

**NEW ISSUE  
BOOK-ENTRY ONLY**

**RATING: Moody's: "Aa2"  
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."

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.

This Official Statement is dated December 5, 2019.

**MATURITY SCHEDULE**  
**(CUSIP® 6-digit issuer number: 145814)**

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

<u>Maturing</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price or</u> <u>Yield</u>	<u>CUSIP®</u> <u>Issue</u> <u>Number</u>
2022	\$220,000	5.000%	1.150%	SE0
2023	230,000	5.000	1.200	SF7
2024	235,000	5.000	1.220	SG5
2025	490,000	5.000	1.300	SH3
2026	515,000	5.000	1.400	SJ9
2027	545,000	5.000	1.510	SK6
2028	570,000	5.000	1.600	SL4
2029	600,000	5.000	1.700	SM2
2030	630,000	2.000	100.000	SN0
2031	660,000	2.000	2.100	SP5
2032	695,000	2.125	2.200	SQ3
2033	720,000	2.250	2.300	SR1
2034	750,000	2.375	2.400	SS9
2035	780,000	2.500	100.000	ST7
2036	805,000	2.500	2.600	SU4
2037	825,000	2.625	2.650	SV2
2038	850,000	2.625	2.700	SW0
2039	880,000	2.750	100.000	SX8

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## **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

## TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION .....	1
General.....	1
The Issuer.....	1
The Bonds; Prior Redemption .....	2
Authority for Issuance.....	2
Purpose.....	2
Security .....	3
Professionals .....	3
Tax Matters .....	3
Continuing Disclosure Undertaking .....	3
Certain Bondholder Risks.....	4
Forward-Looking Statements.....	5
Secondary Market .....	5
Additional Information .....	5
SOURCES AND USES OF FUNDS .....	7
Sources and Uses of Funds .....	7
The Project .....	7
THE BONDS .....	8
General.....	8
Payment Provisions.....	8
Redemption Provisions .....	8
Tax Covenant.....	9
Defeasance .....	10
Replacement of Registrar or Paying Agent .....	10
Amendment of the Bond Resolution.....	10
Book-Entry Only System.....	11
Debt Service Requirements.....	11
SECURITY FOR THE BONDS.....	13
General Obligations .....	13
Reserve Account .....	13
Additional Bonds .....	14
Bond Resolution Irrepealable .....	14
Other Security Matters .....	14
Limitations on Remedies .....	15
PROPERTY TAX INFORMATION .....	16
Property Tax Base.....	16
History of Assessed Value .....	16
Property Tax Collections .....	17
Largest Taxpayers in the District.....	18
Property Tax Limitations .....	19
Required Property Tax Abatements.....	21

	<u>Page</u>
Overlapping Tax Rates and General Obligation Indebtedness .....	21
Selected Debt Ratios .....	23
<b>CARSON CITY SCHOOL DISTRICT .....</b>	<b>24</b>
General .....	24
Board of Trustees .....	24
Administration .....	24
Facilities .....	25
Enrollment .....	25
Employee Relations and Pension Benefits .....	25
Compliance with Federal Laws .....	29
<b>DISTRICT FINANCIAL INFORMATION .....</b>	<b>30</b>
Budgeting .....	30
Accounting .....	30
Annual Reports .....	30
The State Public Charter School Authority Legislation .....	31
General Fund .....	31
General Fund History of Revenues, Expenditures and Changes in Fund Balance .....	36
Debt Service Fund .....	38
Management’s Discussion and Analysis .....	40
Analysis of Recent Financial Developments .....	40
Risk Management .....	41
<b>DEBT STRUCTURE .....</b>	<b>42</b>
Debt Limitation .....	42
Outstanding Debt and Other Obligations .....	42
Total Debt Service Requirements - General Obligation Bonds .....	43
<b>TAX MATTERS .....</b>	<b>45</b>
Federal Tax Matters .....	45
State Tax Exemption .....	47
<b>LEGAL MATTERS .....</b>	<b>47</b>
Litigation .....	47
Approval of Certain Legal Proceedings .....	47
Police Power .....	48
Sovereign Immunity .....	48
<b>INDEPENDENT AUDITORS .....</b>	<b>48</b>
<b>RATING .....</b>	<b>48</b>
<b>MUNICIPAL ADVISOR .....</b>	<b>49</b>
<b>UNDERWRITING .....</b>	<b>49</b>
<b>OFFICIAL STATEMENT CERTIFICATION .....</b>	<b>49</b>

APPENDIX A - Audited Basic Financial Statements of Carson City School  
District, Nevada, for the Fiscal Year Ended June 30, 2019 ..... A-1

APPENDIX B - Book-Entry Only System.....B-1

APPENDIX C - Form of Continuing Disclosure Certificate.....C-1

APPENDIX D - Form of Approving Opinion of Bond Counsel ..... D-1

APPENDIX E - Economic and Demographic Information.....E-1

## INDEX OF TABLES

NOTE: Tables marked with an (\*) indicate Annual Financial Information to be updated by the District pursuant to SEC Rule 15c2-12, as amended. See Appendix C - Form of Continuing Disclosure Certificate. *Only historical and not budgeted or estimated information is required to be updated in the marked tables.*

	<u>Page</u>
Sources and Uses of Funds .....	7
Bond Debt Service Requirements.....	12
*History of Assessed Valuation.....	17
*Property Tax Levies, Collections and Delinquencies .....	18
Amounts in Thousands .....	18
Ten Largest Taxpayers in the District.....	19
History of Statewide Average and Sample Overlapping Property Tax Rates .....	22
Estimated Overlapping Net General Obligation Indebtedness .....	22
Net Direct & Overlapping General Obligation Indebtedness .....	23
Selected Debt Ratios for the District .....	23
*Enrollment History.....	25
*General Fund History of Revenues, Expenditures and Changes in Fund Balance.....	37
*Debt Service Fund History of Revenues, Expenses and Changes in Fund Balance.....	39
*Statutory Debt Limitation .....	42
*Outstanding Debt and Other Obligations.....	42
*Outstanding Debt Service Requirements - General Obligation Bonds.....	44



## 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.*

#### Changes from Preliminary Official Statement

This Official Statement includes certain information which was not available for inclusion in the Preliminary Official Statement dated November 27, 2019 (the “Preliminary Official Statement”), including the final sources and uses of the proceeds of the Bonds and the maturity dates, interest rates and yields of the Bonds. In addition, as contemplated in the Preliminary Official Statement, the District’s 2019 audit, which was accepted on December 10, 2019, has been attached hereto as Appendix A in place of the District’s 2018 audit, which was attached as Appendix A to the Preliminary Official Statement. The unaudited actual information for fiscal year 2019 set forth in the General Fund and Debt Service Fund tables on pages 36 and 38 of this Official Statement, which is now reflected as audited information for fiscal year 2019, remains unchanged from the Preliminary Official Statement. The net pension liability of the District set forth on page 27 of this Official Statement has been updated, however, to reflect the District’s net pension liability as of June 30, 2018, as set forth in the District’s recently approved 2019 audit. Adjustments to the District’s statutorily required PERS contributions for fiscal years 2017 through 2019 have also been made to conform such contributions to the District’s 2019 audit (changing the contributions in fiscal years 2017 through 2019 from \$11,665,319, \$12,260,721, and \$13,500,650, respectively, to \$11,288,918, \$12,318,458, and \$13,100,958, respectively). Adjustments to the District’s property tax revenues (from \$10,382,212 to \$10,367,546) on page 31 and the District’s State DSA receipts (from \$25,103,913 to \$24,046,181) on page 32 have also been made to conform such contributions to the District’s

2019 audit. Additionally, the District adopted its augmented fiscal year 2020 budget on December 10, 2019, and certain information in the 2020 budget columns in the General Fund and Debt Service tables on pages 36 and 38 of this Official Statement have been adjusted to conform such information with the recently augmented budget. Such changes resulted in a change in the District's budgeted General Fund ending balance from \$9,111,785 to \$10,521,220, and a change in the District's budgeted Debt Service Fund ending balance from \$3,906,965 to \$4,155,474. Such changes also resulted in a reduction in the State DSA funding amount from \$24,084,206 to \$23,805,185. Finally, the last paragraph under the heading "SECURITY FOR THE BONDS – Additional Bonds" has been revised to reflect the District's present intention to issue approximately \$10,000,000 of additional bonds in the spring of 2020 instead of \$27,000,000 in winter 2019.

### **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."

The Bonds are subject to redemption prior to maturity at the option of the District as described in "THE BONDS – Redemption Provisions."

### **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 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](mailto: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.....	\$11,000,000.00
Plus net original issue premium .....	<u>714,224.20</u>
Total .....	<u>\$11,714,224.20</u>
USES:	
The Project .....	\$11,465,224.20
Costs of issuance (including underwriting discount) .....	<u>249,000.00</u>
Total .....	<u>\$11,714,224.20</u>

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.

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 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<sup>(1)</sup>

<u>Fiscal</u> <u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ --	\$ 159,661	\$ 159,661
2021	--	352,625	352,625
2022	220,000	352,625	572,625
2023	230,000	341,625	571,625
2024	235,000	330,125	565,125
2025	490,000	318,375	808,375
2026	515,000	293,875	808,875
2027	545,000	268,125	813,125
2028	570,000	240,875	810,875
2029	600,000	212,375	812,375
2030	630,000	182,375	812,375
2031	660,000	169,775	829,775
2032	695,000	156,575	851,575
2033	720,000	141,806	861,806
2034	750,000	125,606	875,606
2035	780,000	107,794	887,794
2036	805,000	88,294	893,294
2037	825,000	68,169	893,169
2038	850,000	46,513	896,513
2039	<u>880,000</u>	<u>24,200</u>	<u>904,200</u>
Total	\$11,000,000	\$3,981,392	\$14,981,392

<sup>(1)</sup> Totals may not add due to rounding.

Source: The Municipal Advisor.

## 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 \$2,835,747; 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 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 currently anticipates issuing additional bonds in the spring of 2019 in the approximate principal amount of \$10,000,000. 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 <sup>(1)</sup>	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	6.3

<sup>(1)</sup> Excludes the assessed valuation of the Redevelopment Agency.

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<sup>(1)</sup>  
Amounts in Thousands

Fiscal Year	Net Secured	Current Tax	% of Net	Delinquent	Total Tax	Total Tax
Ending	Roll Tax Levy <sup>(2)</sup>	Collections	Levy	Tax	Collections	Collections as %
June 30			Collected	Collections	Collections	of Current Levy <sup>(3)</sup>
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 <sup>(4)</sup>	48,953	27,663	56.51	0 <sup>(5)</sup>	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> <sup>(1)</sup>
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<sup>(1)</sup>

<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	\$3.1232	\$3.1360	\$3.1500	\$3.1615	\$3.1572
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 <sup>(2)</sup>	<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<sup>(1)</sup></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<sup>(2)</sup></u>	<u>Overlapping</u> <u>Net General</u> <u>Obligation</u> <u>Indebtedness<sup>(3)</sup></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	\$1,423,885,189	\$466,817,189	\$957,068,000		\$16,610,232

(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 <sup>(1)</sup>	\$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>

<sup>(1)</sup> 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 <sup>(1)</sup> .....	56,057
Net Direct Debt <sup>(2)</sup> .....	\$61,810,000
Overlapping Debt <sup>(2)(3)</sup> .....	<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 <sup>(4)</sup> .....	\$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 <sup>(4)</sup> .....	\$4,761,565,405
% Net Direct Debt to Taxable Value .....	1.30%
% Net Total Direct Debt & Overlapping Debt to Taxable Value .....	1.65%

<sup>(1)</sup> Nevada State Demographer projection dated July 1, 2018.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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.”

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

## 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 4<sup>th</sup> 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 4<sup>th</sup> 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 4<sup>th</sup> 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, 2018 (reported as of June 30, 2019), 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:

	<u>Net Pension Liability</u>		
	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
District Share of PERS Net Pension Liability	\$136,800,470	\$89,707,607	\$50,576,180

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.

	<u>Contribution Rates</u>				
	<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, \$11,288,918, and \$12,318,458, and \$13,100,958, 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. Beginning in fiscal year 2017, the District paid half of the required contribution and its employees paid the other half.

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, 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 1<sup>st</sup>. 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, 2019. 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 audited basic financial statements for the year ended June 30, 2019, 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 received \$10,367,546 (15.8% of General Fund revenues) from property taxes and received \$27,416,136 (42.0% 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 4.9% and 2.8%, 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 received \$24,046,181 (36.8% 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 \$23,805,185 for State DSA funding or 36.1% 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 2019 was derived from the District's audited financial reports for those years. 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, and amended again on December 10, 2019. The information in this table should be read together with the District's audited financial statements for the year ended June 30, 2019, 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<sup>(1)</sup>

Fiscal Year Ending June 30,	2015 Audited	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Budget
<b>Revenues</b>						
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	23,444,138
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>65,995,309</u>
<b>Expenditures</b>						
Current:						
Regular programs	24,079,688	23,356,842	24,452,088	28,569,020	29,519,292	29,397,220
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	2,802,411
Extra-curricular activities	534,711	557,957	599,764	613,481	645,055	705,364
Other instructional programs	1,176,208	3,026,820	2,730,780	3,118,902	3,110,274	3,400,096
Community service programs	--	--	--	50,510	50,805	54,226
Undistributed expenditures:						
Student support	2,744,806	2,902,708	2,691,931	3,073,798	3,216,062	3,639,403
Instructional staff support	1,763,556	1,625,984	1,546,581	2,123,797	2,381,261	1,975,764
General administration	492,689	517,929	632,460	600,355	578,032	582,739
School administration	3,502,331	3,569,040	3,593,398	3,647,637	3,793,033	4,552,443
Operation and maintenance	6,458,844	6,362,240	6,512,147	6,564,215	6,517,472	6,667,478
Student transportation	1,506,464	1,813,162	1,673,439	1,722,742	1,895,803	1,937,971
Central support/services	3,189,678	3,785,242	4,040,744	4,301,846	4,135,465	4,426,487
Other Support	--	--	--	<u>75,067</u>	<u>78,720</u>	<u>80,071</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>	60,232,673
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>61,232,673</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>4,762,636</u>
<b>Other Financing Sources (Uses)<sup>(2)</sup></b>						
Transfers out/to other funds <sup>(2)</sup>	(7,318,031)	(7,572,451)	(8,073,524)	(7,224,284)	(8,676,858)	(8,428,493)
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)	(8,423,493)
<b>Net change in fund balance</b>	1,534,776	1,764,203	1,491,370	(38,323)	(2,031,505)	(3,660,857)
<b>Fund balance as of July 1</b>	<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>14,182,078</u>
<b>Fund balance as of June 30</b>	<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>\$10,521,220</u>
Reserved/Nonspendable in form <sup>(3)</sup>	152,551	160,837	126,629	134,877	137,031	--
Designated/Assigned <sup>(3)</sup>	2,609,128	2,271,008	2,051,952	3,178,352	2,935,385	5,698,877
Unreserved & Undesignated/Unassigned <sup>(3)</sup>	10,234,654	12,328,691	14,073,325	12,900,354	11,109,662	4,822,344

FOOTNOTES ON FOLLOWING PAGE.

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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 2019, 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 2019 was derived from the District's audited financial reports for those years. 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 information in this table should be read together with the District's audited financial statements for the year ended June 30, 2019, 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 Actual	2020 Budget
<b>Revenues</b>						
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>
<b>Expenditures</b>						
Principal retirement	3,531,000	3,603,000	3,615,000	3,769,000	4,207,000	4,312,000
Interest	2,218,378	2,063,143	1,994,307	2,258,549	2,063,501	1,979,079
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>6,291,079</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>350,076</u>
<b>Other Financing Sources/Uses</b>						
Transfer in <sup>(1)</sup>	260,000	276,481	--	118,525	291,850	303,770
Transfer out <sup>(2)</sup>	(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	303,846
Fund balance, July 1	3,593,009	3,519,756	3,994,727	3,143,404	3,344,522	3,851,628
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>\$4,155,474</u>

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

<sup>(2)</sup> Represents transfers out for capital projects.

Source: Derived from the District's audited financial statements for fiscal years 2015 through 2019, 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, 2019, 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, 2019.

### **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> <sup>(1)</sup>	<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 <sup>(2)</sup>	202,307,744

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

<sup>(2)</sup> Including the issuance of the Bonds.

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<sup>(1)</sup>

	<u>Date Issued</u>	<u>Final Maturity</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>
<b><u>GENERAL OBLIGATIONS BONDS</u></b> <sup>(2)</sup>				
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.

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.

Outstanding Debt Service Requirements - General Obligation Bonds<sup>(1)</sup>

Fiscal Year Ended June 30	General Obligation Bonds		Grand Total
	Principal	Interest	
2020	\$4,160,000	\$1,976,970	\$6,136,970
2021	3,575,000	2,096,494	5,671,494
2022	4,005,000	1,987,269	5,992,269
2023	3,955,000	1,828,919	5,783,919
2024	3,955,000	1,652,719	5,607,719
2025	4,425,000	1,485,469	5,910,469
2026	4,585,000	1,295,619	5,880,619
2027	4,775,000	1,098,569	5,873,569
2028	3,690,000	938,519	4,628,519
2029	3,660,000	806,069	4,466,069
2030	3,780,000	671,719	4,451,719
2031	3,915,000	551,319	4,466,319
2032	1,890,000	436,175	2,326,175
2033	1,800,000	375,006	2,175,006
2034	1,870,000	315,606	2,185,606
2035	1,945,000	252,994	2,197,994
2036	2,015,000	186,894	2,201,894
2037	2,080,000	118,369	2,198,369
2038	850,000	46,513	896,513
2039	880,000	24,200	904,200
<b>Total</b>	<b>\$61,810,000</b>	<b>\$18,145,407</b>	<b>\$79,955,407</b>

<sup>(1)</sup> Totals may not add due to rounding.

Source: The District and the Municipal Advisor.

## 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. For purposes of this paragraph and the succeeding discussion, “interest” includes the original issue discount on certain of the Bonds only to the extent such original issue discount is accrued as described herein.

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.

With respect to the Bonds that were sold in the initial offering at a discount (the “Discount Bonds”), the difference between the stated redemption price of the Discount Bonds at maturity and the initial offering price of those bonds to the public (as defined in Section 1273 of the Tax Code) will be treated as “original issue discount” for federal income tax purposes and will, to the extent accrued as described below, constitute interest which is excluded from gross income or alternative minimum taxable income under the conditions and subject to the exceptions described in the preceding paragraphs. The original issue discount on the Discount Bonds is treated as accruing over the respective terms of such Discount Bonds on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period from the date of original issue) ending on June 1 and December 1 with straight line interpolation between compounding dates. The amount of original issue discount accruing each period (calculated as described in the preceding sentence) constitutes interest which is excluded from gross income or alternative minimum taxable income under the conditions and subject to the

exceptions described in the preceding paragraphs and will be added to the owner's basis in the Discount Bonds. Such adjusted basis will be used to determine taxable gain or loss upon disposition of the Discount Bonds (including sale or payment at maturity). Owners should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

Owners who purchase Discount Bonds after the initial offering or who purchase Discount Bonds in the initial offering at a price other than the initial offering price (as defined in Section 1273 of the Tax Code) should consult their own tax advisors with respect to the federal tax consequences of the ownership of the Discount Bonds. Owners who are subject to state or local income taxation should consult their tax advisor with respect to the state and local income tax consequences of ownership of the Discount Bonds. It is possible that, under the applicable provisions governing determination of state and local taxes, accrued original issue discount on the Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

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 were 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 (and, to the extent described above for the Discount Bonds, original issue discount) 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 (and, to the extent described above for the Discount Bonds, original issue discount) 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, 2019, 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.

### **UNDERWRITING**

The District sold the Bonds at public sale on December 5, 2019 to Robert W. Baird & Co., Inc. (the “Initial Purchaser”) at a purchase price equal to \$11,607,224.20 (consisting of the par amount of the Bonds, plus net original issue premium of \$714,224.20, less underwriting discount of \$107,000.00).

### **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:           /s/ Andrew J. Feuling            
Director of Fiscal Services

**APPENDIX A**

**AUDITED BASIC FINANCIAL STATEMENTS OF CARSON CITY  
SCHOOL DISTRICT, NEVADA FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

CARSON CITY SCHOOL DISTRICT  
*FINANCIAL STATEMENTS &  
SUPPLEMENTARY INFORMATION*

Fiscal Year Ended  
June 30, 2019

# CARSON CITY SCHOOL DISTRICT

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## TABLE OF CONTENTS JUNE 30, 2019

<b>INDEPENDENT AUDITORS' REPORT</b>	1
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	4
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>District-Wide Financial Statements</b>	
Statement of Net Position	16
Statement of Activities	17
<b>Fund Financial Statements</b>	
Balance Sheet – Governmental Funds	18
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	19
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	20
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities	22
Statements of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
General Fund	23
<i>Major Special Revenue Funds:</i>	
Federal Grants Fund	29
Special Education Fund	33
Statement of Net Position – Proprietary Funds	35
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	36
Statement of Cash Flows – Proprietary Funds	37
Statement of Fiduciary Net Position - Fiduciary Funds	38
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	38
<b>Notes to the Financial Statements</b>	39
<b>REQUIRED SUPPLEMENTAL INFORMATION</b>	
Schedule of the District's Proportionate Share of the Net Pension Liability	69
Schedule of District's Contributions to Nevada PERS	70
Schedule of Changes in Net Other Postemployment Benefits Liability	71

*Continued on next page.*

# CARSON CITY SCHOOL DISTRICT

---

## TABLE OF CONTENTS

JUNE 30, 2019

### COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

#### Major Governmental Funds

Schedule of Revenues, Expenditures and Changes in Fund Balances –

Budget and Actual:

Debt Service Fund 72

Bond Issues Fund 73

#### Nonmajor Governmental Funds

Combining Balance Sheet 74

Combining Statement of Revenues, Expenditures, and Changes in Fund  
Balances 77

Schedules of Revenues, Expenditures, and Changes in Fund Balances –

Budget and Actual:

Adult Education Fund 80

Adult Education Correctional Fund 81

Nutrition Services Fund 82

Gifts and Donations Fund 83

Class Size Reduction Fund 86

Summer and Remediation Programs Fund 87

New Nevada Plan Fund 88

Medicaid Program Fund 89

Local Grants Fund 90

State Grants Fund 92

Capital Projects Fund 96

#### Proprietary Funds – Internal Service Funds

Combining Statement of Net Position 97

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position 98

Combining Statement of Cash Flows 99

#### *Unemployment Insurance Fund*

Schedule of Revenues, Expenses, and Changes in Fund Net Position –

Budget and Actual 100

Schedule of Cash Flows – Budget and Actual 101

*Continued on next page.*

# CARSON CITY SCHOOL DISTRICT

---

## TABLE OF CONTENTS

JUNE 30, 2019

### COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES *(Cont'd.)*

#### **Proprietary Funds – Internal Service Funds *(Cont'd.)***

##### *Health Insurance Fund*

Schedule of Revenues, Expenses, and Changes in Fund Net Position – Budget and Actual	102
Schedule of Cash Flows – Budget and Actual	103

##### *Workers' Compensation Insurance Fund*

Schedule of Revenues, Expenses, and Changes in Fund Net Position – Budget and Actual	104
Schedule of Cash Flows – Budget and Actual	105

#### **Agency Funds**

Combining Statement of Changes in Assets and Liabilities	106
Schedules of Changes in Cash Balances - Student Activity Agency Funds	
Carson Elementary Schools	108
Carson Middle School	109
Eagle Valley Middle School	110
Carson High School	111
Pioneer High School	115

### COMPLIANCE SECTION

Report on Internal Control over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	116
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	118
Schedule of Expenditures of Federal Awards	120
Notes to the Schedule of Expenditures of Federal Awards	122
Schedule of Findings and Questioned Costs	123
Independent Auditors' Comments	124

## 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, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, 2019, 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.

## **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 69 through 71 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, 2018 and have issued our report thereon dated November 30, 2018, 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, 2018 is consistent with the audited financial statements from which it has been derived.

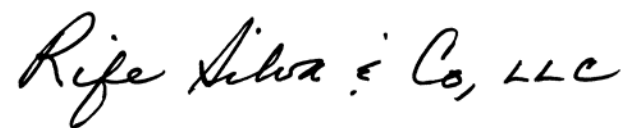
The nonmajor combining and individual fund financial statements and schedules related to the 2018 financial statements are presented for purposes of additional analysis and were derived from and relate



directly to the underlying accounting and other records used to prepare the 2018 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2018 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, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.

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

Reno, Nevada  
November 30, 2019

# CARSON CITY SCHOOL DISTRICT

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## MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2019

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, 2019. 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's net position (deficit) changed by \$(1,216,466) for FY19, compared to a decrease of \$(15,785) in FY18.
- The District's governmental funds decreased by \$(13,406,613) in FY19, compared to \$(4,634,764) in FY18. As discussed later in this document, in both years, the District had significant construction activity which was financed by the 2017 \$15 Million School Improvement Bonds. This activity was reported in the Bond Issues Fund, a major governmental fund; thus, the effect of the construction activity is included in the governmental funds' decreases.

### 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

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## MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2019

### 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
- ◇ Bond Issues Fund

# CARSON CITY SCHOOL DISTRICT

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## MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2019

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 72 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 40-68 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 (and the accompanying deferred outflows/inflows) totaling \$95.7 million at year end.

The table which follows provides a summary of the District's net position (deficit) for 2019 compared to 2018.

# CARSON CITY SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2019

<b>DISTRICT'S NET POSITION</b>				
	<u>2019</u>	<u>2018</u>	<u>Change</u>	
	<i>(In Millions)</i>			
<b>Assets</b>				
Current and other assets	\$ 37.5	\$ 53.7	\$ (16.2)	(30.17%)
Net capital assets	102.0	93.6	8.4	8.97%
Total Assets	<u>139.5</u>	<u>147.3</u>	<u>(7.8)</u>	<u>(5.30%)</u>
<b>Deferred Outflows of Resources</b>	<u>19.2</u>	<u>16.7</u>	<u>2.5</u>	<u>14.97%</u>
<b>Liabilities</b>				
Current liabilities	14.6	16.8	(2.2)	(13.10%)
Long-term liabilities	163.6	166.1	(2.5)	(1.51%)
Total Liabilities	<u>178.2</u>	<u>182.9</u>	<u>(4.7)</u>	<u>(2.57%)</u>
<b>Deferred Inflows of Resources</b>	<u>8.6</u>	<u>7.9</u>	<u>0.7</u>	<u>8.86%</u>
<b>Net Position</b>				
Net investment in capital assets	48.1	45.9	2.2	4.79%
Restricted	10.8	4.0	6.8	170.00%
Unrestricted	<u>(87.0)</u>	<u>(76.8)</u>	<u>(10.2)</u>	<u>(13.28%)</u>
Total Net Position	<u>\$ (28.1)</u>	<u>\$ (26.9)</u>	<u>\$ (1.2)</u>	<u>(4.46%)</u>

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 (net of related deferred inflows and outflows) of \$95.7 million. As discussed below, users of this financial statement may gain a clearer understanding of the District's actual financial condition by adding this amount to the reported net position.

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

# CARSON CITY SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2019

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.

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.

	<b>Governmental Activities</b>	
	<b>2019</b>	<b>2018</b>
	<i>(In Millions)</i>	
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 1.1	\$ 0.6
Operating grants and contributions	21.9	23.1
General revenues:		
Property taxes	16.6	16.1
Local school support taxes	27.4	25.2
Government service taxes	3.1	2.8
State aid not restricted to specific purposes	24.0	25.5
Other revenues	1.0	0.8
Total Revenues	95.1	94.1
<b>Expenses</b>		
Instruction	60.8	58.8
Support services	26.1	25.1
Nutrition services	2.9	2.9
Facilities acquisition/improvement	4.6	5.1
Interest on long-term debt	1.9	2.2
Total Expenses	96.3	94.1
<b>Change in Net Position (Deficit)</b>	<b>\$ (1.20)</b>	<b>\$ -</b>

# CARSON CITY SCHOOL DISTRICT

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## MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2019

### 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 72% of total revenues.
- ◇ Grants and contributions represent 23% of the District's revenues.
- ◇ For the fourth consecutive year, the local school support taxes (LSST) saw a significant increase (8.8%) over the previous years' amount, slightly exceeding the 8.3% increase 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, 2019, the District's governmental funds reported a combined fund balance of \$22.8 million, down from last year's \$36.2 million. The decrease was primarily attributable to activity in the Bond Issues Fund, and was, therefore, anticipated due to the planned spending from the 2017 School Improvement Bonds of \$15.0 million, issued in February 2017. During the fiscal year ended June 30, 2019, \$11.8 million was spent from the fund, leaving a year end fund balance of \$2.9 million, restricted for spending related to remaining construction commitments.

The District's General Fund decreased by \$2.0 million in FY19, compared to a \$38 thousand decrease in the previous year.

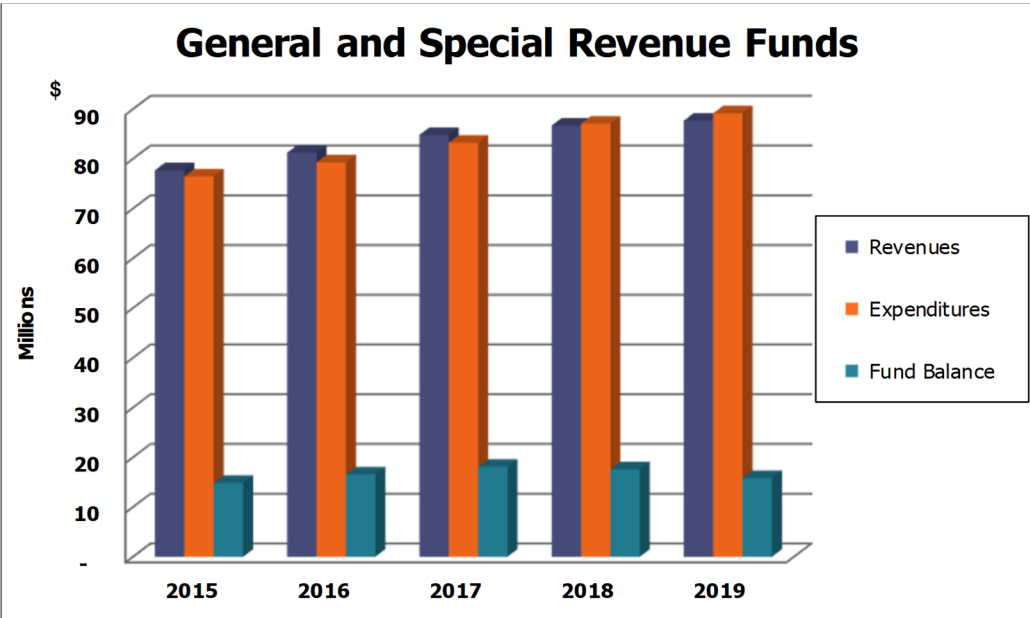
Of the District's \$22.8 million fund balance in the governmental funds, approximately 51% or \$11.7 million is nonspendable, restricted or assigned fund balance. (As discussed above, \$2.9 million of the \$11.7 million is restricted in the Bond Issues Fund.) The remaining \$11.1 million, or 48.6% constitutes unassigned fund balance, which is available for spending at the District's discretion within the parameters of the respective fund and in accordance with the legally-adopted budget. This unassigned fund balance as of June 30, 2019, was approximately 13.9% less than the prior year, yet comprised a slightly higher percentage of fund balance than in the previous year (48.6% compared to FY18's 35.6%).

# CARSON CITY SCHOOL DISTRICT

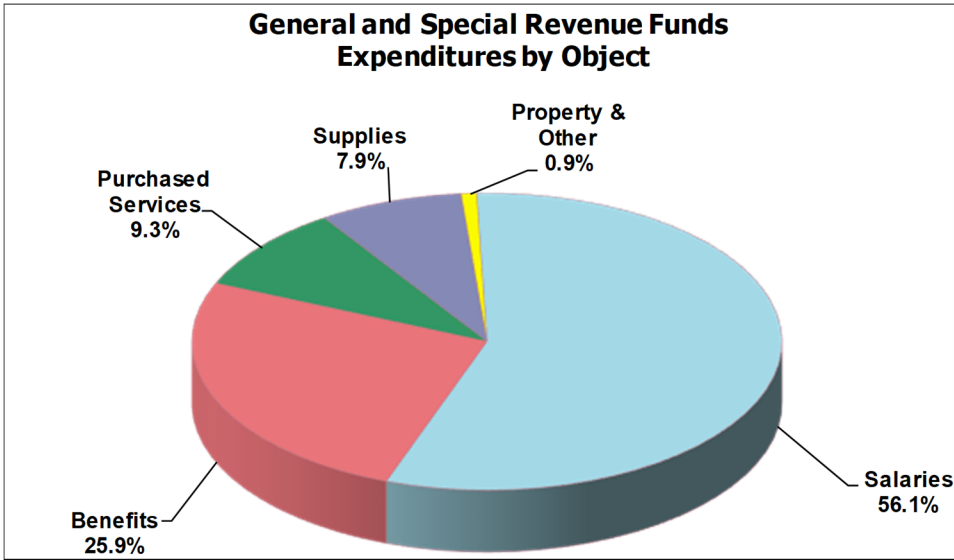
## MANAGEMENT’S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2019

### 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, 2019

### *Debt Service Fund*

The June 30, 2019 fund balance of \$3.9 million, combined with revenues budgeted for the 2019-20 year of \$6.6 million exceed the 2019-20 anticipated debt service requirements (principal and interest payments) of \$7.2 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, 2019, the District's debt was comprised of the following:

#### **Outstanding General Obligation Debt**

	<u>2019</u>	<u>2018</u>
	<i>(In Millions)</i>	
General Obligation Bonds *	\$ 52.5	\$ 56.6
Installment Purchase Agreement	5.1	5.2
	<u>\$ 57.6</u>	<u>\$ 61.8</u>

\* Does not include unamortized bond premiums.

# CARSON CITY SCHOOL DISTRICT

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## MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2019

Principal and interest payments on the combined General Obligation debt noted above for the 2018-19 fiscal year are scheduled to total \$7.2 million. All debt is serviced by the Debt Service Fund.

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 \$247.4 million. As of June 30, 2019, 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.

A general obligation bond sale in the amount of \$11 million is currently scheduled for December 5, 2019. The bond will provide funds for the expansion of Eagle Valley Middle School, replacing turf at the Carson High School football field, and improvements at the District office.

Additional detail with respect to the District's debt can be found on pages 54-55 of these statements.

### *Capital Assets*

The District's capital assets as of June 30, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
	<i>(In Millions)</i>	
Land	\$ 0.4	\$ 0.4
Construction in progress	7.6	7.2
Buildings and improvements	90.4	82.4
Equipment and vehicles	3.6	3.6
	<u>\$ 102.0</u>	<u>\$ 93.6</u>

In February 2017, the District issued \$15 million School Improvement Bonds for the modernization and upgrade of the District's schools and facilities, including replacing 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.

The District made no other commitments by the end of June 2019 and all 2017 Bond projects were completed by August 2019. The District will be selling a bond (or multiple bonds) in December 2019, the proceeds of which will be used to continue adding capacity and otherwise improve/update District facilities.

# CARSON CITY SCHOOL DISTRICT

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## MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2019

### 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.

During the 2019 State Legislature, Senate Bill 543 was passed to provide the framework for a new funding methodology for Nevada's public schools. This is to be fully implemented starting in FY22. Districts whose funding is "harmed" in the move to the new model are to be "held harmless" at their total level of funding in FY19, but what "total" funding exactly is has yet to be defined.

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

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## MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2019

### 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](mailto:afeuling@carson.k12.nv.us).

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# CARSON CITY SCHOOL DISTRICT

## STATEMENT OF NET POSITION (DEFICIT) JUNE 30, 2019

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and investments	\$ 24,779,238
Receivables	12,447,100
Inventories	191,725
Prepaid expenses	16,651
Capital assets, net	102,025,773
Total Assets	<u>139,460,487</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred charge on refunding	2,120,940
Deferred outflows related to pensions and postemployment benefits:	17,121,920
	<u>19,242,860</u>
Total Assets and Deferred Outflows	<u>158,703,347</u>
<b>LIABILITIES</b>	
Accounts payable	4,183,559
Accrued liabilities	5,303,346
Interest payable	212,013
Unearned revenues	106,595
Noncurrent liabilities:	
Due within one year	4,799,767
Due in more than one year	57,214,924
Obligation for other postemployment benefits	16,678,397
Net pension liability	89,707,601
Total Liabilities	<u>178,206,202</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pensions and postemployment benefits	8,588,311
Total Liabilities and Deferred Inflows	<u>186,794,513</u>
<b>NET POSITION (DEFICIT)</b>	
Net investment in capital assets	48,145,703
Restricted for:	
Debt service	3,851,628
Capital projects	3,185,260
Employee benefits	3,802,375
Unrestricted	(87,076,132)
Total Net Position (Deficit)	<u>\$ (28,091,166)</u>

See accompanying notes.

# CARSON CITY SCHOOL DISTRICT

## STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2019

PROGRAMS/FUNCTIONS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	GRANTS AND CONTRIBUTIONS	
<b>GOVERNMENTAL ACTIVITIES</b>				
Instruction	\$ 60,887,001	\$ 26,360	\$ 13,874,201	\$ (46,986,440)
Support services	26,081,426	584,298	5,887,758	(19,609,370)
Facilities acquisition and construction	4,558,790	-	-	(4,558,790)
Nutrition services	2,906,316	473,475	2,187,871	(244,970)
Interest and other costs on long-term debt	1,881,894	-	-	(1,881,894)
Total School District	<u>\$ 96,315,427</u>	<u>\$ 1,084,133</u>	<u>\$ 21,949,830</u>	<u>(73,281,464)</u>
<b>General Revenues:</b>				
Property taxes				\$ 16,619,330
Local school support taxes				27,416,136
Government service taxes				3,087,179
Franchise taxes				168,377
Earnings on investments				430,479
Other local sources				297,316
State aid not restricted to specific purposes				24,046,181
Total General Revenues				<u>72,064,998</u>
Change in Net Position				(1,216,466)
<b>NET POSITION (DEFICIT), July 1, 2018</b>				<u>(26,874,700)</u>
<b>NET POSITION (DEFICIT), June 30, 2019</b>				<u>\$ (28,091,166)</u>

See accompanying notes.

# CARSON CITY SCHOOL DISTRICT

## GOVERNMENTAL FUNDS BALANCE SHEET

JUNE 30, 2019

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)

	GENERAL FUND	FEDERAL GRANTS FUND	SPECIAL EDUCATION FUND	DEBT SERVICE FUND	BOND ISSUES FUND	NON-MAJOR GOV'T FUNDS	TOTALS GOVERNMENTAL FUNDS	
							2019	2018
<b>ASSETS</b>								
Cash and investments	\$ 8,320,289	\$ -	\$ 1,790,184	\$ 3,839,916	\$ 4,489,676	\$ 1,188,429	\$ 19,628,494	\$ 35,390,074
Receivables	7,174,578	2,174,582	29,012	47,889	1,748	3,019,291	12,447,100	12,522,002
Due from other funds	3,381,481	-	-	-	-	-	3,381,481	4,511,101
Inventories	129,123	-	-	-	-	62,602	191,725	174,980
Prepaid expenditures	7,908	1,094	-	-	-	7,649	16,651	28,727
Total Assets	<u>\$ 19,013,379</u>	<u>\$ 2,175,676</u>	<u>\$ 1,819,196</u>	<u>\$ 3,887,805</u>	<u>\$ 4,491,424</u>	<u>\$ 4,277,971</u>	<u>\$ 35,665,451</u>	<u>\$ 52,626,884</u>
<b>LIABILITIES</b>								
Accounts payable	\$ 1,456,187	\$ 474,851	\$ 101,053	\$ -	\$ 1,590,783	\$ 408,076	\$ 4,030,950	\$ 1,897,444
Due to other governments	-	-	-	-	-	-	-	16,147
Accrued liabilities	3,373,995	334,251	869,236	-	-	725,864	5,303,346	9,723,434
Due to other funds	-	1,297,726	-	-	-	2,083,755	3,381,481	4,511,101
Unearned revenues	1,120	68,848	-	36,177	-	450	106,595	229,066
Total Liabilities	<u>4,831,302</u>	<u>2,175,676</u>	<u>970,289</u>	<u>36,177</u>	<u>1,590,783</u>	<u>3,218,145</u>	<u>12,822,372</u>	<u>16,377,192</u>
<b>FUND BALANCES</b>								
Nonspendable	137,031	-	-	-	-	70,251	\$ 207,282	\$ 193,793
Restricted	-	-	-	3,851,628	2,900,641	448,749	7,201,018	18,680,010
Assigned	2,935,385	-	848,907	-	-	540,826	4,325,118	4,475,535
Unassigned	11,109,661	-	-	-	-	-	11,109,661	12,900,354
Total Fund Balance	<u>14,182,077</u>	<u>-</u>	<u>848,907</u>	<u>3,851,628</u>	<u>2,900,641</u>	<u>1,059,826</u>	<u>22,843,079</u>	<u>36,249,692</u>
Total Liabilities and Fund Balance	<u>\$ 19,013,379</u>	<u>\$ 2,175,676</u>	<u>\$ 1,819,196</u>	<u>\$ 3,887,805</u>	<u>\$ 4,491,424</u>	<u>\$ 4,277,971</u>	<u>\$ 35,665,451</u>	<u>\$ 52,626,884</u>

See accompanying notes.



# CARSON CITY SCHOOL DISTRICT

## RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION (DEFICIT) JUNE 30, 2019

**Fund Balance - Governmental Funds** \$ 22,843,079

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	\$ 190,762,229	
Less accumulated depreciation	(88,736,456)	
	<u>102,025,773</u>	102,025,773

The net pension and OPEB liabilities are not due and payable in the current period; therefore, the liability and related deferrals are not reported in the governmental funds:

Deferred outflows - pensions	16,132,996	
Deferred inflows - pensions	(6,417,232)	
Net pension liability	(89,707,601)	
Deferred outflows - OPEB	988,924	
Deferred inflows - OPEB	(2,171,079)	
OPEB liability	(16,678,396)	
	<u>(97,852,388)</u>	(97,852,388)

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 and installment note payable	(57,562,000)	
Bond premium, net	(2,928,686)	
Deferred charges on refunding, net	2,120,940	
Compensated absences	(1,524,005)	
	<u>(59,893,751)</u>	(59,893,751)

The liability for interest on bonds is reported in the fund statements when due and as accrued in the Statement of Activities. (212,013)

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. 4,998,134

**Net Position (Deficit) - Governmental Activities** \$ (28,091,166)

*See accompanying notes.*

# CARSON CITY SCHOOL DISTRICT

## GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES YEAR ENDED JUNE 30, 2019

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2018)

	GENERAL FUND	FEDERAL GRANTS FUND	SPECIAL EDUCATION FUND	DEBT SERVICE FUND	BOND ISSUES FUND	NON-MAJOR GOV'T FUNDS	TOTAL GOVERNMENTAL FUNDS	
							2019	2018
<b>REVENUES</b>								
Local sources	\$ 41,189,221	\$ -	\$ -	\$ 6,485,757	\$ 143,089	\$ 1,456,811	\$ 49,274,878	\$ 45,926,902
State sources	24,046,181	-	4,192,044	-	-	9,202,877	37,441,102	39,420,714
Federal sources	73,799	5,593,094	-	-	-	2,698,649	8,365,542	8,770,530
Total Revenues	65,309,201	5,593,094	4,192,044	6,485,757	143,089	13,358,337	95,081,522	94,118,146
<b>EXPENDITURES</b>								
Regular programs	29,519,292	1,682,692	-	-	-	4,727,128	35,929,112	36,238,960
Special programs	16,209	1,800,304	12,086,733	-	-	697,798	14,601,044	13,401,100
Vocational programs	2,743,800	94,453	-	-	-	403,188	3,241,441	3,005,293
Adult Education programs	-	-	-	-	-	1,358,370	1,358,370	1,332,060
Extra and Cocurricular activities	645,055	-	-	-	-	-	645,055	613,481
Other Instructional programs	3,110,274	305,187	-	-	-	1,089,445	4,504,906	4,307,714
Community Services programs	50,805	40,851	-	-	-	-	91,656	201,060
Undistributed Expenditures:								
Student support	3,216,062	589,247	-	-	-	1,117,707	4,923,016	4,432,470
Instructional staff support	2,381,261	489,016	-	-	-	333,786	3,204,063	3,132,658
General administration	578,032	-	-	-	-	450	578,482	601,048
School administration	3,793,033	-	-	-	-	-	3,793,033	3,671,356
Central services	4,135,465	50,200	-	-	-	132,547	4,318,212	5,305,827
Operation and maintenance	6,517,472	-	-	-	-	80	6,517,552	6,571,281
Student transportation	1,895,803	76,483	-	-	-	32,489	2,004,775	1,852,615
Other support services	78,720	459,661	-	-	-	20,200	558,581	376,670
Nutrition services	-	5,000	-	-	-	2,877,544	2,882,544	2,898,520

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, 2019  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2018)

	GENERAL FUND	FEDERAL GRANTS FUND	SPECIAL EDUCATION FUND	DEBT SERVICE FUND	BOND ISSUES FUND	NON-MAJOR GOV'T FUNDS	TOTAL GOVERNMENTAL FUNDS	
							2019	2018
Facilities acquisition and construction	\$ -	\$ -	\$ -	\$ -	\$ 11,928,328	1,154,899	13,083,227	\$ 4,795,341
Debt Service:							-	
Principal	-	-	-	4,207,000	-	-	4,207,000	3,769,000
Interest	-	-	-	2,063,501	-	-	2,063,501	2,258,549
Total Expenditures	58,681,283	5,593,094	12,086,733	6,270,501	11,928,328	13,945,631	108,505,570	98,765,003
Revenues Over (Under) Expenditures	6,627,918	-	(7,894,689)	215,256	(11,785,239)	(587,294)	(13,424,048)	(4,646,857)
<b>OTHER FINANCING SOURCES (USES)</b>								
Sale of fixed assets	17,435	-	-	-	-	-	17,435	12,093
Proceeds from refunding bonds	-	-	-	-	-	-	-	14,303,000
Refunded bonds escrow agent	-	-	-	-	-	-	-	(14,303,000)
Transfers from other funds	-	-	7,894,689	291,850	-	490,320	8,676,859	7,224,284
Transfers to other funds	(8,676,859)	-	-	-	-	-	(8,676,859)	(7,224,284)
	(8,659,424)	-	7,894,689	291,850	-	490,320	17,435	12,093
Net Change in Fund Balances	(2,031,506)	-	-	507,106	(11,785,239)	(96,974)	(13,406,613)	(4,634,764)
<b>FUND BALANCES, July 1</b>	16,213,583	-	848,907	3,344,522	14,685,880	1,156,800	36,249,692	40,884,456
<b>FUND BALANCES, June 30</b>	\$ 14,182,077	\$ -	\$ 848,907	\$ 3,851,628	\$ 2,900,641	\$ 1,059,826	\$ 22,843,079	\$ 36,249,692

See accompanying notes.

# CARSON CITY SCHOOL DISTRICT

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## RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2019

**Net Change in Fund Balances - Total Governmental Funds** \$ (13,406,613)

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. 8,470,573

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. 4,014,110

In the Statement of Activities, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due. 14,730

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. 359,767

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. (137,389)

Change in pension expense related to deferred items. 428,707

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. (507,965)

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. (452,386)

**Change in Net Position (Deficit) of Governmental Activities** \$ (1,216,466)

*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, 2019

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019 BUDGET		2019		2018
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local Sources:					
Ad valorem taxes	\$ 10,328,212	\$ 10,328,212	\$ 10,367,546	\$ 39,334	\$ 10,041,183
School support taxes	26,617,562	26,617,562	27,416,136	798,574	25,194,894
Franchise taxes	140,000	160,000	168,377	8,377	164,171
Governmental services tax	2,237,998	2,237,998	2,399,799	161,801	2,185,897
Transportation fees	100,000	150,000	167,851	17,851	201,160
Earnings on investments	60,000	100,000	89,545	(10,455)	147,974
Income from pupil activities	60,000	60,000	54,151	(5,849)	48,929
Grant indirect cost recovery	200,000	225,000	337,303	112,303	274,517
Other	181,050	181,050	188,513	7,463	213,067
Total Local Sources	39,924,822	40,059,822	41,189,221	1,129,399	38,471,792
State Sources:					
Distributive school account	25,103,913	25,142,541	24,046,181	(1,096,360)	25,496,294
Federal Sources:					
Restricted	100,000	105,000	69,762	(35,238)	87,885
Unrestricted	5,000	-	4,037	4,037	5,094
Total Federal Sources	105,000	105,000	73,799	(31,201)	92,979
Total Revenues	65,133,735	65,307,363	65,309,201	1,838	64,061,065
<b>EXPENDITURES</b>					
Regular Programs:					
Instruction:					
Salaries	18,145,245	18,400,154	18,345,095	55,059	17,599,651
Benefits	8,389,137	8,287,711	8,103,332	184,379	8,049,154
Purchased services	39,200	50,119	45,156	4,963	39,206
Supplies	2,667,882	2,714,691	2,623,707	90,984	2,552,945
Property	5,000	5,000	-	5,000	16,929
Other	3,600	5,885	4,227	1,658	3,986
	29,250,064	29,463,560	29,121,517	342,043	28,261,871
Other Direct Support:					
Salaries	194,180	233,048	230,949	2,099	191,917
Benefits	87,864	102,244	101,040	1,204	86,452
Purchased services	-	65,786	65,786	-	28,780
	282,044	401,078	397,775	3,303	307,149
Total Regular Programs	29,532,108	29,864,638	29,519,292	345,346	28,569,020

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, 2019

*(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)*

	2019 BUDGET		2019		2018
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Special Programs:					
Instruction:					
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 14,700
Benefits	-	-	-	-	301
Supplies	11,000	16,263	15,276	987	10,671
	<u>11,000</u>	<u>16,263</u>	<u>15,276</u>	<u>987</u>	<u>25,672</u>
Other Direct Support:					
Salaries	-	2,000	914	1,086	7,271
Benefits	-	100	19	81	952
	<u>-</u>	<u>2,100</u>	<u>933</u>	<u>1,167</u>	<u>8,223</u>
Total Special Programs	<u>11,000</u>	<u>18,363</u>	<u>16,209</u>	<u>2,154</u>	<u>33,895</u>
Vocational Programs:					
Instruction:					
Salaries	1,657,723	1,774,823	1,773,747	1,076	1,512,780
Benefits	792,604	793,874	790,438	3,436	684,330
Purchased services	-	10,125	6,995	3,130	3,246
Supplies	21,500	15,404	15,029	375	14,536
	<u>2,471,827</u>	<u>2,594,226</u>	<u>2,586,209</u>	<u>8,017</u>	<u>2,214,892</u>
Other Direct Support:					
Salaries	103,614	128,135	110,153	17,982	128,278
Benefits	46,483	62,739	47,438	15,301	48,762
	<u>150,097</u>	<u>190,874</u>	<u>157,591</u>	<u>33,283</u>	<u>177,040</u>
Total Vocational Programs	<u>2,621,924</u>	<u>2,785,100</u>	<u>2,743,800</u>	<u>41,300</u>	<u>2,391,932</u>
Extra and Cocurricular Activities:					
Cocurricular Activities:					
Instruction:					
Salaries	54,511	54,407	39,004	15,403	48,500
Benefits	1,144	1,144	809	335	1,005
Purchased services	10,000	4,401	4,109	292	-
Supplies	10,000	6,041	5,937	104	4,313
Other	-	-	-	-	350
	<u>75,655</u>	<u>65,993</u>	<u>49,859</u>	<u>16,134</u>	<u>54,168</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, 2019

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019 BUDGET		2019		2018
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Other Direct Support:					
Salaries	\$ 53,235	\$ 55,648	\$ 54,069	\$ 1,579	\$ 53,769
Benefits	22,182	22,535	21,712	823	22,162
Purchased services	-	-	-	-	4,034
	<u>75,417</u>	<u>78,183</u>	<u>75,781</u>	<u>2,402</u>	<u>79,965</u>
Total Cocurricular Activities	151,072	144,176	125,640	18,536	134,133
Athletics:					
Instruction:					
Salaries	218,774	221,626	227,347	(5,721)	216,140
Benefits	11,377	11,525	8,180	3,345	9,603
Purchased services	41,000	88,511	84,221	4,290	64,880
Supplies	116,425	91,577	90,129	1,448	71,492
Property	-	-	-	-	7,350
Other	4,500	9,391	9,066	325	9,853
	<u>392,076</u>	<u>422,630</u>	<u>418,943</u>	<u>3,687</u>	<u>379,318</u>
Student Transportation:					
Purchased services	-	19,000	9,878	9,122	-
Other Direct Support:					
Salaries	81,234	82,156	69,765	12,391	70,190
Benefits	22,303	23,107	20,829	2,278	20,891
Purchased services	-	-	-	-	8,949
	<u>103,537</u>	<u>105,263</u>	<u>90,594</u>	<u>14,669</u>	<u>100,030</u>
Total Athletics	495,613	546,893	519,415	27,478	479,348
Total Extra and Cocurricular	646,685	691,069	645,055	46,014	613,481
Other Instructional Programs:					
Instruction:					
Salaries	1,617,269	1,728,267	1,681,131	47,136	1,568,110
Benefits	836,848	833,591	809,696	23,895	779,685
Purchased services	-	5,784	4,093	1,691	4,800
Supplies	408,678	370,204	168,728	201,476	344,759
Other	-	3,000	2,361	639	960
	<u>2,862,795</u>	<u>2,940,846</u>	<u>2,666,009</u>	<u>274,837</u>	<u>2,698,314</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, 2019

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019 BUDGET		2019		2018
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Other Direct Support:					
Salaries	\$ 296,103	\$ 280,024	\$ 278,520	\$ 1,504	\$ 266,185
Benefits	148,094	136,164	130,736	5,428	120,195
Purchased services	-	35,353	32,538	2,815	32,800
Supplies	-	2,899	2,471	428	1,408
	<u>444,197</u>	<u>454,440</u>	<u>444,265</u>	<u>10,175</u>	<u>420,588</u>
Total Other Instructional	<u>3,306,992</u>	<u>3,395,286</u>	<u>3,110,274</u>	<u>285,012</u>	<u>3,118,902</u>
Community Service Programs:					
Salaries	29,432	32,913	32,399	514	31,610
Benefits	18,619	19,515	18,406	1,109	18,900
	<u>48,051</u>	<u>52,428</u>	<u>50,805</u>	<u>1,623</u>	<u>50,510</u>
Undistributed Expenditures:					
Student Support:					
Salaries	2,318,644	2,192,804	2,163,095	29,709	2,082,554
Benefits	997,110	978,028	947,767	30,261	930,154
Purchased services	25,000	65,700	64,023	1,677	25,574
Supplies	28,500	44,522	41,177	3,345	35,516
	<u>3,369,254</u>	<u>3,281,054</u>	<u>3,216,062</u>	<u>64,992</u>	<u>3,073,798</u>
Instructional Staff Support:					
Salaries	1,389,474	1,572,179	1,552,980	19,199	1,346,598
Benefits	535,750	597,787	580,595	17,192	529,520
Purchased services	177,000	100,808	75,148	25,660	68,505
Supplies	137,000	190,823	169,058	21,765	176,429
Other	25,540	19,470	3,480	15,990	2,745
	<u>2,264,764</u>	<u>2,481,067</u>	<u>2,381,261</u>	<u>99,806</u>	<u>2,123,797</u>
General Administration:					
Salaries	267,881	273,595	273,035	560	265,296
Benefits	89,213	98,155	96,461	1,694	94,430
Purchased services	127,500	130,320	125,120	5,200	164,946
Supplies	17,500	58,351	55,382	2,969	55,427
Other	36,500	55,024	28,034	26,990	20,256
	<u>538,594</u>	<u>615,445</u>	<u>578,032</u>	<u>37,413</u>	<u>600,355</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, 2019

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019 BUDGET		2019		2018
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>School Administration:</b>					
Salaries	\$ 2,539,419	\$ 2,563,445	\$ 2,562,087	\$ 1,358	\$ 2,436,527
Benefits	1,077,096	1,084,894	1,083,268	1,626	1,054,386
Purchased services	4,000	58,199	56,598	1,601	70,943
Supplies	194,197	140,102	83,617	56,485	51,601
Property	-	-	-	-	32,823
Other	119,216	334,188	7,463	326,725	1,357
	<u>3,933,928</u>	<u>4,180,828</u>	<u>3,793,033</u>	<u>387,795</u>	<u>3,647,637</u>
<b>Central Services:</b>					
Salaries	1,987,862	1,846,608	1,831,595	15,013	1,796,692
Benefits	882,958	874,890	817,421	57,469	810,912
Purchased services	1,060,100	989,332	908,221	81,111	1,162,849
Supplies	432,600	585,141	548,479	36,662	507,693
Property	25,250	20,299	19,801	498	-
Other	48,050	61,649	9,948	51,701	23,700
	<u>4,436,820</u>	<u>4,377,919</u>	<u>4,135,465</u>	<u>242,454</u>	<u>4,301,846</u>
<b>Operation and Maintenance:</b>					
Salaries	2,289,565	2,295,589	2,277,984	17,605	2,243,541
Benefits	1,229,033	1,234,627	1,221,495	13,132	1,191,850
Purchased services	1,265,000	2,214,191	2,136,591	77,600	2,081,306
Supplies	1,646,500	881,631	879,978	1,653	923,546
Property	-	-	-	-	122,683
Other	25,000	2,599	1,424	1,175	1,289
	<u>6,455,098</u>	<u>6,628,637</u>	<u>6,517,472</u>	<u>111,165</u>	<u>6,564,215</u>
<b>Student Transportation:</b>					
Salaries	860,210	814,187	810,903	3,284	805,266
Benefits	563,247	559,881	497,846	62,035	515,471
Purchased services	20,000	92,800	67,668	25,132	58,898
Supplies	392,650	375,150	311,359	63,791	323,599
Property	135,000	270,000	207,654	62,346	18,078
Other	12,350	17,350	373	16,977	1,430
	<u>1,983,457</u>	<u>2,129,368</u>	<u>1,895,803</u>	<u>233,565</u>	<u>1,722,742</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, 2019

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019 BUDGET		2019		2018
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Other Support:					
Salaries	\$ 51,414	\$ 86,913	\$ 51,688	\$ 35,225	\$ 49,320
Benefits	25,188	53,037	25,411	27,626	24,538
Other	-	2,000	1,621	379	1,209
	<u>76,602</u>	<u>141,950</u>	<u>78,720</u>	<u>63,230</u>	<u>75,067</u>
Total Undistributed Expenditures	23,058,517	23,836,268	22,595,848	1,240,420	22,109,457
Contingency	<u>1,000,000</u>	<u>674,880</u>	<u>-</u>	<u>674,880</u>	<u>-</u>
Total Expenditures	<u>60,225,277</u>	<u>61,318,032</u>	<u>58,681,283</u>	<u>2,636,749</u>	<u>56,887,197</u>
Revenues Over Expenditures	<u>4,908,458</u>	<u>3,989,331</u>	<u>6,627,918</u>	<u>2,638,587</u>	<u>7,173,868</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Sales of fixed assets	5,000	5,000	17,435	12,435	12,093
Transfers (to) other funds	<u>(8,091,810)</u>	<u>(8,835,624)</u>	<u>(8,676,859)</u>	<u>158,765</u>	<u>(7,224,284)</u>
	<u>(8,086,810)</u>	<u>(8,830,624)</u>	<u>(8,659,424)</u>	<u>171,200</u>	<u>(7,212,191)</u>
Net Change in Fund Balance	(3,178,352)	(4,841,293)	(2,031,506)	2,809,787	(38,323)
<b>FUND BALANCE, July 1</b>	<u>12,769,296</u>	<u>16,213,583</u>	<u>16,213,583</u>	<u>-</u>	<u>16,251,906</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 9,590,944</u>	<u>\$ 11,372,290</u>	<u>\$ 14,182,077</u>	<u>\$ 2,809,787</u>	<u>\$ 16,213,583</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, 2019

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019 BUDGET		2019		2018
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Federal Sources - grants	\$ 5,611,023	\$ 6,448,097	\$ 5,593,094	\$ (855,003)	\$ 5,549,542
<b>EXPENDITURES</b>					
Regular Programs:					
Instruction:					
Salaries	760,000	779,704	764,136	15,568	727,893
Benefits	350,000	357,855	341,861	15,994	326,882
Purchased services	50,000	72,420	67,587	4,833	46,753
Supplies	100,000	346,440	291,277	55,163	488,295
Other	200,000	-	-	-	-
	1,460,000	1,556,419	1,464,861	91,558	1,589,823
Other Direct Support:					
Salaries	225,000	173,357	150,392	22,965	204,040
Benefits	110,000	78,801	67,439	11,362	92,846
Purchased services	35,000	-	-	-	32,015
Supplies	100,000	-	-	-	-
	470,000	252,158	217,831	34,327	328,901
Total Regular Programs	1,930,000	1,808,577	1,682,692	125,885	1,918,724
Special Programs:					
Instruction:					
Salaries	1,209,160	804,291	708,424	95,867	667,179
Benefits	550,000	519,115	419,240	99,875	411,544
Purchased services	280,978	85,430	65,557	19,873	-
Supplies	-	23,000	20,821	2,179	-
	2,040,138	1,431,836	1,214,042	217,794	1,078,723
Other Direct Support:					
Salaries	125,450	28,592	37,208	(8,616)	103,933
Benefits	65,000	28,706	36,808	(8,102)	50,313
Purchased services	-	609,021	423,785	185,236	271,723
Supplies	100,000	98,440	60,683	37,757	82,473
Other	-	55,328	27,778	27,550	54,146
	290,450	820,087	586,262	233,825	562,588
Total Special Programs	2,330,588	2,251,923	1,800,304	451,619	1,641,311

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, 2019

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019 BUDGET		2019		2018
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Vocational Programs:					
Instruction:					
Salaries	\$ 7,500	\$ 16,980	\$ 16,980	\$ -	\$ -
Benefits	2,500	354	354	-	-
Purchased services	10,000	15,000	15,000	-	15,000
Supplies	5,950	8,406	8,406	-	8,026
Property	5,000	-	-	-	5,000
	<u>30,950</u>	<u>40,740</u>	<u>40,740</u>	<u>-</u>	<u>28,026</u>
Other Direct Support:					
Salaries	32,000	36,444	36,279	165	31,405
Benefits	7,000	15,661	15,034	627	11,042
Purchased services	68,315	-	-	-	75,471
Supplies	670	-	-	-	885
Other	-	2,400	2,400	-	1,750
	<u>107,985</u>	<u>54,505</u>	<u>53,713</u>	<u>792</u>	<u>120,553</u>
Total Vocational Programs	<u>138,935</u>	<u>95,245</u>	<u>94,453</u>	<u>792</u>	<u>148,579</u>
Other Instructional Programs:					
Instruction:					
Salaries	98,000	106,347	90,756	15,591	90,809
Benefits	70,000	62,961	57,792	5,169	59,828
Purchased services	10,000	-	-	-	3,000
Supplies	5,000	28,928	21,603	7,325	6,734
Property	4,000	-	-	-	-
Other	500	165	160	5	-
	<u>187,500</u>	<u>198,401</u>	<u>170,311</u>	<u>28,090</u>	<u>160,371</u>
Other Direct Support:					
Salaries	75,000	71,000	54,465	16,535	74,964
Benefits	-	10,172	10,049	123	11,834
Purchased services	-	37,080	36,542	538	4,400
Supplies	-	40,290	33,820	6,470	2,249
Other	-	-	-	-	195
	<u>75,000</u>	<u>158,542</u>	<u>134,876</u>	<u>23,666</u>	<u>93,642</u>
Total Other Instructional Programs	<u>262,500</u>	<u>356,943</u>	<u>305,187</u>	<u>51,756</u>	<u>254,013</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, 2019

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019 BUDGET		2019		2018
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Community Service Programs:					
Salaries	\$ 23,000	\$ 25,204	\$ 24,682	\$ 522	\$ 24,235
Benefits	17,500	16,500	16,169	331	16,566
	<u>40,500</u>	<u>41,704</u>	<u>40,851</u>	<u>853</u>	<u>40,801</u>
Undistributed Expenditures:					
Student Support:					
Salaries	190,000	290,510	232,421	58,089	176,730
Benefits	107,000	124,527	113,699	10,828	95,589
Purchased services	150,000	211,613	194,646	16,967	146,365
Supplies	5,000	52,616	48,481	4,135	55,872
	<u>452,000</u>	<u>679,266</u>	<u>589,247</u>	<u>90,019</u>	<u>474,556</u>
Instructional Staff Support:					
Salaries	150,000	220,641	202,759	17,882	225,157
Benefits	40,000	83,946	80,169	3,777	90,443
Purchased services	150,000	221,206	192,929	28,277	177,372
Supplies	30,000	15,364	13,044	2,320	36,024
Other	-	200	115	85	115
	<u>370,000</u>	<u>541,357</u>	<u>489,016</u>	<u>52,341</u>	<u>529,111</u>
Community Service:					
Salaries	-	54,506	43,158	11,348	30,983
Benefits	-	35,204	27,857	7,347	19,605
Purchased services	-	48,391	48,000	391	58,000
Supplies	-	-	-	-	1,161
	<u>-</u>	<u>138,101</u>	<u>119,015</u>	<u>19,086</u>	<u>109,749</u>
Central Services:					
Salaries	-	31,820	31,804	16	47,010
Benefits	-	14,913	14,864	49	14,086
Purchased services	-	-	-	-	158
Supplies	-	4,987	3,532	1,455	2,451
	<u>-</u>	<u>51,720</u>	<u>50,200</u>	<u>1,520</u>	<u>63,705</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, 2019

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019 BUDGET		2019		2018
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Student Transportation:					
Purchased services	\$ 86,500	\$ 84,617	\$ 76,483	\$ 8,134	\$ 74,843
Other Support:					
Other	-	393,644	340,646	52,998	278,465
Nutrition Services:					
Property	-	5,000	5,000	-	15,685
Total Undistributed Expenditures	908,500	1,893,705	1,669,607	224,098	1,546,114
Total Expenditures	5,611,023	6,448,097	5,593,094	855,003	5,549,542
Net Change in Fund Balance	-	-	-	-	-
<b>FUND BALANCE, July 1</b>	-	-	-	-	-
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2019

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019 BUDGET		2019		2018
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
State Sources:					
State appropriation	\$ 4,179,797	\$ 4,175,263	\$ 4,192,044	\$ 16,781	\$ 4,002,665
<b>EXPENDITURES</b>					
Special Programs:					
Instruction:					
Salaries	4,923,848	5,298,470	5,215,819	82,651	4,635,658
Benefits	2,657,358	2,859,040	2,722,994	136,046	2,486,349
Purchased services	15,000	5,840	5,572	268	4,310
Supplies	25,000	10,800	9,215	1,585	2,226
	<u>7,621,206</u>	<u>8,174,150</u>	<u>7,953,600</u>	<u>220,550</u>	<u>7,128,543</u>
Other Direct Support:					
Salaries	1,521,444	1,580,159	1,529,157	51,002	1,403,183
Benefits	679,648	704,385	681,231	23,154	643,629
Purchased services	950,000	1,604,935	1,180,354	424,581	1,103,809
Supplies	25,000	58,803	57,263	1,540	49,432
Other	-	125	125	-	1,192
	<u>3,176,092</u>	<u>3,948,407</u>	<u>3,448,130</u>	<u>500,277</u>	<u>3,201,245</u>
Student Transportation:					
Salaries	396,993	413,915	394,729	19,186	376,476
Benefits	318,015	302,171	281,049	21,122	274,618
Purchased services	20,000	17,897	9,225	8,672	-
	<u>735,008</u>	<u>733,983</u>	<u>685,003</u>	<u>48,980</u>	<u>651,094</u>
Total Expenditures	<u>11,532,306</u>	<u>12,856,540</u>	<u>12,086,733</u>	<u>769,807</u>	<u>10,980,882</u>
Revenues Over (Under) Expenditures	(7,352,509)	(8,681,277)	(7,894,689)	753,026	(6,978,217)
<b>OTHER FINANCING SOURCES</b>					
Transfers from other funds	<u>7,150,000</u>	<u>8,000,000</u>	<u>7,894,689</u>	<u>(105,311)</u>	<u>6,676,000</u>
Net Change in Fund Balance	(202,509)	(681,277)	-	647,715	(302,217)
<b>FUND BALANCE, July 1</b>	<u>399,539</u>	<u>848,907</u>	<u>848,907</u>	<u>-</u>	<u>1,151,124</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 197,030</u>	<u>\$ 167,630</u>	<u>\$ 848,907</u>	<u>\$ 647,715</u>	<u>\$ 848,907</u>

See accompanying notes.

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# CARSON CITY SCHOOL DISTRICT

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PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
JUNE 30, 2019

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)

	<b>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS</b>	
	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash and investments	\$ 5,150,743	\$ 5,578,348
Accounts receivable	-	269
Prepaid expenses	-	35,557
Total Assets	<u>5,150,743</u>	<u>5,614,174</u>
<b>LIABILITIES</b>		
Accounts payable	<u>152,609</u>	<u>163,654</u>
<b>NET POSITION</b>		
Unrestricted	<u>\$ 4,998,134</u>	<u>\$ 5,450,520</u>

See accompanying notes.

# CARSON CITY SCHOOL DISTRICT

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PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET POSITION  
YEAR ENDED JUNE 30, 2019

*(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2018)*

	<b>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS</b>	
	<b>2019</b>	<b>2018</b>
<b>OPERATING REVENUES</b>		
Charges for services	\$ 1,419,478	\$ 1,354,389
<b>OPERATING EXPENSES</b>		
Salaries	50,365	52,013
Benefits	1,320,178	1,293,056
Purchased services	501,321	408,338
Other	-	500
	<u>1,871,864</u>	<u>1,753,907</u>
Change in Net Position	(452,386)	(399,518)
<b>NET POSITION, July 1</b>	<u>5,450,520</u>	<u>5,850,038</u>
<b>NET POSITION, June 30</b>	<u><u>\$ 4,998,134</u></u>	<u><u>\$ 5,450,520</u></u>

*See accompanying notes.*

# CARSON CITY SCHOOL DISTRICT

## PROPRIETARY FUNDS STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2019

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2018)

	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS	
	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received for services	\$ 1,419,747	\$ 1,354,168
Cash paid for salaries and benefits	(71,796)	(99,026)
Cash paid for claims and related	(1,926,493)	(1,564,825)
Net cash provided (used) by operating activities	(578,542)	(309,683)
Net Increase (Decrease) in Cash	(578,542)	(309,683)
<b>CASH AND INVESTMENTS, July 1</b>	<u>5,578,348</u>	<u>5,888,031</u>
<b>CASH AND INVESTMENTS, June 30</b>	<u><u>\$ 4,999,806</u></u>	<u><u>\$ 5,578,348</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATIONS</b>		
Operating income (loss)	<u>\$ (452,386)</u>	<u>\$ (399,518)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operations:		
Change in assets and liabilities:		
Receivables	269	(221)
Prepaid expenses	35,557	(35,557)
Accounts payable	(162,982)	155,209
Accrued liabilities	-	(29,596)
Total Adjustments	<u>(127,156)</u>	<u>89,835</u>
Net cash provided (used) by operations	<u><u>\$ (579,542)</u></u>	<u><u>\$ (309,683)</u></u>

See accompanying notes.

# CARSON CITY SCHOOL DISTRICT

## FIDUCIARY FUNDS

JUNE 30, 2019

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)

### STATEMENT OF FIDUCIARY NET POSITION

	PRIVATE-PURPOSE		TOTALS	
	TRUST FUND SPECIAL PAY PLAN	AGENCY FUNDS	FIDUCIARY FUNDS	
			2019	2018
<b>ASSETS</b>				
Cash and investments	\$ 1,756,691	\$ 812,968	\$ 2,569,659	\$ 2,638,170
<b>LIABILITIES</b>				
Due to student groups and others	-	812,968	812,968	789,869
Held for compensated absences	1,756,691	-	1,756,691	1,848,301
Total Liabilities	1,756,691	812,968	2,569,659	2,638,170
<b>NET POSITION</b>				
Unrestricted	\$ -	\$ -	\$ -	\$ -

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

	SPECIAL PAY PLAN FIDUCIARY FUND	
	2019	2018
<b>ADDITIONS</b>		
Earnings on investments	\$ 51,988	\$ 58,404
<b>DEDUCTIONS</b>		
Benefits	143,598	232,013
Change in compensated absences benefits	(91,610)	(173,609)
Total Deductions	51,988	58,404
Change in Net Position	-	-
<b>NET POSITION, July 1,</b>	-	-
<b>NET POSITION, June 30,</b>	\$ -	\$ -

See accompanying notes.

# CARSON CITY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

### 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

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

### **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

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

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

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

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

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

### **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

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

### *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

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

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

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

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 acquisition 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

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

### **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, 2019, 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

# CARSON CITY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

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.

# CARSON CITY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

*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.

# CARSON CITY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

### **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, 2018, 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.

### **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)

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 1<sup>st</sup> 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



# CARSON CITY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

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, 2019, the District had the following amounts reported as cash and investments:

District-Wide Balances:	
Pooled Cash	\$ 5,871,519
Investments	18,907,719
	<u>24,779,238</u>
Trust and Agency Funds:	
Student Activity Agency Funds Cash	812,968
Special Pay Plan Trust Fund	1,756,691
	<u>2,569,659</u>
Total Cash and Investments	<u>\$ 27,348,897</u>

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.

# CARSON CITY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

The District held bank balances totaling \$6,670,180 at June 30, 2019. 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, 2019, the District had the following investments, at fair value with a maturity date of less than one year:

Carson City Investment Pool	\$ 8,962,727
State of Nevada, Local Government Investment Pool	9,944,992
VALIC Guaranteed Fixed Deferred Annuity Contracts	<u>1,756,691</u>
Total Investments	<u>\$ 20,664,410</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."

**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.

# CARSON CITY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

### NOTE 6 – RECEIVABLES

The District's receivables in the governmental funds as of June 30, 2019 were as follows:

	Ad Valorem Taxes	Due from Other Governments	Interest	Other	Total Receivables
<b>Major Funds:</b>					
General Fund	\$ -	\$ 7,148,765	\$ 15,941	\$ 9,872	\$ 7,174,578
Federal Grants Fund	-	2,174,582	-	-	2,174,582
Special Education Fund	-	29,012	-	-	29,012
Debt Service Fund	47,889	-	-	-	47,889
Bond Issues Fund	-	-	1,748	-	1,748
<b>Non-Major Funds</b>	<b>-</b>	<b>3,012,583</b>	<b>-</b>	<b>6,708</b>	<b>3,019,291</b>
<b>Total Receivables</b>	<b>\$ 47,889</b>	<b>\$ 12,364,942</b>	<b>\$ 17,689</b>	<b>\$ 16,580</b>	<b>\$ 12,447,100</b>

### NOTE 7 – CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2019 is shown below:

	Balance July 1, 2018	Additions / Transfers	Deletions / Transfers	Balance June 30, 2019
<b>Nondepreciable Capital Assets</b>				
Land	\$ 430,282	\$ -	\$ -	\$ 430,282
Construction in progress	7,169,315	7,177,779	(6,785,833)	7,561,261
	<u>7,599,597</u>	<u>7,177,779</u>	<u>(6,785,833)</u>	<u>7,991,543</u>
<b>Depreciable Capital Assets</b>				
Buildings and improvements	159,576,545	12,119,102	-	171,695,647
Equipment and vehicles	10,798,393	340,812	(64,166)	11,075,039
	<u>170,374,938</u>	<u>12,459,914</u>	<u>(64,166)</u>	<u>182,770,686</u>
Less accumulated depreciation for:				
Buildings and improvements	77,221,367	4,084,248	-	81,305,615
Equipment and vehicles	7,197,965	297,042	(64,166)	7,430,841
	<u>84,419,332</u>	<u>4,381,290</u>	<u>(64,166)</u>	<u>88,736,456</u>
<b>Governmental Activities, Capital Assets, net</b>	<b>\$ 93,555,203</b>	<b>\$ 15,256,403</b>	<b>\$ (6,785,833)</b>	<b>\$ 102,025,773</b>

# CARSON CITY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

Depreciation expense was allocated to the following programs/functions:

Regular programs	\$ 33,736
School administration	8,310
Central services	115,760
Operation and maintenance	31,389
Student transportation	85,946
Nutrition services	11,182
Facilities	<u>4,094,967</u>
Total 2019 Depreciation	<u>\$ 4,381,290</u>

### NOTE 8 – GENERAL LONG-TERM OBLIGATIONS

As of June 30, 2019, 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, 2019
2010	08/04/10	12/01/20	2.75-5.00	\$ 10,705,000	\$ 2,940,000
2011A	02/23/11	06/01/31	3.00-5.00	16,000,000	745,000
2011B	07/07/11	06/01/31	2.00-5.00	10,000,000	1,015,000
2012	03/06/12	06/01/32	2.00-3.125	4,025,000	3,045,000
2014	12/09/14	06/01/27	3.00-4.00	8,530,000	8,380,000
2016	07/28/16	06/01/31	2.00-3.00	9,560,000	8,610,000
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	<u>12,768,000</u>
					<u>\$ 52,503,000</u>

#### 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, 2019 was \$5,059,000.

# CARSON CITY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

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	
2020	\$ 4,440,000	\$ 2,801,314	\$ 7,241,314
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	4,165,000	1,319,675	5,484,675
2025 - 2029	20,385,000	4,565,452	24,950,452
2030 - 2034	11,884,000	1,822,769	13,706,769
2035 - 2037	4,097,000	308,010	4,405,010
Total	<u>\$ 57,562,000</u>	<u>\$ 15,600,487</u>	<u>\$ 73,162,487</u>

Changes in the District's long-term debt during the year ended June 30, 2019 are as follows:

	Balance June 30, 2018	Additions of New Debt	Retirements, Repayments and Reductions	Balance June 30, 2019	Due Within One Year
General Obligation					
Bonds	\$ 56,574,000	\$ -	\$ (4,071,000)	\$ 52,503,000	\$ 4,288,000
Installment note	5,195,000	-	(136,000)	5,059,000	152,000
Deferred amounts for issuance premiums	3,288,453	-	(359,767)	2,928,686	359,767
Compensated absences	1,386,618	137,387	-	1,524,005	-
	<u>\$ 66,444,071</u>	<u>\$ 137,387</u>	<u>\$ (4,566,767)</u>	<u>\$ 62,014,691</u>	<u>\$ 4,799,767</u>

Total interest expense on general long-term obligations for the year ended June 30, 2019 was \$1,881,894.

As of June 30, 2019, the most current assessed valuation of taxable property, excluding motor vehicles, as defined by NRS 387.400 was \$1,649,185,408. The District's limit of bonded indebtedness is 15% of the aforementioned assessed value, or \$247,377,811. The District had \$52,503,000 in general obligation debt, leaving \$194,874,811 in potential additional capacity, which may be subject to other limiting factors.

# CARSON CITY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

### 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

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

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 \$6,550,479 and \$6,159,229 for the years ended June 30, 2019 and 2018, respectively.

### 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, 2018:

<u>Investment Category</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic Stocks	42%	5.50%
Private Markets	10%	6.80%
International Stocks	18%	5.75%
U.S. Bonds	<u>30%</u>	0.25%
Total	<u>100%</u>	

# CARSON CITY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

### Net Pension Liability

At June 30, 2019, the District reported a liability of \$89,707,601 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions in the PERS pension plan relative to the total contributions of all participating reporting units and members. At June 30, 2018, the District's proportion of the regular plan was .65779%, which was an increase of .01233% from its proportion measured as of June 30, 2017.

### 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	\$ 136,800,470	\$ 89,707,607	\$ 50,576,180

### 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, 2018, 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:



# CARSON CITY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

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, 2018 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, 2019, the District recognized pension expense of \$6,121,772. As of June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

# CARSON CITY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,810,288	\$ 4,163,973
Changes in assumptions	4,727,023	
Net difference between projected and actual earnings on pension plan assets	-	427,096
Changes in proportion and differences between the District's contributions and proportionate share of contributions	2,045,206	1,826,163
The District's contributions subsequent to the measurement date	6,550,479	-
	<u>\$ 16,132,996</u>	<u>\$ 6,417,232</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
2020	\$ 2,205,969
2021	587,530
2022	(1,512,339)
2023	818,471
2024	938,408
Thereafter	127,247
	<u>\$ 3,165,285</u>

# CARSON CITY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

### 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, 2019 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 8,676,859
Special Revenue Funds:		
Special Education Fund	7,894,689	-
Nutrition Services Fund	216,198	-
Class Size Reduction	274,122	-
Debt Service Fund	291,850	-
	<u>\$ 8,676,859</u>	<u>\$ 8,676,859</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, 2019 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Governmental Funds:		
General Fund	\$ 3,381,481	\$ -
Federal Grants Fund	-	1,297,726
Nonmajor Governmental Fund:		
Adult Education Fund	-	45,022
Adult Education - Correctional Fund	-	329,090
Capital Projects Fund	-	199,557
State Grants Fund	-	1,510,086
	<u>\$ 3,381,481</u>	<u>\$ 3,381,481</u>

# CARSON CITY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

### 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](http://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, 2019, \$3.8 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 \$824,314 during the year on behalf of 341 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 insured group, the District incurs the cost of an implicit premium subsidy. A separate report has not been

# CARSON CITY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

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 908 active plan members and 37 retirees as of June 30, 2018, the date of the latest actuarial valuation. The District contributed \$164,810 on their behalf during the year ended June 30, 2019.

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, 2018, 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, 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:

	District	PEBP
Inflation	2.75%	2.75%
Salary increases	4%	N/A
Discount rate		
As of June 30, 2018	2.98%	2.98%
As of June 30, 2017	3.13%	3.13%
Healthcare inflation		
Pre-Medicare	6% down to 5%	6% down to 5%
Post-Medicare	4.50%	4.50%

Mortality rates used were those based on the June 30, 2017 report of Nevada PERS and were adjusted by applying the MacLeod Watts Scale 2018 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 or 1% higher.

# CARSON CITY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

<u>Net OPEB Liability</u>	<u>1% Decrease in Discount Rate to 1.98%</u>	<u>Current Discount Rate 2.98%</u>	<u>1% Increase in Discount Rate to 3.98%</u>
District	\$ 4,777,637	\$ 4,208,713	\$ 3,745,041
PEBP	<u>13,951,283</u>	<u>12,469,684</u>	<u>11,232,469</u>
	<u>\$ 18,728,920</u>	<u>\$ 16,678,397</u>	<u>\$ 14,977,510</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	\$ 3,034,006	\$ 4,208,713	\$ 6,088,947
PEBP	<u>11,287,828</u>	<u>12,469,684</u>	<u>13,851,988</u>
	<u>\$ 14,321,834</u>	<u>\$ 16,678,397</u>	<u>\$ 19,940,935</u>

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

For the year ended June 30, 2019, the District recognized OPEB expense of \$451,838 for the District Plan and \$716,857 for PEBP. As of June 30, 2019, the District reported deferred inflows of \$2,171,079 and \$-0- for the District Plan and PEBP, respectively, and deferred outflows of \$164,610 for the District Plan and \$824,314 for PEBP.

### Change in Net OPEB Liability

The following table depicts the District's changes in the net OPEB liability for the year ended June 30, 2019:

# CARSON CITY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

	<u>District</u>	<u>PEBP</u>	<u>Combined</u>
Balance, July 1, 2018	\$ 5,780,384	\$12,616,990	\$ 18,397,374
Changes for the Year:			
Service cost	501,369	-	501,369
Interest cost	193,788	381,392	575,180
Changes of assumptions	(506,176)	969,146	462,970
Benefit terms	-	116,295	116,295
Plan experience	(1,579,758)	(750,246)	(2,330,004)
Benefit payments	<u>(180,894)</u>	<u>(863,893)</u>	<u>(1,044,787)</u>
Net Changes	<u>(1,571,671)</u>	<u>(147,306)</u>	<u>(1,718,977)</u>
Balance, June 30, 2019	<u>\$ 4,208,713</u>	<u>\$12,469,684</u>	<u>\$ 16,678,397</u>

### 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.

# CARSON CITY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

### 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.

#### Construction Projects

The District issued a \$15 million School Improvement Bond in February 2017 (2017 Bond). 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 District made no other commitments by the end of June 2019 and all 2017 Bond projects were completed by August 2019. The District will be selling a bond (or multiple bonds) in December 2019, the proceeds of which will be used to continue adding capacity and otherwise improve/update District facilities. (See also Note 16.)



# CARSON CITY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

### NOTE 14 – FUND BALANCES

A summary of the District's fund balances as of June 30, 2019 is as follows:

	Major Funds				Nonmajor Gov't Funds	Total Governmental Funds
	General Fund	Special Education Fund	Debt Service Fund	Bond Issues Fund		
Nonspendable:						
Inventories / prepaids	\$ 137,031	\$ -	\$ -	\$ -	\$ 62,602	\$ 199,633
Restricted:						
Debt service	-	-	3,851,628	-	-	3,851,628
Gift and grants	-	-	-	-	164,130	164,130
Capital projects	-	-	-	2,900,641	284,619	3,185,260
Assigned:						
Education services	-	848,907	-	-	404,381	1,253,288
Nutrition services	-	-	-	-	144,094	144,094
Subsequent year's budget	2,935,385	-	-	-	-	2,935,385
Unassigned	11,109,661	-	-	-	-	11,109,661
<b>Total Fund Balances</b>	<b>\$14,182,077</b>	<b>\$ 848,907</b>	<b>\$3,851,628</b>	<b>\$ 2,900,641</b>	<b>\$1,059,826</b>	<b>\$ 22,843,079</b>

### NOTE 15 – 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.

# CARSON CITY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

### NOTE 16 – SUBSEQUENT EVENTS

A general obligation bond sale in the amount of \$11 million is currently scheduled for December 5, 2019. The bond will provide funds for the expansion of Eagle Valley Middle School, replacing turf at the Carson High School football field, and improvements at the District office.

# 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				
	2018	2017	2016	2015	2014
District's proportion of the Net Pension Liability	0.65779%	0.64546%	0.66574%	0.65793%	0.65526%
District's proportionate share of the Net Pension Liability	\$ 89,707,601	\$ 85,844,630	\$ 89,588,944	\$ 75,395,446	\$ 68,291,472
District's covered employee payroll	\$ 46,644,361	\$ 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	192.32%	195.13%	215.53%	186.40%	167.86%
Plan fiduciary net position as a percentage of the Total Pension Liability	75.23%	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				
	2019	2018 <i>(As Restated)</i>	2017	2016 <i>(As Previously Reported)</i>	2015
Statutorily required contribution	\$ 6,550,479	\$ 6,159,229	\$ 5,644,459	\$ 11,325,210	\$ 10,475,949
Contributions in relation to the statutorily required contribution	<u>\$ 6,550,479</u>	<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>	<u>-</u>
District's covered employee payroll	\$ 46,644,361	\$ 43,994,508	\$ 41,567,714	\$ 40,447,450	\$ 40,683,297
Contributions as a percentage of covered employee payroll	14.04%	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\*

	2019			2018		
	District	PEBP	Total	District	PEBP	Total
<b>Total OPEB Liability</b>						
Service cost	\$ 501,369	\$ -	\$ 501,369	\$ 531,158	\$ -	\$ 531,158
Interest	193,788	381,392	575,180	162,401	357,218	519,619
Changes in benefit terms	-	116,295	116,295	-	-	-
Differences between expected and actual experience	(1,579,758)	(750,246)	(2,330,004)	-	-	-
Changes in assumptions	(506,176)	969,146	462,970	(364,639)	(636,798)	(1,001,437)
Benefit payments	(180,894)	(863,893)	(1,044,787)	(154,226)	(864,935)	(1,019,161)
Net change in Total OPEB Liability	(1,571,671)	(147,306)	(1,718,977)	174,694	(1,144,515)	(969,821)
Total OPEB Liability, beginning	5,780,384	12,616,990	18,397,374	5,605,690	13,761,505	19,367,195
<b>Total OPEB Liability, ending</b>	<b>4,208,713</b>	<b>12,469,684</b>	<b>16,678,397</b>	<b>5,780,384</b>	<b>12,616,990</b>	<b>18,397,374</b>
<b>Plan Fiduciary Net Position</b>						
Plan Fiduciary Net Position, beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Plan Fiduciary Net Position, ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>District's Net OPEB Liability</b>	<b>\$ 4,208,713</b>	<b>\$ 12,469,684</b>	<b>\$ 16,678,397</b>	<b>\$ 5,780,384</b>	<b>\$ 12,616,990</b>	<b>\$ 18,397,374</b>
Covered payroll	\$ 43,594,295	N/A	N/A	\$ 41,120,937	N/A	N/A
District's Net OPEB Liability as a percentage of covered payroll	9.65%	N/A	N/A	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.

# CARSON CITY SCHOOL DISTRICT

## DEBT SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2019

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019 BUDGET		2019		2018
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local Sources:					
Ad valorem taxes	\$ 6,187,484	\$ 6,187,484	\$ 6,251,784	\$ 64,300	\$ 6,025,842
Earnings on investments	100,000	100,000	197,845	97,845	76,910
Other	-	-	36,128	36,128	7,390
Total Revenues	6,287,484	6,287,484	6,485,757	198,273	6,110,142
<b>EXPENDITURES</b>					
Debt Service:					
Principal	4,226,850	4,207,000	4,207,000	-	3,769,000
Interest	2,043,651	2,063,501	2,063,501	-	2,258,549
Total Expenditures	6,270,501	6,270,501	6,270,501	-	6,027,549
Revenues Over (Under) Expenditures	16,983	16,983	215,256	198,273	82,593
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from refunding bonds	-	-	-	-	14,303,000
Refunded bonds escrow agent	-	-	-	-	(14,303,000)
Transfers from other funds	291,850	291,850	291,850	-	118,525
Total Other Financing Sources (Uses)	291,850	291,850	291,850	-	118,525
Net Change in Fund Balance	308,833	308,833	507,106	198,273	201,118
<b>FUND BALANCE, July 1</b>	3,241,958	3,423,425	3,344,522	(78,903)	3,143,404
<b>FUND BALANCE, June 30</b>	\$ 3,550,791	\$ 3,732,258	\$ 3,851,628	\$ 119,370	\$ 3,344,522

# CARSON CITY SCHOOL DISTRICT

## BOND ISSUES FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2019

*(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)*

	2019 BUDGET		2019		2018
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local Sources:					
Earnings on investments	\$ -	\$ -	\$ 143,089	\$ 143,089	\$ 164,597
<b>EXPENDITURES</b>					
Undistributed Expenditures:					
Facilities Acquisition and Construction:					
Land and Land Improvements:					
Property	-	-	85,476	(85,476)	-
Building Improvement:					
Salaries	-	45,100	-	45,100	-
Benefits	-	18,520	-	18,520	-
Property	13,280,938	14,622,260	11,842,852	2,779,408	4,259,655
	<u>13,280,938</u>	<u>14,685,880</u>	<u>11,842,852</u>	<u>2,843,028</u>	<u>4,259,655</u>
Total Expenditures	<u>13,280,938</u>	<u>14,685,880</u>	<u>11,928,328</u>	<u>2,757,552</u>	<u>4,259,655</u>
Net Change in Fund Balance	(13,280,938)	(14,685,880)	(11,785,239)	(2,900,641)	(4,095,058)
<b>FUND BALANCE, July 1</b>	<u>13,280,938</u>	<u>14,685,880</u>	<u>14,685,880</u>	<u>-</u>	<u>18,780,938</u>
<b>FUND BALANCE, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,900,641</u>	<u>\$ (2,900,641)</u>	<u>\$ 14,685,880</u>

# CARSON CITY SCHOOL DISTRICT

## NONMAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET

JUNE 30, 2019

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)

Page 1 of 3

### SPECIAL REVENUE FUNDS

	SPECIAL REVENUE FUNDS				
	ADULT EDUCATION	ADULT EDUCATION CORRECTIONAL	NUTRITION SERVICES	GIFTS AND DONATIONS	CLASS SIZE REDUCTION
<b>ASSETS</b>					
Cash and investments	\$ -	\$ -	\$ 385,322	\$ 123,526	\$ 249,901
Receivables	110,036	391,922	44,107	-	-
Inventories	-	-	62,602	-	-
Prepaid expenditures	-	-	-	-	-
Total Assets	<u>\$ 110,036</u>	<u>\$ 391,922</u>	<u>\$ 492,031</u>	<u>\$ 123,526</u>	<u>\$ 249,901</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 171	\$ 8,431	\$ 181,235	\$ -	\$ -
Due to other governments	-	-	-	-	-
Accrued liabilities	13,331	53,762	104,100	-	249,901
Due to other funds	45,022	329,090	-	-	-
Unearned revenues	-	-	-	-	-
Total Liabilities	<u>58,524</u>	<u>391,283</u>	<u>285,335</u>	<u>-</u>	<u>249,901</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	62,602	-	-
Restricted	-	-	-	123,526	-
Assigned	<u>51,512</u>	<u>639</u>	<u>144,094</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>51,512</u>	<u>639</u>	<u>206,696</u>	<u>123,526</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 110,036</u>	<u>\$ 391,922</u>	<u>\$ 492,031</u>	<u>\$ 123,526</u>	<u>\$ 249,901</u>

See accompanying notes.



# CARSON CITY SCHOOL DISTRICT

## NONMAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET JUNE 30, 2019

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)

Page 2 of 3

### SPECIAL REVENUE FUNDS

	SUMMER SCHOOL PROGRAMS	NEW NEVADA PLAN	MEDICAID PROGRAM	LOCAL GRANTS	STATE GRANTS
<b>ASSETS</b>					
Cash and investments	\$ 90,526	\$ 1,011	\$ 302,886	\$ 35,257	\$ -
Receivables	1,360	-	-	5,347	1,979,957
Inventories	-	-	-	-	-
Prepaid expenditures	-	-	-	-	7,649
Total Assets	<u>\$ 91,886</u>	<u>\$ 1,011</u>	<u>\$ 302,886</u>	<u>\$ 40,604</u>	<u>\$ 1,987,606</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ 3,540	\$ -	\$ 212,313
Due to other governments	-	-	-	-	-
Accrued liabilities	38,552	1,011	-	-	265,207
Due to other funds	-	-	-	-	1,510,086
Unearned revenues	450	-	-	-	-
Total Liabilities	<u>39,002</u>	<u>1,011</u>	<u>3,540</u>	<u>-</u>	<u>1,987,606</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	40,604	-
Assigned	52,884	-	299,346	-	-
Total Fund Balances	<u>52,884</u>	<u>-</u>	<u>299,346</u>	<u>40,604</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 91,886</u>	<u>\$ 1,011</u>	<u>\$ 302,886</u>	<u>\$ 40,604</u>	<u>\$ 1,987,606</u>

See accompanying notes.

# CARSON CITY SCHOOL DISTRICT

## NONMAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET

JUNE 30, 2019

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)

Page 3 of 3

	SPECIAL REVENUE FUNDS TOTALS	CAPITAL PROJECTS	TOTAL NONMAJOR GOVERNMENTAL FUNDS	
			2019	2018
<b>ASSETS</b>				
Cash and investments	\$ 1,188,429	\$ -	\$ 1,188,429	\$ 1,627,080
Receivables	2,532,729	486,562	3,019,291	3,706,370
Inventories	62,602	-	62,602	58,492
Prepaid expenditures	7,649	-	7,649	1,845
Total Assets	<u>\$ 3,791,409</u>	<u>\$ 486,562</u>	<u>\$ 4,277,971</u>	<u>\$ 5,393,787</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 405,690	\$ 2,386	\$ 408,076	\$ 298,522
Due to other governments	-	-	-	16,147
Accrued liabilities	725,864	-	725,864	1,489,024
Due to other funds	1,884,198	199,557	2,083,755	2,247,054
Unearned revenues	450	-	450	186,240
Total Liabilities	<u>3,016,202</u>	<u>201,943</u>	<u>3,218,145</u>	<u>4,236,987</u>
<b>FUND BALANCES</b>				
Nonspendable	62,602	-	62,602	58,916
Restricted	164,130	284,619	448,749	649,608
Assigned	548,475	-	548,475	448,276
Total Fund Balances	<u>775,207</u>	<u>284,619</u>	<u>1,059,826</u>	<u>1,156,800</u>
Total Liabilities and Fund Balances	<u>\$ 3,791,409</u>	<u>\$ 486,562</u>	<u>\$ 4,277,971</u>	<u>\$ 5,393,787</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, 2019

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2018)

Page 1 of 3

	SPECIAL REVENUE FUNDS				
	ADULT				
	ADULT EDUCATION	EDUCATION CORRECTIONAL	NUTRITION SERVICES	GIFTS AND DONATIONS	CLASS SIZE REDUCTION
<b>REVENUES</b>					
Local sources	\$ 875	\$ -	\$ 473,475	\$ 181,242	\$ -
State sources	414,152	940,073	7,989	-	2,490,262
Federal sources	-	-	2,179,882	-	-
Total Revenues	415,027	940,073	2,661,346	181,242	2,490,262
<b>EXPENDITURES</b>					
Regular programs	-	-	-	9,249	2,764,384
Special programs	-	-	-	427	-
Vocational programs	-	-	-	3,661	-
Adult Education programs	418,297	940,073	-	-	-
Other Instructional programs	-	-	-	-	-
Community Services programs	-	-	-	-	-
Undistributed Expenditures:					
Student support	-	-	-	29,690	-
Instructional staff support	-	-	-	3,000	-
General administration	-	-	-	450	-
School administration	-	-	-	-	-
Central services	-	-	-	11,159	-
Operation and maintenance	-	-	-	80	-
Student transportation	-	-	-	-	-
Other support	-	-	-	-	-
Nutrition services	-	-	2,877,544	-	-
Facilities acquisition and construction	-	-	-	-	-
Total Expenditures	418,297	940,073	2,877,544	57,716	2,764,384
Revenues Over (Under)					
Expenditures	(3,270)	-	(216,198)	123,526	(274,122)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from (to) other funds	-	-	216,198	-	274,122
Net Change in Fund Balances	(3,270)	-	-	123,526	-
<b>FUND BALANCES, July 1</b>	54,782	639	206,696	-	-
<b>FUND BALANCES, June 30</b>	\$ 51,512	\$ 639	\$ 206,696	\$ 123,526	\$ -

See accompanying notes.

# CARSON CITY SCHOOL DISTRICT

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

YEAR ENDED JUNE 30, 2019

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2018)

Page 2 of 3

	SPECIAL REVENUE FUNDS				
	SUMMER AND REMEDICATION PROGRAMS	NEW NEVADA PLAN	MEDICAID PROGRAM	LOCAL GRANTS	STATE GRANTS
<b>REVENUES</b>					
Local sources	\$ 26,360	\$ -	\$ -	\$ 87,269	\$ -
State sources	-	39,789	-	-	5,310,612
Federal sources	-	-	416,447	-	-
Total Revenues	26,360	39,789	416,447	87,269	5,310,612
<b>EXPENDITURES</b>					
Regular programs	-	375	-	10,055	1,943,065
Special programs	-	-	277,971	6,701	412,699
Vocational programs	-	-	-	-	399,527
Adult Education programs	-	-	-	-	-
Other Instructional programs	57,681	39,414	-	-	992,350
Community Services programs	-	-	-	-	-
Undistributed Expenditures:					
Student support	-	-	-	20,208	1,067,809
Instructional staff support	-	-	-	9,701	321,085
General administration	-	-	-	-	-
School administration	-	-	-	-	-
Central services	-	-	-	-	121,388
Operation and maintenance	-	-	-	-	-
Student transportation	-	-	-	-	32,489
Other support	-	-	-	-	20,200
Nutrition services	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Total Expenditures	57,681	39,789	277,971	46,665	5,310,612
Revenues Over (Under) Expenditures	(31,321)	-	138,476	40,604	-
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from (to) other funds	-	-	-	-	-
Net Change in Fund Balances	(31,321)	-	138,476	40,604	-
<b>FUND BALANCES, July 1</b>	84,205	-	160,870	-	-
<b>FUND BALANCES, June 30</b>	\$ 52,884	\$ -	\$ 299,346	\$ 40,604	\$ -

See accompanying notes.

# CARSON CITY SCHOOL DISTRICT

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

YEAR ENDED JUNE 30, 2019

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2018)

Page 3 of 3

	SPECIAL		TOTAL	
	REVENUE	CAPITAL	NONMAJOR	
	FUNDS	PROJECTS	GOVERNMENTAL FUNDS	
	TOTALS		2019	2018
<b>REVENUES</b>				
Local sources	\$ 769,221	\$ 687,590	\$ 1,456,811	\$ 1,180,371
State sources	9,202,877	-	9,202,877	9,921,755
Federal sources	2,596,329	102,320	2,698,649	3,128,009
Total Revenues	12,568,427	789,910	13,358,337	14,230,135
<b>EXPENDITURES</b>				
Regular programs	4,727,128	-	4,727,128	5,751,216
Special programs	697,798	-	697,798	745,012
Vocational programs	403,188	-	403,188	464,782
Adult Education programs	1,358,370	-	1,358,370	1,332,060
Other Instructional programs	1,089,445	-	1,089,445	934,799
Community Services programs	-	-	-	-
Undistributed Expenditures:				
Student support	1,117,707	-	1,117,707	884,116
Instructional staff support	333,786	-	333,786	479,750
General administration	450	-	450	693
School administration	-	-	-	23,719
Central services	132,547	-	132,547	940,276
Operation and maintenance	80	-	80	7,066
Student transportation	32,489	-	32,489	55,030
Other support	20,200	-	20,200	23,138
Nutrition services	2,877,544	-	2,877,544	2,882,835
Facilities acquisition and construction	-	1,154,899	1,154,899	535,686
Total Expenditures	12,790,732	1,154,899	13,945,631	15,060,178
Revenues Over (Under)				
Expenditures	(222,305)	(364,989)	(587,294)	(830,043)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from (to) other funds	490,320	-	490,320	429,759
Net Change in Fund Balances	268,015	(364,989)	(96,974)	(400,284)
<b>FUND BALANCES, July 1</b>	507,192	649,608	1,156,800	1,557,084
<b>FUND BALANCES, June 30</b>	\$ 775,207	\$ 284,619	\$ 1,059,826	\$ 1,156,800

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, 2019

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019 BUDGET		2019		2018
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local Sources:					
Other	\$ 2,000	\$ 2,000	\$ 875	\$ (1,125)	\$ 1,990
State Sources:					
State funding	428,414	473,846	414,152	(59,694)	393,786
Total Revenues	430,414	475,846	415,027	(60,819)	395,776
<b>EXPENDITURES</b>					
Instruction:					
Salaries	130,000	130,000	133,777	(3,777)	165,427
Benefits	35,645	35,645	34,474	1,171	52,634
Purchased services	2,000	2,000	-	2,000	-
Supplies	44,677	36,709	16,450	20,259	11,544
Other	-	53,400	24,115	29,285	-
	212,322	257,754	208,816	48,938	229,605
Other Direct Support:					
Salaries	114,405	114,405	115,621	(1,216)	82,784
Benefits	57,187	57,187	54,785	2,402	40,901
Purchased services	32,600	33,100	36,270	(3,170)	35,901
Supplies	13,900	13,400	2,805	10,595	8,427
	218,092	218,092	209,481	8,611	168,013
Total Expenditures	430,414	475,846	418,297	57,549	397,618
Net Change in Fund Balance	-	-	(3,270)	(3,270)	(1,842)
<b>FUND BALANCE, July 1</b>	56,624	54,782	54,782	-	56,624
<b>FUND BALANCE, June 30</b>	\$ 56,624	\$ 54,782	\$ 51,512	\$ (3,270)	\$ 54,782

# CARSON CITY SCHOOL DISTRICT

## ADULT EDUCATION CORRECTIONAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2019

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019 BUDGET		2019		2018
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
State Sources:					
State funding	\$ 982,855	\$ 1,006,333	\$ 940,073	\$ (66,260)	\$ 935,081
<b>EXPENDITURES</b>					
Instruction:					
Salaries	503,760	435,464	419,306	16,158	452,240
Benefits	190,350	159,924	151,110	8,814	162,338
Purchased services	2,000	2,500	280	2,220	838
Supplies	37,000	94,000	68,149	25,851	42,667
Property	-	4,270	-	4,270	-
	<u>733,110</u>	<u>696,158</u>	<u>638,845</u>	<u>57,313</u>	<u>658,083</u>
Other Direct Support:					
Salaries	161,150	161,150	161,291	(141)	180,388
Benefits	69,010	69,010	68,207	803	78,749
Purchased services	19,000	31,000	25,247	5,753	16,552
Supplies	585	2,500	1,817	683	670
	<u>249,745</u>	<u>263,660</u>	<u>256,562</u>	<u>7,098</u>	<u>276,359</u>
Undistributed Expenditures:					
Building Improvements:					
Purchased services	-	46,515	44,666	1,849	-
Total Expenditures	<u>982,855</u>	<u>1,006,333</u>	<u>940,073</u>	<u>66,260</u>	<u>934,442</u>
Net Change in Fund Balance	-	-	-	-	639
<b>FUND BALANCE, July 1</b>	<u>-</u>	<u>639</u>	<u>639</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, June 30</b>	<u>\$ -</u>	<u>\$ 639</u>	<u>\$ 639</u>	<u>\$ -</u>	<u>\$ 639</u>

# CARSON CITY SCHOOL DISTRICT

## NUTRITION SERVICES FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2019

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019 BUDGET		2019		2018
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local Sources:					
Food sales	\$ 408,000	\$ 408,000	\$ 471,704	\$ 63,704	\$ 397,955
Other	53,000	103,000	1,771	(101,229)	37
Total Local Sources	461,000	511,000	473,475	(37,525)	397,992
State Sources:					
Special appropriations	9,000	9,000	7,989	(1,011)	8,237
Federal Sources:					
School Lunch Program	2,220,500	2,220,500	1,952,990	(267,510)	2,040,021
Commodity Foods	210,000	210,000	226,892	16,892	239,795
Total Federal Sources	2,430,500	2,430,500	2,179,882	(250,618)	2,279,816
Total Revenues	2,900,500	2,950,500	2,661,346	(289,154)	2,686,045
<b>EXPENDITURES</b>					
Salaries	988,246	1,018,246	919,361	98,885	943,827
Benefits	642,131	662,131	593,176	68,955	613,872
Purchased services	1,120,122	1,031,122	965,827	65,295	923,575
Supplies	400,000	488,785	398,964	89,821	401,397
Other	-	216	216	-	164
Total Expenditures	3,150,499	3,200,500	2,877,544	322,956	2,882,835
Revenues Over (Under)					
Expenditures	(249,999)	(250,000)	(216,198)	33,802	(196,790)
<b>OTHER FINANCING SOURCES</b>					
Transfers from other funds	249,999	249,999	216,198	(33,801)	196,799
Net Change in Fund Balance	-	(1)	-	1	9
<b>FUND BALANCE, July 1</b>	206,687	206,687	206,696	9	206,687
<b>FUND BALANCE, June 30</b>	\$ 206,687	\$ 206,686	\$ 206,696	\$ 10	\$ 206,696



# CARSON CITY SCHOOL DISTRICT

## GIFTS AND DONATIONS FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2019

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019 BUDGET		2019		2018
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local Sources:					
Donations	\$ 300,000	\$ 181,242	\$ 181,242	\$ -	\$ 60,528
<b>EXPENDITURES</b>					
Regular Programs:					
Instruction:					
Purchased services	4,100	3,700	2,249	1,451	3,710
Supplies	39,100	24,370	3,500	20,870	4,047
Other	-	4,750	3,500	1,250	7,250
	<u>43,200</u>	<u>32,820</u>	<u>9,249</u>	<u>23,571</u>	<u>15,007</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>32,820</u>	<u>9,249</u>	<u>23,571</u>	<u>15,007</u>
Special Programs:					
Other Direct Support:					
Purchased services	-	450	427	23	-
Supplies	-	7,138	-	7,138	-
Total Special Programs	<u>-</u>	<u>7,588</u>	<u>427</u>	<u>7,161</u>	<u>-</u>
Vocational Programs:					
Instruction:					
Purchased services	-	6,107	3,661	2,446	3,492
Supplies	-	-	-	-	3,200
Other Direct Support:					
Purchased services	-	889	-	889	-
Total Vocational Programs	<u>-</u>	<u>6,996</u>	<u>3,661</u>	<u>3,335</u>	<u>6,692</u>
Athletics:					
Supplies	-	507	-	507	-

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, 2019

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019 BUDGET		2019		2018
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Undistributed Expenditures:					
Student Support:					
Purchased services	\$ -	\$ 17,392	\$ 13,259	\$ 4,133	\$ 2,425
Supplies	-	60,487	16,431	44,056	11,457
	-	77,879	29,690	48,189	13,882
Instructional Staff Support:					
Purchased services	-	3,096	3,000	96	25
Supplies	-	-	-	-	1,944
	-	3,096	3,000	96	1,969
General Administration:					
Purchased services	-	132	75	57	-
Supplies	-	-	-	-	318
Other	-	375	375	-	375
	-	507	450	57	693
School Administration:					
Supplies	-	-	-	-	2,332
Property	-	-	-	-	12,887
	-	-	-	-	15,219
Central Services:					
Purchased services	-	47,905	11,159	36,746	-
Operation and Maintenance:					
Purchased services	500	-	-	-	6,450
Supplies	5,500	1,974	80	1,894	616
Property	500	-	-	-	-
	6,500	1,974	80	1,894	7,066
Student Transportation:					
Purchased services	250	900	-	900	-
Other Support:					
Supplies	550	1,070	-	1,070	-
Total Undistributed Expenditures	7,300	133,331	44,379	88,952	38,829

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, 2019

*(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)*

	<u>2019 BUDGET</u>		<u>2019</u>		<u>2018</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>ACTUAL</u>
Total Expenditures	\$ 300,000	\$ 181,242	\$ 57,716	\$ 123,526	\$ 60,528
Net Change in Fund Balance	-	-	123,526	123,526	-
<b>FUND BALANCE, July 1</b>	-	-	-	-	-
<b>FUND BALANCE, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 123,526</u>	<u>\$ 123,526</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, 2019

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019 BUDGET		2019		2018
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
State Sources:					
Special appropriations	\$ 2,466,689	\$ 2,490,263	\$ 2,490,262	\$ (1)	\$ 2,585,433
<b>EXPENDITURES</b>					
Regular Programs:					
Salaries	1,949,631	1,910,132	1,902,993	7,139	1,923,546
Benefits	917,019	873,906	861,391	12,515	894,847
Total Expenditures	2,866,650	2,784,038	2,764,384	19,654	2,818,393
Revenues Over (Under)					
Expenditures	(399,961)	(293,775)	(274,122)	19,653	(232,960)
<b>OTHER FINANCING SOURCES</b>					
Transfers from other funds	399,961	293,775	274,122	(19,653)	232,960
Net Change in Fund Balance	-	-	-	-	-
<b>FUND BALANCE, July 1</b>	-	-	-	-	-
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ -	\$ -	\$ -

# CARSON CITY SCHOOL DISTRICT

## SUMMER SCHOOL PROGRAMS FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2019

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019 BUDGET		2019		2018
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local Sources:					
Tuition	\$ 25,000	\$ 25,000	\$ 26,360	\$ 1,360	\$ 36,525
<b>EXPENDITURES</b>					
Other Instructional Programs:					
Salaries	38,000	54,000	53,629	371	34,975
Benefits	2,000	4,100	4,052	48	1,391
Supplies	25,000	6,900	-	6,900	11,031
Total Expenditures	65,000	65,000	57,681	7,319	47,397
Net Change in Fund Balances	(40,000)	(40,000)	(31,321)	8,679	(10,872)
<b>FUND BALANCE, July 1</b>	55,077	95,077	84,205	(10,872)	95,077
<b>FUND BALANCE, June 30</b>	\$ 15,077	\$ 55,077	\$ 52,884	\$ (2,193)	\$ 84,205

# 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, 2019

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019 BUDGET		2019		2018
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
State source - Special appropriations	\$ 40,800	\$ 40,800	\$ 39,789	\$ (1,011)	\$ 32,375
<b>EXPENDITURES</b>					
Regular Programs:					
Instruction:					
Salaries	25,255	1,173	375	798	-
Benefits	654	-	-	-	-
Supplies	5,470	-	-	-	-
	31,379	1,173	375	798	-
Other Direct Support:					
Salaries	3,309	-	-	-	-
Benefits	12	-	-	-	-
Purchased services	6,100	-	-	-	-
	9,421	-	-	-	-
Total Regular Programs	40,800	1,173	375	798	-
Other Instructional Programs:					
Instruction:					
Salaries	-	25,668	25,660	8	24,907
Benefits	-	1,806	1,722	84	1,313
Supplies	-	10,053	9,932	121	3,058
	-	37,527	37,314	213	29,278
Other Direct Support:					
Purchased services	-	2,100	2,100	-	-
Supplies	-	-	-	-	3,097
	-	2,100	2,100	-	3,097
Total Other Instructional	-	39,627	39,414	213	32,375
Total Expenditures	40,800	40,800	39,789	1,011	32,375
Net Change in Fund Balance	-	-	-	-	-
<b>FUND BALANCE, July 1</b>	-	-	-	-	-
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ -	\$ -	\$ -

# CARSON CITY SCHOOL DISTRICT

## MEDICAID PROGRAM FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2019

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019 BUDGET		2019		2018
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Federal Sources:					
Medicaid Program	\$ 400,000	\$ 400,000	\$ 416,447	\$ 16,447	\$ 313,456
<b>EXPENDITURES</b>					
Special Programs:					
Instruction:					
Benefits	-	-	-	-	427
Other Direct Support:					
Salaries	50,763	50,763	46,324	4,439	47,893
Benefits	25,165	25,165	22,679	2,486	24,206
Purchased services	200,000	277,500	208,968	68,532	394,548
Supplies	30,000	2,500	-	2,500	8,110
	305,928	355,928	277,971	77,957	474,757
Total Special Programs	305,928	355,928	277,971	77,957	475,184
Net Change in Fund Balance	94,072	44,072	138,476	94,404	(161,728)
<b>FUND BALANCE, July 1</b>	112,807	160,870	160,870	-	322,598
<b>FUND BALANCE, June 30</b>	\$ 206,879	\$ 204,942	\$ 299,346	\$ 94,404	\$ 160,870

# CARSON CITY SCHOOL DISTRICT

## LOCAL GRANTS FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2019

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019 BUDGET		2019		2018
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local Sources - other	\$ 126,976	\$ 87,269	\$ 87,269	\$ -	\$ 56,633
<b>EXPENDITURES</b>					
Regular Programs:					
Salaries	10,000	-	-	-	402
Benefits	500	-	82	(82)	33
Purchased services	7,000	40,908	9,973	30,935	-
Supplies	15,000	-	-	-	45,750
	<u>32,500</u>	<u>40,908</u>	<u>10,055</u>	<u>30,853</u>	<u>46,185</u>
Special Programs:					
Salaries	10,000	6,070	6,070	-	-
Benefits	1,000	631	631	-	-
Purchased services	1,000	-	-	-	-
Supplies	1,000	-	-	-	1,447
	<u>13,000</u>	<u>6,701</u>	<u>6,701</u>	<u>-</u>	<u>1,447</u>
Other Instructional Programs:					
Salaries	48,087	-	-	-	-
Benefits	24,369	-	-	-	-
	<u>72,456</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Undistributed Expenditures:					
Student Support:					
Salaries	750	904	904	-	711
Benefits	15	21	20	1	14
Purchased services	-	21,096	18,690	2,406	3,704
Supplies	5,000	6,571	594	5,977	1,763
Other	-	563	-	563	330
	<u>5,765</u>	<u>29,155</u>	<u>20,208</u>	<u>8,947</u>	<u>6,522</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, 2019

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019 BUDGET		2019		2018
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Undistributed Expenditures (Cont'd.):					
Instructional Staff Support:					
Salaries	\$ 250	\$ -	\$ -	\$ -	\$ 2,134
Benefits	5	-	-	-	45
Purchased services	-	10,505	9,701	804	-
Supplies	3,000	-	-	-	300
	3,255	10,505	9,701	804	2,479
 Total Undistributed Expenditures	9,020	39,660	29,909	9,751	9,001
 Total Expenditures	126,976	87,269	46,665	40,604	56,633
 Net Change in Fund Balance	-	-	40,604	40,604	-
 <b>FUND BALANCE, July 1</b>	-	-	-	-	-
 <b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ 40,604	\$ 40,604	\$ -

# CARSON CITY SCHOOL DISTRICT

## STATE GRANTS FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2019

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019 BUDGET		2019		2018
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
State Sources:					
State grants	\$ 6,385,500	\$ 5,420,885	\$ 5,310,612	\$ (110,273)	\$ 5,966,843
<b>EXPENDITURES</b>					
Regular Programs:					
Instruction					
Salaries	1,245,846	468,117	468,089	28	959,251
Benefits	587,016	243,953	243,567	386	436,034
Purchased services	333,500	238,214	238,214	-	273,813
Supplies	5,000	500,739	478,064	22,675	764,964
Other	-	11,077	8,120	2,957	-
	2,171,362	1,462,100	1,436,054	26,046	2,434,062
Other Direct Support:					
Salaries	254,042	353,239	353,115	124	300,360
Benefits	119,007	154,143	153,896	247	137,209
	373,049	507,382	507,011	371	437,569
Total Regular Programs	2,544,411	1,969,482	1,943,065	26,417	2,871,631
Special Programs:					
Instruction:					
Salaries	263,545	90,587	88,071	2,516	42,951
Benefits	92,111	16,169	18,685	(2,516)	2,220
Purchased services	74,000	4,725	4,725	-	4,350
Supplies	-	18,037	18,037	-	9,562
Other	-	431	431	-	411
	429,656	129,949	129,949	-	59,494
Other Direct Support:					
Salaries	357,111	108,358	108,358	-	60,034
Benefits	108,101	34,423	34,423	-	16,156
Purchased services	117,000	125,324	125,324	-	126,731
Supplies	-	14,645	14,645	-	5,847
Other	-	-	-	-	119
	582,212	282,750	282,750	-	208,887
Total Special Programs	1,011,868	412,699	412,699	-	268,381

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, 2019

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019 BUDGET		2019		2018
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Vocational Programs:					
Instruction:					
Salaries	\$ 201,564	\$ 11,307	\$ 10,500	\$ 807	\$ 50,913
Benefits	69,054	3,589	328	3,261	4,952
Purchased services	150,000	83,609	72,281	11,328	62,673
Supplies	1,374	173,572	169,936	3,636	216,709
Property	-	23,595	23,595	-	48,766
Other	-	4,800	4,800	-	-
	<u>421,992</u>	<u>300,472</u>	<u>281,440</u>	<u>19,032</u>	<u>384,013</u>
Other Direct Support:					
Salaries	184,358	22,439	22,356	83	8,566
Benefits	50,150	3,278	3,177	101	324
Purchased services	-	50,956	45,923	5,033	61,610
Supplies	-	43,884	43,631	253	3,577
Other	-	3,000	3,000	-	-
	<u>234,508</u>	<u>123,557</u>	<u>118,087</u>	<u>5,470</u>	<u>74,077</u>
Total Vocational Programs	<u>656,500</u>	<u>424,029</u>	<u>399,527</u>	<u>24,502</u>	<u>458,090</u>
Other Instructional Programs:					
Instruction:					
Salaries	98,464	397,688	397,688	-	533,854
Benefits	37,992	248,126	248,120	6	233,555
Purchased services	-	6,800	6,800	-	-
Supplies	235	144,562	144,562	-	47,452
	<u>136,691</u>	<u>797,176</u>	<u>797,170</u>	<u>6</u>	<u>814,861</u>
Other Direct Support:					
Salaries	-	78,146	86,969	(8,823)	35
Benefits	-	27,314	27,289	25	-
Purchased services	-	40,906	40,906	-	35,366
Supplies	-	40,016	40,016	-	4,765
	<u>-</u>	<u>186,382</u>	<u>195,180</u>	<u>(8,798)</u>	<u>40,166</u>
Total Other Instructional	<u>136,691</u>	<u>983,558</u>	<u>992,350</u>	<u>(8,792)</u>	<u>855,027</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, 2019

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019 BUDGET		2019		2018
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Undistributed Expenditures:					
Student Support:					
Salaries	\$ 83,046	\$ 548,535	\$ 548,279	\$ 256	\$ 141,452
Benefits	35,151	253,089	252,839	250	56,461
Purchased services	102,500	267,327	266,650	677	657,763
Supplies	3,000	118	41	77	8,036
	<u>223,697</u>	<u>1,069,069</u>	<u>1,067,809</u>	<u>1,260</u>	<u>863,712</u>
Instructional Staff Support:					
Salaries	231,032	177,514	162,425	15,089	192,267
Benefits	76,543	58,442	58,286	156	68,345
Purchased services	-	119,869	68,290	51,579	187,013
Supplies	-	32,146	32,084	62	27,677
	<u>307,575</u>	<u>387,971</u>	<u>321,085</u>	<u>66,886</u>	<u>475,302</u>
School Administration:					
Salaries	-	-	-	-	8,324
Benefits	-	-	-	-	176
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,500</u>
Central Services:					
Salaries	-	77,527	77,527	-	55,390
Benefits	-	43,861	43,861	-	32,642
	<u>-</u>	<u>121,388</u>	<u>121,388</u>	<u>-</u>	<u>88,032</u>
Student Transportation:					
Purchased services	25,000	32,489	32,489	-	55,030
Community Service:					
Salaries	-	11,352	11,352	-	12,794
Benefits	-	8,848	8,848	-	10,344
	<u>-</u>	<u>20,200</u>	<u>20,200</u>	<u>-</u>	<u>23,138</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, 2019

*(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)*

	2019 BUDGET		2019		2018
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Other Support:					
Salaries	\$ 690,012	\$ -	\$ -	\$ -	\$ -
Benefits	289,746	-	-	-	-
Purchased services	500,000	-	-	-	-
	1,479,758	-	-	-	-
Total Undistributed Expenditures	2,036,030	1,631,117	1,562,971	68,146	1,513,714
Total Expenditures	6,385,500	5,420,885	5,310,612	110,273	5,966,843
Net Change in Fund Balance	-	-	-	-	-
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

# CARSON CITY SCHOOL DISTRICT

## CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2019

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019 BUDGET		2019		2018
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local Sources:					
Governmental services tax	\$ 641,560	\$ 641,560	\$ 687,380	\$ 45,820	\$ 626,620
Other	-	-	210	210	83
	<u>641,560</u>	<u>641,560</u>	<u>687,590</u>	<u>46,030</u>	<u>626,703</u>
Federal Sources:					
Grants - restricted	-	-	102,320	102,320	534,737
Total Revenues	<u>641,560</u>	<u>641,560</u>	<u>789,910</u>	<u>148,350</u>	<u>1,161,440</u>
<b>EXPENDITURES</b>					
Undistributed Expenditures:					
Central Services:					
Property	-	-	-	-	852,244
Facilities Acquisition and Construction:					
Land and Land Improvements:					
Property	-	411,144	412,237	(1,093)	-
Site Improvements:					
Property	-	-	-	-	170,501
Building Improvements:					
Property	862,000	775,211	742,662	32,549	365,185
Total Expenditures	<u>862,000</u>	<u>1,186,355</u>	<u>1,154,899</u>	<u>31,456</u>	<u>1,387,930</u>
Net Change in Fund Balance	(220,440)	(544,795)	(364,989)	179,806	(226,490)
<b>FUND BALANCE, July 1</b>	<u>264,855</u>	<u>649,608</u>	<u>649,608</u>	<u>-</u>	<u>876,098</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 44,415</u>	<u>\$ 104,813</u>	<u>\$ 284,619</u>	<u>\$ 179,806</u>	<u>\$ 649,608</u>

# CARSON CITY SCHOOL DISTRICT

**PROPRIETARY FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
**JUNE 30, 2019**  
*(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)*

	UNEMPLOY- MENT INSURANCE FUND	HEALTH INSURANCE FUND	WORKERS' COMPENSATION INSURANCE FUND	TOTALS	
				GOVERNMENTAL INTERNAL SERVICE FUNDS 2019	ACTIVITIES INTERNAL SERVICE FUNDS 2018
<b>ASSETS</b>					
Cash and investments	\$ 448,950	\$ 3,802,375	\$ 899,418	\$ 5,150,743	\$ 5,578,348
Accounts receivable	-	-	-	-	269
Prepaid expenses	-	-	-	-	35,557
Total Assets	448,950	3,802,375	899,418	5,150,743	5,614,174
<b>LIABILITIES</b>					
Accounts payable	672	-	151,937	152,609	163,654
<b>NET POSITION</b>					
Unrestricted	\$ 448,278	\$ 3,802,375	\$ 747,481	\$ 4,998,134	\$ 5,450,520

*See accompanying notes.*

# CARSON CITY SCHOOL DISTRICT

**PROPRIETARY FUNDS**  
**COMBINING STATEMENT OF**  
**REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**YEAR ENDED JUNE 30, 2019**  
*(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2018)*

	UNEMPLOY- MENT INSURANCE FUND	HEALTH INSURANCE FUND	WORKERS' COMPENSATION INSURANCE FUND	TOTALS GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS	
				2019	2018
<b>OPERATING REVENUES</b>					
Charges for services	\$ 27,380	\$ 1,063,483	\$ 328,615	\$ 1,419,478	\$ 1,354,389
<b>OPERATING EXPENSES</b>					
Salaries	12,555	12,084	25,726	50,365	52,013
Benefits	4,851	1,304,624	10,703	1,320,178	1,293,056
Purchased services	10,678	-	490,643	501,321	408,338
Other	-	-	-	-	500
	<u>28,084</u>	<u>1,316,708</u>	<u>527,072</u>	<u>1,871,864</u>	<u>1,753,907</u>
Change in Net Position	(704)	(253,225)	(198,457)	(452,386)	(399,518)
<b>NET POSITION, July 1</b>	<u>448,982</u>	<u>4,055,600</u>	<u>945,938</u>	<u>5,450,520</u>	<u>5,850,038</u>
<b>NET POSITION, June 30</b>	<u>\$ 448,278</u>	<u>\$ 3,802,375</u>	<u>\$ 747,481</u>	<u>\$ 4,998,134</u>	<u>\$ 5,450,520</u>

*See accompanying notes.*



# CARSON CITY SCHOOL DISTRICT

## PROPRIETARY FUNDS COMBINING STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2019

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2018)

	UNEMPLOY-	HEALTH	WORKERS'	TOTALS	
	MENT	INSURANCE	COMPENSATION	GOVERNMENTAL ACTIVITIES	
	INSURANCE	INSURANCE	INSURANCE	INTERNAL SERVICE FUNDS	
	FUND	FUND	FUND	2019	2018
<b>CASH FROM OPERATING ACTIVITIES</b>					
Cash received for services	\$ 27,380	\$ 1,063,752	\$ 328,615	\$ 1,419,747	\$ 1,354,168
Cash paid for salaries and benefits	(17,406)	(17,961)	(36,429)	(71,796)	(99,026)
Cash paid for claims and related	(10,407)	(1,263,459)	(652,627)	(1,926,493)	(1,564,825)
Net cash provided (used) by operating activities	(433)	(217,668)	(360,441)	(578,542)	(309,683)
Net Increase (Decrease) in Cash	(433)	(217,668)	(360,441)	(578,542)	(309,683)
<b>CASH AND INVESTMENTS, July 1</b>	<u>449,383</u>	<u>4,020,043</u>	<u>1,108,922</u>	<u>5,578,348</u>	<u>5,888,031</u>
<b>CASH AND INVESTMENTS, June 30</b>	<u>\$ 448,950</u>	<u>\$ 3,802,375</u>	<u>\$ 748,481</u>	<u>\$ 4,999,806</u>	<u>\$ 5,578,348</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATIONS</b>					
Operating income (loss)	\$ (704)	\$ (253,225)	\$ (198,457)	\$ (452,386)	\$ (399,518)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Change in assets and liabilities:					
Receivables	-	269	-	269	(221)
Prepaid expenses	-	35,557	-	35,557	(35,557)
Accounts payable	271	(269)	(162,984)	(162,982)	155,209
Accrued liabilities	-	-	-	-	(29,596)
Total Adjustments	<u>271</u>	<u>35,557</u>	<u>(162,984)</u>	<u>(127,156)</u>	<u>89,835</u>
Net cash provided (used) by operations	<u>\$ (433)</u>	<u>\$ (217,668)</u>	<u>\$ (361,441)</u>	<u>\$ (579,542)</u>	<u>\$ (309,683)</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, 2019  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019 BUDGET		2019		2018
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>OPERATING REVENUES</b>					
Charges for services	\$ 24,704	\$ 24,704	\$ 27,380	\$ 2,676	\$ 21,377
<b>OPERATING EXPENSES</b>					
Salaries	11,054	11,108	12,555	(1,447)	10,893
Benefits	4,807	4,847	4,851	(4)	4,760
Purchased services	30,000	30,000	10,678	19,322	22,797
	45,861	45,955	28,084	17,871	38,450
Change in Net Position	(21,157)	(21,251)	(704)	20,547	(17,073)
<b>NET POSITION, July 1</b>	459,773	448,982	448,982	-	466,055
<b>NET POSITION, June 30</b>	\$ 438,616	\$ 427,731	\$ 448,278	\$ 20,547	\$ 448,982

# CARSON CITY SCHOOL DISTRICT

## UNEMPLOYMENT INSURANCE FUND SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2019

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019 BUDGET		2019		2018
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received for services	\$ 24,704	\$ 24,704	\$ 27,380	\$ 2,676	\$ 21,377
Cash paid for salaries and benefits	(15,861)	(15,955)	(17,406)	(1,451)	(15,653)
Cash paid for claims and related	(30,000)	(30,000)	(10,407)	19,593	(24,448)
Net cash provided (used) by operating activities	(21,157)	(21,251)	(433)	20,818	(18,724)
Net Increase (Decrease) in Cash	(21,157)	(21,251)	(433)	20,818	(18,724)
<b>CASH AND INVESTMENTS, July 1</b>	<u>461,825</u>	<u>449,383</u>	<u>449,383</u>	<u>-</u>	<u>468,107</u>
<b>CASH AND INVESTMENTS, June 30</b>	<u>\$ 440,668</u>	<u>\$ 428,132</u>	<u>\$ 448,950</u>	<u>\$ 20,818</u>	<u>\$ 449,383</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATIONS</b>					
Operating income (loss)	\$ (21,157)	\$ (21,251)	\$ (704)	\$ 20,547	\$ (17,073)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operations:					
Change in assets and liabilities:					
Accounts payable	-	-	271	271	(1,651)
Net cash provided (used) by operations	<u>\$ (21,157)</u>	<u>\$ (21,251)</u>	<u>\$ (433)</u>	<u>\$ 20,818</u>	<u>\$ (18,724)</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, 2019  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019 BUDGET		2019		2018
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>OPERATING REVENUES</b>					
Charges for services	\$ 973,299	\$ 973,299	\$ 1,063,483	\$ 90,184	\$ 923,326
<b>OPERATING EXPENSES</b>					
Salaries	13,487	12,920	12,084	836	12,066
Benefits	6,525	1,291,397	1,304,624	(13,227)	1,275,639
Purchased services	1,285,044	-	-	-	83
	1,305,056	1,304,317	1,316,708	(12,391)	1,287,788
Change in Net Position	(331,757)	(331,018)	(253,225)	77,793	(364,462)
<b>NET POSITION, July 1</b>	4,071,841	4,055,648	4,055,600	(48)	4,420,062
<b>NET POSITION, June 30</b>	\$ 3,740,084	\$ 3,724,630	\$ 3,802,375	\$ 77,745	\$ 4,055,600

# CARSON CITY SCHOOL DISTRICT

## HEALTH INSURANCE FUND SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2019

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019 BUDGET		2019		2018
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received for services	\$ 973,299	\$ 973,299	\$ 1,063,752	\$ 90,453	\$ 923,105
Cash paid for salaries and benefits	(20,012)	(19,314)	(17,961)	1,353	(12,066)
Cash paid for claims and related	(1,285,044)	(1,285,003)	(1,263,459)	21,544	(1,311,276)
Net cash provided (used) by operating activities	(331,757)	(331,018)	(217,668)	113,350	(400,237)
Net Increase (Decrease) in Cash	(331,757)	(331,018)	(217,668)	113,350	(400,237)
<b>CASH AND INVESTMENTS, July 1</b>	<u>4,072,059</u>	<u>4,020,043</u>	<u>4,020,043</u>	<u>-</u>	<u>4,420,280</u>
<b>CASH AND INVESTMENTS, June 30</b>	<u>\$ 3,740,302</u>	<u>\$ 3,689,025</u>	<u>\$ 3,802,375</u>	<u>\$ 113,350</u>	<u>\$ 4,020,043</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATIONS</b>					
Operating income (loss)	\$ (331,757)	\$ (331,018)	\$ (253,225)	\$ 77,793	\$ (364,462)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operations:					
Change in assets and liabilities:					
Receivables	-	-	269	269	(221)
Prepaid expenses	-	-	35,557	35,557	(35,557)
Accounts payable	-	-	(269)	(269)	3
Total Adjustments	-	-	35,557	35,557	(35,775)
Net cash provided (used) by operations	<u>\$ (331,757)</u>	<u>\$ (331,018)</u>	<u>\$ (217,668)</u>	<u>\$ 113,350</u>	<u>\$ (400,237)</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, 2019  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019 BUDGET		2019		2018
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>OPERATING REVENUES</b>					
Charges for services	\$ 296,440	\$ 296,440	\$ 328,615	\$ 32,175	\$ 409,686
<b>OPERATING EXPENSES</b>					
Salaries	29,910	30,057	25,726	4,331	29,054
Benefits	12,918	12,981	10,703	2,278	12,657
Purchased services	250,000	250,000	490,643	(240,643)	385,458
Other	-	-	-	-	500
	<u>292,828</u>	<u>293,038</u>	<u>527,072</u>	<u>(234,034)</u>	<u>427,669</u>
Change in Net Position	3,612	3,402	(198,457)	(201,859)	(17,983)
<b>NET POSITION, July 1</b>	<u>952,466</u>	<u>945,938</u>	<u>945,938</u>	<u>-</u>	<u>963,921</u>
<b>NET POSITION, June 30</b>	<u>\$ 956,078</u>	<u>\$ 949,340</u>	<u>\$ 747,481</u>	<u>\$ (201,859)</u>	<u>\$ 945,938</u>

# CARSON CITY SCHOOL DISTRICT

## WORKERS' COMPENSATION INSURANCE FUND SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2019

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019 BUDGET		2019		2018
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received for services	\$ 296,440	\$ 296,440	\$ 328,615	\$ 32,175	\$ 409,686
Cash paid for salaries and benefits	(42,828)	(43,038)	(36,429)	6,609	(71,307)
Cash paid for claims and related	(250,000)	(250,000)	(653,627)	(403,627)	(229,101)
Net cash provided (used) by operating activities	3,612	3,402	(361,441)	(364,843)	109,278
Net Increase (Decrease) in Cash	3,612	3,402	(361,441)	(364,843)	109,278
<b>CASH AND INVESTMENTS, July 1</b>	988,189	1,108,922	1,108,922	-	999,644
<b>CASH AND INVESTMENTS, June 30</b>	<u>\$ 991,801</u>	<u>\$ 1,112,324</u>	<u>\$ 747,481</u>	<u>\$ (364,843)</u>	<u>\$ 1,108,922</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATIONS</b>					
Operating income (loss)	\$ 3,612	\$ 3,402	\$ (198,457)	\$ (201,859)	\$ (17,983)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operations:					
Change in assets and liabilities:					
Accounts payable	-	-	(162,984)	(162,984)	156,857
Accrued liabilities	-	-	-	-	(29,596)
Total Adjustments	-	-	(162,984)	(162,984)	127,261
Net cash provided (used) by operations	<u>\$ 3,612</u>	<u>\$ 3,402</u>	<u>\$ (361,441)</u>	<u>\$ (364,843)</u>	<u>\$ 109,278</u>

# CARSON CITY SCHOOL DISTRICT

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
YEAR ENDED JUNE 30, 2019

	<b>BALANCE</b>	<b>ADDITIONS</b>	<b>DELETIONS</b>	<b>BALANCE</b>
	<b>JULY 1, 2018</b>			<b>JUNE 30, 2019</b>
<b>CARSON ELEMENTARY SCHOOLS STUDENT ACTIVITY FUNDS</b>				
Assets:				
Cash and investments	\$ 149,401	\$ 153,086	\$ 147,382	\$ 155,105
Liabilities:				
Due to student groups and others	\$ 149,401	\$ 153,086	\$ 147,382	\$ 155,105
 <b>CARSON MIDDLE SCHOOL STUDENT ACTIVITY FUND</b>				
Assets:				
Cash and investments	\$ 110,077	\$ 171,013	\$ 185,418	\$ 95,672
Liabilities:				
Due to student groups and others	\$ 110,077	\$ 171,013	\$ 185,418	\$ 95,672
 <b>EAGLE VALLEY MIDDLE SCHOOL STUDENT ACTIVITY FUND</b>				
Assets:				
Cash and investments	\$ 50,966	\$ 67,955	\$ 69,137	\$ 49,784
Liabilities:				
Due to student groups and others	\$ 50,966	\$ 67,955	\$ 69,137	\$ 49,784
 <b>CARSON HIGH SCHOOL STUDENT ACTIVITY FUND</b>				
Assets:				
Cash and investments	\$ 478,878	\$ 1,053,673	\$ 1,020,566	\$ 511,985
Liabilities:				
Due to student groups and others	\$ 478,878	\$ 1,053,673	\$ 1,020,566	\$ 511,985
 <b>PIONEER HIGH SCHOOL STUDENT ACTIVITY FUND</b>				
Assets:				
Cash and investments	\$ 547	\$ 679	\$ 804	\$ 422
Liabilities:				
Due to student groups and others	\$ 547	\$ 679	\$ 804	\$ 422

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# CARSON CITY SCHOOL DISTRICT

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AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
YEAR ENDED JUNE 30, 2019

	<u>BALANCE</u> <u>JULY 1, 2018</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2019</u>
<b>TOTALS - ALL AGENCY FUNDS</b>				
Assets:				
Cash and investments	\$ 789,869	\$ 1,446,406	\$ 1,423,307	\$ 812,968
Liabilities:				
Due to student groups and others	\$ 789,869	\$ 1,446,406	\$ 1,423,307	\$ 812,968

# CARSON CITY SCHOOL DISTRICT

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AGENCY FUND - CARSON ELEMENTARY SCHOOLS  
SCHEDULE OF CHANGES IN CASH BALANCES  
YEAR ENDED JUNE 30, 2019

	<u>BALANCE</u> <u>JULY 1, 2018</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2019</u>
Bray-Bordewich-Gleason	\$ 16,860	\$ 19,508	\$ 18,820	\$ 17,548
Empire Elementary	15,422	16,996	16,536	15,882
Fremont Elementary	22,537	24,823	21,630	25,730
Fritsch Elementary	20,958	23,894	21,095	23,757
Mark Twain Elementary	11,342	33,532	34,047	10,827
Seeliger Elementary	60,963	33,983	35,073	59,873
Student Support Services	1,319	350	181	1,488
	<hr/>	<hr/>	<hr/>	<hr/>
Total	\$ 149,401	\$ 153,086	\$ 147,382	\$ 155,105
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# CARSON CITY SCHOOL DISTRICT

## AGENCY FUND - CARSON MIDDLE SCHOOL SCHEDULE OF CHANGES IN CASH BALANCES YEAR ENDED JUNE 30, 2019

	BALANCE JULY 1, 2018	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2019
6th Grade Reward Trip	\$ -	\$ 300	\$ 300	\$ -
7th Grade Reward trip	30	1,050	1,035	45
Art	162	-	162	-
Band	17,218	41,596	51,040	7,774
Band Trip	530	46,852	45,796	1,586
Band Instrument Repair	3,940	3,484	6,070	1,354
Basketball Camp	6,715	3,392	1,178	8,929
Box Tops	266	138		404
Choir	508	1,823	1,534	797
Coke/Student Soda Machine	11,344	2,452	6,015	7,781
Cross Country	8,156	1,995	3,116	7,035
CTE Fee	6,195	827	1,197	5,825
Girls' Basketball	432	-	432	-
GSA	-	296	296	-
Health Schools	369	-	308	61
Home Economics	2,129	-	165	1,964
HOSA	629	9,897	10,171	355
Leadership	4,436	6,528	8,976	1,988
Library	5,385	2,306	2,615	5,076
Mr. Whisler's Class	309	-	309	-
Musical Theatre	1,111	1,298		2,409
Nurse	134	-		134
Paulson Class	147	-	147	-
Physical Education	18,098	11,631	11,396	18,333
Recycle Club	210	-	210	-
STEM	-	95		95
Strings	768	9,968	8,846	1,890
Sunshine	526	630	323	833
Track	4,840	5,550	5,230	5,160
Volleyball	-	4,817	4,817	-
Wrestling	5,426	3,411	1,857	6,980
Yearbook	10,064	10,677	11,877	8,864
Total	<u>\$ 110,077</u>	<u>\$ 171,013</u>	<u>\$ 185,418</u>	<u>\$ 95,672</u>

# CARSON CITY SCHOOL DISTRICT

## AGENCY FUND - EAGLE VALLEY MIDDLE SCHOOL SCHEDULE OF CHANGES IN CASH BALANCES YEAR ENDED JUNE 30, 2019

	BALANCE JULY 1, 2018	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2019
Art	\$ 107	\$ 626	\$ 733	\$ -
Athletic Fund	3,553	3,515	5,293	1,775
Basketball	-	1,163	398	765
Cheerleader	59	665	624	100
Helping Hand	1,299	6,071	6,898	472
Instrument Fees	2,199	-	-	2,199
Leadership	12,148	1,522	3,940	9,730
Library	886	4,606	5,492	-
Materials	6,552	12,305	5,818	13,039
Music	4,817	18,381	18,282	4,916
National Honor Society	1,195	-	-	1,195
Pancake Breakfast	10	-	-	10
Physical Education-Bowling	1,918	1,009	941	1,986
Physical Education-Uniforms	1,623	4,740	3,515	2,848
Pride	411	612	517	506
Principal's Fund	6,101	7,764	9,770	4,095
Recycle	835	-	-	835
Robotics	1,455	974	1,923	506
Smith, J.	300	-	-	300
Sparkletts	312	292	561	43
Strings	591	1,171	1,068	694
Sunshine Fund	1,000	-	-	1,000
Volleyball Tees	14	-	-	14
Yearbook	3,581	2,539	3,364	2,756
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Total	\$ 50,966	\$ 67,955	\$ 69,137	\$ 49,784

# CARSON CITY SCHOOL DISTRICT

## AGENCY FUND - CARSON HIGH SCHOOL SCHEDULE OF CHANGES IN CASH BALANCES YEAR ENDED JUNE 30, 2019

	<u>BALANCE</u> <u>JULY 1, 2018</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2019</u>
A. Bourque Scholarship	\$ 1,400	\$ -	\$ 750	\$ 650
Academic Support	196	-	-	196
Aiazzi/Anderson Scholarship	14,904	-	-	14,904
AP Biology	198	1,074	1,195	77
AP Environmental	618	-	-	618
AP Testing	20,698	67,399	50,375	37,722
Astronomy Recon Club	1	-	1	-
Athletic Concessions	1,492	15,261	15,302	1,451
Athletic Supplies	9,554	14,340	18,551	5,343
Athletic Testing	29,285	-	9,106	20,179
Athletic Tournaments	226	36,516	36,516	226
Athletic Training	3,048	3,695	1,666	5,077
AVID	496	1,772	747	1,521
B. Blood Wrestling Scholarship	-	3,000	3,000	-
Band	1,890	27,564	27,160	2,294
Baseball	4,216	21,545	20,686	5,075
Book Club	328	-	-	328
Bowling Club	290	1,329	1,304	315
Boys Basketball	13,320	29,668	23,284	19,704
Boys Golf	2,168	3,189	3,835	1,522
Boys Soccer	307	10,106	8,169	2,244
Boys Tennis	426	3,750	1,867	2,309
Carneta	29,132	59,294	56,544	31,882
Carson Track	17,332	32,816	27,260	22,888
CC Fire Scholarship	2,000	2,000	2,000	2,000
CC Schools Foundation	1,785	-	1,435	350
CEA	254	1,341	646	949
Ceramics	458	1,970	1,647	781
Cheer	24,188	66,426	85,777	4,837
Choir	134	5,612	5,703	43
Chrome Books	4,711	1,843	4,107	2,447
CHS Floral Shop	426	1,941	2,360	7
CHS Robotics	1,421	23,178	14,677	9,922
Class of 1977	-	500	500	-
Class of 2019	19,885	26,313	44,616	1,582
Class of 2020	424	28,661	1,124	27,961
Class of 2021	113	216	-	329
Class of 2022	453	68	18	503

Continued on next page.

# CARSON CITY SCHOOL DISTRICT

## AGENCY FUND - CARSON HIGH SCHOOL SCHEDULE OF CHANGES IN CASH BALANCES YEAR ENDED JUNE 30, 2019

	<u>BALANCE</u> <u>JULY 1, 2018</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2019</u>
Climbing Club	\$ 378	\$ -	\$ 378	\$ -
CLS Class	572	1,809	768	1,613
CLS/Friendship Ball	604	304	908	-
College Bound Cadet Scholarship	-	1,000	1,000	-
College Testing Fund	1,157	4,740	5,174	723
Comstock Soccer	225	-	-	225
Craft Fair Scholarship	1,150	4,000	3,650	1,500
Cross Country	1,896	4,625	3,611	2,910
Culinary Arts	4,354	13,658	12,616	5,396
CV Quilt Guild Scholarship	-	250	250	-
D/Ascoli Scholarship	-	500	500	-
D. Elder Scholarship	-	500	500	-
D. Stoddard Scholarship	1,000	2,000	1,000	2,000
DASA	1,500	-	-	1,500
DHH (Deaf-Hard of Hearing)	-	625	150	475
Drama Production	8,169	10,732	18,445	456
Environment Club	294	-	-	294
Environment Science Class	98	-	62	36
FBLA	10,932	20,091	22,212	8,811
Facility Use	384	-	-	384
Families United Scholarship	7,750	19,000	17,500	9,250
Father/Daughter Dance	1,000	18,495	19,131	364
Fellow Christian Athletes	142	49	142	49
FFA	1,668	9,031	10,278	421
Football	3,563	34,642	29,931	8,274
French Club	76	310	-	386
G Adair Memorial Scholarship	2,045	-	-	2,045
G. Reading Scholarship	31,155	-	5,000	26,155
Girls Basketball	20,086	17,847	17,963	19,970
Girls Golf	3,208	786	930	3,064
Girls Soccer	3,497	8,989	9,755	2,731
Girls Tennis	1,102	695	1,446	351
Glen Lucky Scholarship	-	500	500	-
Graphic Design	1,614	2,005	2,341	1,278
Greenhouse	173	-	-	173
GSA	10	427	234	203
Guidance Scholarship	91	-	-	91
HOSA - Health Occupations	22,694	70,793	78,592	14,895

*Continued on next page.*

# CARSON CITY SCHOOL DISTRICT

## AGENCY FUND - CARSON HIGH SCHOOL SCHEDULE OF CHANGES IN CASH BALANCES YEAR ENDED JUNE 30, 2019

	<u>BALANCE</u> <u>JULY 1, 2018</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2019</u>
IED	\$ 1,511	\$ 2,395	\$ 1,977	\$ 1,929
Interact Club	65	1,722	1,783	4
IT Essentials	10	1,560	1,552	18
J. Woodward Scholarship	2,505	500	3,000	5
Jim Frank Scholarship	-	2,000	2,000	-
K. Oxoby Scholarship	66	5,770	6,320	(484)
Key Club	1,496	122	64	1,554
L.A.D. Fund	607	3,525	3,681	451
Leads Unlimited	250	-	-	250
Library Fund	11,855	2,590	3,095	11,350
Link Crew	3,078	4,554	1,413	6,219
Malley - Art	938	406	121	1,223
Management - Coke	294	1,941	506	1,729
Management - Guidance	278	-	200	78
Management - Locker Fund	9,312	2,030	6,476	4,866
Management Team	1,095	58,115	57,632	1,578
Masonic Scholarship #1	-	2,000	2,000	-
Math Text Fees(Proficiency Club)	456	-	196	260
Media Technologies	2,406	5,601	4,202	3,805
Merry Bayer Scholarship	191	809	1,000	-
Mock Trial Club	156	-	60	96
Mountain Bike Team	743	378	1,121	-
NAT/NEWCMR Scholarship	100	500	500	100
National History Day	83	-	-	83
National Honor Society	9,067	9,325	8,784	9,608
Native American Club	126	57	34	149
NCSEA	2,000	-	-	2,000
NJROTC	12,553	32,212	26,182	18,583
Nurses' Fund	207	119	-	326
Parking permits	3,916	7,615	2,156	9,375
Photo Class	8,315	9,127	5,830	11,612
Physical Education Uniforms	2,481	16,290	15,282	3,489
POE	769	940	251	1,458
R. Hawkins Scholarship	3,803	3,000	3,000	3,803
R. Scott Scholarship	2,360	-	109	2,251
S. Andersen Scholarship	600	1,500	1,000	1,100
Sage	270	250	234	286
Schneider Class	1,217	-	-	1,217

Continued on next page.

# CARSON CITY SCHOOL DISTRICT

## AGENCY FUND - CARSON HIGH SCHOOL SCHEDULE OF CHANGES IN CASH BALANCES YEAR ENDED JUNE 30, 2019

	<u>BALANCE</u> <u>JULY 1, 2018</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2019</u>
Science Lab Fees	\$ 5,346	\$ 3,499	\$ 2,882	\$ 5,963
Science Text Fees	1,710	-	-	1,710
Seeliger Scholarship	2,432	4,177	4,178	2,431
S.E.L.	2,016	-	1,065	951
Self Defense	4	650	449	205
Senator News	14	-	-	14
Senator Pride	549	542	41	1,050
Senior Projects Committee	3,166	750	220	3,696
Sewing Club	296	-	-	296
Ski Team	613	680	443	850
Skills USA VICA	2,186	5,017	6,071	1,132
Social Studies	255	-	255	-
Softball	2,258	12,116	6,607	7,767
Special Ed Class Fund	277	-	107	170
Speech and Debate	1,303	14,865	16,014	154
Staff Appreciation	542	177	527	192
Strings	441	9,274	8,421	1,294
Student Assistance	6,802	1,000	1,830	5,972
Student Body	2,138	6,152	5,880	2,410
Student Body cards	1,774	10,926	9,227	3,473
Student Store	11,573	36,054	34,401	13,226
Swim/Dive Team	1,277	6,097	5,428	1,946
T. Jones HOSA Scholarship	1,235	2,950	2,500	1,685
Tiger Drive Scholarship	300	950	200	1,050
Timothy Jones Memorial Scholarship	200	1,000	1,000	200
TR EDU100	564	405	598	371
Volleyball	865	12,060	8,558	4,367
Welding - Shirley	1,613	3,342	1,108	3,847
Wilson Memorial Scholarship	-	3,000	3,000	-
Wrestling	1,586	247	900	933
<b>Total</b>	<u>\$ 478,878</u>	<u>\$ 1,053,673</u>	<u>\$ 1,020,566</u>	<u>\$ 511,985</u>



# CARSON CITY SCHOOL DISTRICT

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AGENCY FUND - PIONEER HIGH SCHOOL  
SCHEDULE OF CHANGES IN CASH BALANCES  
YEAR ENDED JUNE 30, 2019

	<u>BALANCE</u> <u>JULY 1, 2018</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2019</u>
Pioneer High School	\$ 547	\$ 679	\$ 804	\$ 422
Total	<u>\$ 547</u>	<u>\$ 679</u>	<u>\$ 804</u>	<u>\$ 422</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, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 30, 2019.

**Internal Control over Financial Reporting**

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

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

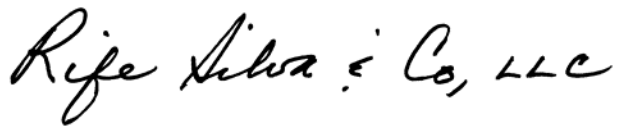
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free 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 cursive script that reads "Rife Silva & Co, LLC".

Reno, Nevada  
November 30, 2019

**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, 2019. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* 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, 2019.

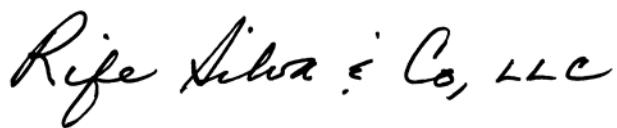
## Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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 black ink that reads "Rife Silva & Co, LLC". The signature is written in a cursive, flowing style.

Reno, Nevada  
November 30, 2019

# CARSON CITY SCHOOL DISTRICT

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2019

(Page 1 of 2)

FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM	FEDERAL CFDA NUMBER	PASS- THROUGH GRANTOR'S NUMBER	AMOUNT
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<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	19-639-13000	\$ 1,890,105
IDEA - Special Project	84.027	19-667-13000	229,370
IDEA - District Improvement Grant	84.027	19-641-13000	20,629
IDEA - Preschool	84.173	19-665-13000	15,026
Total Special Education Cluster			2,155,130
Title I, Part A - Grants to Local Educational Agencies	84.010	19-633-13000	1,509,702
Title I, Part D - Neglected and Delinquent	84.010	19-650-13000	25,577
Career and Technical Education (Perkins IV)	84.048	19-631-13000	94,454
McKinney-Vento Homeless Assistance	84.196A	19-688-13000	95,399
Twenty First Century Community Learning Centers	84.287	19-770-13000	531,307
Title III, Part A - English Language Acquisition	84.365A	19-658-13000	102,161
Title III, Part A - English Language Acquisition Immigrant	84.365A	19-659-13000	19,332
Title II, Part A - Teacher/Principal Training & Recruiting	84.367	19-709-13000	200,973
Title IV-A Student Support and Academic Enrichment	84.424A	19-715-13000	373,024
Preschool Development	84.419A	19-795-13000	412,951
<i>Total Passed through the State of Nevada Department of Education</i>			5,520,010
<b>U.S. DEPARTMENT OF JUSTICE</b>			
<i>Passed through the State of Nevada Department of Education</i>			
Workers Safe Voice Grant	16.560	19-617-13000	7,827

Continued on next page.

See accompanying notes.

# CARSON CITY SCHOOL DISTRICT

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2019

(Page 2 of 2)

FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM	FEDERAL CFDA NUMBER	PASS- THROUGH GRANTOR'S NUMBER	AMOUNT
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<i>Passed through the State of Nevada Department of Agriculture</i>			
Child Nutrition Cluster			
School Breakfast Program	10.553	N/A	\$ 423,431
National School Lunch Program	10.555	N/A	1,467,332
National School Lunch Program - After School Snack	10.555	N/A	19,834
National School Lunch Program - Commodities	10.555	N/A	226,892
Summer Food Service Program	10.559	N/A	42,394
Total Child Nutrition Cluster			<u>2,179,883</u>
Fresh Fruits and Vegetables Program	10.582	N/A	60,257
NSLP Equipment Grant	10.579	N/A	5,000
<b>Total U.S. Department of Agriculture</b>			<u>2,245,140</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 7,772,977</u></u>

See accompanying notes.

# CARSON CITY SCHOOL DISTRICT

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## NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS JUNE 30, 2019

### 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, 2019. The District's reporting entity is defined in Note 1 to its basic financial statements. All expenditures of federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the *Schedule 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, 2019.

### NOTE 3 – INDIRECT COST RATE

The Carson City School District has elected to use a 7.52% indirect cost rate approved by the Nevada Department of Education.



# CARSON CITY SCHOOL DISTRICT

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## SCHEDULE OF FINDINGS AND QUESTIONED COSTS JUNE 30, 2019

### 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, 2019 are as follows:

    Child Nutrition Cluster (CFDA's 10.553; 10.555; 10.559)

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.

### B. FINDINGS – FINANCIAL STATEMENTS

None.

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

None.

# CARSON CITY SCHOOL DISTRICT

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## INDEPENDENT AUDITORS' COMMENTS

JUNE 30, 2019

### 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 2018 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](http://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 \$11,000,000 (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\*;

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\* 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: December 18, 2019.

CARSON CITY SCHOOL DISTRICT, NEVADA

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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: December 18, 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 December 18, 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

**\$11,000,000**  
**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 \$11,000,000 (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 1<sup>st</sup>). 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<sup>(1)</sup>

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

<sup>(1)</sup> 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<sup>(1)</sup>

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

<sup>(1)</sup> 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 <sup>(1)</sup>	2014	2015	2016	2017	2018	2019 <sup>(1)</sup>
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 <sup>(3)</sup>	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 <sup>(1)</sup>
<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 <sup>(2)</sup>	<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 – 2<sup>nd</sup> 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<sup>(1)</sup>

Carson City, Nevada  
(Non-Government Worksites)

Calendar Year	1 <sup>st</sup> Qtr 2019	1 <sup>st</sup> Qtr 2018	Percent Change 2019/2018	Employment Totals 1 <sup>st</sup> Qtr 2019
<b>TOTAL NUMBER OF WORKSITES</b>	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<sup>(1)</sup>

Fiscal Year <sup>(2)</sup>	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 <sup>(1)</sup>		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 <sup>(2)</sup>	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<sup>(1)</sup> Carson Valley Area, Nevada

Fiscal Year Ended	Gross Taxable Gaming Revenue <sup>(2)</sup>		% Change Carson Valley	State Gaming Collection <sup>(3)</sup>		% 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.