire reference number of such Deposit to the Municipal Advisor within 90 minutes of such request by the Municipal Advisor. The Bonds will not be officially awarded to a bidder who has not submitted a Deposit in the form of a check, as provided above, until such time as the bidder has provided a Federal wire reference number for the Deposit to the Municipal Advisor.*

No interest on the Deposit will accrue to any bidder, except as otherwise provided under "MANNER AND TIME OF DELIVERY", below. The Deposit of the winning bidder will be applied to the purchase price of the Bonds. In the event the winning bidder fails to honor its accepted bid, the Deposit plus any interest accrued on the Deposit will be retained by the District. Deposits accompanying bids other than the bid which is accepted will be returned promptly upon the determination of the best bidder.

CUSIP NUMBERS: It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser to accept delivery of and pay for the Bonds in accordance with the terms of the purchase contract. All expenses relating to printing the CUSIP numbers on the Bonds and the CUSIP Service Bureau charge for the assignment of the numbers will be the responsibility of and must be paid by the purchaser.

METHOD OF EXERCISING BIDDER'S OPTIONS: Any option granted a bidder may be exercised only as expressly provided herein.

SALES RESERVATIONS: The District reserves the privilege:

- A. Of waiving any irregularity or informality in any bid;
- B. Of rejecting any and all bids; and
- C. Of reoffering the Bonds for public sale or private sale as provided

by law.

The District reserves the privilege of changing the sale date and/or sale time of the Bonds. Any change in the time and/or date of any Bond Sale will be announced via PARITY before the time of the sale.

BASIS OF AWARD: The Bonds, subject to such sale reservations, will be sold by the Board to the responsible bidder or bidders making the best bid for all the Bonds. The best bid will be determined by computing the True Interest Cost on the Bonds (i.e, using an actuarial or TIC method) for each bid received and an award will be made (if any is made) to the responsible bidder submitting the bid which results in the lowest true interest cost for the Bonds. “True Interest Cost” on the Bonds as used herein means that yield which if used to compute the present worth as of the date of delivery of the Bonds of all payments of principal and interest to be made on the Bonds from the date of delivery of the Bonds to their respective maturity dates (or any mandatory sinking fund redemption dates), produces an amount equal to the principal amount of the Bonds plus the premium or less the discount bid (i.e., net original issue premium or discount, as applicable, less the underwriter's discount). Such calculation shall be based on a 360 day year and a semiannual compounding interval. If there are two or more equal bids for the Bonds and such equal bids are the best bids received, the Board will determine which bid will be accepted, if any.

PLACE AND TIME OF AWARD: The Superintendent or the Director of Fiscal Services will open bids on behalf of the Board at the time and place stated. The Superintendent or the Director of Fiscal Services will take action awarding the Bonds or rejecting all bids not later than 36 hours after the time stated for opening bids. An award may be made after the stated period if the bidder shall not have given to the Director of Fiscal Services notice in writing of the withdrawal of its bid. A bid may not be withdrawn during the 36-hour period following the bid opening. **By submitting a bid for the Bonds, each bidder certifies it has an established industry reputation for underwriting new issuance of municipal bonds.**

MANNER AND TIME OF DELIVERY: The Deposit will be credited to the purchaser at the time of delivery of the Bonds (without accruing interest). If the successful bidder for the Bonds fails, neglects, or refuses to complete the purchase of such Bonds on the date on which such Bonds are made ready and are tendered by the Board for delivery, the amount of its Deposit will be forfeited (as liquidated damages for noncompliance with the bid) to the District. In that event, the District may reoffer such Bonds for sale, as provided by law. The purchaser of the Bonds will not be required to accept delivery of any of such Bonds if they are not made ready and are not tendered by the Board for delivery within 60 days from the date for opening bids; and if such Bonds are not so tendered as a result of the inability of the District to tender the Bonds within such period of time, the Deposit (with the interest earned by the District thereon) will be returned to the purchaser upon request. The Bonds, registered in the name of Cede & Co., will be made available for delivery by the Board to the purchaser of the Bonds as soon as reasonably possible after the date of the sale. The Board contemplates delivering the Bonds on or about **December 18, 2019**. The purchaser of the Bonds will be given 72 hours’ notice of the time fixed by the Board for tendering the Bonds for delivery.

PAYMENT AT AND PLACE OF DELIVERY: The successful bidder will be required to accept delivery of the Bonds at the Paying Agent, on behalf of DTC in New York, New York, pursuant to the FAST System. Payment of the balance of the purchase price due for

the Bonds at the time of their delivery must be made in Federal Reserve Bank funds or other funds acceptable to the Board for immediate and unconditional credit to the account of the District, at a bank designated by the Director of Fiscal Services, so that such Bond proceeds may be deposited or invested, as the District may determine, simultaneously with the delivery of such Bonds. The balance of the purchase price of the Bonds must be paid in such funds and not by any waiver of interest, and not by any other concession as a substitution for such funds.

INFORMATION: This Official Notice of Bond Sale, an official statement, and financial and other information concerning the District and the Bonds may be obtained prior to the sale from the chief financial officer of the District:

**A.J. Feuling, Director of Fiscal Services
Carson City School District
1402 W. King Street
Carson City, Nevada 89703
(775) 283-2023
or**

the District's Municipal Advisor:

**JNA Consulting Group, LLC
410 Nevada Way, Suite 200
Boulder City, Nevada 89005
(702) 294-5100
marty@jnaconsultinggroup.com**

LEGAL OPINION, BONDS AND TRANSCRIPT: The validity and enforceability of the Bonds will be approved by:

**Sherman & Howard L.L.C.
50 W. Liberty Street, Suite 1000
Reno, Nevada 89501
(775) 323-1980**

whose final, approving opinion, together with the Bonds, a certified transcript of the legal proceedings, including a certificate stating that there is no litigation pending affecting the validity of such Bonds as of the date of their delivery (the "Closing Date"), and other closing documents, will be furnished to the purchaser of such Bonds without charge by the District.

FORM OF APPROVING OPINION: Bond counsel's final approving opinion for the Bonds will recite in conventional form that the designated law firm has examined the constitution and laws of the State and a certified copy of the record of the proceedings taken preliminary to and in the issue of the Bonds. The form of such approving opinion is set forth in Appendix "D" of the Preliminary Official Statement.

OFFICIAL STATEMENT: The District has prepared the Preliminary Official Statement relating to the Bonds which is deemed by the District to be final as of its date for purposes of allowing bidders to comply with Rule 15c2-12(b)(1) of the Securities Exchange Commission ("the Rule"), except for the omission of certain information as permitted by the

Rule. The Preliminary Official Statement is subject to revision, amendment and completion in a “Final Official Statement”.

The District will prepare a Final Official Statement, dated as of the date of its delivery to the winning bidder as soon as practicable after the date of award to the winning bidder. The District will provide the Final Official Statement to the winning bidder of the Bonds electronically on or before seven business days following the date of the award to the winning bidder. The winning bidder may obtain printed copies of the Final Official Statement at the expense of the winning bidder.

The District authorizes the winning bidder to distribute the Final Official Statement in connection with the offering of the Bonds.

For a period beginning on the date of the Final Official Statement and ending twenty-five days following the date a winning bidder shall no longer hold for sale any of the Bonds (which date shall be the Closing Date unless the purchaser notifies the District in writing otherwise), if any event concerning the affairs, properties or financial condition of the District shall occur as a result of which it is necessary to supplement the Final Official Statement in order to make the statements therein, in light of the circumstances existing at such time, not misleading, at the request of the winning bidder, the District shall forthwith notify the winning bidder of any such event of which it has knowledge and shall cooperate fully in the preparation and furnishing of any supplement to the Final Official Statement necessary, in the reasonable opinion of the District and the winning bidder, so that the statements therein as so supplemented will not be misleading in the light of the circumstances existing at such time.

CONTINUING DISCLOSURE UNDERTAKING: Pursuant to the Rule, the District will undertake in a continuing disclosure certificate which is authorized in the Bond Resolution to provide certain ongoing disclosure, including annual operating data and financial information, audited financial statements and notices of the occurrences of certain material events. A description of the undertaking is set forth in the Preliminary Official Statement, and a copy of such certificate in substantially the form that will be executed by the Director of Fiscal Services as of the Closing Date is set forth in Appendix “C” of the Preliminary Official Statement.

DISCLOSURE CERTIFICATES: The closing certificates for the Bonds included in the transcript of legal proceedings will include:

1. A certificate, dated as of the Closing Date, and signed by the President and Clerk of the Board, the Superintendent of the District and the Attorney for the Board in which each of them states, after reasonable investigation, that to the best of his or her knowledge (a) no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, public board, or body, is pending, or, to the best of the knowledge of each of them, threatened, in any way contesting the completeness or accuracy of the Final Official Statement, (b) the Final Official Statement as it pertains to the District and the Bonds does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and (c) no event affecting the District has occurred since the date of the Final Official Statement which should be disclosed therein for the purpose for which it is to be used or which it is

necessary to disclose therein in order to make the statements and information therein not misleading in any respect; provided, however, that the District does not make any representation concerning the pricing information contained in the Final Official Statement; and

2. A certificate, dated as of the Closing Date, and signed by the Director of Fiscal Services stating after reasonable investigation, that to the best of his knowledge, as of the date of the Final Official Statement and on the date of such certificate, the information contained in the Final Official Statement relating to revenues and expenditures of the District is true and correct and does not contain any untrue statement of a material fact or omit any information necessary to be included therein in order that the Final Official Statement be not misleading for the purposes for which it is to be used.

SUCCESSFUL BIDDER'S REOFFERING YIELDS: The successful bidder or bidders (or manager of the purchasing account or accounts) shall notify the Director of Fiscal Services and the Municipal Advisor by electronic transmission to marty@jnaconsultinggroup.com within one-half hour of the bid opening, of the initial offering prices of the Bonds to the public. The notification must be confirmed in writing in the form and substance satisfactory to Sherman & Howard L.L.C. ("Bond Counsel") prior to the delivery of the Bonds. The confirmation will be part of the "Purchaser's Certificate" which will be in substantially the same form as Exhibit A in the event the District receives 3 or more bids that conform to the requirements of this Official Notice of Sale for the Bonds; or in substantially the same form as Exhibit B in the event the District does not receive 3 or more such bids for the Bonds.

CONSENT TO JURISDICTION: A bid submitted by electronic bidding, if accepted by the Director of Fiscal Services or Superintendent on behalf of the District, forms a contract between the winning bidder and the District subject to the terms of this Official Notice of Bond Sale. By submitting a bid, the bidder consents to the exclusive jurisdiction of any court of the State of Nevada located in Carson City or the United States District Court for the State of Nevada for the purpose of any suit, action or other proceeding arising as a result of the submittal of the bid, and the bidder irrevocably agrees that all claims in respect to any such suit, action or proceeding may be heard and determined by such court. The bidder further agrees that service of process in any such action commenced in such State or Federal court shall be effective on such bidder by deposit of the same as registered mail addressed to the bidder at the address set forth in the bid.

By order of the Board of Trustees of the Carson City School District, Nevada, this November 27, 2019.

CARSON CITY SCHOOL DISTRICT,
NEVADA

/s/ A.J. Feuling
Director of Fiscal Services

Exhibit A

Purchaser's Certificate

IT IS HEREBY CERTIFIED by the undersigned on behalf of _____ (the "Purchaser"), as representative of the underwriters for the Carson City School District, Nevada, General Obligation (Limited Tax) School Improvement Bonds, Series 2019B (the "Bonds"):

1. We acknowledge receipt of the Bonds in the aggregate principal amount of \$_____, bearing interest and maturing as provided in the Bond Resolution adopted by the Board of Trustees of the Carson City School District (the "Issuer") on October 22, 2019, and the instruments described therein, and such Bonds being in the denominations and registered in the name of Cede & Co., as nominee of The Depository Trust Company, as requested by us.

2. A bona fide public offering was made for all of the Bonds on the Sale Date at the Prices shown on the inside cover page of the Official Statement for the Bonds. Those Prices are the reasonably expected initial offering Prices of each maturity of the Bonds to the Public which were used by the Purchaser in formulating its bid to purchase the Bonds. For purposes of Paragraphs 2, 3 and 4, the following defined terms shall have the meanings assigned thereto as set forth below.

"Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party. The term "Related Party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

"Sale Date" means the date the Purchaser's bid for the Bonds was accepted on behalf of the Issuer.

"Underwriter" means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

If a yield is shown on the inside cover page of the Official Statement for any maturity, "Price" herein means the dollar price that produces that yield.

3. The Purchaser was not given the opportunity to review other bids prior to submitting its bid.

4. The bid submitted by the Purchaser constituted a firm bid to purchase the Bonds.

5. The Purchaser has an established industry reputation for underwriting new issuance of municipal bonds.

6. The Issuer and its counsel may rely on these certifications in concluding that the Bonds meet certain requirements of the Internal Revenue Code of 1986 as amended (the “Code”), relating to tax-exempt bonds; however, nothing herein represents our interpretation of any law and we are not providing any interpretations of law or regulations in executing and delivering this certificate.

DATED as of _____, 2019.

_____, as Representative of the Underwriters

By: _____

Title: _____

Exhibit B

Purchaser's Certificate

IT IS HEREBY CERTIFIED by the undersigned on behalf of _____ (the "Purchaser"), as representative of the underwriters for the Carson City School District, Nevada, General Obligation (Limited Tax) School Improvement Bonds, Series 2019B (the "Bonds"):

1. We acknowledge receipt of the Bonds in the aggregate principal amount of \$_____, bearing interest and maturing as provided in the Bond Resolution adopted by the Board of Trustees of the Carson City School District (the "Issuer") on October 22, 2019, and the instruments described therein, and such Bonds being in the denominations and registered in the name of Cede & Co., as nominee of The Depository Trust Company, as requested by us.

2. A bona fide public offering was made for all of the Bonds on the Sale Date at the Prices shown [on the inside cover page of the Official Statement for the Bonds][in Exhibit 1]. The first Price at which a Substantial Amount of each maturity of the Bonds was sold to the Public is the Price shown [on the inside cover page of the Official Statement][in Exhibit 1] for that maturity of the Bonds. For purposes of this Paragraph 2, the following defined terms shall have the meanings assigned thereto as set forth below:

"Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party. The term "Related Party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

"Sale Date" means the date the Purchaser's bid for the Bonds was accepted on behalf of the Issuer.

"Substantial Amount" is 10% or more of each maturity.

"Underwriter" means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

If a yield is shown on the inside cover page of the Official Statement for any maturity, "Price" herein means the dollar price that produces that yield.

3. The Purchaser has an established industry reputation for underwriting new issuance of municipal bonds.

4. The Issuer and its counsel may rely on these certifications in concluding that the Bonds meet certain requirements of the Internal Revenue Code of 1986 as amended (the "Code"), relating to tax-exempt bonds; however, nothing herein represents our interpretation of

any law and we are not providing any interpretations of law or regulations in executing and delivering this certificate.

DATED as of _____, 2019.

_____, as Representative of the Underwriters

By: _____

Title: _____

Attach Exhibit 1 to Purchaser's Certificate

(Offering Prices of Bonds)