

**PRELIMINARY OFFICIAL STATEMENT DATED JULY 1, 2016**

**NEW ISSUE  
BOOK-ENTRY ONLY  
BANK QUALIFIED**

**PSF RATING: Moody's: "Aaa"  
UNDERLYING RATING: Moody's: "Aa2"  
See "RATINGS"**

*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 except that such interest is required to be included in calculating the "adjusted current earnings" adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations as described herein. See "TAX MATTERS." The District has designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Tax Code. See "FINANCIAL INSTITUTION INTEREST DEDUCTION."*

**\$8,970,000\***

**CARSON CITY SCHOOL DISTRICT, NEVADA  
GENERAL OBLIGATION (LIMITED TAX) REFUNDING BONDS  
(PSF GUARANTEED), SERIES 2016**

**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 December 1, 2016. Interest will be paid to and including the maturity dates shown herein (unless the Bonds are redeemed earlier), 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 Wells Fargo Bank, National Association, Los Angeles, California, or its successor as the paying agent for the Bonds. See "THE BONDS – Payment Provisions."

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

The Bonds are subject to redemption prior to maturity at the option of the District as described in "THE BONDS – Redemption Provisions." At the option of the winning bidder, Bonds maturing on and after June 1, 2027 may also be subject to mandatory sinking fund redemption.

Proceeds of the Bonds will be used to: (i) advance refund certain outstanding District bonds, 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." The payment of the principal and interest on the Bonds, when due, is guaranteed by the State of Nevada Permanent School Fund. See "SECURITY FOR THE BONDS--State Guarantee of Debt Service Payments."

**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, Pavlakakis, Wright & Fagan, Ltd., Carson City, Nevada. JNA Consulting Group, LLC, Boulder City, Nevada, is acting as the Financial 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 July 28, 2016.\*

\* Subject to change.

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

**\$8,970,000\***  
**CARSON CITY SCHOOL DISTRICT, NEVADA**  
**GENERAL OBLIGATION (LIMITED TAX) REFUNDING BONDS**  
**(PSF GUARANTEED), SERIES 2016**

Maturing ( <u>June 1</u> )	Principal <u>Amount</u>	Interest <u>Rate</u>	Price or <u>Yield</u>	CUSIP© Issue <u>Number</u>
2017	\$165,000			
2018	330,000			
2019	350,000			
2020	395,000			
2023	100,000			
2024	100,000			
2025	100,000			
2026	570,000			
2027	1,660,000			
2028	1,325,000			
2029	1,250,000			
2030	1,290,000			
2031	1,335,000			

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\* Subject to change.

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

## **USE OF INFORMATION IN THIS OFFICIAL STATEMENT**

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

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

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

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

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

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

## **CARSON CITY SCHOOL DISTRICT, NEVADA**

### **BOARD OF TRUSTEES**

Joe Cacioppo, President  
Laurel Crossman, Vice President  
Ryan Green, Clerk  
Susan Hart  
Steven Reynolds  
Ron Swirczek  
Stacie Wilke-McCulloch

### **ADMINISTRATIVE OFFICIALS**

Richard Stokes, Superintendent  
Jose Delfin, Associate Superintendent of Human Resources  
Susan Keema, Associate Superintendent of Educational Services  
Janice Arthur-Towns, Director of Information Technology  
Andrew J. Feuling, Director of Fiscal Services

### **FINANCIAL ADVISOR**

JNA Consulting Group, LLC  
Boulder City, Nevada

### **BOND AND SPECIAL COUNSEL**

Sherman & Howard L.L.C.  
Reno, Nevada

### **REGISTRAR AND PAYING AGENT**

Wells Fargo Bank, National Association  
Los Angeles, California

### **ESCROW BANK**

Zions Bank, a division of ZB, National Association  
Los Angeles, California

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## OFFICIAL STATEMENT

**\$8,970,000\***

### **CARSON CITY SCHOOL DISTRICT, NEVADA GENERAL OBLIGATION (LIMITED TAX) REFUNDING BONDS SERIES 2016**

## 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 \$8,970,000\* General Obligation (Limited Tax) Refunding Bonds, Series 2016 (the “Bonds”). The Bonds will be issued pursuant to a resolution (the “Bond Resolution”) adopted by the District’s Board of Trustees (the “Board”) on June 28, 2016.

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

### **The Issuer**

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

### **The Bonds; Prior Redemption**

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

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\* Subject to change.

The Bonds are subject to redemption prior to maturity at the option of the District as described in “THE BONDS – Redemption Provisions.” At the option of the winning bidder, Bonds maturing on and after June 1, 2027 may also be subject to mandatory sinking fund redemption. See Appendix G - Official Notice of Bond Sale.

### **Authority for Issuance**

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

### **Purpose**

The Bonds are being issued to: (i) refund, on an advance refunding basis, \$1,075,000\* aggregate principal amount of the District’s General Obligation (Limited Tax) School Improvement Bonds, Series 2006, currently outstanding in the aggregate principal amount of \$2,600,000 (the “2006 Bonds”) and \$7,135,000\* aggregate principal amount of the District’s General Obligation (Limited Tax) School Improvement Bonds (PSF Guaranteed), Series 2011, currently outstanding in the aggregate principal amount of \$14,390,000 (the “2011 Bonds”) (the “Refunding Project”); and (ii) pay the costs of issuing the Bonds. See “SOURCES AND USES OF FUNDS.”

The 2006 Bonds expected to be refunded, which remain subject to change (the “Refunded 2006 Bonds”), mature on June 1, 2018\*, through June 1, 2027\*. The 2011 Bonds expected to be refunded, which remain subject to change (the “Refunded 2011 Bonds”), mature on June 1, 2027\*, through June 1, 2031\*. The Refunded 2006 Bonds and the Refunded 2011 Bonds are referred to collectively as the “Refunded Bonds.”

### **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.”

Excluding the issuance of the Bonds and the effect of the Refunding Project, the District has \$46,460,000 aggregate principal amount of general obligation bonds outstanding as of July 1, 2016. See “DEBT STRUCTURE – Outstanding Debt and Other Obligations.”

State Guarantee of Debt Service Payments on Bonds. The payment of the principal of and interest on the Bonds, when due, is guaranteed by the State of Nevada Permanent School Fund (the “PSF”). See “SECURITY FOR THE BONDS--State Guarantee of Debt Service Payments.

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\* Subject to change.

## **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, Pavlakis, Wright & Fagan, Ltd., Carson City, Nevada. JNA Consulting Group, LLC, Boulder City, Nevada, is providing financial advisory services to the District. See “FINANCIAL ADVISOR.” The audited basic financial statements of the District, attached to this Official Statement as Appendix A, include the report of Silva & Co. LLC, certified public accountants, Reno, Nevada. See “INDEPENDENT AUDITORS.” Wells Fargo Bank, National Association, Los Angeles, California, will act as Registrar and Paying Agent for the Bonds. Zions Bank, a division of ZB, National Association, Los Angeles, California will act as the Escrow Bank in connection with the Refunding Project. Certain mathematical computations regarding the Escrow Account (defined below) will be verified by Causey Demgen & Moore Inc., certified public accountants, Denver, Colorado. See “SOURCES AND USES OF FUNDS—The Refunding Project - Verification of Mathematical Computations.”

## **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 except that such interest is required to be included in calculating the “adjusted current earnings” adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations. See “TAX MATTERS – Federal Tax Matters.”

The District has designated the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Tax Code. See “FINANCIAL INSTITUTION INTEREST DEDUCTION.”

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.

The District failed to timely file a material event notice relating to an upgrade of the underlying rating on its outstanding general obligation debt due to a recalibration of the rating by Moody's Investors Service. The District was notified of the rating change on May 1, 2010 and filed a related material event notice on May 24, 2010.

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.

### **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 declined 10.4% in fiscal year 2014 but increased 3.9%, 6.7%, and 5.2% for fiscal years 2015, 2016, and 2017 (preliminary; subject to change through July 2016). 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 years 2016 or 2017 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 Refunding 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 Financial 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.

#### Sources and Uses of Funds

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

Source: The Financial Advisor.

### The Refunding Project

General. The net proceeds of the Bonds will be used to advance refund the Refunded Bonds.

To accomplish the Refunding Project, the District will deposit the net proceeds of the Bonds into the Escrow Account created pursuant to the Bond Resolution. Pursuant to an Escrow Agreement between the District and the Escrow Bank, the amount deposited into the Escrow Account will, except for an initial cash balance, be invested in Federal Securities (defined herein) maturing at such times and in such amounts as are required to pay: (i) the interest on the Refunded 2006 Bonds as it becomes due through June 1, 2017; (ii) the interest on the Refunded 2011 Bonds as it becomes due through June 1, 2021; (iii) the principal of the Refunded 2006 Bonds as it becomes due upon prior redemption on June 1, 2017; and (iv) the principal of the Refunded 2011 Bonds as it becomes due upon prior redemption on June 1, 2021.

Verification of Mathematical Computations. The accuracy of the mathematical computations of the adequacy of the maturing principal of and interest on the Federal Securities and cash deposited into the Escrow Account to provide for the payment of the principal of and interest on the Refunded Bonds upon prior redemption, which computations support the conclusion of Bond Counsel that the Bonds are not “arbitrage bonds” under Section 148 of the Tax Code, will be verified by Causey Demgen & Moore Inc., certified public accountants, Denver, Colorado.

## **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 December 1, 2016, 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.

Additional Provisions for Bonds. As provided in the State Permanent School Fund Guarantee Agreement (the “Guarantee Agreement”) to be entered into between the District and the Treasurer of the State of Nevada (the “State Treasurer”) with respect to the Bonds, the Paying Agent shall immediately notify the State Treasurer if the Paying Agent has not received



the scheduled debt service payment on the Bonds at least 5 business days prior to the scheduled debt service payment date. See Appendix E - List of PSF Participants and Form of State Permanent School Fund Guarantee Agreement.

## Redemption Provisions

Optional Redemption. The Bonds, or portions thereof, maturing on and after June 1, 2027, are subject to redemption prior to their respective maturities, at the option of the District, on or after June 1, 2026, 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, for the principal amount of each Bond, or portion thereof so redeemed and accrued interest thereon to the redemption date, and a premium, if any.

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

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

Redemption Date	Principal
<u>(June 1)</u>	<u>Amount</u>
20__	\$ _____
20__ (maturity)	_____

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

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

amount thereof against the obligation of the Board on the sinking fund redemption dates and any excess shall be so credited against future sinking fund redemption obligations in such manner as the Board determines.

Notice of Prior Redemption. Unless waived by any registered owner of a Bond to be redeemed, notice of prior redemption shall be given by the Registrar, by electronic mail as long as Cede & Co. is registered owner of the Bonds and otherwise by first-class mail, at least 30 days but not more than 60 days prior to the Redemption Date to the State Treasurer and 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, the State Treasurer, 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, the State Treasurer, 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 except to the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Tax Code in calculating corporate alternative minimum taxable income. 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. The District shall immediately give written notice of any such defeasance to the State Treasurer.

## **Replacement of Registrar or Paying Agent**

If the Registrar and Paying Agent resigns, or if the Board shall reasonably determine that the Registrar or Paying Agent has become incapable of performing its duties under the Bond Resolution or that it would be in the best interests of the District to appoint a new Registrar or Paying Agent under the Bond Resolution, the Board may, upon the consent of the State Treasurer, and 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 under the Bond Resolution, but the Board shall have the right to have the same person or institution serve as both Registrar and Paying Agent. 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 the Bond 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 the 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>
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<sup>(1)</sup> Totals may not add due to rounding.

Source: The Financial 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.”

### **State Guarantee of Debt Service Payments on Bonds**

General. Payment of the principal of and interest on the Bonds, when due, will be guaranteed by the State pursuant to the provisions of the Guarantee Act. If the District fails to make a timely payment on the debt service of the Bonds no later than five business days prior to each scheduled debt service payment date, the Paying Agent shall immediately notify the State Treasurer and the State Treasurer shall (i) withdraw from the PSF the amount of money due for the payment on the debt service; (ii) transfer to the Paying Agent, no later than one business day prior to the scheduled debt service payment date, a sufficient amount of money to make the payment on the debt service when due; and (iii) report the payment to the Executive Director of the State Department of Taxation.

The amount of money withdrawn by the State Treasurer to make the payment shall be deemed a loan to the District. If the District is not able to repay fully the loan, including any accrued interest, in a timely manner, the State Treasurer shall withhold the payments of money that would otherwise be distributed to the District from: (i) the interest earned on the PSF; (ii) distributions of the local school support tax (described in “DISTRICT FINANCIAL INFORMATION”); and (iii) distributions from the State Distributive School Account (described in “DISTRICT FINANCIAL INFORMATION”) until the loan is repaid. Upon receipt of notice that such a loan has been made to the District by the State Treasurer, the Executive Director of the State Department of Taxation shall proceed pursuant to the provisions of NRS 354.685 relating to severe financial emergencies.

The form of the State Permanent School Fund Guarantee Agreement between the District and the State is attached hereto as Appendix E.

Information About the Permanent School Fund. The Permanent School Fund is funded primarily by escheated estates, gifts and proceeds from the sale of federal lands. Interest on the fund is used to support education in the State. As of March 31, 2016, the State Controller reported that the value of the total assets of the PSF, including all investments reported at fair value, was \$339,734,444.

Presently, the PSF is invested primarily in U.S. Treasury and Agency fixed income securities with maturities no longer than 10 years but as of March 31, 2016, the fund has made \$27.84 million in private equity investments, received \$2.2 million in distributions and has committed \$40.5 million to private equity investments. In addition, the State Treasurer made an initial investment of \$10 million in domestic public equities (institutional mutual funds) in August 2015. The market value of these investments as of March 31, 2016 was \$10,266,948. As of March 31, 2016, the distributions received from public equity investment dividends was \$163,278.

Pursuant to NRS 387.516.1 the maximum amount of principal that can be guaranteed by the State for any school district is limited to \$40,000,000. Further, pursuant to NRS 387.522.1(a), the total amount of bonds that can be guaranteed by the State is limited to 250% of the lower of the cost or fair market value of the assets in the PSF. Based on the current balance of the PSF, the maximum principal that can be guaranteed is more than \$750 million. As of July 1, 2016, \$236,979,800 in bonds has been guaranteed, or authorized by the State Board of Finance to be guaranteed, by the PSF. See “Appendix E--List of Participants and Form of Permanent School Fund Guarantee” for specific information.

### **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). In 2015, the Legislature enacted legislation that extended the District’s authority to issue bonds pursuant to NRS 350.020(4) for the next 10 years, and such authorization expires November 2, 2030. See the discussion in “DISTRICT FINANCIAL INFORMATION -- Analysis of Recent Financial Developments -- 2015 Legislation.”

The District reserves the right to issue bonds at any time legal requirements are met, including bonds authorized by the Election. The District currently expects to issue approximately \$15,000,000 of additional bonds in early 2017 to finance certain capital improvements within the District, and an additional \$5,000,000 of obligations structured as an installment purchase agreement subject to annual appropriation for energy related improvements in early 2017.

## **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 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, 2017, to be \$1,445,154,773 (excluding the assessed valuation attributable to the Carson City Redevelopment Agency (the “Redevelopment Agency”), which represents a 5.2% 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 2017, the taxable value of all taxable property within the District is \$4,129,013,637 (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

<u>Fiscal Year Ended June 30</u>	<u>Assessed Valuation<sup>(1)</sup></u>	<u>Percent Change</u>
2012	\$1,506,371,935	--
2013	1,381,815,028	(8.3)%
2014	1,238,756,058	(10.4)
2015	1,286,890,682	3.9
2016	1,373,408,853	6.7
2017	1,445,154,773	5.2

<sup>(1)</sup> Excludes the assessed valuation of the Redevelopment Agency. Assessed valuation for fiscal year 2017 remains subject to change through July 2017.

Sources: *Property Tax Rates for Nevada Local Governments - State of Nevada Department of Taxation, 2011-2012 through 2015-2016* and *Local Government Finance Revenue Projections – State of Nevada Department of Taxation, FY 2016-2017 Final, March 15, 2016.*

### **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 Ending <u>June 30</u>	Net Secured Roll Tax Levy <sup>(2)</sup>	Current Tax Collections	% of Net Levy <u>Collected</u>	Delinquent Tax <u>Collections</u>	Total Tax <u>Collections</u>	Total Tax Collections as % of Current Levy <sup>(3)</sup>
2011	\$39,448	\$38,714	98.14%	\$733	\$39,447	100.00%
2012	39,450	38,463	97.50	987	39,450	100.00
2013	40,823	40,082	98.18	741	40,823	100.00
2014	39,994	39,314	98.30	638	39,952	99.90
2015	41,083	40,489	98.55	501	40,990	99.77
2016 <sup>(4)</sup>	41,700	41,180	98.75	0 <sup>(5)</sup>	41,180	98.75

(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 June 1, 2016.

(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 2015-16 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 2015-16

<u>Taxpayer</u>	<u>Type of Business</u>	FY 2015-16 Assessed <u>Value</u>	% of Total Assessed <u>Value</u> <sup>(1)</sup>
Southwest Gas Corporation	Gas Distribution	\$ 23,045,702	1.62%
NV Energy	Electric Company	18,719,117	1.31
Carson-Tahoe Hospital	Healthcare Provider	8,363,219	0.59
ARHC CRCRCNV001LLC	Healthcare Provider	6,701,040	0.47
C&A Investments	Property Management	5,858,091	0.41
Carson Gaming	Casino/Entertainment	5,566,566	0.39
Harley-Davidson Credit Corp.	Financial Services	4,980,026	0.35
Adams Carson LLC	Developer	4,944,481	0.35
Wal-Mart Real Estate Bus. Trust	Retail Warehouse	4,643,401	0.32
Carson City Parkway LLC	Apartments	<u>4,082,041</u>	<u>0.29</u>
Total		<u>\$86,903,684</u>	<u>6.10%</u>

(1) Based on the City's fiscal year 2016 assessed valuation of \$1,286,332,269 (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 City, the City's Board of Supervisors) 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 City is levying a tax override 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.

Potential Constitutional Amendment - Senate Joint Resolution 13. Senate Joint Resolution 13 (“SJR 13”), adopted by the 2015 session of the Legislature, proposes to amend the Nevada Constitution. Under Nevada law, constitutional amendments require majority approval by each house of the Legislature in two separate legislative sessions and then majority approval by the general electorate. SJR 13, therefore, will be considered again in the 2017 Legislature. If it is approved again, it is expected that it will be placed on the ballot for the November 2018 general election.

SJR 13 would impose certain additional limitations on property taxes on real property. SJR 13 would, among other things, limit taxes on real property to 1.25% of the “base” value of the property; require a new “uniform and just” valuation of property for taxation; generally limit increases in the property base values to the lesser of 3% per year or the rate of inflation; and require updates to the “base” value of real property upon certain transfers of the property. Many of the provisions of SJR 13 are unclear, however; the amendment will require additional legislation not yet introduced in order to implement. It is not possible to predict at this time whether it will become law, or what its impact will be on the District’s property tax revenue if it does become law, except that by its terms it will not impact the District’s property tax imposed for debt repayment purposes.

### **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 \$3.4900 to \$3.5200.

### History of Statewide Average and Sample Overlapping Property Tax Rates<sup>(1)</sup>

<u>Fiscal Year Ended June 30,</u>	<u>2012</u>	<u>2013</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2017<sup>(2)</sup></u>
Average Statewide rate	<u>\$3.1171</u>	<u>\$3.1304</u>	<u>\$3.1212</u>	<u>\$3.1232</u>	<u>\$3.1360</u>	n/a
Carson City	\$1.7072	\$2.1800	\$2.1800	\$2.1600	\$2.1400	\$2.1400
Carson City School District	1.1800	1.1800	1.1800	1.1800	1.1800	1.1800
Carson Water Subconservancy District	0.1300	0.1300	0.0300	0.0300	0.0300	0.0300
State of Nevada <sup>(3)</sup>	<u>0.1700</u>	<u>0.1700</u>	<u>0.1700</u>	<u>0.1700</u>	<u>0.1700</u>	<u>0.1700</u>
Total	\$3.1872	\$3.6600	\$3.5600	\$3.5400	\$3.5200	\$3.5200

(1) Per \$100 of assessed valuation.

(2) Proposed Fiscal Year 2017 tax rates.

(3) \$0.0200 of the State rate is exempt from the \$3.64 cap. See "Property Tax Limitations" above.

Source: *Property Tax Rates for Nevada Local Governments - State of Nevada, Department of Taxation, 2011-12 through 2015-16, and Proforma Ad Valorem Revenue Projections – State of Nevada Department of Taxation, FY 2016-2017, March 25, 2016.*

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 July 1, 2016.



### Estimated Overlapping Net General Obligation Indebtedness

<u>Entity</u> <sup>(1)</sup>	Total General Obligation <u>Indebtedness</u>	Presently Self-Supporting General Obligation <u>Indebtedness</u>	Net Direct General Obligation <u>Indebtedness</u>	Percent <u>Applicable</u> <sup>(2)</sup>	Overlapping Net General Obligation <u>Indebtedness</u> <sup>(3)</sup>
Carson City	\$ 182,211,399	\$ 178,728,699	\$ 3,482,700	100.00%	\$ 3,482,700
State of Nevada	<u>1,469,655,000</u>	<u>329,895,000</u>	<u>1,139,760,000</u>	1.38	<u>15,768,914</u>
Total	\$1,651,866,399	\$508,623,699	\$1,143,242,700		\$19,251,614

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

<sup>(2)</sup> Based on fiscal year 2017 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).

<sup>(3)</sup> 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 Financial Advisor; percentages calculated using information from Final Local Government Revenue Projections Fiscal Year 2016-2017.

The following table sets forth the total direct and overlapping general obligation indebtedness attributable to the District as of July 1, 2016, excluding the issuance of the Bonds and the effect of the Refunding Project.

### Net Direct & Overlapping General Obligation Indebtedness

Total Direct General Obligation Indebtedness <sup>(1)</sup>	\$46,460,000
Plus: Overlapping Net General Obligation Indebtedness	<u>19,251,614</u>
Net Direct & Overlapping Net General Obligation Indebtedness	<u>\$65,711,614</u>

<sup>(1)</sup> Excludes the issuance of the Bonds and the effect of the Refunding Project. See "DEBT STRUCTURE - Outstanding Debt and Other Obligations."

## Selected Debt Ratios

The following table illustrates selected ratios for the District.

### Selected Debt Ratios for the District\*

Population <sup>(1)</sup> .....	54,273
Net Direct Debt <sup>(2)</sup> .....	\$46,460,000
Overlapping Debt <sup>(2)(3)</sup> .....	<u>19,251,614</u>
Total Direct Debt & Overlapping Debt.....	\$65,711,614
Per Capita Net Direct Debt .....	\$ 856.04
Per Capita Net Total Direct Debt & Overlapping Debt .....	\$1,210.76
2017 Assessed Valuation <sup>(4)</sup> .....	\$1,445,154,773
% Net Direct Debt to Assessed Valuation .....	3.21%
% Net Total Direct Debt & Overlapping Debt to Assessed Valuation .....	4.55%
2017 Taxable Value <sup>(4)</sup> .....	\$4,129,013,637
% Net Direct Debt to Taxable Value .....	1.13%
% Net Total Direct Debt & Overlapping Debt to Taxable Value .....	1.59%

(1) Nevada State Demographer projection dated July 1, 2015.

(2) Outstanding debt as of July 1, 2016, excluding the issuance of the Bonds and the effect of the Refunding Project. See "DEBT STRUCTURE – Outstanding Debt and Other Obligations." Also see the table entitled "Net Direct & Overlapping General Obligation Indebtedness" above.

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

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

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\* Subject to change.

## CARSON CITY SCHOOL DISTRICT

### General

All school districts in Nevada are organized under the terms of legislation enacted in 1956. There is one school district in each county with responsibility for all public education from preschool through the twelfth grade. The District's boundaries are coterminous with those of Carson City. According to the State Demographer's office, the estimated population of the City (and therefor the District) was 54,273 as of July 1, 2015 (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>
Joe Cacioppo, President	7	12/2016
Laurel Crossman, Vice President	2	12/2016
Ryan Green, Clerk	4	12/2018
Ron Swirczek, Member	1	12/2018
Susan Hart, Member	6	12/2018
Steven Reynolds, Member	5	12/2016
Stacie Wilke-McCulloch, Member	3	12/2018

### 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>					
Academic Year	2011-12	2012-13	2013-14	2014-15	2015-16
Elementary Schools	3,488	3,520	3,468	3,531	3,489
Senior High Schools	4,106	4,108	4,057	4,054	4,074
Total	7,594	7,628	7,525	7,585	7,563
Percent change	(0.10)%	0.45%	(1.35%)	0.80%	(0.22%)

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Source: The District.

The District currently projects that enrollment will increase by 24 students in the 2016-17 school year.

## Employee Relations and Pension Benefits

Employee Relations. The District considers its relations with its employees to be good. As of June 1, 2016, the District has 883 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 bargain unit that expire June 30, 2016. On June 14, 2016, the Board approved a new agreement with its certified staff and nurses that will remain in effect until June 30, 2018. The District currently expects to approve an agreement with its administration and classified staff on June 28, 2016, subject to certain prior approvals by the bargaining units representing such administration and classified staff.

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.

<u>PERS Benefit Multiplier</u>					
<u>Membership Date</u>	<u>Service Credit Multiplier</u>				<u>Highest Contiguous Average Over</u>
	<u>Before 07/01/01</u>	<u>After 07/01/01</u>	<u>After 01/01/10</u>	<u>After 07/01/15</u>	
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

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, 2015. 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, 2015	June 30, 2014	June 30, 2013
UAAL	\$12.35 billion	\$12.53 billion	\$12.88 billion
Market Value Funding Ratio	75.1%	76.3%	68.7%
Actuarial Value Funding Ratio	73.2%	71.5%	69.3%
Assets Market Value	\$34.61 billion	\$33.58 billion	\$28.83 billion
Assets Actuarial Value	\$33.72 billion	\$31.47 billion	\$29.11 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 current combined, effective average amortization period for regular members and police/fire members is 20.7 years. The PERS Board also adopted a five-year asset smoothing policy for net deferred gains/losses. As of June 30, 2015, PERS has unrecognized investment gains of \$893 million. Unless offset by future investment losses or other unfavorable experience, the recognition of the \$893 million in market gains is expected to increase the future actuarial funded ratio and decrease the future contribution rate.

For the year ended June 30, 2014, PERS adopted Governmental Accounting Standards Board Statement (“GASB”) No. 67, Financial Reporting for Pension Plans-an amendment of GASB Statement No. 25 (“GASB 67”). GASB 67 replaces the requirements of GASB Statement Nos. 25 and 50 as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. The objective of GASB 67 is to improve financial reporting by state and local governmental pension plans. It requires enhancement to footnote disclosure and required supplementary information for pension plans.

Prior to these new standards, the accounting and reporting requirements of the pension related liabilities followed a long-term funding policy perspective. The new standards separate the accounting and reporting requirements from the funding decisions and require the unfunded portion of the pension liability to be apportioned among the participating employers. These standards apply for financial reporting purposes only and do not apply to contribution amounts for pension funding purposes.

With the implementation of GASB 67, PERS reported its total pension liability, fiduciary net position, and net pension liability in its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014. The total pension liability for financial reporting was determined on the same basis as the Actuarial Accrued Liability measure for funding. The fiduciary net position is equal to the market value of assets.

For the fiscal year ended June 30, 2015, the District adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The implementation of these standards requires governments to calculate and report the costs and obligations associated with pensions in their basic financial statements. Employers are required to recognize pension amounts for all benefits provided through the plan, which includes the net pension liability (“NPL”), deferred outflows of resources, deferred inflows of resources and pension expense. These standards required the inclusion of the District’s proportionate share of PERS within the District’s financial statements effective July 1, 2014. At June 30, 2015, the District reported a liability of \$68,291,472 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014 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 a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined. At June 30, 2014, the District’s proportionate share for regular plans was 0.655%. The implementation of this standard has no effect at the individual fund statement level. **The District has no legal obligation to fund any of PERS’s NPL nor does it have any ability to affect funding, benefit, or actuarially determined contribution decisions made by PERS or the Legislature.**

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 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 District is obligated to contribute all amounts.

<u>Fiscal Years</u> <u>2008 and 2009</u>	<u>Fiscal Years</u> <u>2010 and 2011</u>	<u>Fiscal Years</u> <u>2012 and 2013</u>	<u>Fiscal Years</u> <u>2014 and 2015</u>	<u>Fiscal Years</u> <u>2016 and 2017</u>
20.50%	21.50%	23.75%	25.75%	28.00%

The District's contributions to PERS for its fiscal years 2012 through 2016 were \$9,561,936, \$9,583,744, \$10,107,886, \$10,519,005, and \$11,545,000 (estimated), respectively; those amounts equaled the contributions required by law. The District has budgeted \$11,850,000 in PERS contributions for its fiscal year ending June 30, 2017.

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 \$946,710, \$916,143, and \$869,000 for fiscal years 2014, 2015, and 2016 (estimated), respectively, and has budgeted to contribute \$863,000 for fiscal year 2017. See Note 10 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"). Retiree 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 10 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 Board normally is required to adopt the final budget on or before June 8. 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, 2015. 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, 2015, 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 District expects to approve its audit for the year ended June 30, 2016 on December 13, 2016.

## **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 projects receiving \$9,442,919 (16.2% of General Fund revenues) from the property tax and projects receiving \$18,312,048 (31.4% of General Fund revenues) from the LSST in fiscal year 2016, and the District received \$9,015,377 (16.1% of General Fund revenues) from the property tax and \$18,686,090 (33.0% of General Fund revenues) from the LSST in fiscal year 2015. The District has budgeted to receive \$9,520,922 (15.9% of General Fund revenues) from the property tax and \$20,690,173 (34.6% of General Fund revenues) from the LSST in fiscal year 2017. 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.

*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.

Each school district's share of State aid is set by the State legislature for the biennium in accordance with a formula set forth in the School Finance Plan. The School Finance Plan was adopted by the Nevada 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. 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.

The per-pupil State guaranteed support for the District for fiscal years 2012-2016 was \$5,992, \$6,098, \$6,537, and \$6,637, and \$6,908 respectively. The District estimates receiving \$28,006,122 (48.0% of General Fund revenue) in State DSA funding in fiscal year 2016, and received \$26,339,365 (46.4% of General Fund revenue) in State DSA funding in fiscal year 2015. The District has budgeted State DSA revenue of \$26,687,915 in fiscal year 2017.

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."

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. It is likely that the School Finance Plan will be amended in the future; there is no assurance that such amendments will not result in reduced funding to the District.

### **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 2012 to 2016. The information for fiscal years 2012 through 2015 was derived from the District's annual financial report for those years. The information for fiscal year 2016 was estimated by District staff using unaudited actual information for the first 11 months of fiscal year 2016. District staff believes the estimated fiscal year 2016 information is reasonable but actual results will differ. The information for budgeted fiscal year 2017 was obtained from the District's approved fiscal year 2017 budget. The information in this table should be read together with the District's audited financial statements for the year ended June 30, 2015, 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,	2012 Audited	2013 Audited	2014 Audited	2015 Audited	2016 Estimated <sup>(4)</sup>	2017 Budgeted
<b>Revenues</b>						
Local sources	\$28,955,034	\$29,461,862	\$29,005,406	\$30,275,019	\$32,223,147	\$32,983,297
State sources	23,629,294	23,840,782	27,051,261	26,339,365	26,854,301	26,687,915
Federal sources	<u>92,460</u>	<u>92,448</u>	<u>72,004</u>	<u>58,020</u>	<u>62,000</u>	<u>63,550</u>
Total revenues	<u>52,676,788</u>	<u>53,395,092</u>	<u>56,128,671</u>	<u>56,672,404</u>	<u>59,139,448</u>	<u>59,734,762</u>
<b>Expenditures</b>						
Current:						
Regular programs	24,669,297	26,609,243	25,017,704	24,079,688	23,868,738	24,489,141
Special programs	53,596	49,671	8,124	3,746	19,889	--
Vocational programs	1,819,611	1,969,579	1,727,794	2,371,028	2,610,506	2,469,366
Extra-curricular activities	1,399,189	589,908	552,106	534,711	652,628	630,508
Other instructional programs	905,739	1,099,296	999,119	1,176,208	3,110,789	3,092,656
Undistributed expenditures:						
Student support	2,911,423	2,909,958	2,674,119	2,744,806	2,914,449	2,995,364
Instructional staff support	1,577,864	1,953,859	1,594,136	1,763,556	1,732,997	1,960,628
General administration	475,972	508,801	448,933	492,689	517,618	516,719
School administration	3,128,135	3,285,776	3,416,898	3,502,331	3,530,094	3,803,648
Business administration	--	--	--	--	--	--
Operation and maintenance	6,459,336	6,124,660	6,486,714	6,458,844	6,409,431	6,637,654
Student transportation	1,588,330	1,629,997	1,693,860	1,506,464	1,830,574	1,900,259
Central support/services	2,773,528	3,244,325	3,609,557	3,189,678	3,754,478	3,864,046
Facilities acquisition/construction	--	--	--	--	--	--
Nutrition services	<u>3,299</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total expenditures	<u>47,765,319</u>	<u>49,975,073</u>	<u>48,229,064</u>	<u>47,823,749</u>	<u>50,952,191</u>	<u>52,359,989</u>
Budgeted contingency	--	--	--	--	--	<u>1,000,000</u>
Total expenditures and budgeted contingency	<u>47,765,319</u>	<u>49,975,073</u>	<u>48,229,064</u>	<u>47,823,749</u>	<u>50,952,191</u>	<u>53,359,989</u>
Excess of revenues over expenditures	<u>4,911,469</u>	<u>3,420,019</u>	<u>7,899,607</u>	<u>8,848,655</u>	<u>8,187,257</u>	<u>6,374,773</u>
<b>Other Financing Sources (Uses)<sup>(2)</sup></b>						
Transfers out/to other funds <sup>(2)</sup>	(7,208,042)	(5,338,074)	(6,547,105)	(7,318,031)	(7,675,051)	(8,650,781)
Proceeds from sale of fixed assets	<u>5,933</u>	<u>17,530</u>	<u>1,226</u>	<u>4,152</u>	<u>5,000</u>	<u>5,000</u>
Total other financing sources (uses)	(7,202,109)	(5,320,544)	(6,545,879)	(7,313,879)	(7,670,051)	(8,645,781)
<b>Net change in fund balance</b>	(2,290,640)	(1,900,525)	1,353,728	1,534,776	517,206	(2,271,008)
<b>Fund balance as of July 1</b>	<u>14,298,994</u>	<u>12,008,354</u>	<u>10,107,829</u>	<u>11,461,557</u>	<u>12,996,333</u>	<u>11,264,014<sup>(5)</sup></u>
<b>Fund balance as of June 30</b>	<u>\$12,008,354</u>	<u>\$10,107,829</u>	<u>\$11,461,557</u>	<u>\$12,996,333</u>	<u>\$13,513,539</u>	<u>\$8,993,005</u>
Reserved/Nonspendable in form <sup>(3)</sup>	\$ 124,379	\$ 152,056	141,512	152,551	152,551	--
Designated/Assigned <sup>(3)</sup>	\$ 5,170,774	\$ 2,754,241	1,208,652	2,609,128	1,271,009	5,068,853
Unreserved & Undesignated/Unassigned <sup>(3)</sup>	\$ 6,713,201	\$ 7,201,532	10,111,393	10,234,654	12,089,979	3,924,152

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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.
  - (4) Estimated information provided by District staff. District staff believes such estimates are reasonable but actual results will differ.
  - (5) Budgeted beginning fund balance. Does not correspond to estimated ending fund balance for fiscal year 2016.

Source: Derived from the District's audited Financial Statements for fiscal years 2012 through 2015, from information provided by District staff for the estimated fiscal year 2016 information, and the District's 2017 Final Budget.

## **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 following table provides a history of the financial operations for the District's Debt Service Fund for fiscal years 2012 to 2016. The information for fiscal years 2012 through 2015 was derived from the District's annual financial report for those years. The information for fiscal year 2016 was estimated by District staff using unaudited actual information for the first 11 months of fiscal year 2016. District staff believes the estimated fiscal year 2016 information is reasonable but actual results will differ. The information for budgeted fiscal year 2017 was obtained from the District's approved fiscal year 2017 budget. The information in this table should be read together with the District's audited financial statements for the year ended June 30, 2015, 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,	2012 Audited	2013 Audited	2014 Audited	2015 Audited	2016 Estimated <sup>(4)</sup>	2017 Budgeted
<b>Revenues</b>						
Property taxes	\$5,977,271	\$6,275,729	\$5,400,522	\$5,551,923	\$5,639,475	\$5,685,730
Investment earnings	<u>72,029</u>	<u>21,624</u>	<u>78,913</u>	<u>54,998</u>	<u>55,548</u>	<u>56,104</u>
Total Revenues	<u>6,049,300</u>	<u>6,297,353</u>	<u>5,479,435</u>	<u>5,606,921</u>	<u>5,695,023</u>	<u>5,741,834</u>
<b>Expenditures</b>						
Principal retirement	12,471,000	2,177,000	2,339,000	3,531,000	3,603,000	3,405,000
Interest	2,890,539	2,427,154	2,358,972	2,218,378	2,063,144	1,936,538
Other	<u>500</u>	<u>500</u>	<u>--</u>	<u>187,526</u>	<u>--</u>	<u>--</u>
Total Expenditures	<u>15,308,039</u>	<u>4,604,654</u>	<u>4,697,972</u>	<u>5,936,904</u>	<u>5,666,143</u>	<u>5,341,538</u>
Excess/(Deficiency) of Revenues Over (Under) Expenditures	<u>(9,258,739)</u>	<u>1,692,699</u>	<u>781,463</u>	<u>(329,983)</u>	<u>28,880</u>	<u>400,296</u>
<b>Other Financing Sources/Uses</b>						
Transfer in <sup>(1)</sup>	472,000	260,000	260,000	260,000	276,481	--
Transfer out <sup>(2)</sup>	(2,815,553)	(2,564,870)	--	(200,000)	--	(1,000,000)
Proceeds from refunding bonds	--	--	--	8,530,000	--	--
Premium on refunding bonds	--	--	--	657,922	--	--
Refunded bonds escrow agent	--	--	--	(8,991,192)	--	--
Energy rebates <sup>(3)</sup>	<u>8,219,035</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total other financing sources (uses)	<u>5,875,482</u>	<u>(2,304,870)</u>	<u>260,000</u>	<u>256,730</u>	<u>276,481</u>	<u>(1,000,000)</u>
Net change in fund balances	(3,383,257)	(612,171)	1,041,463	(73,253)	305,361	(599,704)
Fund balance, July 1	6,546,974	3,163,717	2,551,546	3,593,009	3,519,756	3,548,636 <sup>(5)</sup>
Fund balance, June 30	<u>\$3,163,717</u>	<u>\$2,551,546</u>	<u>\$3,595,009</u>	<u>\$3,519,756</u>	<u>\$3,825,117</u>	<u>\$2,948,932</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 due to a reduction in the District's debt service requirement established for other District bonds. No debt service reserve fund secures the Bonds.

<sup>(3)</sup> Represents amounts paid by a third party to the District that were used to prepay debt service on a prior series of the District's medium term obligations.

<sup>(4)</sup> Estimated information provided by District staff. District staff believes such estimates are reasonable but actual results will differ.

<sup>(5)</sup> Budgeted beginning fund balance. Does not correspond to estimated ending fund balance for fiscal year 2016.

Source: Derived from the District's audited Financial Statements for fiscal years 2012 through 2015, from information provided by District staff for the estimated fiscal year 2016 information, and the District's 2017 Final Budget



## **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, 2015, 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 2015 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, 2015.

### **Analysis of Recent Financial Developments**

Fiscal Year 2016. Enrollment decreased by an estimated 10.8 students (weighted basis). This was an expected development as the State of Nevada moved from determining its primary revenue source to school districts being a function of a single "Count Day" count of students in September to an "Average Daily Enrollment" of students over an entire school year. Nevada Plan revenues are expected to come in approximately \$400,000 over budget and \$2,100,000 over FY15. Expenses are expected to be up \$2,500,000-\$3,000,000 from FY15, but \$500,000 under budget. Local revenues from property taxes are expected to increase slightly due to slowly recovering property values. The Local School Support Tax is expected to increase by almost \$2,000,000 as well. District employees have received another 1% salary increase which is accounted for in the estimated FY16 numbers.

Fiscal Year 2017. Enrollment is expected to decrease 3.6 students (weighted basis). Revenues are budgeted to be up \$600,000 over FY16, and expenses budgeted to be up \$1,400,000 from FY16. Local revenues from property taxes are expected to increase very little due to the impact of Nevada's abatement laws, with most growth coming from expected new construction. The District has received large increases in State grant revenues as there is a push to make more money available to education but with defined purpose and more accountability. Special Education Funding is flat from FY16 to FY17 after expecting an \$800,000 increase. Government Services Taxes are budgeted to decrease about \$100,000 from the initial projections due to an error that was discovered in the distribution of funds to municipalities. The Local School Support Tax is budgeted to increase by \$600,000 as well. All District negotiations with bargaining units have tentative agreements with 1.25%-1.5% salary increases for both FY 17 and FY18, which is accounted for in the budget. The adopted Final Budget shows an expected deficit of \$1.2 million for FY17, not including contingency.

### **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 12 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>
2013	1,432,220,928	214,833,139	55,598,000	159,235,139
2014	1,286,332,269	192,949,840	53,259,000	139,690,840
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	46,460,000 <sup>(2)</sup>	180,330,989

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

<sup>(2)</sup> Excludes the Bonds and the effect of the Refunding Project. Shows amount outstanding as of July 1, 2016.

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 July 1, 2016, excluding the issuance of the Bonds and the effect of the Refunding Project.

#### 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>				
School Improvement Bonds, Series 2006	12/28/06	06/01/27	\$ 9,500,000	\$2,600,000
School Improvement Bonds, Series 2007	08/22/07	06/01/27	15,500,000	1,705,000
Refunding Bonds, Series 2010	08/04/10	12/01/20	10,705,000	6,760,000
School Improvement Bonds, Series 2011	02/23/11	06/01/31	16,000,000	14,390,000
School Improvement Bonds, Series 2011B	07/07/11	06/01/31	10,000,000	8,880,000
School Imp. & Refunding Bonds, Series 2012	03/06/12	06/01/32	4,025,000	3,645,000
Refunding Bonds, Series 2014	12/09/14	06/01/27	8,530,000	8,480,000
Refunding Bonds, Series 2016 ( <i>this issue</i> )*	12/09/14	06/01/27	8,970,000*	--
Total*				<u>\$46,460,000</u>

<sup>(1)</sup> As of July 1, 2016, excluding the issuance of the Bonds and the effect of the Refunding Project. 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 Financial Advisor.

Additional Bonds. The District may issue general obligation bonds (including refunding bonds) by means of authority granted to it by its electorate or the Legislature or, under certain circumstances, without an election as provided in existing statutes. The District does not currently anticipate issuing any additional bonds within the next six months; however, it reserves the right to do so at any time.

Other Obligations. From time to time, the District enters into operating leases for items such as office equipment. The District also records liabilities for compensated absences. See Note 10 in the audited financial statements attached hereto as Appendix A for more information.

### **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 July 1, 2016 (excluding the issuance of the Bonds and the effect of the Refunding Project).

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

Fiscal Year Ended <u>June 30</u>	<u>General Obligation Bonds</u>		<u>Grand</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$3,405,000	\$1,936,538	\$5,341,538
2018	3,600,000	1,792,163	5,392,163
2019	3,855,000	1,638,388	5,493,388
2020	3,980,000	1,472,450	5,452,450
2021	4,150,000	1,300,650	5,450,650
2022	3,535,000	1,162,675	4,697,675
2023	2,970,000	1,036,125	4,006,125
2024	2,870,000	915,125	3,785,125
2025	3,040,000	806,088	3,846,088
2026	3,115,000	682,488	3,797,488
2027	3,240,000	555,913	3,795,913
2028	2,125,000	418,913	2,543,913
2029	2,040,000	315,463	2,355,463
2030	2,135,000	217,844	2,352,844
2031	2,240,000	114,094	2,354,094
2032	<u>160,000</u>	<u>5,000</u>	<u>165,000</u>
Total	\$46,460,000	\$14,369,913	\$60,829,917

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(1) Totals may not add due to rounding.

Source: The District and the Financial 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 except that such interest is required to be included in calculating the “adjusted current earnings” adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations as described below.

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 (except to the extent of the aforementioned adjustment applicable to corporations) 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 (to the extent described above) 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.

Section 55 of the Tax Code contains a 20% alternative minimum tax on the alternative minimum taxable income of corporations. Under the Tax Code, 75% of the excess of a corporation’s “adjusted current earnings” over the corporation’s alternative minimum taxable income (determined without regard to this adjustment and the alternative minimum tax net operating loss deduction) is included in the corporation’s alternative minimum taxable income for purposes of the alternative minimum tax applicable to the corporation. “Adjusted current earnings” includes interest on the Bonds.

The Tax Code contains numerous provisions which may affect an investor’s decision to purchase the Bonds. Owners of the Bonds should be aware that the ownership of tax-exempt obligations by particular persons and entities, including, without limitation, financial institutions, insurance companies, recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry

tax-exempt obligations, foreign corporations doing business in the United States and certain “subchapter S” corporations may result in adverse federal and state tax consequences. Under Section 3406 of the Tax Code, backup withholding may be imposed on payments on the Bonds made to any owner who fails to provide certain required information, including an accurate taxpayer identification number, to certain persons required to collect such information pursuant to the Tax Code. Backup withholding may also be applied if the owner underreports “reportable payments” (including interest and dividends) as defined in Section 3406, or fails to provide a certificate that the owner is not subject to backup withholding in circumstances where such a certificate is required by the Tax Code. Certain of the Bonds may be sold at a premium, representing a difference between the original offering price of those Bonds and the principal amount thereof payable at maturity. Under certain circumstances, an initial owner of such bonds (if any) may realize a taxable gain upon their disposition, even though such bonds are sold or redeemed for an amount equal to the owner’s acquisition cost. Bond Counsel’s opinion relates only to the exclusion of interest on the Bonds from gross income and alternative minimum taxable income as described above and will state that no opinion is expressed regarding other federal tax consequences arising from the receipt or accrual of interest on or ownership of the Bonds. Owners of the Bonds should consult their own tax advisors as to the applicability of these consequences.

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

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

## **FINANCIAL INSTITUTION INTEREST DEDUCTION**

The Tax Code generally provides that a financial institution may not deduct that portion of its interest expense which is allocable to tax-exempt interest. The interest expense which is allocable to tax-exempt interest is an amount which bears the same ratio to the institution's interest expense as the institution's average adjusted basis of tax-exempt obligations acquired after August 7, 1986 bears to the average adjusted basis of all assets of the institution. Tax-exempt obligations may be treated as if issued prior to August 7, 1986 (and therefore are not subject to this rule), if they are "qualified tax-exempt obligations" as defined in the Tax Code and are designated for this purpose by the District.

The District has designated the Bonds for this purpose; however, under provisions of the Tax Code dealing with financial institution preference items, certain financial institutions, including banks, are denied 20% of their otherwise allowable deduction for interest expense with respect to obligations incurred or continued to purchase or carry the Bonds. In general, interest expense with respect to obligations incurred or continued to purchase or carry the Bonds will be in an amount which bears the same ratio as the institution's average adjusted basis in the Bonds bears to the average adjusted basis of all assets of the institution.

Amendments to the Tax Code could be enacted in the future and there is no assurance that any such future amendments which may be made to the Tax Code will not adversely affect the ability of banks or other financial institutions to deduct any portion of its interest expense allocable to tax-exempt interest.

## **LEGAL MATTERS**

### **Litigation**

There are no suits pending in courts within the State to which the District is a party.

### **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 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, 2015, attached hereto as Appendix A, have been audited by 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. 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. Silva & Co. LLC, also has not performed any procedures relating to this Official Statement.

## **RATINGS**

Moody's Investors Service ("Moody's") has assigned the Bonds the ratings shown on the cover page of this Official Statement. Such ratings reflect only the views of the 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 ratings once received or to oppose any such proposed revision.

## **FINANCIAL ADVISOR**

JNA Consulting Group, LLC, is serving as Financial Advisor to the District in connection with the Bonds. The Financial 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 Financial Advisor respecting accuracy and completeness of this Official Statement or any other matter related to this Official Statement.

## **PUBLIC SALE**

The District currently expects to offer the Bonds at public sale on July 14, 2016. See Appendix G - Official Notice of Bond Sale.

## **OFFICIAL STATEMENT CERTIFICATION**

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

CARSON CITY SCHOOL DISTRICT, NEVADA

By: \_\_\_\_\_  
Director of Fiscal Services

**APPENDIX A**

**AUDITED BASIC FINANCIAL STATEMENTS OF CARSON CITY  
SCHOOL DISTRICT, NEVADA FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**CARSON CITY SCHOOL DISTRICT**

**ANNUAL FINANCIAL REPORT**

**Fiscal Year Ended**

**June 30, 2015**

# CARSON CITY SCHOOL DISTRICT

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# CARSON CITY SCHOOL DISTRICT

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**SILVA & CO LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

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775.624.9105 | [silvacocpa.com](http://silvacocpa.com)

## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees  
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, 2015, 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.



To the Board of Trustees of the  
Carson City School District

### ***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, 2015, and the respective changes in its financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund, the Federal Grants Fund, and the Special Education Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 1 to the basic financial statements, effective July 1, 2014, the School District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The District's unrestricted net position has been restated as of July 1, 2014 as a result of this change in accounting principle. Our opinion is not modified with respect to this matter.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; the Schedule of Funding Progress related to the District's other postemployment benefits; and the pension system schedules of funding progress and employer contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

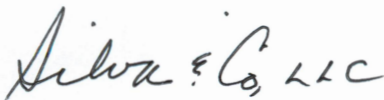
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

To the Board of Trustees of the  
Carson City School District

The combining and individual nonmajor fund financial statements and 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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2015, 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 "Silva & Co, LLC".

Reno, Nevada  
November 20, 2015

# CARSON CITY SCHOOL DISTRICT

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## MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2015

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, 2015. We encourage readers to read the information presented here in conjunction with the District's financial statements, which follow this narrative.

As required by the Governmental Accounting Standards Board (GASB), the District has implemented Statements No. 68, *Accounting and Financial Reporting for Pensions*, and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The changes resulting from the implementation of these two accounting standards are significant at the district-wide level. However, the changes do not affect the financial statements at the fund level. Further discussion of this implementation can be found at the District-Wide Financial Analysis section of this document.

### 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.

### 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.

# CARSON CITY SCHOOL DISTRICT

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## MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2015

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 15 - 16 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 18 and 21) 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

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

# CARSON CITY SCHOOL DISTRICT

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## MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2015

are combined into a single aggregated presentation in these statements. Individual fund data for each of these nonmajor funds is reported within the Combining and Individual Fund Statements and Schedules section and beginning on page 74 of this report.

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

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

### Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements are on pages 39 – 67 of this report.

### DISTRICT-WIDE FINANCIAL ANALYSIS

As previously mentioned on page 4, the District has implemented GASB Statements No. 68, *Accounting and Financial Reporting for Pensions*, and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These new standards require participants in a multi-employer cost sharing plan to:

- Record a proportionate share of the net pension liability on our statement of net position.
- Record a proportionate share of pension expense (as defined by the new GASB statements) on our statement of activities.
- Report additional note disclosures and required supplementary information.

These standards required the inclusion of the District's proportionate share of the Nevada Public Employees' Retirement Plan within the District's financial statements effective July 1, 2014. The effect of the adoption was to decrease July 1, 2014 beginning net position by \$76.2 million and the inclusion of the obligation, and related deferred inflows and outflows, in the June 30, 2015 district-wide financial statements. All governments participating in the retirement plan were required to adopt these new standards. The detail can be found primarily in Note 9 to these statements, beginning on page 56.



# CARSON CITY SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2015

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 (68%) 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 table below provides a summary of the District's net position (deficit) for 2015 compared to 2014. The 2014 amounts have been restated for the effects of GASB Nos. 68 and 71, as discussed above.

### DISTRICT'S NET POSITION

	2015	(Restated) 2014	Change	
		(In Millions)		
<b>Assets</b>				
Current and other assets	\$ 34.3	\$ 34.6	\$ (0.3)	-0.9%
Net capital assets	95.4	96.9	(1.5)	-1.5%
Total Assets	129.7	131.5	(1.8)	-1.4%
<b>Deferred Outflows of Resources</b>	11.2	10.0	1.2	12.0%
<b>Liabilities</b>				
Current liabilities	14.4	14.0	0.4	2.9%
Long-term liabilities	122.6	142.7	(20.1)	-14.1%
Total Liabilities	137.0	156.7	(19.7)	-12.6%
<b>Deferred Inflows of Resources</b>	17.0	-	17.0	-
<b>Net Position</b>				
Net investment in capital assets	43.7	41.6	2.1	5.0%
Restricted	4.4	6.2	(1.8)	-29.0%
Unrestricted	(61.2)	(63.0)	1.8	2.9%
Total Net Position	\$ (13.1)	\$ (15.2)	\$ 2.1	13.8%

# CARSON CITY SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2015

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

### DISTRICT'S CHANGES IN NET POSITION

	<b>Governmental Activities</b>	
	<b>2015</b>	<b>2014</b>
	<i>(In millions)</i>	
<b>Revenues</b>		
Program revenues:		
Charges for services	0.6	0.8
Operating grants and contributions	15.6	14.8
General revenues:		
Property taxes	14.7	14.4
Local school support taxes	18.7	17.6
Government service taxes	2.2	2.0
State aid not restricted to specific purposes	31.1	31.8
Other revenues	0.9	0.9
Total Revenues	<u>83.8</u>	<u>82.3</u>
<b>Expenses</b>		
Instruction	48.6	48.2
Support services	24.0	24.2
Nutrition services	2.8	2.9
Facilities acquisition/improvement	4.1	2.8
Interest on long-term debt	2.2	2.1
Total Expenses	<u>81.7</u>	<u>80.2</u>
<b>Change in Net Position (Deficit)</b>	2.1	2.1
<b>Net Position (Deficit) - Beginning of year</b>	(15.2)	58.9
<b>Impact of GASB Statement Nos. 68 and 71</b>	-	(76.2)
<b>Net Position (Deficit) - End of Year</b>	<u>\$ (13.1)</u>	<u>\$ (15.2)</u>

# CARSON CITY SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2015

### 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 81.5% of total revenues.
- ◇ Grants and contributions represent 11.7% of the District's revenues.
- ◇ Local school support taxes (LSST) increased 6.2% from the prior year due to a continued increase in taxable sales.
- ◇ State aid not restricted to specific purposes decreased nearly 2.6% from the prior year, due to the offsetting effect of the LSST as utilized in the "Nevada Plan" calculation.

### 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, 2015, the District's governmental funds reported a combined fund balance of \$19.2 million, a 5.1% decrease from last year. Of this total, approximately \$8.9 million is nonspendable, restricted or assigned fund balance. The remaining \$10.2 million, or 53.4%, constitutes unassigned fund balance, which is available for spending at the District's discretion within the parameters of the respective fund. Additional detail can be found on page 67 of these statements.

### *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:

	2011	2012	2013	2014	2015
	<i>(In Millions)</i>				
Revenues	\$ 72.5	\$ 71.5	\$ 70.3	\$ 76.4	\$ 77.7
Expenditures	74.5	73.8	73.1	74.9	76.5
Fund Balances	18.4	15.7	12.3	13.8	14.8



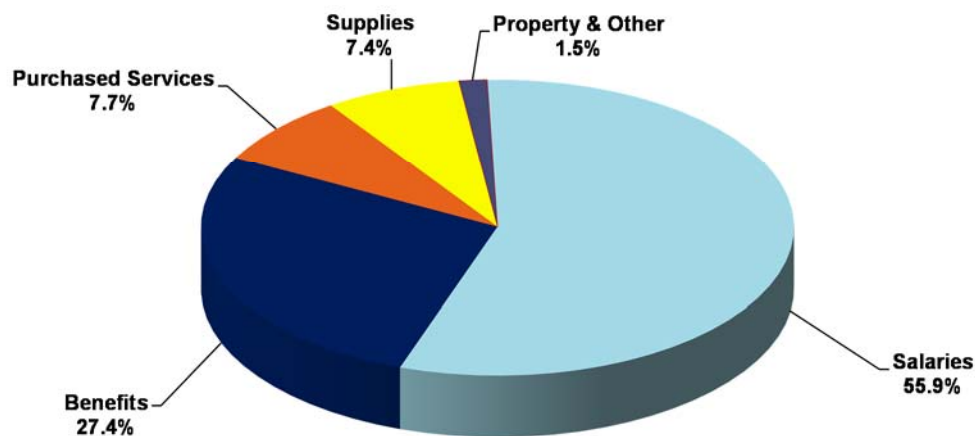
# CARSON CITY SCHOOL DISTRICT

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## MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2015

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:

**General and Special Revenue Funds  
Expenditures by Object**



### ***Debt Service Fund***

The June 30, 2015 fund balance of \$3.5 million, combined with revenues budgeted for the 2015-16 year of \$5.7 million exceed the 2015-16 anticipated debt service requirements of \$5.67 million on the District's general obligation debt.

### ***Bond Issues Fund***

The District maintains two capital projects funds. Proceeds from bond issues intended to be used for the acquisition or construction of major capital facilities or for major improvements to the District's existing facilities are accounted for in the Bond Issues Fund (a major fund). As of June 30, 2015, the Bond Issues Fund had no ending fund balance, as final expenditures of \$674 thousand were made during the fiscal year.

# CARSON CITY SCHOOL DISTRICT

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## MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2015

### BUDGETARY HIGHLIGHTS

Nevada's school districts are funded in large part based on student enrollment at the end of the first school month. State statutes require all school districts to amend their General Fund budgets after "count day" enrollment is known. 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 final revision to the budget (which required board approval) was authorized on June 23, 2015.

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 is primarily the result of continued efforts by the District to operate efficiently in the face of challenging economic circumstances.

### DEBT ADMINISTRATION AND CAPITAL ASSETS

#### *Debt Administration*

As of June 30, 2015, the District's debt was comprised of the following:

#### Outstanding General Obligation Debt

	2015	2014
	(In Millions)	
Property Tax Paid Bonds	\$ 49.8	\$ 52.7
Medium-Term Bonds	0.3	0.5
	<u>\$ 50.1</u>	<u>\$ 53.2</u>

The District's outstanding debt decreased by \$3.1 million, or 5.8%, during the current fiscal year. Principal and interest payments on the General Obligation Bonds for the 2015-16 fiscal year are scheduled to total \$5.7 million.

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, or \$200.7 million. As of June 30, 2015, the District's general obligation debt outstanding did not exceed its statutory limit.

Additional detail with respect to the District's debt can be found on pages 55 – 56 of the financial statements.

# CARSON CITY SCHOOL DISTRICT

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## MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2015

### *Capital Assets*

The District's capital assets as of June 30, 2015 and 2014 are as follows:

Capital Assets (Net of Depreciation)		
	2015	2014
	(In Millions)	
Land	\$ 0.4	\$ 0.4
Construction in progress	0.4	2.9
Buildings and improvements	91.8	90.5
Equipment and vehicles	2.8	3.2
	<u>\$ 95.4</u>	<u>\$ 97.0</u>

The net decrease in the District's net capital assets (cost less accumulated depreciation) for the current fiscal year was 1.6%. Additional detail can be found on page 54 of these statements.

## 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.

One of the factors determining the amount of DSA funding received is the weighted student enrollment within the District. 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. For the 2014-15 school year, the District (as did all Nevada's school districts) received full funding in accordance with the 2013 biennial state budget.

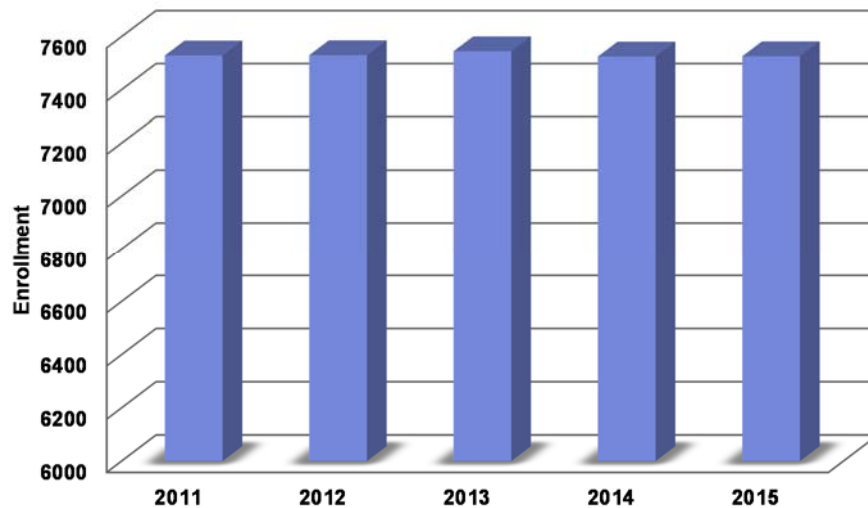
Provided on the next page is a chart that depicts the District's recent (2010-11 through 2014-15) pupil enrollment.

# CARSON CITY SCHOOL DISTRICT

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## MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2015

**District Enrollment 2010-11 through 2014-15**



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 formula weights pre-kindergarten (pre-k) and kindergarten (k) students at 0.6, while first through twelfth grades are given a weight of 1.0, thus reducing the per pupil funding for pre-k and k grade levels.

Additionally, although the current School Finance Plan was designed with intended stability in mind, SB500 from the 2013 Legislative Session resulted in a Task Force recommendation to change the financial support of school districts by implementing a funding formula that takes into account the needs of special student populations. As a result, the 2015 Legislative Session did bring about sweeping changes to the DSA formula. While some areas, such as enrollment, have been defined and are in place for the 2015-16 fiscal year, others are still in flux, such as Special Education Funding, and will be instated in the 2016-17 fiscal year.

As previously discussed, Nevada's school districts are funded in large part based on student enrollment. The methodology for enrollment was changed in the 2015 Legislative Session by moving to an "average daily enrollment," or ADE model. ADE is calculated by taking the total number of pupils enrolled during a reporting period divided by the number of days school is in session during that period. Days school is in session is defined as instruction days as they appear on the Nevada Department of Education approved school calendar.

# CARSON CITY SCHOOL DISTRICT

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## MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2015

Also, the "hold harmless" provisions of the DSA formula were eliminated. To protect districts during times of declining enrollment, State law had contained a "hold-harmless" provision which provided 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).

In the future, the DSA formula will no longer be weighted as the State has continued to place more emphasis and provide more funding for Full-Day Kindergarten (FDK) programs. Although DSA monies will be paid using the weighted formula through 2016-17, starting in 2017-18 the weighted factors will be removed, and each enrolled student will count as 1.0 fully funded unit, and as such, FDK funding will be eliminated.

As certain components of the new allocation method are not yet finalized, it is unclear how these pending changes will impact the District. Additionally, AB421 of the 2015 Legislature created the Spending and Government Efficiencies (SAGE) Commission that will submit periodic recommendations to the Governor of Nevada over the next eighteen months regarding identifying areas in which K-12 public education costs may be reduced, or identify areas of increased efficiencies with K-12 public education, or any means by which the public education of the State of Nevada may be improved. A final report will be submitted to the Governor and the Legislative Council Bureau for the 79<sup>th</sup> Session of the Nevada Legislature (2017). 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.

### 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).

# **BASIC FINANCIAL STATEMENTS**

# CARSON CITY SCHOOL DISTRICT

## STATEMENT OF NET POSITION (DEFICIT) JUNE 30, 2015

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and investments	\$ 23,194,779
Receivables	10,868,854
Inventories	164,954
Prepaid expenses	25,945
Capital assets, net	95,409,200
Total Assets	129,663,732
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred charge on refunding	726,665
Deferred outflows related to pensions	10,475,949
	11,202,614
Total Assets and Deferred Outflows	140,866,346
<b>LIABILITIES</b>	
Accounts payable	1,176,840
Accrued liabilities	8,964,054
Interest payable	173,560
Unearned revenues	254,667
Noncurrent liabilities:	
Due within one year	3,843,874
Due in more than one year	49,304,662
Obligation for other postemployment benefits	5,008,386
Net pension liability	68,291,472
Total Liabilities	137,017,515
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pensions	16,997,849
Total Liabilities and Deferred Inflows	154,015,364
<b>NET POSITION (DEFICIT)</b>	
Net investment in capital assets	43,738,419
Restricted for:	
Debt service	3,519,736
Capital projects	806,625
Unrestricted	(61,213,798)
Total Net Position (Deficit)	\$ (13,149,018)

See accompanying notes.

# CARSON CITY SCHOOL DISTRICT

## STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2015

PROGRAMS/FUNCTIONS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
GOVERNMENTAL ACTIVITIES				
Regular programs	\$ 31,113,177	\$ -	\$ 7,005,089	\$ (24,108,088)
Special programs	11,314,223	253,979	2,141,846	(8,918,398)
Vocational programs	2,553,857	-	208,484	(2,345,373)
Adult Education programs	1,846,435	-	-	(1,846,435)
Extra and Cocurricular activities	530,926	-	3,349	(527,577)
Other Instructional programs	1,285,094	27,885	114,216	(1,142,993)
Community Services	333,197	-	-	(333,197)
Support Services:				
Student support	3,491,247	-	813,681	(2,677,566)
Instructional staff support	4,474,250	-	2,792,174	(1,682,076)
General administration	487,984	-	724	(487,260)
School administration	3,427,266	-	-	(3,427,266)
Central services	3,508,481	-	204,119	(3,304,362)
Operation and maintenance	6,446,908	-	46,352	(6,400,556)
Student transportation	1,783,410	-	79,359	(1,704,051)
Other support	17,645	-	-	(17,645)
Nutrition services	2,814,883	341,746	2,101,838	(371,299)
Facilities acquisition/construction	4,081,915	-	76,818	(4,005,097)
Interest and fiscal charges	2,206,032	-	-	(2,206,032)
Total School District	\$ 81,716,930	\$ 623,610	\$ 15,588,049	(65,505,271)
General Revenues:				
	Property taxes, levied for general purposes			\$ 9,150,377
	Property taxes, levied for debt service			5,551,923
	Local school support taxes			18,686,090
	Government service taxes for general purposes			1,721,536
	Government service taxes for capital purposes			493,103
	Franchise taxes			155,289
	Earnings on investments			62,047
	Other local sources			648,319
	State aid not restricted to specific purposes			31,127,590
	Total General Revenues			67,596,274
	Change in Net Position			2,091,003
NET POSITION (DEFICIT), as restated, July 1, 2014				(15,240,021)
NET POSITION (DEFICIT), June 30, 2015				\$ (13,149,018)

See accompanying notes.



# CARSON CITY SCHOOL DISTRICT

## GOVERNMENTAL FUNDS BALANCE SHEET JUNE 30, 2015

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

	GENERAL FUND	FEDERAL GRANTS FUND	SPECIAL EDUCATION FUND	DEBT SERVICE FUND	BOND ISSUES FUND	NON-MAJOR GOV'T FUNDS	TOTALS GOVERNMENTAL FUNDS	
							2015	2014
<b>ASSETS</b>								
Cash and investments	\$ 10,074,801	\$ -	\$ 1,974,652	\$ 3,440,819	\$ -	\$ 2,830,223	\$ 18,320,495	\$ 21,180,164
Receivables	6,044,795	3,355,986	288,529	168,166	-	1,010,450	10,867,926	9,010,403
Due from other funds	2,865,498	-	-	-	-	-	2,865,498	1,539,239
Inventories	126,606	-	-	-	-	38,348	164,954	115,316
Prepaid expenditures	25,945	-	-	-	-	-	25,945	30,400
Total Assets	<u>\$ 19,137,645</u>	<u>\$ 3,355,986</u>	<u>\$ 2,263,181</u>	<u>\$ 3,608,985</u>	<u>\$ -</u>	<u>\$ 3,879,021</u>	<u>\$ 32,244,818</u>	<u>\$ 31,875,522</u>
<b>LIABILITIES</b>								
Accounts payable	\$ 798,067	\$ 16,520	\$ 44,449	\$ -	-	\$ 315,670	\$ 1,174,706	\$ 1,457,781
Accrued liabilities	5,343,245	700,627	1,290,540	-	-	1,451,904	8,786,316	8,403,926
Due to other funds	-	2,636,928	-	-	-	228,570	2,865,498	1,539,239
Unearned revenues	-	1,911	-	89,229	-	163,527	254,667	272,091
Total Liabilities	<u>6,141,312</u>	<u>3,355,986</u>	<u>1,334,989</u>	<u>89,229</u>	<u>-</u>	<u>2,159,671</u>	<u>13,081,187</u>	<u>11,673,037</u>
<b>FUND BALANCES</b>								
Nonspendable	152,551	-	-	-	-	38,348	190,899	142,538
Restricted	-	-	-	3,519,756	-	806,625	4,326,381	6,361,248
Assigned	2,609,128	-	928,192	-	-	874,377	4,411,697	3,587,306
Unassigned	10,234,654	-	-	-	-	-	10,234,654	10,111,393
Total Fund Balance	<u>12,996,333</u>	<u>-</u>	<u>928,192</u>	<u>3,519,756</u>	<u>-</u>	<u>1,719,350</u>	<u>19,163,631</u>	<u>20,202,485</u>
Total Liabilities and Fund Balance	<u>\$ 19,137,645</u>	<u>\$ 3,355,986</u>	<u>\$ 2,263,181</u>	<u>\$ 3,608,985</u>	<u>\$ -</u>	<u>\$ 3,879,021</u>	<u>\$ 32,244,818</u>	<u>\$ 31,875,522</u>

See accompanying notes.

# CARSON CITY SCHOOL DISTRICT

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## RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION (DEFICIT) JUNE 30, 2015

<b>Fund Balance - Governmental Funds</b>		\$ 19,163,631
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	\$ 166,103,449	
Less accumulated depreciation	<u>(70,694,249)</u>	95,409,200
Deferred outflows related to pension payments made subsequent to the measurement date.		10,475,949
Long-term liabilities, including bonds payable and the noncurrent liability for compensated absences, are not due and payable in the current period and therefore are not reported in the governmental funds:		
Bonds payable	(50,063,000)	
Bond premium, net	(2,328,280)	
Deferred charges on refunding, net	726,665	
Compensated absences	<u>(757,256)</u>	(52,421,871)
The liability for interest on bonds is reported in the fund statements when due and as accrued in the Statement of Activities.		(173,560)
The liability for estimated future payments of benefits to be provided to current and future retirees is not reported as a fund liability since these costs will not be paid from current resources.		(5,008,386)
Net pension obligations do not present a claim on current financial resources and are not reported as fund liabilities.		(68,291,472)
Deferred inflows related to pension investment returns and changes in assumptions are not reported in the governmental funds.		(16,997,849)
Internal service funds are used by management to charge the costs of certain activities to individual funds. Net positions of the internal service funds are reported with governmental activities.		<u>4,695,340</u>
<b>Net Position (Deficit) - Governmental Activities</b>		<u><u>\$ (13,149,018)</u></u>

See accompanying notes.

# CARSON CITY SCHOOL DISTRICT

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2015

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014)

	GENERAL FUND	FEDERAL GRANTS FUND	SPECIAL EDUCATION FUND	DEBT SERVICE FUND	BOND ISSUES FUND	NON-MAJOR GOV'T FUNDS	TOTAL GOVERNMENTAL FUNDS	
							2015	2014
<b>REVENUES</b>								
Local sources	\$ 30,275,019	\$ 495	\$ 90,556	\$ 5,606,921	\$ 156	\$ 1,088,375	\$ 37,061,522	\$ 35,858,993
State sources	26,339,365	-	3,419,600	-	-	7,136,639	36,895,604	37,215,291
Federal sources	58,020	7,507,760	-	-	-	2,285,027	9,850,807	9,223,767
Total Revenues	56,672,404	7,508,255	3,510,156	5,606,921	156	10,510,041	83,807,933	82,298,051
<b>EXPENDITURES</b>								
Regular programs	24,079,688	1,976,915	-	-	-	5,419,433	31,476,036	32,279,534
Special programs	3,746	1,474,931	9,068,224	-	-	957,445	11,504,346	10,362,684
Vocational programs	2,371,028	118,097	101	-	-	99,773	2,588,999	2,006,113
Adult Education programs	-	-	-	-	-	1,876,622	1,876,622	1,578,246
Extra and Cocurricular activities	534,711	-	-	-	-	3,349	538,060	552,106
Other Instructional programs	1,162,654	57,314	-	-	-	80,793	1,300,761	1,125,998
Community Services programs	13,554	75,304	-	-	-	246,394	335,252	-
Undistributed Expenditures:								
Student support	2,744,806	734,495	-	-	-	73,350	3,552,651	3,997,906
Instructional staff support	1,763,556	2,741,557	-	-	-	1,644	4,506,757	4,010,778
General administration	492,689	-	-	-	-	713	493,402	449,308
School administration	3,502,331	-	-	-	-	-	3,502,331	3,419,309
Central services	3,128,226	199,119	120,042	-	-	1,407	3,448,794	3,941,246
Operation and maintenance	6,458,844	-	-	-	-	37,900	6,496,744	6,550,073
Student transportation	1,506,464	69,869	-	-	-	9,204	1,585,537	1,774,256
Other support services	61,452	-	-	-	-	-	61,452	-
Nutrition services	-	60,654	-	-	-	2,787,028	2,847,682	2,871,590
Facilities acquisition and construction	-	-	-	-	674,096	2,321,243	2,995,339	4,125,155

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, 2015

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014)

	GENERAL FUND	FEDERAL GRANTS FUND	SPECIAL EDUCATION FUND	DEBT SERVICE FUND	BOND ISSUES FUND	NON-MAJOR GOV'T FUNDS	TOTAL GOVERNMENTAL FUNDS	
							2015	2014
Debt Service:								
Principal	\$ -	\$ -	\$ -	\$ 3,531,000	\$ -	\$ -	\$ 3,531,000	\$ 2,339,000
Interest	-	-	-	2,218,378	-	-	2,218,378	2,358,972
Other	-	-	-	187,526	-	-	187,526	-
Total Expenditures	47,823,749	7,508,255	9,188,367	5,936,904	674,096	13,916,298	85,047,669	83,742,274
Revenues Over (Under) Expenditures	8,848,655	-	(5,678,211)	(329,983)	(673,940)	(3,406,257)	(1,239,736)	(1,444,223)
<b>OTHER FINANCING SOURCES (USES)</b>								
Sale of fixed assets	4,152	-	-	-	-	-	4,152	1,226
Proceeds from refunding bonds	-	-	-	8,530,000	-	-	8,530,000	-
Premium on refunding bonds	-	-	-	657,922	-	-	657,922	-
Refunded bonds escrow agent	-	-	-	(8,991,192)	-	-	(8,991,192)	-
Transfers from other funds	47,930	-	6,277,675	260,000	-	980,356	7,565,961	6,547,105
Transfers to other funds	(7,365,961)	-	-	(200,000)	-	-	(7,565,961)	(6,547,105)
	(7,313,879)	-	6,277,675	256,730	-	980,356	200,882	1,226
Net Change in Fund Balances	1,534,776	-	599,464	(73,253)	(673,940)	(2,425,901)	(1,038,854)	(1,442,997)
<b>FUND BALANCES, July 1</b>	11,461,557	-	328,728	3,593,009	673,940	4,145,251	20,202,485	21,645,482
<b>FUND BALANCES, June 30</b>	<u>\$ 12,996,333</u>	<u>\$ -</u>	<u>\$ 928,192</u>	<u>\$ 3,519,756</u>	<u>\$ -</u>	<u>\$ 1,719,350</u>	<u>\$ 19,163,631</u>	<u>\$ 20,202,485</u>

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, 2015

**Net Change in Fund Balances - Total Governmental Funds** \$ (1,038,854)

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. (1,501,191)

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. 3,531,000

In the Statement of Activities, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due. 18,189

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. (19,197)

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. (47,251)

Change in pension expense related to deferred items. 1,427,673

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. (747,989)

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. 468,623

**Change in Net Position (Deficit) of Governmental Activities** \$ 2,091,003

*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, 2015

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015 BUDGET		2015		2014
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local Sources:					
Ad valorem taxes	\$ 9,211,786	\$ 9,211,785	\$ 9,150,377	\$ (61,408)	\$ 9,014,495
School support taxes	18,060,612	18,060,612	18,686,090	625,478	17,600,970
Franchise taxes	100,000	100,000	155,289	55,289	127,020
Governmental services tax	1,542,671	1,542,671	1,721,536	178,865	1,562,317
Transportation fees	100,000	100,000	87,128	(12,872)	128,874
Earnings on investments	18,000	18,000	6,893	(11,107)	10,495
Income from pupil activities	100,000	113,175	70,493	(42,682)	63,000
Other	171,001	173,693	164,625	(9,068)	181,994
Grant indirect cost recovery	233,726	264,428	232,588	(31,840)	316,241
Total Local Sources	29,537,796	29,584,364	30,275,019	690,655	29,005,406
State Sources:					
Distributive school account	27,220,533	27,043,885	26,339,365	(704,520)	27,051,261
Federal Sources:					
Restricted	75,000	88,478	53,429	(35,049)	46,047
Unrestricted	10,000	-	4,591	4,591	25,957
Total Federal Sources	85,000	88,478	58,020	(30,458)	72,004
Total Revenues	56,843,329	56,716,727	56,672,404	(44,323)	56,128,671
<b>EXPENDITURES</b>					
Regular Programs:					
Instruction:					
Salaries	17,783,446	16,389,955	15,483,503	906,452	16,051,225
Benefits	8,376,775	7,733,626	7,404,768	328,858	7,573,164
Purchased services	35,000	114,894	76,369	38,525	85,988
Supplies	1,330,040	1,387,190	1,113,394	273,796	1,287,223
Property	-	-	-	-	16,961
Other	429	1,689	1,654	35	3,143
	27,525,690	25,627,354	24,079,688	1,547,666	25,017,704
Special Programs:					
Instruction:					
Salaries	-	4,000	3,719	281	667
Benefits	-	100	27	73	51
Continued on next page	-	4,100	3,746	354	718

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, 2015 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015 BUDGET		2015		2014
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Special Programs:					
Other Direct Support:					
Salaries	\$ 7,703	\$ -	\$ -	\$ -	\$ 4,569
Benefits	5,855	-	-	-	2,837
	13,558	-	-	-	7,406
Total Special Programs	13,558	4,100	3,746	354	8,124
Vocational Programs:					
Instruction:					
Salaries	1,217,804	1,579,553	1,559,097	20,456	1,121,678
Benefits	578,778	772,898	743,462	29,436	534,413
Purchased services	12,986	11,985	-	11,985	-
Supplies	40,000	49,868	8,961	40,907	11,295
Other	700	700	-	700	-
	1,850,268	2,415,004	2,311,520	103,484	1,667,386
Other Direct Support:					
Salaries	35,359	83,521	39,374	44,147	38,928
Benefits	22,109	45,453	20,134	25,319	21,480
	57,468	128,974	59,508	69,466	60,408
Total Vocational Programs	1,907,736	2,543,978	2,371,028	172,950	1,727,794
Extra and Cocurricular Activities:					
Cocurricular Activities:					
Instruction:					
Salaries	51,000	41,600	42,129	(529)	31,651
Benefits	1,020	832	1,111	(279)	621
Supplies	-	8,336	-	8,336	-
	52,020	50,768	43,240	7,528	32,272
Other Direct Support:					
Salaries	38,012	82,116	47,758	34,358	45,744
Benefits	21,721	46,522	22,328	24,194	21,924
Supplies	8,336	-	-	-	-
	68,069	128,638	70,086	58,552	67,668
Total Cocurricular Activities	120,089	179,406	113,326	66,080	99,940

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, 2015

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015 BUDGET		2015		2014
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Athletics:					
Instruction:					
Salaries	\$ 225,000	\$ 179,900	\$ 172,433	\$ 7,467	\$ 175,915
Benefits	11,475	9,134	6,862	2,272	7,020
Purchased services	40,000	71,742	62,449	9,293	60,526
Supplies	70,000	66,654	52,604	14,050	77,283
Other	40,000	13,570	13,385	185	10,000
	386,475	341,000	307,733	33,267	330,744
Student Transportation:					
Purchased services	19,000	19,000	8,636	10,364	-
Other Direct Support:					
Salaries	33,571	53,773	80,041	(26,268)	83,462
Benefits	20,889	49,028	22,508	26,520	22,679
Purchased services	2,779	2,749	2,437	312	15,281
Supplies	617	30	30	-	-
	57,856	105,580	105,016	564	121,422
Total Athletics	463,331	465,580	421,385	44,195	452,166
Total Extra and Cocurricular	583,420	644,986	534,711	110,275	552,106
Other Instructional Programs:					
Instruction:					
Salaries	506,410	525,494	506,512	18,982	486,516
Benefits	254,216	232,861	231,870	991	229,227
Purchased services	-	1,600	670	930	-
Supplies	39,780	350,343	347,319	3,024	219,916
Other	-	400	400	-	-
	800,406	1,110,698	1,086,771	23,927	935,659
Other Direct Support:					
Salaries	42,451	55,521	51,925	3,596	41,112
Benefits	24,077	24,888	23,958	930	22,348
Supplies	10,000	10,000	-	10,000	-
	76,528	90,409	75,883	14,526	63,460
Total Other Instructional	876,934	1,201,107	1,162,654	38,453	999,119

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, 2015 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015 BUDGET		2015		2014
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Community Service Programs:					
Salaries	\$ -	\$ 28,201	\$ 8,077	\$ 20,124	\$ -
Benefits	-	26,193	5,477	20,716	-
	-	54,394	13,554	40,840	-
Undistributed Expenditures:					
Student Support:					
Salaries	2,019,998	1,957,008	1,835,353	121,655	1,792,508
Benefits	962,012	892,668	861,772	30,896	847,114
Purchased services	26,463	51,663	25,019	26,644	25,000
Supplies	14,173	32,037	22,322	9,715	9,497
Other	-	500	340	160	-
	3,022,646	2,933,876	2,744,806	189,070	2,674,119
Instructional Staff Support:					
Salaries	813,104	1,056,801	1,043,743	13,058	972,538
Benefits	399,959	418,036	413,128	4,908	389,045
Purchased services	235,000	259,607	207,821	51,786	142,561
Supplies	50,000	125,312	98,205	27,107	89,530
Other	-	1,159	659	500	462
	1,498,063	1,860,915	1,763,556	97,359	1,594,136
General Administration:					
Salaries	317,088	264,046	241,644	22,402	240,054
Benefits	88,792	83,294	80,714	2,580	81,710
Purchased services	90,000	102,011	101,805	206	69,875
Supplies	35,000	60,111	48,223	11,888	37,800
Other	30,000	23,995	20,303	3,692	19,494
	560,880	533,457	492,689	40,768	448,933
School Administration:					
Salaries	2,336,366	2,368,552	2,320,403	48,149	2,265,254
Benefits	1,087,838	1,040,039	1,037,631	2,408	1,012,973
Purchased services	65,000	110,761	51,114	59,647	50,121
Supplies	65,000	173,088	64,310	108,778	65,669
Property	-	26,634	26,316	318	19,834
Other	10,000	8,960	2,557	6,403	3,047
Continued on next page	3,564,204	3,728,034	3,502,331	225,703	3,416,898

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, 2015

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015 BUDGET		2015		2014
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Central Services:					
Salaries	\$ 1,389,939	\$ 1,499,053	\$ 1,478,816	\$ 20,237	\$ 1,417,054
Benefits	664,962	667,661	659,635	8,026	622,113
Purchased services	481,000	569,951	434,400	135,551	444,197
Supplies	575,000	510,271	489,326	20,945	1,034,538
Property	1,000	28,144	25,717	2,427	51,340
Other	252,680	158,454	40,332	118,122	40,315
	<u>3,364,581</u>	<u>3,433,534</u>	<u>3,128,226</u>	<u>305,308</u>	<u>3,609,557</u>
Operation and Maintenance:					
Salaries	2,064,283	2,181,844	1,953,003	228,841	2,087,656
Benefits	1,214,847	1,146,158	1,095,589	50,569	1,135,687
Purchased services	2,100,000	2,308,371	2,201,630	106,741	2,130,517
Supplies	1,300,000	1,282,497	1,170,460	112,037	1,053,367
Property	70,000	40,450	37,982	2,468	79,362
Other	5,000	200	180	20	125
	<u>6,754,130</u>	<u>6,959,520</u>	<u>6,458,844</u>	<u>500,676</u>	<u>6,486,714</u>
Student Transportation:					
Salaries	699,971	733,961	686,911	47,050	693,221
Benefits	564,632	520,248	505,209	15,039	526,252
Purchased services	50,000	36,720	18,957	17,763	19,216
Supplies	330,000	412,344	293,613	118,731	364,161
Property	-	-	-	-	89,650
Other	5,000	7,000	1,774	5,226	1,360
	<u>1,649,603</u>	<u>1,710,273</u>	<u>1,506,464</u>	<u>203,809</u>	<u>1,693,860</u>
Other Support:					
Salaries	100,000	100	43	57	-
Benefits	2,000	2,100	5	2,095	-
Property	-	44,000	43,807	193	-
Other	-	17,597	17,597	-	-
	<u>102,000</u>	<u>63,797</u>	<u>61,452</u>	<u>2,345</u>	<u>-</u>
Total Undistributed Expenditures	<u>20,516,107</u>	<u>21,223,406</u>	<u>19,658,368</u>	<u>1,565,038</u>	<u>19,924,217</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, 2015

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015 BUDGET		2015		2014
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Contingency	\$ -	\$ 156,787	\$ -	\$ 156,787	\$ -
Total Expenditures	\$ 51,423,445	\$ 51,456,112	\$ 47,823,749	\$ 3,632,363	\$ 48,229,064
Revenues Over (Under) Expenditures	5,419,884	5,260,615	8,848,655	3,588,040	7,899,607
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers (to) other funds	(6,681,466)	(7,382,110)	(7,365,961)	16,149	(6,547,105)
Transfers from other funds	47,930	47,930	47,930	-	-
Sale of fixed assets	5,000	5,000	4,152	(848)	1,226
	(6,628,536)	(7,329,180)	(7,313,879)	15,301	(6,545,879)
Net Change in Fund Balance	(1,208,652)	(2,068,565)	1,534,776	3,603,341	1,353,728
<b>FUND BALANCE, July 1</b>	6,332,734	11,461,557	11,461,557	-	10,107,829
<b>FUND BALANCE, June 30</b>	\$ 5,124,082	\$ 9,392,992	\$ 12,996,333	\$ 3,603,341	\$ 11,461,557

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, 2015

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015 BUDGET		2015		2014
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local Sources - other	\$ -	\$ 495	\$ 495	\$ -	\$ -
Federal sources - grants	7,128,412	8,739,492	7,507,760	(1,231,732)	6,743,607
Total Revenues	7,128,412	8,739,987	7,508,255	(1,231,732)	6,743,607
<b>EXPENDITURES</b>					
Regular Programs/Instruction:					
Salaries	513,370	717,486	675,349	42,137	689,187
Benefits	315,631	363,099	346,880	16,219	311,471
Purchased services	75,000	80,647	64,807	15,840	181,848
Supplies	20,000	291,940	165,409	126,531	413,782
Other	274,730	281,748	281,748	-	-
	1,198,731	1,734,920	1,534,193	200,727	1,596,288
Other Direct Support:					
Salaries	216,132	296,313	296,274	39	182,082
Benefits	110,846	144,809	144,799	10	91,684
Purchased services	38,077	-	-	-	317
Supplies	78,985	1,650	1,650	-	8,446
Other	1,000	-	-	-	-
	445,040	442,772	442,723	49	282,529
Total Regular Programs	1,643,771	2,177,692	1,976,916	200,776	1,878,817
Special Programs:					
Instruction:					
Salaries	487,518	376,818	394,735	(17,917)	444,801
Benefits	236,237	247,209	259,943	(12,734)	171,658
Purchased services	150,300	-	-	-	-
Supplies	50,000	-	-	-	-
	924,055	624,027	654,678	(30,651)	616,459
Other Direct Support:					
Salaries	106,645	431,175	402,141	29,034	91,851
Benefits	43,374	201,283	182,552	18,731	43,328
Purchased services	350,000	334,805	222,101	112,704	104,341
Supplies	10,000	81,985	7,242	74,743	42,220
Other	25,500	22,414	6,217	16,197	40,962
	535,519	1,071,662	820,253	251,409	322,702
Total Special Programs	1,459,574	1,695,689	1,474,931	220,758	939,161

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, 2015

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015 BUDGET		2015		2014
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Vocational Programs:					
Instruction:					
Salaries	\$ -	\$ 692	\$ 692	\$ -	\$ 2,296
Benefits	-	192	192	-	637
Purchased services	12,000	-	-	-	-
Supplies	25,000	63,597	57,165	6,432	85,719
Property	5,000	-	-	-	-
Other	5,000	-	-	-	-
	47,000	64,481	58,049	6,432	88,652
Other Direct Support:					
Salaries	-	12,162	12,162	-	-
Benefits		235	235		-
Purchased services	-	43,176	42,609	567	21,560
Supplies	-	3,546	3,292	254	2,290
Other	-	1,750	1,750	-	-
	-	60,869	60,048	821	23,850
Total Vocational Programs	47,000	125,350	118,097	7,253	112,502
Other Instructional Programs:					
Summer School:					
Salaries	70,600	64,518	47,809	16,709	17,126
Benefits	2,668	2,635	2,425	210	90
Purchased services	10,900	-	-	-	3,420
Supplies	2,000	29,400	7,080	22,320	1,833
	86,168	96,553	57,314	39,239	22,469
Community Service Programs:					
Salaries	35,350	51,583	43,506	8,077	25,654
Benefits	19,098	39,628	30,785	8,843	18,755
Purchased services	2,000	10,000	-	10,000	17,090
Supplies	100	5,000	1,013	3,987	2,458
	56,548	106,211	75,304	30,907	63,957

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, 2015

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015 BUDGET		2015		2014
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Undistributed Expenditures:					
Student Support:					
Salaries	\$ 777,276	\$ 351,661	\$ 346,605	\$ 5,056	\$ 547,446
Benefits	343,950	213,579	184,076	29,503	271,701
Purchased services	150,000	101,669	95,610	6,059	139,423
Supplies	-	146,116	107,444	38,672	77,684
Other	-	7,246	760	6,486	-
	1,271,226	820,271	734,495	85,776	1,036,254
Instructional Staff Support:					
Salaries	1,065,000	1,257,387	1,194,843	62,544	1,293,200
Benefits	439,217	559,203	481,534	77,669	508,346
Purchased services	20,000	290,598	208,550	82,048	152,039
Supplies	263,243	1,190,083	855,006	335,077	182,230
Other	-	1,624	1,624	-	276,762
	1,787,460	3,298,895	2,741,557	557,338	2,412,577
General Administration:					
Salaries	41,232	-	-	-	-
Benefits	949	-	-	-	-
Purchased services	20,000	-	-	-	-
Supplies	10,000	-	-	-	-
	72,181	-	-	-	-
School Administration:					
Salaries	62,027	-	-	-	-
Benefits	25,228	-	-	-	-
Purchased services	850	-	-	-	-
Supplies	4,250	-	-	-	-
	92,355	-	-	-	-
Central Services:					
Salaries	126,749	135,864	135,864	-	91,720
Benefits	64,200	67,839	59,657	8,182	36,315
Purchased services	-	-	-	-	201
Supplies	-	8,662	1,603	7,059	15,235
Other	-	1,583	1,995	(412)	234
Continued on next page	190,949	213,948	199,119	14,829	143,705

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, 2015

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015 BUDGET		2015		2014
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Operation and Maintenance:					
Salaries	\$ 36,630	\$ -	\$ -	\$ -	\$ -
Benefits	21,200	-	-	-	-
Purchased services	20,948	-	-	-	-
Supplies	12,678	-	-	-	-
Property	4,383	-	-	-	-
	<u>95,839</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Support:					
Salaries	36,525	-	-	-	-
Benefits	18,134	-	-	-	-
Purchased services	33,910	-	-	-	-
Supplies	7,314	-	-	-	-
	<u>95,883</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Student Transportation:					
Salaries	10,000	-	-	-	-
Benefits	1,255	-	-	-	-
Purchased services	100,000	115,845	69,869	45,976	78,767
Supplies	32,161	-	-	-	-
	<u>143,416</u>	<u>115,845</u>	<u>69,869</u>	<u>45,976</u>	<u>78,767</u>
Total Undistributed	<u>3,653,426</u>	<u>4,448,959</u>	<u>3,745,040</u>	<u>703,919</u>	<u>3,671,303</u>
Nutrition Services:					
Other Direct Support:					
Salaries	29,170	5,758	3,870	1,888	4,701
Benefits	32,749	1,000	331	669	385
Purchased services	24,123	-	-	-	-
Supplies	-	72,265	45,942	26,323	50,312
Property		10,510	10,510	-	-
Total Nutrition Services	<u>86,042</u>	<u>89,533</u>	<u>60,653</u>	<u>28,880</u>	<u>55,398</u>
Total Expenditures	<u>7,128,412</u>	<u>8,739,987</u>	<u>7,508,255</u>	<u>1,231,732</u>	<u>6,743,607</u>
Net Change in Fund Balance	-	-	-	-	-
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2015

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015 BUDGET		2015		2014
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local Sources:					
Indirect Cost Recovery	\$ 80,046	\$ 95,688	\$ 90,556	\$ (5,132)	\$ -
State Sources:					
State appropriation	3,462,345	3,419,600	3,419,600	-	3,328,640
Total Revenues	3,542,391	3,515,288	3,510,156	(5,132)	3,328,640
<b>EXPENDITURES</b>					
Special Programs:					
Instruction:					
Salaries	4,227,506	4,188,583	4,080,966	107,617	4,110,937
Benefits	2,568,326	2,388,833	2,287,610	101,223	2,233,503
Purchased services	12,000	23,585	22,597	988	10,294
Supplies	28,000	46,100	31,375	14,725	18,891
Other	-	-	-	-	53
	6,835,832	6,647,101	6,422,548	224,553	6,373,678
Other Direct Support:					
Salaries	893,946	976,721	954,484	22,237	883,407
Benefits	440,073	686,394	451,421	234,973	430,381
Purchased services	615,036	705,407	622,602	82,805	560,896
Supplies	20,000	30,666	25,888	4,778	27,006
Other	-	1,328	1,316	12	2,746
	1,969,055	2,400,516	2,055,711	344,805	1,904,436
Academically Talented:					
Salaries	25,655	63,575	27,027	36,548	22,246
Benefits	1,385	4,513	2,015	2,498	917
Purchased services	6,000	6,751	6,000	751	2,021
Supplies	12,000	25,600	11,229	14,371	11,139
Other	300	2,633	2,421	212	3,056
	45,340	103,072	48,692	54,380	39,379
Student Transportation:					
Salaries	243,169	284,865	284,692	173	291,613
Benefits	261,036	434,137	254,131	180,006	254,284
Purchased services	1,000	6,661	2,450	4,211	3,218
	505,205	725,663	541,273	184,390	549,115
Total Special Programs	9,355,432	9,876,352	9,068,224	808,128	8,866,608

Continued on next page

See accompanying notes.



# CARSON CITY SCHOOL DISTRICT

## SPECIAL EDUCATION FUND - SPECIAL REVENUE FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2015 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015 BUDGET		2015		2014
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Vocational Programs:					
Instruction:					
Salaries	\$ -	\$ 2,500	\$ -	\$ 2,500	\$ 2,534
Benefits	-	694	-	694	703
	-	3,194	-	3,194	3,237
Other Direct Support:					
Salaries	-	6,289	100	6,189	6,220
Benefits	-	929	1	928	794
	-	7,218	101	7,117	7,014
Total Vocational Programs	-	10,412	101	10,311	10,251
Undistributed Expenditures:					
Central Services:					
Salaries	70,303	77,997	77,855	142	72,870
Benefits	43,298	78,205	42,187	36,018	40,440
Total Undistributed Expenditures	113,601	156,202	120,042	36,160	113,310
Total Expenditures	9,469,033	10,042,966	9,188,367	854,599	8,990,169
Revenues Over (Under) Expenditures	(5,926,642)	(6,527,678)	(5,678,211)	849,467	(5,661,529)
<b>OTHER FINANCING SOURCES</b>					
Transfers from other funds	5,713,929	6,277,675	6,277,675	-	5,661,529
Net Change in Fund Balance	(212,713)	(250,003)	599,464	849,467	-
<b>FUND BALANCE, July 1</b>	212,713	328,728	328,728	-	328,728
<b>FUND BALANCE, June 30</b>	\$ -	\$ 78,725	\$ 928,192	\$ 849,467	\$ 328,728

See accompanying notes.

# CARSON CITY SCHOOL DISTRICT

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## PROPRIETARY FUNDS STATEMENT OF NET POSITION

JUNE 30, 2015

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS	
	2015	2014
<b>ASSETS</b>		
Cash and investments	\$ 4,874,284	\$ 4,260,406
Accounts receivable	928	-
Total Assets	<u>4,875,212</u>	<u>4,260,406</u>
<b>LIABILITIES</b>		
Accounts payable	2,134	7,256
Accrued liabilities	<u>177,738</u>	<u>26,433</u>
Total Liabilities	<u>179,872</u>	<u>33,689</u>
<b>NET POSITION</b>		
Unrestricted	<u>\$ 4,695,340</u>	<u>\$ 4,226,717</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, 2015

*(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014)*

	<b>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS</b>	
	<b>2015</b>	<b>2014</b>
<b>OPERATING REVENUES</b>		
Charges for services	\$ 2,067,099	\$ 1,990,848
<b>OPERATING EXPENSES</b>		
Salaries	22,004	-
Benefits	1,221,241	-
Purchased services	353,231	1,396,963
Other	2,000	-
	<u>1,598,476</u>	<u>1,396,963</u>
Change in Net Position	468,623	593,885
<b>NET POSITION, July 1</b>	<u>4,226,717</u>	<u>3,632,832</u>
<b>NET POSITION, June 30</b>	<u>\$ 4,695,340</u>	<u>\$ 4,226,717</u>

*See accompanying notes.*

# CARSON CITY SCHOOL DISTRICT

## PROPRIETARY FUNDS STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2015

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014)

	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS	
	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received for services	\$ 2,066,171	\$ 1,990,865
Cash paid for salaries and benefits	(32,912)	-
Cash paid for claims and related	(1,419,381)	(1,372,961)
Net cash provided by operating activities	613,878	617,904
Net Increase in Cash	613,878	617,904
<b>CASH AND INVESTMENTS, July 1</b>	4,260,406	3,642,502
<b>CASH AND INVESTMENTS, June 30</b>	<u>\$ 4,874,284</u>	<u>\$ 4,260,406</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating income	<u>\$ 468,623</u>	<u>\$ 593,885</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Change in assets and liabilities:		
Receivables	(928)	17
Prepaid expenses	-	2,000
Accounts payable	(5,122)	7,239
Accrued liabilities	151,305	14,763
Total Adjustments	145,255	24,019
Net cash provided by operating activities	<u>\$ 613,878</u>	<u>\$ 617,904</u>

See accompanying notes.

# CARSON CITY SCHOOL DISTRICT

## FIDUCIARY FUNDS STATEMENT OF FIDUCIARY NET POSITION JUNE 30, 2015 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

	PRIVATE-PURPOSE TRUST FUND SPECIAL PAY PLAN	AGENCY FUNDS	TOTALS FIDUCIARY FUNDS	
			2015	2014
<b>ASSETS</b>				
Cash and investments	\$ 2,114,634	\$ 846,006	\$ 2,960,640	\$ 3,000,280
Accounts receivable	-	-	-	202,610
Total Assets	2,114,634	846,006	2,960,640	3,202,890
<b>LIABILITIES</b>				
Due to student groups and others	-	846,006	846,006	816,146
Accrued liabilities	-	-	-	202,610
Held for compensated absences	2,114,634	-	2,114,634	2,184,134
Total Liabilities	2,114,634	846,006	2,960,640	3,202,890
<b>NET POSITION</b>				
Unrestricted	\$ -	\$ -	\$ -	\$ -

*See accompanying notes.*

# CARSON CITY SCHOOL DISTRICT

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## FIDUCIARY FUNDS STATEMENT OF CHANGES IN FIDUCIARY NET POSITION YEAR ENDED JUNE 30, 2015

	PRIVATE-PURPOSE TRUST FUND SPECIAL PAY PLAN
<b>ADDITIONS</b>	
Earnings on investments	\$ 62,436
<b>DEDUCTIONS</b>	
Benefits	131,936
Change in compensated absences benefits	(69,500)
Total Deductions	62,436
Change in net position	-
<b>NET POSITION, July 1</b>	-
<b>NET POSITION, June 30</b>	\$ -

*See accompanying notes*

# **NOTES TO THE FINANCIAL STATEMENTS**

# CARSON CITY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

### 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, 2015

### **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, 2015

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.

### *Bond Issues Fund*

The Bond Issues Fund accounts for the 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 Prison System Fund

Nutrition Services Fund

Gifts and Donations Fund

Class Size Reduction Fund

Summer and Remediation

Programs Fund

State Grants Fund

Full-day Kindergarten Fund

Medicaid Program Fund

Local Grants Fund

Capital Projects Fund

# CARSON CITY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

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, 2015

### **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 means expected to be received within 75 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, 2015

### *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, 2015

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.

# CARSON CITY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

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

### **Statements of Cash Flows**

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

### **Inventories**

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

### **Capital Assets**

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

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

	<b><u>Years</u></b>
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, 2015

### **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, 2015, 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, 2015

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

# CARSON CITY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

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

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

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

*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.

### **Postemployment Benefits Other Than Pensions**

Postemployment expenditures are comprised of monthly payments to the Nevada Public Employees' Benefits Program (PEBP) for the District's subsidy of retiree insurance premiums and the portion of insurance premiums paid to private insurers on behalf of active employees that represents the implicit cost of retiree coverage. The payments to PEBP are charged to the Health Insurance Fund while employee insurance premiums are charged to the respective fund to which employees' payroll costs are charged. The Health Insurance Fund receives an inter-fund payroll subsidy to cover the cost of the premium payments to PEBP, effectively charging the other funds based on their total current salary expenditures. The inter-fund subsidy rate is adjusted annually to match the fund charges to the total PEBP cost. The

# CARSON CITY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

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District has elected to fund postemployment benefits using the pay-as-you-go basis. Postemployment benefits other than pensions are discussed in further detail in Note 11.

### 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.

### 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, 2014, from which 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.

### Adoption of New Accounting Standard

The Governmental Accounting Standards Board (GASB) issued GASB Statement No. 68, Accounting and Financial Reporting for Pensions and GASB Statement No. 71, Pension, Transition for Contributions Made Subsequent to the Measurement Date. Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. Statement No. 71 is a clarification to GASB Statement No. 68 requiring a government to recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. The statements also enhance accountability and transparency through revised note disclosures and required supplemental information (RSI). In accordance with the statements, the School District has reported a net pension liability of \$86,166,086 and a beginning deferred outflows related to pensions of \$9,925,041, as a result of the change in accounting principle adjustment to unrestricted net position as of July 1, 2014.

<b>Net Position at June 30, 2014 - As Originally Stated</b>	<b>\$ 61,001,024</b>
Net Pension Liability	(86,166,086)
Deferred Outflows for Pension Contributions	9,925,041
<b>Net Pension (Deficit) at June 30, 2014 - As Restated</b>	<b><u>\$ (15,240,021)</u></b>

# CARSON CITY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

### 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 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

# CARSON CITY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

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, 2015, the District had the following amounts reported as cash and investments:

District-Wide Balances:	
Pooled Cash	\$ 10,992,458
Investments	12,115,736
	<u>23,108,194</u>
Trust and Agency Funds:	
Student Activity Agency Funds Cash	846,006
VALIC Annuity Contracts	2,114,634
	<u>2,960,640</u>
Total Cash and Investments	<u>\$ 26,068,834</u>

The District held bank balances totaling \$12,212,690 at June 30, 2015. 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, 2015, the District had the following investments, at fair value with a maturity date of less than one year:

Carson City Investment Pool	\$ 7,508,871
State of Nevada, Local Government Investment Pool	10,535,687
VALIC Guaranteed Fixed Deferred Annuity Contracts	<u>2,114,634</u>
Total Investments	<u>\$ 20,159,192</u>

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

# CARSON CITY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

**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. 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.

### NOTE 6 – RECEIVABLES

The District's receivables for its governmental funds as of June 30, 2015 were as follows:

	Taxes	Due from Other Governments	Other	Total Receivables
Major Funds:				
General Fund	\$ -	\$ 6,021,312	\$ 23,483	\$ 6,044,795
Federal Grants Fund	-	3,355,749	237	3,355,986
Special Education Fund	-	288,529	-	288,529
Debt Service Fund	168,166	-	-	168,166
Non-Major Funds	-	994,178	16,272	1,010,450
Total Receivables	<u>\$ 168,166</u>	<u>\$ 10,659,768</u>	<u>\$ 39,992</u>	<u>\$ 10,867,926</u>

# CARSON CITY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015

### NOTE 7 – CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2015 is shown below:

	Balance July 1, 2014	Additions / Transfers	Deletions / Transfers	Balance June 30, 2015
<b>Nondepreciable Capital Assets</b>				
Land	\$ 430,282	\$ -	\$ -	\$ 430,282
Construction in progress	2,872,283	371,736	(2,872,284)	371,735
	<u>3,302,565</u>	<u>371,736</u>	<u>(2,872,284)</u>	<u>802,017</u>
<b>Depreciable Capital Assets</b>				
Buildings and improvements	151,131,197	5,488,158	(34,510)	156,584,845
Equipment and vehicles	8,554,413	162,175	-	8,716,588
	<u>159,685,610</u>	<u>5,650,333</u>	<u>(34,510)</u>	<u>165,301,433</u>
Less accumulated depreciation for:				
Buildings and improvements	60,674,168	4,146,541	(33,015)	64,787,694
Equipment and vehicles	5,399,464	507,092	-	5,906,556
	<u>66,073,632</u>	<u>4,653,633</u>	<u>(33,015)</u>	<u>70,694,250</u>
<b>Governmental Activities, Capital Assets, net</b>	<u>\$ 96,914,543</u>	<u>\$ 1,368,436</u>	<u>\$ (2,873,779)</u>	<u>\$ 95,409,200</u>

Depreciation expense was allocated to the following programs/functions:

Regular programs	\$ 75,750
Student support	303
Instructional staff support	2,191
School administration	4,811
Central services	116,644
Operation and maintenance	43,626
Student transportation	197,554
Nutrition services	11,981
Facilities	4,200,773
	<u>\$ 4,653,633</u>

# CARSON CITY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

### NOTE 8 – GENERAL LONG-TERM OBLIGATIONS

As of June 30, 2015, 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, 2015
2006	12/28/06	06/01/27	3.95	\$ 9,500,000	\$ 2,935,000
2007	08/22/07	06/01/27	4.25-5.00	15,500,000	2,220,000
2010	08/04/10	12/01/20	2.75-5.00	10,705,000	7,930,000
2011A	02/23/11	06/01/31	3.00-5.00	16,000,000	15,050,000
2011B	07/07/11	06/01/31	2.00-5.00	10,000,000	9,335,000
2012	03/06/12	06/01/32	2.00-3.125	4,025,000	3,840,000
2014	12/09/14	06/01/27	3.00-4.00	8,530,000	8,480,000
					<u>\$ 49,790,000</u>

#### Medium-Term General Obligation Debt

Series	Date Issued	Date of Final Maturity	Original Interest Rate (%)	Amount Issued	Balance June 30, 2015
2010B	12/01/10	12/01/15	2.55	<u>\$ 1,050,000</u>	<u>\$ 273,000</u>

Changes in the District's long-term debt during the year ended June 30, 2015 are as follows:

	Balance July 1, 2014	Additions of New Debt	Retirements, Repayments and Reductions	Balance June 30, 2015	Due Within One Year
General Obligation Bonds	\$ 52,720,000	\$ 8,530,000	\$ (11,460,000)	\$ 49,790,000	\$ 3,330,000
Medium-term debt	539,000	-	(266,000)	273,000	273,000
Deferred amounts for issuance premiums	2,030,166	657,922	(359,808)	2,328,280	240,874
Compensated absences	710,005	47,251	-	757,256	-
	<u>\$ 55,999,171</u>	<u>\$ 9,235,173</u>	<u>\$ (12,085,808)</u>	<u>\$ 53,148,536</u>	<u>\$ 3,843,874</u>

Total interest paid on general long-term obligations for the year ended June 30, 2015 was \$2,206,032.



# CARSON CITY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

### Summary of Debt Service Requirements to Maturity

Fiscal Year	General Obligation Bonds		Other Bonds		Total Requirements
	Principal	Interest	Principal	Interest	
2016	\$ 3,330,000	\$ 2,059,663	\$ 273,000	\$ 3,481	\$ 5,666,144
2017	3,405,000	1,936,538	-	-	5,341,538
2018	3,600,000	1,792,163	-	-	5,392,163
2019	3,855,000	1,638,388	-	-	5,493,388
2020	3,980,000	1,472,450	-	-	5,452,450
2021 - 2025	16,565,000	5,220,663	-	-	21,785,663
2026 - 2030	12,655,000	2,190,621	-	-	14,845,621
2031 - 2032	2,400,000	119,094			2,519,094
Total	<u>\$ 49,790,000</u>	<u>\$ 16,429,580</u>	<u>\$ 273,000</u>	<u>\$ 3,481</u>	<u>\$ 66,496,061</u>

As of June 30, 2015, the most current assessed valuation of taxable property, excluding motor vehicles, as defined by NRS 387.400 was \$1,338,006,691. The District's limit of bonded indebtedness is 15% of the aforementioned assessed value, or \$200,701,004. The District had \$50,063,000 in general obligation debt, leaving the District with \$150,638,004 in unused bonding capacity.

### Refunding

On December 9, 2014, the District issued \$8,530,000 in General Obligation Refunding Bonds, Series 2014. The bonds mature in June 2027 and have an interest rate of 3.0%. Principal and interest payments begin in June 2015, followed by semi-annual interest-only payments until June 2019 when principal payments resume. The refunding was undertaken to reduce total debt service payments by \$624,542 and resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$554,986.

## 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.

# CARSON CITY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

### **Contributions**

Contribution provisions are specified by state statute and may be amended only by action of the state legislature. Each School District's contribution rates are based on biennial actuarial valuations and 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 School District's required and actual contributions to the plan for the years ended June 30, 2015 and 2014 were \$9,925,041 and \$10,475,949, respectively, based on a rate of 25.75% of covered compensation.

### **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. 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. 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.

Regular members are eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, or at any age with thirty years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with ten years of service, or any age with thirty years of service.

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

# CARSON CITY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

### Net Pension Liability, Deferrals, and Pension Expense

At June 30, 2015, the District reported a liability of \$68,291,472 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014 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 a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined. At June 30, 2014, the District's proportion of the regular plan was .655%.

For the year ended June 30, 2015, the District recognized pension expense of \$9,051,783. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources Subsequent to Measurement Date	Net Deferred Inflows (Outflows) of Resources as of the Measurement Date
Difference between expected and actual experience	\$ -	\$ 3,268,123
Change of assumptions	-	-
Net difference between projected and actual earnings on pension plan assets	-	14,344,005
Changes in proportion and differences between the District's contributions and proportionate share of contributions	-	(614,279)
The District's contributions subsequent to the measurement date	10,475,949	-
Total	<u>\$ 10,475,949</u>	<u>\$ 16,997,849</u>

The District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and (deferred inflows) of resources related to pensions will be recognized in pension expense as follows:

# CARSON CITY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Years Ending		
<u>June 30</u>		<u>Amount</u>
2016	\$	3,012,252
2017		3,012,252
2018		3,012,252
2019		3,012,252
2020		3,012,252
Thereafter		<u>1,936,589</u>
Total	\$	<u>16,997,849</u>

### Actuarial Assumptions

The System's net pension liability was measured as of June 30, 2014, 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:

Inflation rate	3.50%
Payroll Growth	6.50% per year for regular employees and 7.50% per year for police/fire employees
Investment Rate of Return	8.00%, including 3.5% inflation
Mortality Rates	
Healthy: Regular	RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA, set back one year for females (no age setback for males).
Police/Fire	RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA, set forward one year.
Consumer Price Index	3.50%
Productivity pay increase	0.75%

# CARSON CITY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

### Projected salary increases

YEARS OF SERVICE	REGULAR
LESS THAN 1	5.50%
1	4.25
2	3.50
3	3.25
4	3.00
5	2.75
6	2.40
7	2.25
8	1.85
9	1.75
10	1.50
11	1.00
12	0.80
13 OR MORE	0.35

### Discount Rate

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates. Based on those assumptions, 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.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

# CARSON CITY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

### 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 8.00%. 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 (7.00%) or 1.00 percentage point higher (9.00%) than the current discount rate:

1 % Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
<u>\$ 106,200,066</u>	<u>\$ 68,291,472</u>	<u>\$ 36,779,023</u>

### 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.

### Payable to the Pension Plan

At June 30, 2015, the District reported a payable of \$1,514,686, for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2015.

## 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, 2015 are as follows:

	Transfers In	Transfers Out
General Fund	\$ 47,930	\$ 7,365,961
Special Revenue Funds:		
Special Education Fund	6,277,675	-
Aggregate Non-Major Funds	878,286	97,930
Capital Projects Fund	200,000	
Debt Service Fund	260,000	200,000
	<u>\$ 7,663,891</u>	<u>\$ 7,663,891</u>

# CARSON CITY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

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, 2015 are as follows:

	Interfund Receivables	Interfund Payables
Major Governmental Funds:		
General Fund	\$ 2,865,498	\$ -
Federal Grants Fund	-	2,636,928
Nonmajor Governmental Fund:		
State Grants Fund	-	228,570
	<u>\$ 2,865,498</u>	<u>\$ 2,865,498</u>

### NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Retirees of Carson City School District may receive postemployment benefits through the Nevada Public Employee's Benefits Plan or through the District's health care plan offered to its active employees.

The following pages discuss information on both plans and the District's accounting for the plans in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

#### Plan Descriptions

##### *Nevada Public Employees' Benefits Plan*

The District contributes to the Nevada Public Employees' Benefits Plan (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 Employee's Benefits Program, consisting of nine appointed members. Although retirees of local governments may no longer enroll in the PEBP, retirees enrolled as of November 30, 2008 may remain in the plan with 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 Public Employees' Benefit Program, 901 South Stewart Street, Suite 1001, Carson City, Nevada 89701. The information is also available on their website at [www.pebp.state.nv.us](http://www.pebp.state.nv.us) or by calling (800) 326-5496.

# CARSON CITY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

### *Carson City School District Health Care Plan*

The District administers a single-employer defined benefit healthcare plan. This plan provides postemployment healthcare benefits to retirees of the District. Any retiree that participates in the Nevada Public Employees' Retirement System (PERS) may purchase coverage for themselves and dependents at the same premium charged 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 was not issued for the plan.

Membership of the healthcare plan consisted of 855 active plan members and 37 retirees as of June 30, 2014, the date of the latest actuarial valuation.

### **Funding Policy**

#### *Nevada Public Employee's Benefits Plan*

The contribution requirements of plan members and Carson City School District are established and may be amended by the Board of 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 is billed monthly for the subsidies for District retirees. The District contributed \$906,143 during the fiscal year on behalf of 377 participating retirees.

### *Carson City School District Health Care Plan*

Retirees electing to continue coverage under the district healthcare 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. The District has elected to pay the implicit cost of postemployment benefits on the pay-as-you-go basis.

The 2015 annual required contribution rate was 1.43% of payroll. The District obtains healthcare coverage through private insurers. NRS 288.150 specifies insurance benefits are subject to mandatory bargaining. The current agreements with employee associations provide for a committee to review and make recommendations to plan design and the selection of insurers to the Carson City School District Board of Trustees. The amount employees contribute towards their insurance premium is negotiated with each association and was the full cost of the employee's coverage for 2015.

### **Annual OPEB Cost and Net OPEB Obligation**

The District's annual OPEB cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation for the healthcare benefits:



# CARSON CITY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015

	PEBP	District	Total
Annual Required Contribution:			
Normal cost	\$ -	\$ 579,097	\$ 579,097
Amortization of UAAL	964,206	237,241	1,201,447
	964,206	816,338	1,780,544
Interest on Net OPEB Obligation	18,653	151,763	170,416
Adjustment to ARC	(28,558)	(150,780)	(179,338)
Annual OPEB Cost	954,301	817,321	1,771,622
Contributions Made	(906,143)	(117,490)	(1,023,633)
Change in OPEB Obligation	48,158	699,831	747,989
Net OPEB Obligation, July 1, 2014	466,333	3,794,064	4,260,397
Net OPEB Obligation, June 30, 2015	\$ 514,491	\$ 4,493,895	\$ 5,008,386

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 through 2015 were as follows:

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2011	\$ 2,263,674	66.2%	\$ 2,184,880
2012	1,826,852	58.5%	2,943,918
2013	1,879,555	67.0%	3,564,451
2014	1,719,142	59.5%	4,260,397
2015	1,771,622	57.8%	5,008,386

### **Funded Status and Funding Progress**

As of June 30, 2014, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits (AAL) and, thus, the unfunded actuarial accrued liability was approximately \$22.6 million. The covered payroll was approximately \$40.4 million and the ratio of unfunded actuarial accrued liability to payroll was 56%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, will present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

# CARSON CITY SCHOOL DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

### Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2014 actuarial valuation, the entry age normal cost, level percent of pay method was used. The actuarial assumptions included a 4% discount rate. The unfunded actuarial accrued liability is being amortized on a level dollar and closed period basis for the PEBP plan, and a level percentage of payroll and open basis for the District's healthcare plan, both over thirty years.

## 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, 2015, 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 \$757,256 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, 2015

### 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, 2015 is \$25,000 for property damages and \$2,500 for all other incidents. The Pool covers its members up to \$10,000,000 per event and a \$10,000,000 general aggregate per member. Property crime and equipment breakdown coverage is provided to its members up to \$300,000,000 per loss with various sublimits established for earthquake, flood, equipment breakdown, and money and securities.

# CARSON CITY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015

### NOTE 14 – FUND BALANCES

A summary of the District's fund balances as of June 30, 2015 is as follows:

	Major Funds				
		Special Education Fund	Debt Service Fund	Nonmajor Gov't Funds	Total Governmental Funds
	General Fund				
Nonspendable:					
Inventories / prepaids	\$ 152,551	\$ -	\$ -	\$ 38,348	\$ 190,899
Restricted:					
Debt service	-	-	3,519,756	-	3,519,756
Capital projects	-	-	-	806,625	806,625
Assigned:					
Education services	-	928,192	-	759,142	1,687,334
Nutrition services	-	-	-	115,235	115,235
Subsequent year's budget	2,609,128	-	-	-	2,609,128
Unassigned	10,234,654	-	-	-	10,234,654
Total Fund Balances	\$12,996,333	\$ 928,192	\$3,519,756	\$1,719,350	\$ 19,163,631

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# **SUPPLEMENTAL INFORMATION**

# CARSON CITY SCHOOL DISTRICT

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## REQUIRED SUPPLEMENTARY INFORMATION OTHER POSTEMPLOYMENT BENEFITS JUNE 30, 2015

### SCHEDULE OF FUNDING PROGRESS

Plan	Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as % of Covered Payroll [(B-A)/C]
District	6/30/2015	6/30/2015	\$ -	\$ 6,208,469	\$ 6,208,469	0.0%	\$ 40,409,120	15.36%
	6/30/2014	6/30/2014	\$ -	\$ 5,486,401	\$ 5,486,401	0.0%	\$ 38,854,923	14.12%
	6/30/2013	6/30/2012	\$ -	\$ 6,037,851	\$ 6,037,851	0.0%	\$ 43,213,122	13.97%
PEBP	6/30/2015	6/30/2015	\$ -	\$ 16,374,890	\$ 16,374,890	0.0%	n/a	n/a
	6/30/2014	6/30/2014	\$ -	\$ 16,655,386	\$ 16,655,386	0.0%	n/a	n/a
	6/30/2013	6/30/2012	\$ -	\$ 20,141,894	\$ 20,141,894	0.0%	n/a	n/a

# CARSON CITY SCHOOL DISTRICT

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## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEVADA DETERMINED AS OF THE PLAN YEAR ENDED JUNE 30

	<u>2014</u>
District's proportion of the Net Pension Liability	0.65526%
District's proportionate share of the Net Pension Liability	\$ 68,291,472
District's covered employee payroll	\$ 40,683,297
District's proportionate share of the Net Pension Liability as a percentage of its covered employee payroll	167.86%
Plan fiduciary net position as a percentage of the Total Pension Liability	76.31%



# CARSON CITY SCHOOL DISTRICT

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## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF DISTRICT'S CONTRIBUTIONS PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEVADA DETERMINED AS OF THE YEAR ENDED JUNE 30

	<u>2015</u>
Statutorily required contribution	\$ 10,475,949
Contributions in relation to the statutorily required contribution	<u>10,475,949</u>
Contribution deficiency (excess)	<u>-</u>
District's covered employee payroll	40,683,297
Contributions as a percentage of covered employee payroll	25.75%

# CARSON CITY SCHOOL DISTRICT

## DEBT SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2015 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015 BUDGET		2015		2014
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local Sources:					
Ad valorem taxes	\$ 5,281,424	5,281,424	\$ 5,551,923	\$ 270,499	\$ 5,400,522
Earnings on investments	35,574	35,574	54,998	19,424	78,913
Total Revenues	5,316,998	5,316,998	5,606,921	289,923	5,479,435
<b>EXPENDITURES</b>					
Debt Service:					
Principal	3,481,000	3,531,000	3,531,000	-	2,339,000
Interest	2,273,942	2,218,378	2,218,378	-	2,358,972
Other	-	196,733	187,526	9,207	-
Total Expenditures	5,754,942	5,946,111	5,936,904	9,207	4,697,972
Revenues Over (Under) Expenditures	(437,944)	(629,113)	(329,983)	299,130	781,463
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from refunding bonds	-	8,530,000	8,530,000	-	-
Premium on refunding bonds	-	657,922	657,922	-	-
Refunded bonds escrow agent	-	(8,991,192)	(8,991,192)	-	-
Transfers from other funds	260,000	260,000	260,000	-	260,000
Transfers (to) other funds	(200,000)	(200,000)	(200,000)	-	-
Total Other Financing Sources (Uses)	60,000	256,730	256,730	-	260,000
Net Change in Fund Balance	(377,944)	(372,383)	(73,253)	299,130	1,041,463
<b>FUND BALANCE, July 1</b>	3,557,420	3,593,009	3,593,009	-	2,551,546
<b>FUND BALANCE, June 30</b>	\$ 3,179,476	\$ 3,220,626	\$ 3,519,756	\$ 299,130	\$ 3,593,009

# CARSON CITY SCHOOL DISTRICT

BOND ISSUES FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2015  
*(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)*

	2015 BUDGET		2015		2014
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local Sources:					
Earnings on investments	\$ -	\$ 500	\$ 156	\$ (344)	\$ 1,336
<b>EXPENDITURES</b>					
Undistributed Expenditures:					
Site Improvement:					
Property	-	-	-	-	249,466
Building Improvement:					
Property	-	-	-	-	3,365,212
Other Facilities Acquisition and Construction:					
Property	-	674,440	674,096	344	82,044
Total Expenditures	-	674,440	674,096	344	3,696,722
Net Change in Fund Balance	-	(673,940)	(673,940)	-	(3,695,386)
<b>FUND BALANCE, July 1</b>	-	673,940	673,940	-	4,369,326
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ -	\$ -	\$ 673,940

# CARSON CITY SCHOOL DISTRICT

## NONMAJOR GOVERNMENTAL FUNDS

### COMBINING BALANCE SHEET

JUNE 30, 2015

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

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#### SPECIAL REVENUE FUNDS

	ADULT EDUCATION	ADULT EDUCATION PRISON SYS.	NUTRITION SERVICES	GIFTS AND DONATIONS	CLASS SIZE REDUCTION
<b>ASSETS</b>					
Cash and investments	\$ 58,373	\$ 369,925	\$ 131,384	\$ 144,475	\$ 530,983
Receivables	-	-	-	-	-
Due from other governments	5,706	-	223,315	-	126,225
Inventories	-	-	38,348	-	-
Total Assets	<u>\$ 64,079</u>	<u>\$ 369,925</u>	<u>\$ 393,047</u>	<u>\$ 144,475</u>	<u>\$ 657,208</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 412	\$ 134,904	\$ 29,068	\$ 67	\$ -
Accrued liabilities	18,000	214,441	210,396	-	657,208
Due to other funds	-	-	-	-	-
Unearned revenues	-	-	-	144,408	-
Total Liabilities	<u>18,412</u>	<u>349,345</u>	<u>239,464</u>	<u>144,475</u>	<u>657,208</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	38,348	-	-
Restricted	-	-	-	-	-
Assigned	45,667	20,580	115,235	-	-
Total Fund Balances	<u>45,667</u>	<u>20,580</u>	<u>153,583</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 64,079</u>	<u>\$ 369,925</u>	<u>\$ 393,047</u>	<u>\$ 144,475</u>	<u>\$ 657,208</u>

See accompanying notes.

# CARSON CITY SCHOOL DISTRICT

## NONMAJOR GOVERNMENTAL FUNDS

### COMBINING BALANCE SHEET

JUNE 30, 2015

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

Page 2 of 3

#### SPECIAL REVENUE FUNDS

	SUMMER AND REMEDATION PROGRAMS	FULL-DAY KINDER.	MEDICAID PROGRAM	LOCAL GRANTS	STATE GRANTS
<b>ASSETS</b>					
Cash and investments	\$ 45,509	\$ -	\$ 649,220	\$ 10,458	\$ -
Receivables	16,200	-	-	-	72
Due from other governments	175	-	-	20,266	574,253
Inventories	-	-	-	-	-
Total Assets	<u>\$ 61,884</u>	<u>\$ -</u>	<u>\$ 649,220</u>	<u>\$ 30,724</u>	<u>\$ 574,325</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 16,199	\$ -	\$ 2,010	\$ 2,385	\$ 3,116
Accrued liabilities	-	-	-	9,342	342,517
Due to other funds	-	-	-	-	228,570
Unearned revenues	-	-	-	18,997	122
Total Liabilities	<u>16,199</u>	<u>-</u>	<u>2,010</u>	<u>30,724</u>	<u>574,325</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Assigned	45,685	-	647,210	-	-
Total Fund Balances	<u>45,685</u>	<u>-</u>	<u>647,210</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 61,884</u>	<u>\$ -</u>	<u>\$ 649,220</u>	<u>\$ 30,724</u>	<u>\$ 574,325</u>

See accompanying notes.

# CARSON CITY SCHOOL DISTRICT

## NONMAJOR GOVERNMENTAL FUNDS

### COMBINING BALANCE SHEET

JUNE 30, 2015

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

Page 3 of 3

	SPECIAL REVENUE FUNDS TOTALS	CAPITAL PROJECTS	TOTAL NONMAJOR GOVERNMENTAL FUNDS	
			2015	2014
<b>ASSETS</b>				
Cash and investments	\$ 1,940,327	\$ 889,896	\$ 2,830,223	\$ 5,323,274
Receivables	16,272	-	16,272	79,654
Due from other governments	949,940	44,238	994,178	819,015
Inventories	38,348	-	38,348	1,026
Total Assets	<u>\$ 2,944,887</u>	<u>\$ 934,134</u>	<u>\$ 3,879,021</u>	<u>\$ 6,222,969</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 188,161	\$ 127,509	\$ 315,670	\$ 292,382
Accrued liabilities	1,451,904	-	1,451,904	1,264,185
Due to other funds	228,570	-	228,570	353,624
Unearned revenues	163,527	-	163,527	167,527
Total Liabilities	<u>2,032,162</u>	<u>127,509</u>	<u>2,159,671</u>	<u>2,077,718</u>
<b>FUND BALANCES</b>				
Nonspendable	38,348	-	38,348	1,026
Restricted	-	806,625	806,625	2,094,299
Assigned	874,377	-	874,377	2,049,926
Total Fund Balances	<u>912,725</u>	<u>806,625</u>	<u>1,719,350</u>	<u>4,145,251</u>
Total Liabilities and Fund Balances	<u>\$ 2,944,887</u>	<u>\$ 934,134</u>	<u>\$ 3,879,021</u>	<u>\$ 6,222,969</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, 2015

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014)

Page 1 of 3

	SPECIAL REVENUE FUNDS				
	ADULT EDUCATION	ADULT EDUCATION PRISON SYS.	NUTRITION SERVICES	GIFTS AND DONATIONS	CLASS SIZE REDUCTION
<b>REVENUES</b>					
Local sources	\$ -	\$ -	\$ 344,441	\$ 140,449	\$ -
State sources	330,876	1,037,749	9,049	-	3,744,289
Federal sources	-	-	2,031,048	-	-
Total Revenues	330,876	1,037,749	2,384,538	140,449	3,744,289
<b>EXPENDITURES</b>					
Regular programs	-	-	-	3,801	3,997,842
Special programs	-	-	-	690	-
Vocational programs	-	-	-	5,320	-
Adult Education programs	334,118	1,542,504	-	-	-
Extra-Curricular activities	-	-	-	-	-
Other Instructional programs	-	-	-	-	-
Community Services programs	244,294	-	-	2,100	-
Undistributed Expenditures:					
Student support	-	-	-	6,029	-
Instructional staff support	-	-	-	-	-
General administration	-	-	-	713	-
School administration	-	-	-	-	-
Central services	-	-	-	1,407	-
Operation and maintenance	30,618	7,282	-	-	-
Student transportation	-	-	-	607	-
Nutrition services	-	-	2,787,028	-	-
Facilities acquisition and construction	-	218,880	-	119,782	-
Total Expenditures	609,030	1,768,666	2,787,028	140,449	3,997,842
Revenues Over (Under)					
Expenditures	(278,154)	(730,917)	(402,490)	-	(253,553)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from (to) other funds	(50,000)	50,000	414,047	-	132,574
Net Change in Fund Balances	(328,154)	(680,917)	11,557	-	(120,979)
<b>FUND BALANCES, July 1</b>	373,821	701,497	142,026	-	120,979
<b>FUND BALANCES, June 30</b>	\$ 45,667	\$ 20,580	\$ 153,583	\$ -	\$ -

See accompanying notes.

# CARSON CITY SCHOOL DISTRICT

## NONMAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES YEAR ENDED JUNE 30, 2015

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014)

Page 2 of 3

	SPECIAL REVENUE FUNDS				
	SUMMER AND REMEDATION PROGRAMS	FULL-DAY KINDER.	MEDICAID PROGRAM	LOCAL GRANTS	STATE GRANTS
<b>REVENUES</b>					
Local sources	\$ 27,885	\$ -	\$ -	\$ 82,263	\$ -
State sources	-	-	-	-	2,014,676
Federal sources	-	-	253,979	-	-
Total Revenues	27,885	-	253,979	82,263	2,014,676
<b>EXPENDITURES</b>					
Regular programs	-	-	-	5,541	1,412,249
Special programs	-	-	228,749	8,547	719,459
Vocational programs	-	-	-	-	94,453
Adult Education programs	-	-	-	-	-
Extra-Curricular activities	-	-	-	3,349	-
Other Instructional programs	24,919	-	-	55,874	-
Community Services programs	-	-	-	-	-
Undistributed Expenditures:					
Student support	-	-	-	6,748	60,573
Instructional staff support	-	-	-	-	1,644
General administration	-	-	-	-	-
School administration	-	-	-	-	-
Central services	-	-	-	-	-
Operation and maintenance	-	-	-	-	-
Student transportation	-	-	-	634	7,963
Nutrition services	-	-	-	-	-
Facilities acquisition and construction	-	-	-	1,570	-
Total Expenditures	24,919	-	228,749	82,263	2,296,341
Revenues Over (Under)					
Expenditures	2,966	-	25,230	-	(281,665)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from (to) other funds	-	(47,930)	-	-	281,665
Net Change in Fund Balances	2,966	(47,930)	25,230	-	-
<b>FUND BALANCES, July 1</b>	42,719	47,930	621,980	-	-
<b>FUND BALANCES, June 30</b>	\$ 45,685	\$ -	\$ 647,210	\$ -	\$ -

See accompanying notes.



# CARSON CITY SCHOOL DISTRICT

## NONMAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES YEAR ENDED JUNE 30, 2015

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014)

Page 3 of 3

	SPECIAL REVENUE FUNDS TOTALS	CAPITAL PROJECTS	TOTAL NONMAJOR GOVERNMENTAL FUNDS	
			2015	2014
<b>REVENUES</b>				
Local sources	\$ 595,038	\$ 493,337	\$ 1,088,375	\$ 1,372,816
State sources	7,136,639	-	7,136,639	6,835,390
Federal sources	2,285,027	-	2,285,027	2,408,156
Total Revenues	10,016,704	493,337	10,510,041	10,616,362
<b>EXPENDITURES</b>				
Regular programs	5,419,433	-	5,419,433	5,383,013
Special programs	957,445	-	957,445	548,791
Vocational programs	99,773	-	99,773	155,566
Adult Education programs	1,876,622	-	1,876,622	1,578,246
Extra-Curricular activities	3,349	-	3,349	-
Other Instructional programs	80,793	-	80,793	40,453
Community Services programs	246,394	-	246,394	-
Undistributed Expenditures:				
Student support	73,350	-	73,350	287,533
Instructional staff support	1,644	-	1,644	4,066
General administration	713	-	713	375
School administration	-	-	-	2,411
Central services	1,407	-	1,407	74,674
Operation and maintenance	37,900	-	37,900	63,359
Student transportation	9,204	-	9,204	1,629
Nutrition services	2,787,028	-	2,787,028	2,816,191
Facilities acquisition and construction	340,232	1,981,011	2,321,243	428,433
Total Expenditures	11,935,287	1,981,011	13,916,298	11,384,740
Revenues Over (Under)				
Expenditures	(1,918,583)	(1,487,674)	(3,406,257)	(768,378)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from (to) other funds	780,356	200,000	980,356	625,576
Net Change in Fund Balances	(1,138,227)	(1,287,674)	(2,425,901)	(142,802)
<b>FUND BALANCES, July 1</b>	2,050,952	2,094,299	4,145,251	4,288,053
<b>FUND BALANCES, June 30</b>	\$ 912,725	\$ 806,625	\$ 1,719,350	\$ 4,145,251

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, 2015

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015 BUDGET		2015		2014
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
State Sources:					
Distributive school account	\$ 318,405	\$ 330,876	\$ 330,876	\$ -	\$ 305,944
<b>EXPENDITURES</b>					
Adult Education Programs:					
Instruction:					
Salaries	64,376	43,877	41,375	2,502	61,401
Benefits	15,000	2,400	1,424	976	12,045
Purchased services	30,000	46,856	26,293	20,563	10,897
Supplies	20,000	104,437	95,176	9,261	17,678
	129,376	197,570	164,268	33,302	102,021
Other Direct Support:					
Salaries	97,056	125,931	125,912	19	99,174
Benefits	52,273	43,273	42,825	448	42,615
Purchased services	1,000	2,050	622	1,428	633
Supplies	500	1,000	491	509	-
Other	-	52	-	52	-
	150,829	172,306	169,850	2,456	142,422
Community Services:					
Other	-	250,000	244,294	5,706	-
Undistributed Expenditures:					
Operation and Maintenance:					
Salaries	7,800	7,800	7,657	143	10,876
Benefits	5,871	4,471	4,398	73	4,621
Purchased services	21,000	9,050	8,408	642	12,622
Supplies	10,000	13,500	10,155	3,345	11,130
	44,671	34,821	30,618	4,203	39,249
Total Expenditures	324,876	654,697	609,030	45,667	283,692
Revenues Over (Under)					
Expenditures	(6,471)	(323,821)	(278,154)	45,667	22,252
<b>OTHER FINANCING (USES)</b>					
Transfers to other funds	-	(50,000)	(50,000)	-	-
Net Change in Fund Balance	(6,471)	(373,821)	(328,154)	45,667	22,252
<b>FUND BALANCE, July 1</b>	143,398	373,821	373,821	-	351,569
<b>FUND BALANCE, June 30</b>	\$ 136,927	\$ -	\$ 45,667	\$ 45,667	\$ 373,821

# CARSON CITY SCHOOL DISTRICT

## ADULT EDUCATION PRISON SYSTEM FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2015

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015 BUDGET		2015		2014
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
State Sources:					
Distributive school account	\$ 1,351,500	\$ 1,037,749	\$ 1,037,749	\$ -	\$ 1,128,098
<b>EXPENDITURES</b>					
Adult Education Programs:					
Instruction:					
Salaries	877,953	803,003	802,971	32	786,596
Benefits	365,776	317,226	316,640	586	310,559
Purchased services	10,000	13,500	13,428	72	7,605
Supplies	85,000	117,372	117,247	125	75,192
Property	-	6,627	6,627	-	5,696
Other	-	-	-	-	138
	1,338,729	1,257,728	1,256,913	815	1,185,786
Other Direct Support:					
Salaries	94,862	195,772	195,723	49	93,679
Benefits	42,044	74,133	73,955	178	38,688
Purchased services	22,000	15,500	15,480	20	15,330
Supplies	5,000	770	433	337	321
	163,906	286,175	285,591	584	148,018
Undistributed Expenditures:					
Operation and Maintenance:					
Purchased services	55,000	3,300	3,190	110	4,277
Supplies	5,000	4,178	4,092	86	4,934
	60,000	7,478	7,282	196	9,211
Building Improvements:					
Property	-	237,865	218,880	18,985	-
Total Expenditures	1,562,635	1,789,246	1,768,666	20,580	1,343,015
Revenues Over (Under)					
Expenditures	(211,135)	(751,497)	(730,917)	20,580	(214,917)
<b>OTHER FINANCING SOURCES</b>					
Transfers from other funds	-	50,000	50,000	-	-
Net Change in Fund Balance	(211,135)	(701,497)	(680,917)	20,580	(214,917)
<b>FUND BALANCE, July 1</b>	211,135	701,497	701,497	-	916,414
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ 20,580	\$ 20,580	\$ 701,497

# CARSON CITY SCHOOL DISTRICT

## NUTRITION SERVICES FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2015

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015 BUDGET		2015		2014
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local Sources:					
Food sales	\$ 474,602	\$ 474,602	\$ 341,746	\$ (132,856)	\$ 394,734
Other	3,500	3,500	2,695	(805)	1,863
Total Local Sources	478,102	478,102	344,441	(133,661)	396,597
State Sources:					
Special appropriations	9,500	9,500	9,049	(451)	9,588
Federal Sources:					
School Lunch Program	1,990,212	1,962,619	1,890,092	(72,527)	1,924,028
Commodity Foods	125,000	125,000	140,956	15,956	104,583
Total Federal Sources	2,115,212	2,087,619	2,031,048	(56,571)	2,028,611
Total Revenues	2,602,814	2,575,221	2,384,538	(190,683)	2,434,796
<b>EXPENDITURES</b>					
Nutrition Services:					
Salaries	1,013,072	934,238	904,981	29,257	897,053
Benefits	732,334	670,815	654,666	16,149	647,916
Purchased services	1,237,911	1,299,215	1,051,831	247,384	1,079,895
Supplies	185,000	184,849	175,399	9,450	175,338
Other	-	151	151	-	974
Total Expenditures	3,168,317	3,089,268	2,787,028	302,240	2,801,176
Revenues Over (Under)					
Expenditures	(565,503)	(514,047)	(402,490)	111,557	(366,380)
<b>OTHER FINANCING SOURCES</b>					
Transfers from other funds	360,668	414,047	414,047	-	366,380
Net Change in Fund Balance	(204,835)	(100,000)	11,557	111,557	-
<b>FUND BALANCE, July 1</b>	204,835	142,026	142,026	-	142,026
<b>FUND BALANCE, June 30</b>	\$ -	\$ 42,026	\$ 153,583	\$ 111,557	\$ 142,026

# CARSON CITY SCHOOL DISTRICT

## GIFTS AND DONATIONS FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2015

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015 BUDGET		2015		2014
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local Sources:					
Donations	\$ 10,000	\$ 284,859	\$ 140,449	\$ (144,410)	\$ 42,203
<b>EXPENDITURES</b>					
Regular Programs:					
Instruction:					
Purchased services	-	5,870	1,260	4,610	3,110
Supplies	10,000	21,249	1,541	19,708	1,904
Other	-	3,570	1,000	2,570	500
Total Regular Programs	10,000	30,689	3,801	26,888	5,514
Special Programs:					
Instruction:					
Supplies	-	3,935	-	3,935	20
Other Direct Support:					
Purchased services	-	1,350	690	660	462
Supplies	-	5,769	-	5,769	-
	-	7,119	690	6,429	462
Total Special Programs	-	11,054	690	10,364	482
Vocational Programs:					
Instruction:					
Purchased services	-	5,986	4,652	1,334	-
Other Direct Support:					
Purchased services	-	668	668	-	-
Total Vocational Programs	-	6,654	5,320	1,334	-
Community Services Programs:					
Purchased services	-	4,919	2,100	2,819	-
Undistributed Expenditures:					
Student Support:					
Purchased services	-	16,115	-	16,115	780
Supplies	-	25,055	5,944	19,111	8,234
Other	-	85	85	-	-
	-	41,255	6,029	35,226	9,014

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, 2015

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015 BUDGET		2015		2014
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Undistributed Expenditures:					
Instructional Staff Support:					
Supplies	\$ -	\$ 11,159	\$ -	\$ 11,159	\$ 1,440
General Administration:					
Supplies	-	714	338	376	-
Other	-	614	375	239	375
	-	1,328	713	615	375
School Administration:					
Supplies	-	2,982	-	2,982	2,411
Central Services:					
Purchased services	-	48,691	1,407	47,284	6,440
Operation and Maintenance:					
Purchased services	-	200	-	200	-
Supplies	-	4,977	-	4,977	11,682
Property	-	351	-	351	3,216
	-	5,528	-	5,528	14,898
Student Transportation:					
Purchased services	-	818	607	211	1,629
Other Facilities Acq/Constr:					
Property	-	119,782	119,782	-	-
Total Undistributed Expenditures	-	231,543	128,538	103,005	36,207
Total Expenditures	10,000	284,859	140,449	144,410	42,203
Net Change in Fund Balance	-	-	-	-	-
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

# CARSON CITY SCHOOL DISTRICT

## CLASS SIZE REDUCTION FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2015

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015 BUDGET		2015		2014
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
State Sources:					
Special Appropriations	\$ 3,672,993	\$ 3,853,092	\$ 3,744,289	\$ (108,803)	\$ 3,573,394
<b>EXPENDITURES</b>					
Regular Programs:					
Salaries	2,459,324	2,760,441	2,701,940	58,501	2,311,153
Benefits	1,213,669	1,346,204	1,295,902	50,302	1,151,169
Total Expenditures	3,672,993	4,106,645	3,997,842	108,803	3,462,322
Revenues Over (Under)					
Expenditures	-	(253,553)	(253,553)	-	111,072
<b>OTHER FINANCING SOURCES</b>					
Transfers from other funds	-	132,574	132,574	-	-
Net Change in Fund Balance	-	(120,979)	(120,979)	-	111,072
<b>FUND BALANCE, July 1</b>	7,177	120,979	120,979	-	9,907
<b>FUND BALANCE, June 30</b>	\$ 7,177	\$ -	\$ -	\$ -	\$ 120,979

# CARSON CITY SCHOOL DISTRICT

## SUMMER AND REMEDIATION PROGRAMS FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2015

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015 BUDGET		2015		2014
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local Sources:					
Tuition	\$ 20,000	\$ 20,000	\$ 27,885	\$ 7,885	\$ 18,250
Total Revenues	20,000	20,000	27,885	7,885	18,250
<b>EXPENDITURES</b>					
Other Instructional Programs:					
Summer School:					
Salaries	28,000	27,693	8,386	19,307	26,039
Benefits	560	810	335	475	1,671
Supplies	15,000	16,207	16,198	9	12,743
Total Expenditures	43,560	44,710	24,919	19,791	40,453
Net Change in Fund Balance	(23,560)	(24,710)	2,966	27,676	(22,203)
<b>FUND BALANCE, July 1</b>	64,390	42,719	42,719	-	64,922
<b>FUND BALANCE, June 30</b>	\$ 40,830	\$ 18,009	\$ 45,685	\$ 27,676	\$ 42,719



# CARSON CITY SCHOOL DISTRICT

## FULL-DAY KINDERGARTEN FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2015

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015 BUDGET		2015		2014
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES	-	-	-	-	-
OTHER FINANCING (USES)					
Transfers (to) other funds	(47,930)	(47,930)	(47,930)	-	-
Net Change in Fund Balance	(47,930)	(47,930)	(47,930)	-	-
FUND BALANCE, July 1	47,930	47,930	47,930	-	47,930
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ 47,930

# CARSON CITY SCHOOL DISTRICT

## MEDICAID PROGRAM FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2015

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015 BUDGET		2015		2014
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Federal Sources:					
Medicaid Program	\$ 280,000	\$ 280,000	\$ 253,979	\$ (26,021)	\$ 379,545
<b>EXPENDITURES</b>					
Special Programs:					
Other Direct Support:					
Salaries	77,563	44,694	40,779	3,915	5,174
Benefits	29,884	43,761	22,012	21,749	2,886
Purchased services	501,806	177,835	155,967	21,868	404,342
Supplies	-	11,000	9,408	1,592	10,997
Other	-	1,166	583	583	63
Total Expenditures	609,253	278,456	228,749	49,707	423,462
Net Change in Fund Balance	(329,253)	1,544	25,230	23,686	(43,917)
<b>FUND BALANCE, July 1</b>	436,960	621,980	621,980	-	665,897
<b>FUND BALANCE, June 30</b>	\$ 107,707	\$ 623,524	\$ 647,210	\$ 23,686	\$ 621,980

# CARSON CITY SCHOOL DISTRICT

## LOCAL GRANTS FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2015

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015 BUDGET		2015		2014
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local Sources:					
Other	\$ 80,379	\$ 115,412	\$ 82,263	\$ (33,149)	\$ 467,407
<b>EXPENDITURES</b>					
Regular Programs:					
Purchased services	-	-	-	-	130,031
Supplies	-	10,649	5,541	5,108	71,276
	-	10,649	5,541	5,108	201,307
Special Programs:					
Salaries	-	7,899	7,899	-	4,907
Benefits	-	648	648	-	400
	-	8,547	8,547	-	5,307
Vocational Programs:					
Other Direct Support:					
Salaries	-	-	-	-	16,761
Benefits	-	-	-	-	11,111
	-	-	-	-	27,872
Other Instructional Programs:					
Salaries	-	47,000	34,944	12,056	-
Benefits	-	23,000	20,930	2,070	-
	-	70,000	55,874	14,126	-
Cocurricular Programs:					
Supplies	-	9,350	3,349	6,001	-
	-	9,350	3,349	6,001	-
Undistributed Expenditures:					
Student Support:					
Salaries	-	826	822	4	711
Benefits	-	16	16	-	13
Purchased services	-	1,211	1,170	41	559
Supplies	-	9,045	4,740	4,305	163,402
	-	11,098	6,748	4,350	164,685

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, 2015

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015 BUDGET		2015		2014
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Undistributed Expenditures:					
Instructional Staff Support:					
Salaries	\$ 53,741	\$ -	\$ -	\$ -	\$ 2.00
Benefits	26,638	-	-	-	-
	80,379	-	-	-	2
Student Transportation:					
Supplies	-	634	634	-	-
Land Improvements:					
Purchased services	-	2,727	-	2,727	-
Supplies	-	2,407	1,570	837	-
	-	5,134	1,570	3,564	-
Central Services:					
Salaries	-	-	-	-	44,799
Benefits	-	-	-	-	23,435
	-	-	-	-	68,234
Total Undistributed Expenditures	80,379	16,866	8,952	7,914	232,921
Total Expenditures	80,379	115,412	82,263	33,149	467,407
Net Change in Fund Balance	-	-	-	-	-
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

# CARSON CITY SCHOOL DISTRICT

## STATE GRANTS FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2015

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015 BUDGET		2015		2014
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
State Sources:					
State grants	\$ 2,260,177	\$ 2,022,153	\$ 2,014,676	\$ (7,477)	\$ 1,818,366
<b>EXPENDITURES</b>					
Regular Programs:					
Salaries	1,232,011	839,974	839,962	12	778,607
Benefits	677,515	422,116	422,116	-	404,692
Purchased services	-	-	-	-	64,846
Supplies	-	108,774	108,774	-	49,854
Other	43,042	41,397	41,397	-	-
Total Regular Programs	1,952,568	1,412,261	1,412,249	12	1,297,999
Special Programs:					
Instruction:					
Salaries	100,000	405,813	405,813	-	286,442
Benefits	40,000	240,621	239,566	1,055	170,954
Purchased services	10,000	-	-	-	-
Supplies	5,000	36,648	33,694	2,954	58,616
Other	15,000	-	-	-	-
	170,000	683,082	679,073	4,009	516,012
Other Direct Support:					
Salaries	46,300	18,910	18,910	-	17,047
Benefits	20,000	-	-	-	-
Purchased services	-	17,654	17,597	57	9,943
Supplies	10,000	4,808	3,879	929	-
Property	25,000	-	-	-	-
Other	500	-	-	-	-
	101,800	41,372	40,386	986	26,990
Total Special Programs	271,800	724,454	719,459	4,995	543,002
Vocational Programs:					
Instruction:					
Purchased services	25,000	20,752	20,752	-	14,209
Supplies	26,040	52,712	51,249	1,463	89,953
Property	-	-	-	-	5,000
Other	-	-	-	-	1,750
Continued on next page	51,040	73,464	72,001	1,463	110,912

# CARSON CITY SCHOOL DISTRICT

STATE GRANTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2015  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015 BUDGET		2015		2014
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Vocational Programs:					
Other Direct Support:					
Salaries	\$ 3,300	\$ 8,223	\$ 7,338	\$ 885	\$ 7,238
Benefits	-	122	114	8	127
Purchased services	43,000	15,000	15,000	-	9,417
	46,300	23,345	22,452	893	16,782
Total Vocational Programs	97,340	96,809	94,453	2,356	127,694
Undistributed Expenditures:					
Student Support:					
Salaries	100,000	45,780	45,780	-	44,839
Benefits	120,850	14,793	14,793	-	14,508
Purchased services	3,512	-	-	-	-
Supplies	3,500	-	-	-	7,854
Other	723	-	-	-	39,042
	228,585	60,573	60,573	-	106,243
Instructional Staff Support:					
Salaries	36,413	-	-	-	2,615
Benefits	2,987	-	-	-	9
Purchased services	12,786	-	971	(971)	-
Supplies	4,567	1,085	673	412	-
Property	-	673	-	673	-
	56,753	1,758	1,644	114	2,624
Student Transportation:					
Purchased services	-	7,963	7,963	-	-
Total Undistributed Expenditures	285,338	70,294	70,180	114	108,867
Total Expenditures	2,607,046	2,303,818	2,296,341	7,477	2,077,562

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, 2015

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015 BUDGET		2015		2014
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Revenues Over (Under)					
Expenditures	\$ (346,869)	\$ (281,665)	\$ (281,665)	\$ -	\$ (259,196)
<b>OTHER FINANCING SOURCES</b>					
Transfers from other funds	346,869	281,665	281,665	-	259,196
Net Change in Fund Balance	-	-	-	-	-
<b>FUND BALANCE, July 1</b>	-	-	-	-	-
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ -	\$ -	\$ -

# CARSON CITY SCHOOL DISTRICT

## CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2015

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015 BUDGET		2015		2014
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local Sources:					
Governmental services tax	\$ 442,232	\$ 442,232	\$ 493,103	\$ 50,871	\$ 448,076
Other	-	-	234	234	283
Total Revenues	442,232	442,232	493,337	51,105	448,359
<b>EXPENDITURES</b>					
Undistributed Expenditures:					
Nutrition Services:					
Property	-	-	-	-	15,015
Site Improvements:					
Property	-	-	-	-	161,600
Building Improvements:					
Property	2,652,050	2,652,050	1,981,011	671,039	266,833
Total Expenditures	2,652,050	2,652,050	1,981,011	671,039	443,448
Revenues Over (Under) Expenditures	(2,209,818)	(2,209,818)	(1,487,674)	722,144	4,911
<b>OTHER FINANCING SOURCES</b>					
Transfer from other funds	200,000	200,000	200,000	-	-
Net Change in Fund Balance	(2,009,818)	(2,009,818)	(1,287,674)	722,144	4,911
<b>FUND BALANCE, July 1</b>	2,219,388	2,094,299	2,094,299	-	2,089,388
<b>FUND BALANCE, June 30</b>	\$ 209,570	\$ 84,481	\$ 806,625	\$ 722,144	\$ 2,094,299



# CARSON CITY SCHOOL DISTRICT

PROPRIETARY FUNDS  
 COMBINING STATEMENT OF NET POSITION  
 JUNE 30, 2015  
 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

	UNEMPLOYMENT INSURANCE FUND	HEALTH INSURANCE FUND	WORKERS' COMPENSATION INSURANCE FUND	TOTALS GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS	
				2015	2014
<b>ASSETS</b>					
Cash and investments	\$ 500,794	\$ 3,972,508	\$ 400,982	\$ 4,874,284	\$ 4,260,406
Accounts receivable	-	-	928	928	-
Total Assets	500,794	3,972,508	401,910	4,875,212	4,260,406
<b>LIABILITIES</b>					
Accounts payable	2,134	-	-	2,134	7,256
Accrued liabilities	-	-	177,738	177,738	26,433
Total Liabilities	2,134	-	177,738	179,872	33,689
<b>NET POSITION</b>					
Unrestricted	\$ 498,660	\$ 3,972,508	\$ 224,172	\$ 4,695,340	\$ 4,226,717

*See accompanying notes.*

# CARSON CITY SCHOOL DISTRICT

PROPRIETARY FUNDS  
COMBINING STATEMENT OF  
REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
YEAR ENDED JUNE 30, 2015  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014)

	UNEMPLOYMENT INSURANCE FUND	HEALTH INSURANCE FUND	WORKERS' COMPENSATION INSURANCE FUND	TOTALS GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS	
				2015	2014
<b>OPERATING REVENUES</b>					
Charges for services	\$ 130,655	\$ 1,827,409	\$ 109,035	\$ 2,067,099	\$ 1,990,848
<b>OPERATING EXPENSES</b>					
Salaries	5,699	12,110	4,195	22,004	-
Benefits	2,692	1,216,469	2,080	1,221,241	-
Purchased services	21,254	3,945	328,032	353,231	1,396,963
Other	-	-	2,000	2,000	-
	29,645	1,232,524	336,307	1,598,476	1,396,963
Change in Net Position	101,010	594,885	(227,272)	468,623	593,885
<b>NET POSITION, July 1</b>	397,650	3,377,623	451,444	4,226,717	3,632,832
<b>NET POSITION, June 30</b>	\$ 498,660	\$ 3,972,508	\$ 224,172	\$ 4,695,340	\$ 4,226,717

See accompanying notes.

# CARSON CITY SCHOOL DISTRICT

## PROPRIETARY FUNDS COMBINING STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2015

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014)

	UNEMPLOYMENT INSURANCE FUND	HEALTH INSURANCE FUND	WORKERS' COMPENSATION INSURANCE FUND	TOTALS GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS	
				2015	2014
<b>CASH FROM OPERATING ACTIVITIES</b>					
Cash received for services	\$ 130,655	\$ 1,827,409	\$ 108,107	\$ 2,066,171	\$ 1,990,865
Cash paid for salaries and benefits	(8,391)	(18,246)	(6,275)	(32,912)	-
Cash paid for claims and related	(25,887)	(1,214,287)	(179,207)	(1,419,381)	(1,372,961)
Net cash provided (used) by operating activities	96,377	594,876	(77,375)	613,878	617,904
Net Increase in Cash	96,377	594,876	(77,375)	613,878	617,904
<b>CASH AND INVESTMENTS, July 1</b>	404,417	3,377,632	478,357	4,260,406	3,642,502
<b>CASH AND INVESTMENTS, June 30</b>	\$ 500,794	\$ 3,972,508	\$ 400,982	\$ 4,874,284	\$ 4,260,406
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATIONS</b>					
Operating income (loss)	\$ 101,010	\$ 594,885	\$ (227,272)	\$ 468,623	\$ 593,885
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Change in assets and liabilities:					
Receivables	-	-	(928)	(928)	17
Prepaid expenses	-	-	-	-	2,000
Accounts payable	(4,633)	(9)	(480)	(5,122)	7,239
Accrued liabilities	-	-	151,305	151,305	14,763
Total Adjustments	(4,633)	(9)	149,897	145,255	24,019
Net cash provided (used) by operating activities	\$ 96,377	\$ 594,876	\$ (77,375)	\$ 613,878	\$ 617,904

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, 2015  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015 BUDGET		2015		2014
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>OPERATING REVENUES</b>					
Charges for services	\$ 130,000	\$ 130,000	\$ 130,655	\$ 655	\$ 128,282
<b>OPERATING EXPENSES</b>					
Salaries	9,493	10,875	5,699	5,176	-
Benefits	7,595	7,896	2,692	5,204	-
Purchased services	112,912	112,912	21,254	91,658	57,066
	130,000	131,683	29,645	102,038	57,066
Change in Net Position	-	(1,683)	101,010	(101,383)	71,216
<b>NET POSITION, July 1</b>	326,434	397,650	397,650	-	326,434
<b>NET POSITION, June 30</b>	\$ 326,434	\$ 395,967	\$ 498,660	\$ (101,383)	\$ 397,650

# CARSON CITY SCHOOL DISTRICT

## UNEMPLOYMENT INSURANCE FUND SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2015

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015 BUDGET		2015		2014
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received for services	\$ 130,000	\$ 130,665	\$ 130,655	\$ (10)	\$ 128,282
Cash paid for salaries and benefits	(17,088)	(18,771)	(8,391)	10,380	-
Cash paid for claims and related	(112,912)	(7,000)	(25,887)	(18,887)	(50,299)
Net cash provided by operating activities	-	104,894	96,377	(8,517)	77,983
Net Increase in Cash	-	104,894	96,377	(8,517)	77,983
<b>CASH AND INVESTMENTS, July 1</b>	326,434	404,417	404,417	-	326,434
<b>CASH AND INVESTMENTS, June 30</b>	<u>\$ 326,434</u>	<u>\$ 509,311</u>	<u>\$ 500,794</u>	<u>\$ (8,517)</u>	<u>\$ 404,417</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATIONS</b>					
Operating income	\$ -	\$ 104,894	\$ 101,010	\$ (3,884)	\$ 71,216
Adjustments to reconcile operating income to net cash provided by operations:					
Change in assets and liabilities:					
Accounts payable	-	-	(4,633)	(4,633)	6,767
Net cash provided by operations	<u>\$ -</u>	<u>\$ 104,894</u>	<u>\$ 96,377</u>	<u>\$ (8,517)</u>	<u>\$ 77,983</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, 2015 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015 BUDGET		2015		2014
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>OPERATING REVENUES</b>					
Charges for services	\$ 1,729,532	\$ 1,729,532	\$ 1,827,409	\$ 97,877	\$ 1,756,001
<b>OPERATING EXPENSES</b>					
Salaries	11,988	12,577	12,110	467	-
Benefits	7,544	1,712,556	1,216,469	496,087	-
Purchased services	1,710,000	5,000	3,945	1,055	1,229,587
	<u>1,729,532</u>	<u>1,730,133</u>	<u>1,232,524</u>	<u>497,609</u>	<u>1,229,587</u>
Change in Net Position	-	(601)	594,885	595,486	526,414
<b>NET POSITION, July 1</b>	<u>2,851,209</u>	<u>3,377,623</u>	<u>3,377,623</u>	<u>-</u>	<u>2,851,209</u>
<b>NET POSITION, June 30</b>	<u>\$ 2,851,209</u>	<u>\$ 3,377,022</u>	<u>\$ 3,972,508</u>	<u>\$ 595,486</u>	<u>\$ 3,377,623</u>

# CARSON CITY SCHOOL DISTRICT

## HEALTH INSURANCE FUND SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2015

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015 BUDGET		2015		2014
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received for services	\$ 1,729,532	\$ 1,729,532	\$ 1,827,409	\$ 97,877	\$ 1,756,018
Cash paid for salaries and benefits	(19,532)	(12,577)	(18,246)	(5,669)	-
Cash paid for claims and related	(1,710,000)	(1,717,556)	(1,214,287)	503,269	(1,229,595)
Net cash provided by operating activities	-	(601)	594,876	595,477	526,423
Net Increase in Cash	-	(601)	594,876	595,477	526,423
<b>CASH AND INVESTMENTS, July 1</b>	<u>2,851,209</u>	<u>3,377,632</u>	<u>3,377,632</u>	<u>-</u>	<u>2,851,209</u>
<b>CASH AND INVESTMENTS, June 30</b>	<u>\$ 2,851,209</u>	<u>\$ 3,377,031</u>	<u>\$ 3,972,508</u>	<u>\$ 595,477</u>	<u>\$ 3,377,632</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATIONS</b>					
Operating income	\$ -	\$ (601)	\$ 594,885	\$ 595,486	\$ 526,414
Adjustments to reconcile operating income to net cash provided by operations:					
Change in assets and liabilities:					
Receivables	-	-	-	-	17
Accounts payable	-	-	(9)	(9)	(8)
Total Adjustments	-	-	(9)	(9)	9
Net cash provided by operations	<u>\$ -</u>	<u>\$ (601)</u>	<u>\$ 594,876</u>	<u>\$ 595,477</u>	<u>\$ 526,423</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, 2015  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015 BUDGET		2015		2014
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>OPERATING REVENUES</b>					
Charges for services	\$ 200,000	\$ 200,000	\$ 109,035	\$ (90,965)	\$ 106,565
<b>OPERATING EXPENSES</b>					
Salaries	28,139	26,202	4,195	22,007	-
Benefits	15,415	14,684	2,080	12,604	-
Purchased services	80,000	185,000	328,032	(143,032)	110,310
Other	-	-	2,000	(2,000)	
	123,554	225,886	336,307	(110,421)	110,310
Change in Net Position	76,446	(25,886)	(227,272)	(201,386)	(3,745)
<b>NET POSITION, July 1</b>	545,189	451,444	451,444	-	455,189
<b>NET POSITION, June 30</b>	<u>\$ 621,635</u>	<u>\$ 425,558</u>	<u>\$ 224,172</u>	<u>\$ (201,386)</u>	<u>\$ 451,444</u>



# CARSON CITY SCHOOL DISTRICT

## WORKERS' COMPENSATION INSURANCE FUND SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2015

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015 BUDGET		2015		2014
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received for services	\$ 200,000	\$ 280,000	\$ 108,107	\$ (171,893)	\$ 106,565
Cash paid for salaries and benefits	(43,554)	(40,386)	(6,275)	34,111	-
Cash paid for claims and related	(80,000)	(187,500)	(179,207)	8,293	(93,067)
Net cash provided (used) by operating activities	76,446	52,114	(77,375)	(129,489)	13,498
Net Increase in Cash	76,446	52,114	(77,375)	(129,489)	13,498
<b>CASH AND INVESTMENTS, July 1</b>	554,859	478,357	478,357	-	464,859
<b>CASH AND INVESTMENTS, June 30</b>	\$ 631,305	\$ 530,471	\$ 400,982	\$ (129,489)	\$ 478,357
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATIONS</b>					
Operating income (loss)	\$ 76,446	\$ 52,114	\$ (227,272)	\$ (279,386)	\$ (3,745)
Adjustments to reconcile operating income (loss) to net cash provided by operations:					
Change in assets and liabilities:					
Other receivables			(928)	(928)	-
Prepaid expenses	-	-	-	-	2,000
Accounts payable	-	-	(480)	(480)	480
Accrued liabilities	-	-	151,305	151,305	14,763
Total Adjustments	-	-	149,897	149,897	17,243
Net cash provided (used) by operations	\$ 76,446	\$ 52,114	\$ (77,375)	\$ (129,489)	\$ 13,498

# CARSON CITY SCHOOL DISTRICT

## AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES YEAR ENDED JUNE 30, 2015

	<u>BALANCE</u> <u>July 1, 2014</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>June 30, 2015</u>
<b>CARSON ELEMENTARY SCHOOLS STUDENT ACTIVITY FUND</b>				
Assets:				
Cash and investments	<u>\$ 95,321</u>	<u>\$ 199,711</u>	<u>\$ 185,849</u>	<u>\$ 109,183</u>
Liabilities:				
Due to student groups and others	<u>\$ 95,321</u>	<u>\$ 199,711</u>	<u>\$ 185,849</u>	<u>\$ 109,183</u>
<b>CARSON MIDDLE SCHOOL STUDENT ACTIVITY FUND</b>				
Assets:				
Cash and investments	<u>\$ 139,219</u>	<u>\$ 91,371</u>	<u>\$ 109,761</u>	<u>\$ 120,829</u>
Liabilities:				
Due to student groups and others	<u>\$ 139,219</u>	<u>\$ 91,371</u>	<u>\$ 109,761</u>	<u>\$ 120,829</u>
<b>EAGLE VALLEY MIDDLE SCHOOL STUDENT ACTIVITY FUND</b>				
Assets:				
Cash and investments	<u>\$ 75,671</u>	<u>\$ 85,532</u>	<u>\$ 75,663</u>	<u>\$ 85,540</u>
Liabilities:				
Due to student groups and others	<u>\$ 75,671</u>	<u>\$ 85,532</u>	<u>\$ 75,663</u>	<u>\$ 85,540</u>
<b>CARSON HIGH SCHOOL STUDENT ACTIVITY FUND</b>				
Assets:				
Cash and investments	<u>\$ 451,526</u>	<u>\$ 931,775</u>	<u>\$ 907,779</u>	<u>\$ 475,522</u>
Liabilities:				
Due to student groups and others	<u>\$ 451,526</u>	<u>\$ 931,775</u>	<u>\$ 907,779</u>	<u>\$ 475,522</u>
<b>ALTERNATIVE EDUCATION STUDENT ACTIVITY FUND</b>				
Assets:				
Cash and investments	<u>\$ 2,650</u>	<u>\$ 1,858</u>	<u>\$ 2,121</u>	<u>\$ 2,387</u>
Liabilities:				
Due to student groups and others	<u>\$ 2,650</u>	<u>\$ 1,858</u>	<u>\$ 2,121</u>	<u>\$ 2,387</u>

Continued on next page.

# CARSON CITY SCHOOL DISTRICT

## AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES YEAR ENDED JUNE 30, 2015

	<u>BALANCE</u> <u>July 1, 2014</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>June 30, 2015</u>
<b>ADULT HIGH SCHOOL DIPLOMA PROGRAM</b>				
<b>STUDENT ACTIVITY FUND</b>				
Assets:				
Cash and investments	\$ 51,459	\$ 7,848	\$ 7,062	\$ 52,245
Liabilities:				
Due to student groups and others	\$ 51,459	\$ 7,848	\$ 7,062	\$ 52,245
<b>MONTESSORI CHARTER SCHOOL PAYROLL FUND</b>				
Assets:				
Cash and investments	\$ 300	\$ -	\$ -	\$ 300
Accounts receivable	202,610	-	202,610	-
	<u>\$ 202,910</u>	<u>\$ -</u>	<u>\$ 202,610</u>	<u>\$ 300</u>
Liabilities:				
Accrued liabilities and payables	\$ 202,610	\$ -	\$ 202,610	\$ -
Due to student groups and others	300	-	-	300
	<u>\$ 202,910</u>	<u>\$ -</u>	<u>\$ 202,610</u>	<u>\$ 300</u>
<b>TOTALS - ALL AGENCY FUNDS</b>				
Assets:				
Cash and investments	\$ 816,146	\$ 1,318,095	\$ 1,288,235	\$ 846,006
Accounts receivable	202,610	-	202,610	-
	<u>\$ 1,018,756</u>	<u>\$ 1,318,095</u>	<u>\$ 1,490,845</u>	<u>\$ 846,006</u>
Liabilities:				
Accrued liabilities and payables	\$ 202,610	\$ -	\$ 202,610	\$ -
Due to student groups and others	816,146	1,318,095	1,288,235	846,006
	<u>\$ 1,018,756</u>	<u>\$ 1,318,095</u>	<u>\$ 1,490,845</u>	<u>\$ 846,006</u>

# CARSON CITY SCHOOL DISTRICT

## AGENCY FUND - CARSON ELEMENTARY SCHOOLS SCHEDULE OF CHANGES IN CASH BALANCES YEAR ENDED JUNE 30, 2015

	BALANCE July 1, 2014	ADDITIONS	DELETIONS	BALANCE June 30, 2015
Bray-Bordewich-Gleason	\$ 11,739	\$ 17,113	\$ 18,283	\$ 10,569
Empire Elementary	12,115	28,018	30,895	9,238
Fremont Elementary	14,092	45,671	42,209	17,554
Fritsch Elementary	28,421	29,021	30,509	26,933
Mark Twain Elementary	5,648	25,094	18,845	11,897
Seeliger Elementary	22,025	54,794	45,108	31,711
Student Support Services	1,281	-	-	1,281
Total	\$ 95,321	\$ 199,711	\$ 185,849	\$ 109,183

# CARSON CITY SCHOOL DISTRICT

## AGENCY FUND - CARSON MIDDLE SCHOOL SCHEDULE OF CHANGES IN CASH BALANCES YEAR ENDED JUNE 30, 2015

	BALANCE July 1, 2014	ADDITIONS	DELETIONS	BALANCE June 30, 2015
7th grade reward trip	\$ -	\$ 932	\$ 878	\$ 54
Art Class	162	-	-	162
Band	6,953	21,156	20,836	7,273
Band instrument repair	1,472	2,996	2,920	1,548
Band marimba	582	-	582	-
Band trip	1,126	11,182	8,180	4,128
Band uniforms	61	1,465	1,374	152
Basketball Camp	2,200	5,579	2,725	5,054
Book Fair	5,355	6,767	6,787	5,335
Bookworms	2	-	-	2
Bowling	10,133	-	10,133	-
Box tops	765	97	-	862
Choir	514	3,679	3,569	624
Classic tourney	346	-	-	346
CMS shirts	162	-	-	162
Co-curricular	11	-	-	11
Coke/student soda machine	8,813	5,474	8,469	5,818
Coupon books	1,987	-	863	1,124
Cross Country	7,132	2,092	1,989	7,235
CTE FEE	7,393	-	-	7,393
Fish Food Drive	104	-	-	104
Gate	162	-	-	162
Girls' basketball	432	-	-	432
Healthy Schools	369	-	-	369
Home economics	500	-	-	500
Jimmy Blackmore	96	-	-	96
John Gaskill Scholarship	2,346	880	80	3,146
Journalism	623	-	-	623
Lego Robotic	-	397	270	127
Library	628	31	-	659
Magazine fundraiser	89	-	-	89
Mr. Whisler's class	727	-	340	387
Nurse	134	-	-	134
Pathways	206	-	-	206
Paulson class	147	-	-	147
PBS	702	-	-	702
Physical Education	28,632	7,459	18,948	17,143
PTA	256	-	-	256
Recycle Club	216	175	181	210

*Continued on next page*

# CARSON CITY SCHOOL DISTRICT

## AGENCY FUND - CARSON MIDDLE SCHOOL SCHEDULE OF CHANGES IN CASH BALANCES YEAR ENDED JUNE 30, 2015

	BALANCE July 1, 2014	ADDITIONS	DELETIONS	BALANCE June 30, 2015
School uniforms	\$ 2,720	\$ -	\$ -	\$ 2,720
Science	33	-	-	33
Social Studies Department	235	-	-	235
SSA sweatshirts	2,855	-	-	2,855
Student Body	5,961	3,040	2,595	6,406
Summer School	2,705	-	-	2,705
Sunshine	640	-	-	640
Team A	567	-	-	567
Team B	252	-	-	252
Team C	65	-	-	65
Technology Class	946	-	-	946
Track	7,158	2,877	1,607	8,428
Volleyball	1,431	2,750	3,915	266
Wrestling	4,689	1,432	444	5,677
Yearbook	17,423	10,911	12,076	16,258
Total	\$ 139,219	\$ 91,371	\$ 109,761	\$ 120,829

# CARSON CITY SCHOOL DISTRICT

## AGENCY FUND - EAGLE VALLEY MIDDLE SCHOOL SCHEDULE OF CHANGES IN CASH BALANCES YEAR ENDED JUNE 30, 2015

	BALANCE July 1, 2014	ADDITIONS	DELETIONS	BALANCE June 30, 2015
Art	\$ -	\$ 415	\$ 270	\$ 145
Art Fundraiser	563	-	302	261
Athletic Fund	4,473	4,194	4,720	3,947
Band spring trip	539	19,165	18,452	1,252
Blakemore Memorial	210	-	100	110
Cheerleader	634	315	12	937
Community Foundation	788	-	788	-
Computer Sleeves	-	1,988	1,988	-
CTE	3,951	1,940	30	5,861
Fund raising	3,058	1,293	3,171	1,180
Hazard	76	-	-	76
Helping Hand	648	-	30	618
Home Ec	362	20	-	382
Instrument Fees	-	1,299	-	1,299
Leadership	8,025	8,581	7,112	9,494
Library	298	129	-	427
Materials	13,923	2,673	188	16,408
Music	5,190	16,121	12,727	8,584
National Honor Society	509	449	293	665
Physical Education- Student support	-	500	-	500
Physical Education-bowling	1,690	-	-	1,690
Physical Education-pinkies	337	254	90	501
Physical Education-uniforms	16,030	5,853	5,592	16,291
Pride	783	464	558	689
Principal's Fund	203	2,053	2,063	193
Recycle	1,066	-	231	835
Reid	54	-	-	54
Reno Aces	16	-	-	16
Scholastic Book Fair	400	4,695	4,869	226
Science Olympics	700	-	-	700
Smart Lab	230	5,419	5,551	98
Spanish shirts	8	-	-	8
Sparkletts	77	294	284	87
Sunshine Fund	1,123	-	70	1,053
Track	599	1,224	1,156	667
Tun	50	-	-	50
Volleyball tees	14	-	-	14
Wrestling	70	-	-	70
Yearbook	8,975	6,194	5,016	10,153
Total	\$ 75,671	\$ 85,532	\$ 75,663	\$ 85,540

# CARSON CITY SCHOOL DISTRICT

## AGENCY FUND - CARSON HIGH SCHOOL SCHEDULE OF CHANGES IN CASH BALANCES YEAR ENDED JUNE 30, 2015

	BALANCE July 1, 2014	ADDITIONS	DELETIONS	BALANCE June 30, 2015
A. Bourque Scholarship	\$ 1,400	\$ -	\$ -	\$ 1,400
Abowd/Rose Scholarship	-	6,000	6,000	-
Advanced Anatomy	13,206	1,935	1,015	14,126
Aiazzi/Anderson Scholarship	15,107		-	15,107
AP Biology	45	2,135	1,502	678
AP Testing	12,511	27,800	24,183	16,128
Art class - Malley	4,142	918	780	4,280
Astronomy	17	-	-	17
Athletic concessions	3,784	13,157	14,616	2,325
Athletic supplies	16,870	3,933	20,169	634
Athletic testing	20,774	20,000	5,497	35,277
Athletic tournaments	528	52,159	52,159	528
Athletic training	752	4,353	5,078	27
Auto body - Godec	3,258	4,184	3,467	3,975
Auto Cad	-	600	210	390
Auto tech - Barbie	554	1,624	2,178	-
B. Ihfe Modern Dance	1,744	-	1,744	-
Band	1,496	18,493	17,061	2,928
Baseball	5,203	24,607	21,984	7,826
Billards Club	5	-	5	-
Book Club	328	-	-	328
Bowling Club	49	650	675	24
Boys basketball	12,394	20,428	20,115	12,707
Boys golf	5,601	2,160	2,515	5,246
Boys soccer	3,344	3,358	6,511	191
Boys tennis	137	1,375	1,484	28
Breeden lab fees	140	850	393	597
Carneta	31,033	53,262	54,364	29,931
Carson track	607	18,812	15,474	3,945
CC Fire Scholarship	2,000	4,000	4,000	2,000
CC Schools Foundation	1,785	-	-	1,785
Ceramics	701	1,560	1,194	1,067
Cheer	12,068	70,147	75,629	6,586
Chess/game club	33	8	40	1
Choir	67	11,563	11,208	422
CHS Robotics	1,629	2,140	2,899	870
Class of 1977	-	500		500
Class of 2018		521	45	476
Class of 2014	3,410	100	3,510	-

Continued on next page



# CARSON CITY SCHOOL DISTRICT

## AGENCY FUND - CARSON HIGH SCHOOL SCHEDULE OF CHANGES IN CASH BALANCES YEAR ENDED JUNE 30, 2015

	BALANCE July 1, 2014	ADDITIONS	DELETIONS	BALANCE June 30, 2015
Class of 2015	\$ 6,228	\$ 21,904	\$ 28,132	\$ -
Class of 2016	1,184	5,188	1,757	4,615
Class of 2017	250	1,110	45	1,315
Climbing Club	378	-	-	378
CLS/Friendship Ball	192	60	109	143
College Testing Fund	192	5,360	5,113	439
Comstock Soccer	225	4,000	-	4,225
Craft Fair Scholarship	1,000	3,500	3,500	1,000
Cross Country	1,842	3,331	4,226	947
Culinary Arts	10,444	52,932	54,571	8,805
D. Stoddard Scholarship	-	2,000	2,000	-
Drama Club	1,075	-	1,075	-
Drama production	11,343	27,827	15,916	23,254
Echo Club	161	-	-	161
Environment Club	384	-	50	334
FBLA	3,579	18,021	18,965	2,635
Facility use	467	-	83	384
Father/Daughter Dance	-	6,625	6,483	142
Families United Scholarship	750	-	500	250
Fellow Christian Athletes	249	-	-	249
FFA	4,591	12,724	15,379	1,936
Football	5,276	40,949	45,739	486
French Club	76	-	-	76
G Adair Memorial Scholarship	2,045	-	-	2,045
G. Reading Scholarship	51,155	-	5,000	46,155
Genshiken Club	302	-	302	-
Girls basketball	1,921	12,161	13,053	1,029
Girls golf	4,051	1,391	1,096	4,346
Girls soccer	3,948	5,102	5,750	3,300
Girls softball	7,032	6,670	12,643	1,059
Girls tennis	221	2,713	2,877	57
Glen Lucky Scholarship	-	500	500	-
Greenhouse	170	39	-	209
GSA	21	-	-	21
Guidance Scholarship	1,091	500	500	1,091
Honor Society	10,875	5,964	7,791	9,048
HOSA - Health Occupations	3,366	26,442	19,261	10,547
Internet class	938	6,899	3,797	4,040

*Continued on next page*

# CARSON CITY SCHOOL DISTRICT

## AGENCY FUND - CARSON HIGH SCHOOL SCHEDULE OF CHANGES IN CASH BALANCES YEAR ENDED JUNE 30, 2015

	BALANCE July 1, 2014	ADDITIONS	DELETIONS	BALANCE June 30, 2015
Jumpstart	\$ 693	\$ 9,689	\$ 10,382	\$ -
K. Oxoby Scholarship	3,000	7,511	7,435	3,076
Key Club	1,880	7,194	7,413	1,661
L.A.D. Fund	1,389	80	437	1,032
Leads Unlimited	250	-	-	250
Library Fund	17,187	1,563	785	17,965
Link Crew	2,880	2,463	2,257	3,086
Lopetegui-Art I	1,927	2,210	1,671	2,466
Management - coke	409	110	400	119
Management - guidance	358	139	-	497
Management - locker fund	487	3,077	-	3,564
Management team	1,084	10,892	9,327	2,649
Masonic Scholarship #1	-	4,000	4,000	-
Masonic Scholarship #47	1,000	-	-	1,000
Math Proficiency Club	210	17	90	137
Math/Science Department	1,529	-	30	1,499
Merry Bayer Scholarship	1,089	816	1,000	905
Musical Fund	3,073	-	3,073	-
NAT/NEWCMR Scholarship	-	500	500	-
National History Day	20	1,025	1,035	10
Native American Club	190	150	222	118
NCSEA	2,000	-	-	2,000
NJROTC	11,823	28,943	34,398	6,368
NJROTC 04 Scholarship	-	500	500	-
Nurses' Fund	32	12	-	44
Outdoor Education	-	1,262	1,253	9
Parking permits	8,464	7,881	7,400	8,945
Photo Class	655	1,253	120	1,788
Photography Club	183	-	183	-
Physical Education classes	378	1,125	756	747
Physical Education uniform	1,421	11,283	12,439	265
POE	733	260	148	845
R. Hawkins Scholarship	2,803	3,000	3,000	2,803
R. Thoreson Scholarship	1,400	1,000	1,500	900
Resource yogurt	517	-	-	517
S. Andersen Scholarship	-	1,400	500	900
Schneider class	1,217	-	-	1,217
School Excellence	622	-	-	622

Continued on next page

# CARSON CITY SCHOOL DISTRICT

## AGENCY FUND - CARSON HIGH SCHOOL SCHEDULE OF CHANGES IN CASH BALANCES YEAR ENDED JUNE 30, 2015

	BALANCE July 1, 2014	ADDITIONS	DELETIONS	BALANCE June 30, 2015
Science Bowl Club	\$ 1	\$ -	\$ -	\$ 1
Seeliger Scholarship	1,900	3,000	3,700	1,200
Self Defense	1,068	1,810	2,292	586
Senator News	20	100	120	-
Senator Pride	206	-	-	206
Sewing Club	286	10	-	296
Ski Team	317	5,509	5,206	620
Skills USA VICA	2,203	3,196	888	4,511
Social Studies	87	1,378	1,354	111
Sp Ed Class Fund	1,686	-	322	1,364
Speech and Debate	625	9,387	6,623	3,389
Sr. Project Committee	465	698	746	417
Staff Appreciation	44	-	-	44
Student Assistance	7,238	120	2,994	4,364
Student Body	1,238	18,713	10,754	9,197
Student Body cards	2,434	19,272	9,317	12,389
Student Reserve	487	-	-	487
Student Store	23,513	48,164	50,719	20,958
Summer School	8,250	19,120	6,015	21,355
Swim/Dive Team	1,358	5,814	5,565	1,607
Tree of Life	399	-	399	-
Volleyball	828	11,337	9,367	2,798
W. Loftin Scholarship	1,277	-	-	1,277
Welding - Shirley	2,704	1,452	1,403	2,753
Wilson Memorial Scholarship	-	8,100	8,095	5
Wrestling	8,245	17,996	15,729	10,512
Total	<u>\$ 451,526</u>	<u>\$ 931,775</u>	<u>\$ 907,779</u>	<u>\$ 475,522</u>

# CARSON CITY SCHOOL DISTRICT

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## AGENCY FUND - ALTERNATIVE EDUCATION SCHEDULE OF CHANGES IN CASH BALANCES YEAR ENDED JUNE 30, 2015

	<u>BALANCE</u> <u>July 1, 2014</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>June 30, 2015</u>
Pioneer High School	\$ 2,432	\$ 1,858	\$ 1,903	\$ 2,387
Alternative Education	218	-	218	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>\$ 2,650</u>	<u>\$ 1,858</u>	<u>\$ 2,121</u>	<u>\$ 2,387</u>

# CARSON CITY SCHOOL DISTRICT

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## AGENCY FUND - ADULT HIGH SCHOOL DIPLOMA PROGRAM SCHEDULE OF CHANGES IN CASH BALANCES YEAR ENDED JUNE 30, 2015

	<u>BALANCE</u> <u>July 1, 2014</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>June 30, 2015</u>
Adult Education	\$ 51,153	\$ 7,748	\$ 7,062	\$ 51,839
Carson High School Correctional Ed	306	100	-	406
Total	<u>\$ 51,459</u>	<u>\$ 7,848</u>	<u>\$ 7,062</u>	<u>\$ 52,245</u>

# 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  
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 and the major funds of the Carson City School District (the District) as of and for the year ended June 30, 2015, 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 20, 2015.

**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 over financial reporting.

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.

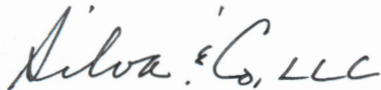
To the Board of Trustees of the  
Carson City School District

### **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 "Silva & Co, LLC".

Reno, Nevada  
November 20, 2015





**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT  
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH  
OMB CIRCULAR A-133**

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 Circular A-133 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, 2015. 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 the requirements of laws, regulations, contracts, and grants 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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, 2015.

## 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 OMB Circular A-133, 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

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

Reno, Nevada  
November 20, 2015

# CARSON CITY SCHOOL DISTRICT

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2015

(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>			
Special Education Cluster			
IDEA, Part B	84.027	15-639-13000	\$ 1,553,011
IDEA, Special Projects	84.027	15-667-13000	195,413
Preschool Grants - Early Childhood	84.173	15-665-13000	5,212
			<u>1,753,636</u>
Title I Cluster			
Title I, Part A - Grants to Local Educational Agencies	84.010	15-633-13000	1,371,494
Title I, Part D - Neglected and Delinquent Children	84.010	15-650-13000	60,415
			<u>1,431,909</u>
Education for Homeless Children and Youth	84.196	15-688-13000	80,405
Vocational Education - Carl Perkins	84.048	15-631-13000	90,910
Vocational Education - Carl Perkins Reserve	84.048	15-634-13000	19,657
Title IV, Part D - Twenty-First Century Community Learning Center	84.287	15-770-13000	292,548
Title III, Part A - English Language Acquisition	84.365	15-658-13000	125,291
Title III, Part B - English Language Acquisition	84.365	15-659-13000	22,922
Race to the Top	84.395	15-430-13000	3,344,790
Title II, Part A - Improving Teacher Quality	84.367	15-709-13000	267,647
<b>Total U.S. Department of Education</b>			<u>7,429,715</u>

Continued on next page

See accompanying notes.

# CARSON CITY SCHOOL DISTRICT

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2015

(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 Administration</i>			
National School Lunch Program - Commodities	10.555	N/A	\$ 140,956
<i>Passed through the State of Nevada Department of Education</i>			
Child Nutrition Cluster			
School Breakfast Program	10.553	N/A	400,671
National School Lunch Program	10.555	N/A	1,438,759
Summer Food Service Program	10.559	N/A	50,662
			<u>1,890,092</u>
Fresh Fruits and Vegetables Program	10.582	15-808-13000	39,659
Breakfast in the Classroom	10.579	N/A	9,671
Nutrition - NLSP Equipment Assistance Grant (Regular)	10.579	N/A	10,510
			<u>2,090,888</u>
<b>Total U.S. Department of Agriculture</b>			<u>2,090,888</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 9,520,603</u></u>

See accompanying notes.

# CARSON CITY SCHOOL DISTRICT

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## NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS JUNE 30, 2015

### 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, 2015. 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 – Food Donation Program/Commodities represents the fair value of commodity foods expended by the District for the year ended June 30, 2015.

# CARSON CITY SCHOOL DISTRICT

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## SCHEDULE OF FINDINGS AND QUESTIONED COSTS JUNE 30, 2015

### 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 Section 510(a) of OMB Circular A-133:	No

#### *Major Programs*

The major programs for the year ended June 30, 2015 are as follows:

Special Education Cluster (CFDA's 84.027 and 84.173)  
Title I Cluster (CFDA 84.010)

The threshold for distinguishing Types A and B programs was \$300,000.

#### *Low-Risk Auditee*

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

# CARSON CITY SCHOOL DISTRICT

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## SCHEDULE OF FINDINGS AND QUESTIONED COSTS JUNE 30, 2015

### **B. FINDINGS – FINANCIAL STATEMENTS**

None.

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

None.



**SILVA & CO LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

500 Damonte Ranch Parkway, Suite 852, Reno, NV 89521  
775.624.9105 | [silvacopa.com](http://silvacopa.com)

## INDEPENDENT ACCOUNTANTS' REPORT

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

We have examined management's assertion, included in its representation letter dated November 20, 2015, that the Carson City School District (District) complied with Nevada Revised Statutes Chapter 354.624(5)(a) during the year ended June 30, 2015. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the District's compliance based on our examination.

Our examination was made in accordance with standards established by the American Institute of Certified Public Accountants, and, accordingly, included 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 examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination of the District's compliance with specified requirements.

In our opinion, management's assertion that the Carson City School District complied with the aforementioned requirements for the year ended June 30, 2015 is fairly stated, in all material respects.

This report is intended solely for the information and use of management, the Board of Trustees, and the appropriate agencies of the State of Nevada and is not intended to be and should not be used by anyone other than these specified parties.

*Silva & Co, LLC*

Reno, Nevada  
November 20, 2015



# CARSON CITY SCHOOL DISTRICT

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## INDEPENDENT AUDITORS' COMMENTS

JUNE 30, 2015

### 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

As disclosed in Note 2 to the June 30, 2014 financial statements, overexpenditures were noted. We did not note overexpenditures for the year ended June 30, 2015.

### 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) Refunding Bonds (PSF Guaranteed), Series 2016, in the aggregate principal amount of \$\_\_\_\_\_ (the “Bonds”). The Bonds are being issued pursuant to the bond resolution of the Issuer adopted June 28, 2016 (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.

“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 will be 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, 2016, 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.

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\*;
- (m) The consummation of a merger, consolidation, or acquisition involving an obligation 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; and

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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.

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

SECTION 6. 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 7. 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 8. 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 9. 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 10. 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 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter, the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.



DATE: \_\_\_\_\_, 2016.

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) Refunding Bonds  
(PSF Guaranteed), Series 2016

CUSIP:

Date of Issuance: \_\_\_\_\_, 2016

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 June 28, 2016 and the Continuing Disclosure Certificate executed on \_\_\_\_\_, 2016 by the Issuer. The Issuer anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

CARSON CITY SCHOOL DISTRICT,  
NEVADA

By: \_\_\_\_\_

Its: \_\_\_\_\_

**EXHIBIT “B”**

**INDEX OF OFFICIAL STATEMENT TABLES TO BE UPDATED**

[See page -iv- of this Official Statement]

## **APPENDIX D**

### **FORM OF APPROVING OPINION OF BOND COUNSEL**

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

\$ \_\_\_\_\_  
**Carson City School District, Nevada**  
**General Obligation (Limited Tax) Refunding Bonds**  
**(PSF Guaranteed)**  
**Series 2016**

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) Refunding Bonds (PSF Guaranteed), Series 2016, in the aggregate principal amount of \$ \_\_\_\_\_ (the “Bonds”), pursuant to an authorizing resolution adopted and approved by the District’s Board of Trustees on June 28, 2016 (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, except that such interest is required to be included in calculating the adjusted current earnings adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations. 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 Ordinance 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 expressing the opinions above, we are relying in part on a report of independent certified public accountants verifying (i) the mathematical computations of the adequacy of the maturing principal amounts of and interest on the investments and moneys included in the Escrow Account to pay all interest when due on the Refunded Bonds and the principal thereof and any redemption premium becoming due on the prior redemption thereof or at stated maturity, and (ii) the mathematical calculations of the yield of the Bonds and the yield of certain investments made with the proceeds of the Bonds and other moneys deposited in the Escrow Account.

We understand that the payment of principal and interest on the Bonds has been guaranteed by the State Permanent School Fund pursuant to the provisions of NRS 387.513 through 387.528. We express no opinion as to the validity or enforceability of such guarantee or the security afforded thereby.

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

### LIST OF PSF PARTICIPANTS AND FORM OF STATE PERMANENT SCHOOL FUND GUARANTEE AGREEMENT

State Permanent School Fund  
List of Participants  
Summary of Outstanding Bonds with Guarantee  
As of July 1, 2016

Project No.	Base CUSIP Number	District	Bond Series	Original Amount Guaranteed	Amount Outstanding
PSF-27	145814	Carson City School District	2007	15,500,000	1,705,000
PSF-28	670692	Nye County School District	2007	15,000,000	1,475,000
PSF-30	862166	Storey County School District	2008	3,150,000	315,000
PSF-31	NONE	Lincoln County School District	2009	2,025,000	1,805,000
PSF-32	445204	Humboldt County School District	2009	2,950,000	2,270,000
PSF-33	259381	Douglas County School District	2009	3,500,000	2,765,000
PSF-34	715297	Pershing County School District	2009	3,000,000	2,400,000
PSF-35	171466	Churchill County School District	2009	7,000,000	5,595,000
PSF-38	259381	Douglas County School District	2010	15,000,000	13,445,000
PSF-39	670692	Nye County School District	2010	15,270,000	15,270,000
PSF-40	715297	Pershing County School District	2010	2,000,000	1,725,000
PSF-41	NONE	Lincoln County School District	2010	650,000	625,000
PSF-42	171466	Churchill County School District	2010	10,535,000	6,980,000
PSF-43	964321	White Pine County School Dist.	2010	3,890,000	1,095,000
PSF-44	145814	Carson City School District	2011	16,000,000	14,390,000
PSF-45	NONE	Lyon County School District	2011	5,000,000	4,485,000
PSF-46	145814	Carson City School District	2011B	10,000,000	8,880,000
PSF-47	171466	Churchill County School District	2011	7,000,000	6,245,000
PSF-48	NONE	Mineral County School District	2011	2,825,000	495,000
PSF-49	552002	Lyon County School District	2012A	7,955,000	7,270,000
PSF-50	670692	Nye County School District	2012	4,535,000	3,720,000
PSF-51	NONE	Lincoln County School District	2012	3,350,000	2,416,200
PSF-52	259381	Douglas County School District	2012	9,000,000	8,600,000
PSF-53	670692	Nye County School District	2013	9,080,000	7,680,000
PSF-54	NONE	Storey County School District	2013	4,720,000	4,620,000
PSF-55	171466	Churchill County School District	2013	9,520,000	9,270,000
PSF-56	259381	Douglas County School District	2014	8,500,000	8,000,000
PSF-57	NONE	Lyon County School District	2014	21,705,000	19,275,000
PSF-58	940858	Washoe County School District	2015	40,000,000	40,000,000
PSF-59	964321	White Pine County School Dist.	2015	7,000,000	7,000,000
PSF-60	171466	Churchill County School District	2015	9,315,000	9,315,000
PSF-61	670692	Nye County School District	2015	8,235,000	8,235,000
PSF-62	NONE	Storey County School District	2015	3,385,000	3,213,600
PSF-63	552002	Lyon County School District	2016	6,400,000	6,400,000
					<u>\$236,979,800</u>

## **FORM OF STATE PERMANENT SCHOOL FUND GUARANTEE AGREEMENT**

DATED as of \_\_\_\_\_, 2016, by and between CARSON CITY SCHOOL DISTRICT, NEVADA (the “District”), a school district duly organized and created under the laws of the State of Nevada and THE STATE TREASURER OF THE STATE OF NEVADA (the “Treasurer”).

WHEREAS, the District is duly organized, created and existing under the laws of the State of Nevada (the “State”); and

WHEREAS, the District, as of the date hereof, will be issuing its General Obligation (Limited Tax) Refunding Bonds (PSF Guaranteed), Series 2016A (the “Bonds”), in the aggregate principal amount of \$\_\_\_\_\_ to refund certain outstanding bonds of the District; and

WHEREAS, pursuant to Chapter 387, Nevada Revised Statutes (the “Act”), the Board of Trustees of the District (the “Board”) may apply to the Treasurer for a guarantee agreement whereby money in the State Permanent School Fund (the “Permanent Fund”) is used to guarantee the payment of debt service on the Bonds; and

WHEREAS, the Board has applied to the Treasurer for a guarantee agreement; and

WHEREAS, pursuant to the Act, the Treasurer has provided a copy of the application and the supporting documentation to the Executive Director of the State Department of Taxation (the “Executive Director”) and the Executive Director has submitted a report to the State Board of Finance indicating that the District has the ability to make timely payment of the debt service on the Bonds; and

WHEREAS, the Treasurer has determined that the total principal amount of the Bonds, together with the total amount of outstanding bonds guaranteed by the Permanent Fund, does not exceed the limitations established by the Act; and

WHEREAS, on June 7, 2016, the State Board of Finance adopted a resolution approving the report submitted by the Executive Director and the form of this guarantee agreement (the “Guarantee Agreement”); and

WHEREAS, the Bonds are authorized to be issued by a resolution of the Board (the “Bond Resolution”) adopted on June 28, 2016; and

WHEREAS, the District and the Treasurer wish to enter into this Guarantee Agreement in order to set forth the respective responsibilities of each party with respect to the Permanent Fund guarantee of the payment of debt service on the Bonds.

NOW, THEREFORE, the District and the Treasurer, in consideration of the mutual covenants herein contained, agree as follows:

Section 1. The Board hereby appoints the Treasurer, or Wells Fargo Bank, N.A., a commercial bank hereby designated by the Treasurer, as the paying agent (the "Paying Agent") for the Bonds. The Paying Agent may be replaced on the terms set forth in the Bond Resolution with the prior written approval of the Treasurer.

Section 2. No later than 5 business days prior to each date scheduled for the payment of principal and/or interest on the Bonds as set forth in the Bond Resolution, the District shall transfer to the Paying Agent sufficient moneys to pay the debt service coming due on the Bonds. The Board hereby agrees to deposit the amount of money due for each scheduled debt service payment with the Paying Agent no later than 5 business days prior to each scheduled debt service payment date, as set forth in the Bond Resolution. The District shall provide in the Bond Resolution that:

A. the Paying Agent must immediately notify the Treasurer if the Paying Agent has not received from the District the debt service payment on the fifth business day prior to the scheduled debt service payment date; and

B. the Paying Agent must give notice to the Treasurer of any optional redemption or defeasance of the Bonds.

Section 3. In the event the District determines that it will be unable to make a deposit with the Paying Agent as required in Section 2 hereof, the Superintendent of the District shall provide written notice to the Treasurer and the Paying Agent at least 60 days before such payment is due.

Section 4. In the event the District for any reason fails to make a timely payment of debt service on the Bonds as required by Section 2 hereof, the Treasurer shall withdraw a sufficient amount of money from the Permanent Fund to make the debt service payment on the Bonds, transfer to the Paying Agent no later than 1 business day prior to the scheduled debt service payment date a sufficient amount of money to make the debt service payment when due, and promptly notify the Executive Director of the payment. Such payment shall be made by the Treasurer regardless of whether the District provides written notice to the



Treasurer pursuant to Section 3 hereof. Such withdrawal from the Permanent Fund and payment of debt service on the Bonds shall constitute a loan to the District in the amount of the debt service paid on the Bonds. The loan shall be a special obligation of the District payable only from the sources set forth in Section 5 below. The loan shall bear interest at a rate determined by the Treasurer, which rate shall not exceed 1% above the average rate of interest yielded on investments in the Permanent Fund on the date the loan is made.

Section 5. In the event the Treasurer makes a loan to the District pursuant to Section 4 hereof, the District agrees to repay the loan from the following sources and in the following order of priority:

A. As soon as they are available, from District moneys available to pay debt service on the Bonds, unless payment from that money would cause the District to default on other outstanding bonds or medium-term obligations entered into pursuant to the provisions of Sections 350.087 to 350.095, inclusive, Nevada Revised Statutes (“NRS”); and

B. Immediately, until the loan is fully repaid (including any accrued interest on the loan), the Treasurer shall withhold payments of money that would otherwise be distributed to the District from:

(a) the interest earned on the Permanent Fund that is distributed among the various school districts pursuant to State law;

(b) distributions of the Local School Support Tax, which must be transferred by the State Controller upon notification by the Treasurer; and

(c) distributions from the State Distributive School Account.

C. The Treasurer shall apply the moneys received or withheld from the District pursuant to paragraphs (A) and (B) above first to the interest due on the loan and, when the interest is paid in full, then to the principal balance. When the interest and balance on the loan are repaid, the Treasurer shall resume making the distributions set forth in (a) through (c) above that would otherwise be due to the District.

D. The Treasurer shall notify the District of amounts withheld pursuant to paragraph (B) above and also shall notify the District when the loan is paid in full.

Section 6. The District shall not enter into any medium-term obligations pursuant to the provisions of NRS 350.087 to 350.095, inclusive, or otherwise borrow money during the period in which the loan remains unpaid unless the District obtains the prior written approval of the Executive Director.

Section 7. This Guarantee Agreement shall be effective upon issuance of the Bonds and shall remain in effect until the Bonds are retired and all amounts owed by the District hereunder have been paid in full or otherwise discharged. Any amount owed by the District hereunder shall not be deemed paid in full or otherwise discharged if such amount has been recovered from the State or a Bondholder pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction.

Section 8. The holders of the Bonds are third party beneficiaries of this Guarantee Agreement and are entitled to enforce the provisions of this Guarantee Agreement. Nothing in this Guarantee Agreement is intended or shall be construed to confer upon, or give to any person or entity, other than the District, the State of Nevada, acting by and through the State Board of Finance or the State Treasurer, and the holders of the Bonds, any right, remedy or claim under or by reason of this Guarantee Agreement or any covenant, condition or stipulation hereof, and all covenants, stipulations and agreements in this Guarantee Agreement shall be for the sole and exclusive benefit of the District, the State of Nevada and the holders of the Bonds.

Section 9. This Guarantee Agreement may not be modified or amended in any manner after the Bonds are issued if the amendment or modification would materially or adversely affect the holders of the Bonds. This Guarantee Agreement may only be amended or modified by a written amendment signed by the parties and approved by the State Board of Finance and the Board of the District. Notice of any such amendment must be sent to: Moody's Investors Services and Standard & Poor's Rating Services.

Section 10. It is mutually understood and agreed that this Guarantee Agreement shall be governed by the laws of the State of Nevada.

Section 11. If any section, paragraph, clause or provision of this Guarantee Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or enforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Guarantee Agreement.

Section 12. Nothing in this Agreement prohibits or otherwise limits or inhibits the reasonable exercise in the future by the State and its governmental bodies of the police powers and powers of taxation inherent in the sovereignty of the State or the exercise by the United States of the powers delegated to it by the United States Constitution.

Section 13. Notices sent pursuant to the provisions of this Guarantee Agreement shall be sent to:

The District:

Carson City School District  
1402 West King Street  
Carson City, Nevada 89703  
Attn: Superintendent

The State:

Office of the State Treasurer  
Capitol Building  
101 N. Carson St., Suite 4  
Carson City, Nevada 89701  
Attn: Chief Deputy State Treasurer

The Paying Agent:

Wells Fargo Bank, N.A.  
Corporate Trust Services - CMES  
707 Wilshire Blvd., MAC E2818-176, 17<sup>th</sup> Floor  
Los Angeles, CA 90017

Moody's:

Moody's Investors Service  
99 Church Street  
New York, New York 10007  
Attn: Public Finance Rating Desk

Standard & Poor's:

Standard and Poor's Rating Services  
25 Broadway, 21st Floor  
New York, New York 10004  
Attn: Public Finance Rating Desk

IN WITNESS WHEREOF, the Treasurer and the District have caused this Guarantee Agreement to be duly executed and delivered as of the day and year first above written.

CARSON CITY SCHOOL DISTRICT,  
NEVADA

By: \_\_\_\_\_  
President, Board of Trustees

STATE OF NEVADA

By: \_\_\_\_\_  
State Treasurer

## APPENDIX F

### ECONOMIC AND DEMOGRAPHIC INFORMATION

This Appendix F contains general information concerning the historic economic and demographic conditions in the City and the District. This Appendix F 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 2000 and 2010, the City's population increased 5.4%, and the State increased 35.1%.

<u>Population</u>				
Calendar Year	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	2,897,585	1.9

Sources: U.S. Bureau of the Census (1970-2010 as of April 1); and Nevada State Demographer (2011-2015 estimates as of July 1).

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, 2016.

## Age Distribution

Age	Percent of Population		
	Carson City	State of Nevada	United States
0-17	20.7%	23.3%	23.0%
18-24	8.5	9.0	9.8
25-34	12.1	13.8	13.4
35-44	11.2	13.5	12.6
45-54	13.4	13.4	13.3
55-64	14.3	12.3	12.8
65-74	11.4	9.1	8.8
75 and Older	8.4	5.6	6.3

Source: © 2016 The Nielsen Company.

## **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
2012	\$42,871	\$45,512	\$41,253
2013	41,087	40,617	41,358
2014	46,152	42,480	43,715
2015	46,548	44,110	45,448
2016	44,237	46,230	46,738

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

Source: © The Nielsen Company, *SiteReports*, 2012-2016.

Percent of Households by Effective Buying Income Groups – 2016 Estimates

Effective Buying Income Group	Carson City Households	State of Nevada Households	United States Households
Under \$24,999	26.9%	23.8%	24.8%
\$25,000 - \$49,999	29.5	30.5	38.8
\$50,000 - \$74,999	21.7	20.7	19.1
\$75,000 - \$99,999	11.5	12.4	12.2
\$100,000 - \$124,999	5.5	5.7	5.8
\$125,000 - \$149,999	2.0	2.6	3.7
\$150,000 or more	2.9	4.3	5.6

Source: © 2016 The Nielsen Company.

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
2010	\$36,964	\$36,918	\$40,277
2011	37,750	37,745	42,453
2012	38,180	39,436	44,266
2013	39,128	39,223	44,438
2014	41,046	40,742	46,049
2015	n/a	42,185	47,669

<sup>(1)</sup> County figures posted November 2015; state and national figures posted March 2016. 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>	2011	2012	2013	2016	2015	2016 <sup>(1)</sup>
TOTAL LABOR FORCE	26.5	25.9	25.5	25.1	25.1	24.8
Unemployment	3.5	3.0	2.6	2.2	1.8	1.8
Unemployment Rate <sup>(3)</sup>	13.2%	11.7%	10.4%	8.6%	7.3%	7.1%
Total Employment <sup>(4)</sup>	23.0	22.9	22.8	22.9	23.3	23.0

(1) Averaged figures through April 2016.

(3) The annual average U.S. unemployment rates for the years 2011 through 2015 are 8.9%, 8.1%, 7.4%, 6.2%, and 5.3%, respectively.

(4) Adjusted by census relationships to reflect number of persons by place of residence.

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, Nevada  
(Estimates in Thousands)

Calendar Year	2011	2012	2013	2014	2015
Natural Resources and Mining	n/a <sup>(1)</sup>	n/a <sup>(1)</sup>	n/a <sup>(1)</sup>	n/a <sup>(1)</sup>	n/a <sup>(1)</sup>
Construction	0.7	0.8	0.8	0.9	1.0
Manufacturing	2.6	2.7	2.6	2.7	2.6
Trade, Transportation & Utilities	3.7	3.7	3.7	3.8	4.0
Information	n/a <sup>(1)</sup>	n/a <sup>(1)</sup>	n/a <sup>(1)</sup>	n/a <sup>(1)</sup>	0.2
Financial Activities	1.1	1.0	1.0	1.1	1.1
Professional and Business Services	2.0	2.1	2.1	1.9	1.9
Education and Health Services	3.8	3.9	3.8	3.8	3.8
Leisure and Hospitality	3.3	3.3	3.3	3.3	3.5
Other Services	0.8	0.7	0.7	0.7	0.5
Government	<u>10.1</u>	<u>10.0</u>	<u>10.2</u>	<u>9.7</u>	<u>9.3</u>
TOTAL ALL INDUSTRIES <sup>(2)</sup>	<u>28.4</u>	<u>28.4</u>	<u>28.5</u>	<u>28.1</u>	<u>28.1</u>

(1) Does not meet confidentiality requirements for disclosure.

(2) Totals may not add due to rounding. Reflects employment by place of work. Does not necessarily coincide with the labor force concept. Includes multiple job holders. All numbers are subject to periodic revision.

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

The following two tables are based on unemployment insurance tax account numbers and are an estimate based on reported information. 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 Ten Largest Employers  
3<sup>rd</sup> Quarter 2015

Employer	Employment Range	Industry
Carson City School District	1,000 - 1,499	Public education
Carson Tahoe Hospital	1,000 - 1,499	Hospital
City of Carson City	700 - 799	Local government
Nevada Dept. of Transportation	700 - 799	State government
Nevada Department of Corrections	300 - 399	State government
Western Nevada Community College	300 - 399	Junior college
Nevada Department of Motor Vehicles	300 - 399	State government
Casino Fandango	300 - 399	Casino
Click Bond Inc.	300 - 399	Warehouse - bolts/nuts/screws/rivets
Nevada Legislative Counsel Bureau	300 - 399	State government
Wal-Mart Supercenter	200 - 299	Retail

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

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	3 <sup>rd</sup> Qtr 2015	3 <sup>rd</sup> Qtr 2014	Percent Change 2015/2014	Employment Totals 3 <sup>rd</sup> Qtr 2015
<b>TOTAL NUMBER OF WORKSITES</b>	1,904	1,880	1.3%	18,936
Less Than 10 Employees	1,465	1,446	1.3	3,970
10-19 Employees	219	228	(3.9)	2,893
20-49 Employees	154	139	10.8	4,497
50-99 Employees	46	46	0.0	3,248
100-249 Employees	15	16	(6.3)	2,088
250-499 Employees	4	4	0.0	1,192
500-999 Employees	0	0	0.0	0
1000+ Employees	1	1	0.0	1,048

<sup>(1)</sup> 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
2011	\$735,161,704	--	\$39,935,016,227	--
2012	756,078,488	2.8%	42,954,750,131	7.6%
2013	779,297,546	3.1	45,203,408,413	5.2
2014	804,368,288	3.2	47,440,345,167	4.9
2015	892,529,769	11.0	50,347,535,591	6.1
July 14 – Mar 15	\$654,403,790	--	\$37,440,473,608	--
July 15 – Mar 16	705,308,502	7.8%	39,143,701,220	4.5%

(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		New Multiple Family		New Commercial		All Permits <sup>(1)</sup>	
	Permits	Valuation	Units	Valuation	Permits	Valuation	Permits	Valuation
2011	9	\$ 2,113,679	4	\$ 310,000	6	\$10,859,000	167	\$30,844,819
2012	11	3,437,667	40	3,762,347	1	547,733	158	27,482,451
2013	37	10,845,347	4	640,271	4	4,172,636	101	27,579,827
2014	35	11,342,942	2	335,975	4	2,408,160	233	27,583,427
2015	40	10,888,681	4	360,259	5	4,547,856	223	38,166,924
2016 <sup>(2)</sup>	17	5,429,640	39	4,509,590	1	1,600,000	94	38,067,108

(1) Includes additions, alterations and repairs. Does not include miscellaneous permits.

(2) As of May 31, 2016.

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
	State Total	Carson Valley		State Total	Carson Valley	
June 30						
2011	\$9,836,451,902	\$101,414,832	--	\$853,455,347	\$8,122,907	--
2012	9,770,060,305	99,367,667	(2.02)%	864,621,791	8,114,653	(0.10)%
2013	10,208,523,998	97,797,507	(1.58)	892,106,457	8,024,389	(1.11)
2014	10,208,265,415	96,783,324	(1.04)	912,371,316	7,995,688	(0.36)
2015	10,511,301,026	99,503,089	2.81	909,857,085	8,370,358	4.69
Jul 14 – Apr 15	\$8,755,478,345	\$82,271,525	--	\$709,799,302	\$5,618,585	--
Jul 15 – Apr 16	8,832,260,463	82,966,305	0.84%	704,163,307	5,622,009	0.06%

(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 areas, 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 with the attraction of 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. A new freeway bypass around the City is being built to relieve downtown traffic and provide better freeway access to Reno and Tahoe. Carson City Airport is located three miles northeast of downtown Carson City and is a public facility serving the general aviation needs of the area, including business, pleasure, and legislative sessions, with a 5,900-foot runway. Hangar space and other services are available. International and interstate commercial passenger services are available at the Reno-Tahoe International Airport located approximately 30 to 40 minutes from the City.

RTC Intercity, operated by the Washoe Regional Transportation Commission, runs an express commuter bus service between downtown Reno and downtown Carson City. Likewise, the South Tahoe Area Transit Authority operates the Spooner Express, an express bus service between South Lake Tahoe and downtown Carson City. Both the Union Pacific and Amtrak rail services are available in Reno/Sparks metropolitan center.

### **Development Activity**

The Northern Nevada Development Authority (NNDA) serves to promote economic development activity in the Sierra Region which includes Carson City, Douglas, Lyon and Storey counties.

Complementing the area's emphasis on economic diversification are the numerous business advantages unique to the State. Competitive wage rates, low workers' compensation costs, an expanding labor force, centralized location and attractive transportation costs to other prominent western markets, and the State's incentive programs combine to give business and industry an attractive incentive to move to, relocate or expand in the Sierra Region of Nevada.

## **APPENDIX G**

### **OFFICIAL NOTICE OF BOND SALE**

**\$8,970,000\***

**CARSON CITY SCHOOL DISTRICT, NEVADA  
GENERAL OBLIGATION (LIMITED TAX)  
REFUNDING BONDS (PSF GUARANTEED)  
SERIES 2016**

**PUBLIC NOTICE IS HEREBY GIVEN** that the Board of Trustees of the Carson City School District, in the State of Nevada (the “Board”, the “District”, and the “State”, respectively), on

**Thursday, July 14, 2016**

at the hour of 8:30 a.m., local time, in the office of the

**Director of Fiscal Services  
Carson City School District  
1402 W. King Street  
Carson City, Nevada 89703**

will cause to be received bids for the purchase of the bonds of the District, particularly described below. Bids must be delivered by sealed bid or electronically via PARITY (no bids will be received by mail) to the office of the District’s Director of Fiscal Services, and must be received by him or the on or before 8:30 a.m., local time, on such day of sale, or at such other time, date or place as designated via PARITY before the date of sale (see “MANNER OF BID SUBMITTAL” below).

### **BOND PROVISIONS**

**ISSUE:** Carson City School District, Nevada, General Obligation (Limited Tax) Refunding Bonds (PSF Guaranteed), Series 2016 in the aggregate principal amount of \$8,970,000\* (the Bonds”) will be dated as of the date of delivery of the Bonds. The Bonds will be issued by means of a book entry system with no physical distribution of bond certificates to the public. See “BOOK ENTRY TRANSFER AND EXCHANGE” below. The Bonds will be in book entry form.

**MATURITIES:** Except as provided below in “ADJUSTMENT OF MATURITIES AFTER DETERMINATION OF BEST BID”, the Bonds will mature on the dates and in the amounts designated in the maturity schedule (the “Maturity Schedule”) set forth in the preliminary official statement relating to the Bonds dated July 1, 2016 (the “Preliminary Official Statement”).

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\* Preliminary; subject to change.

### **ADJUSTMENT OF MATURITIES AFTER DETERMINATION OF BEST**

**BID:** The aggregate principal amount and the principal amount of each maturity of the Bonds are subject to adjustment by the District, after the determination of the best bid. Changes to be made will be communicated to the successful bidder by time of written award of the Bonds, and will not reduce or increase the aggregate principal amount of Bonds or the amount of Bonds maturing in any year by more than fifteen percent or \$100,000, whichever is greater, from the amounts shown in the Maturity Schedule. The price bid (i.e., par less the discount bid or plus the premium bid) by a successful bidder may be changed as described below, but the interest rates specified by the successful bidder for all maturities will not change. A successful bidder may not withdraw its bid as a result of any changes made within these limits. The price bid will be changed so that the percentage net compensation to the successful bidder (i.e., the percentage resulting from dividing (i) the aggregate difference between the offering price of the Bonds to the public and the price to be paid to the District (excluding accrued interest), less any bond insurance premium to be paid by the bidder, by (ii) the principal amount of the Bonds) does not increase or decrease from what it would have been if no adjustment was made to the principal amounts shown in the Maturity Schedule.

To facilitate any adjustment in the principal amounts and price bid, the successful bidder is required to indicate by email transmission to the Financial Advisor on behalf of the District, to **marty@jnaconsultinggroup.com** no later than one-half hour after the bid opening, the amount of any original issue discount or premium on each maturity of the Bonds, the amount received from the sale of the Bonds to the public that will be retained by the successful bidder as its compensation, and in the case of a bid submitted with bond insurance, the cost of the insurance premium. A bidder who intends to insure the Bonds shall also state, in that facsimile transmission, whether the amount of the insurance premium will change as a result of changes in the principal amount of the Bonds or the amount of principal maturing in any year, and the method used to calculate any such change in the insurance premium.

**OPTIONAL PRIOR REDEMPTION:** The Bonds, or portions thereof, maturing on and after June 1, 2027, will be subject to redemption prior to their respective maturities at the option of the District, on and after June 1, 2026, in whole or in part at any time, from such maturities as are selected by the District, and if less than all the Bonds of a maturity are to be redeemed, the Bonds of such maturity to be redeemed by lot, or in such other manner as the Registrar deems fair, within a maturity at a price equal to the principal amount of each Bond or portion thereof so redeemed, accrued interest thereon to the redemption date.

**MANDATORY SINKING FUND REDEMPTION:** A bidder may request that Bonds maturing on or after June 1, 2027 may be included in one or more terms. Amounts included in a single term Bond must consist of consecutive maturities of Bonds, must bear the same rate of interest and must include the entire principal amount listed in the Maturity Schedule for any maturity included in the term Bond (i.e., an amount for any year listed in the Maturity Schedule may not be divided between a serial maturity and a mandatory sinking fund redemption). Any such term will be subject to mandatory sinking fund redemptions in installments in the same amounts and on the same dates as the Bonds would have matured if they were not included in a term Bond. Bonds redeemed pursuant to the mandatory sinking fund redemption provisions will be redeemed at a redemption price equal to the principal amount of the Bonds to be redeemed plus accrued interest to the redemption date in the manner and as otherwise provided in the resolution authorizing the issuance of the Bonds. Any election to

designate Bonds as being included in a term Bond must be made in the printed official bid form or electronically (see “BID PROPOSALS” and “MANNER OF BID SUBMITTAL” below).

**NOTICE OF REDEMPTION:** Notice of redemption, unless waived, will be given electronically, as long as Cede & Co., the nominee of The Depository Trust Company or a successor depository is the registered owner of the Bonds, and otherwise by first class mail, at least 30 days and not more than 60 days prior to the date fixed for redemption addressed to (among others) the registered owner of the Bond or Bonds to be redeemed (which, initially, shall be The Depository Trust Company, registered in the name of its nominee Cede & Co.) in the manner and upon the conditions to be provided in the resolution authorizing the issuance of the Bonds (the “Bond Resolution”).

**INTEREST RATES AND LIMITATIONS:** The following interest limitations are applicable to any bid for the Bonds:

A. Interest on the Bonds will be payable on December 1, and June 1, in each year, commencing on December 1, 2016.

B. The interest rate on any Bond and the True Interest Cost for the Bonds (see “BASIS OF AWARD”, below) may not exceed by more than 3% the “Index of Twenty Bonds” most recently published in The Bond Buyer before the bids are received.

C. Each interest rate specified must be stated in a multiple of 1/8th or 1/20th of 1% per annum.

D. Only one interest rate can be stated for any maturity for the Bonds, i.e., all Bonds with the same maturity date must bear the same rate of interest.

E. Each as initially issued will bear interest from its date to its stated maturity date at the applicable interest rate stated in the bid. A zero rate of interest may not be named.

It is permissible to bid different interest rates for the Bonds, but only as stated in the bid and subject to the above limitations. If any is not paid upon presentation at maturity, it will draw interest at the same rate until principal is paid in full.

**PREMIUM OR DISCOUNT PERMITTED:** A bidder may offer to purchase the Bonds at par, at a premium, or at a discount not to exceed 1% of the principal amount stated in the Maturity Schedule.

**PAYMENT:** The principal of the Bonds, shall be payable at Wells Fargo Bank, National Association, as Paying Agent, or such other office as designated by the Paying Agent to the registered owner thereof (i.e., Cede & Co.) as shown on the registration records of Wells Fargo Bank, National Association, as Registrar, upon maturity thereof (or earlier prior redemption) and upon presentation and surrender of such Bonds at such Paying Agent. Payment of interest on any Bond shall be made to the registered owner thereof (i.e., Cede & Co.) by check or draft mailed by the Paying Agent, on each interest payment date (or, if such interest payment

date is not a business day, on the next succeeding business day), to the registered owner thereof at his or her address as it appears on the registration records of the Registrar for such Bonds as of the close of business on the 15th day of the calendar month preceding such interest payment date (or by such other arrangement as may be mutually agreed to by the Paying Agent and The Depository Trust Company). All such payments shall be made in lawful money of the United States of America.

**STATE GUARANTEE:** Payment of the principal of and interest on the Bonds when due will be guaranteed by the State of Nevada pursuant to the provisions of NRS 387.513 to 387.528, inclusive. If the District fails to make a timely payment on the debt service of the Bonds, the State Treasurer shall (a) withdraw from the State Permanent School Fund the amount of money due for the payment on the debt service; (b) make the payment on the debt service; and (c) report the payment to the Executive Director of the State Department of Taxation. The amount of money withdrawn by the State Treasurer to make the payment shall be deemed a loan to the District. If the District is not able to repay fully the loan, including any accrued interest, in a timely manner, the State Treasurer shall withhold the payments of money that would otherwise be distributed to the District from: (a) the interest earned on the State Permanent School Fund; (b) distributions of the local school support tax; and (c) distributions from the State Distributive School Account until the loan is repaid. Upon receipt of notice that such a loan has been made to the District by the State Treasurer, the Executive Director of the State Department of Taxation shall proceed pursuant to the provisions of NRS 354.685 relating to severe financial emergencies.

**RATING LETTERS:** The District will pay for ratings on the Bonds from Moody's Investors Service.

**BOOK ENTRY/TRANSFER AND EXCHANGE:** The Bonds will be issued as fully registered book entry bonds, in the denomination of \$5,000 or any integral multiple thereof. The Bonds will be issued in registered form and bond certificates for each maturity of each series of Bonds will be issued to The Depository Trust Company, New York, New York ("DTC"), registered in the name of its nominee, Cede & Co., and immobilized in its custody or in the custody of the Paying Agent pursuant to the "FAST" system, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. Principal of and interest on the Bonds will be payable by the Paying Agent by wire transfer or in same day funds to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC. Transfer of principal and interest payments to the beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. Neither the District nor the Paying Agent will be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

**BOND RESOLUTION:** The Bond Resolution adopted on June 28, 2016 is available for inspection at the office of the Superintendent of the District and at the office of the District's Financial Advisor at the addresses listed under "INFORMATION", below.

**SECURITY FOR THE BONDS:** The Bonds, in the opinion, of Sherman & Howard L.L.C., (“Bond Counsel”), will be direct general obligations of the District, payable as to all principal, interest and any prior redemption premium (the “Bond Requirements”) from general (ad valorem) taxes (herein “General Taxes”) levied against all taxable property within the District except to the extent that other revenues are made available therefor, subject to the limitations imposed by the statutes and Constitution of the State (see “Constitutional Tax Limitations” and “Statutory Tax Limitation” below). The Bonds will be a debt of the District, and the District shall thereby pledge its full faith and credit for their payment.

**AUTHORIZATION AND PURPOSE OF BONDS:** The Bonds are authorized to be issued pursuant to Nevada Revised Statutes (“NRS”) 350.500 through 350.720, designated in NRS 350.500 thereof as the Local Government Securities Law (the “Bond Act”) for the purpose of refunding certain outstanding bonds of the District.

**ADDITIONAL BONDS:** The District reserves the privilege of issuing additional general obligation bonds hereafter authorized at any time or from time to time for any lawful purpose, as permitted by law.

**FEDERAL TAX MATTERS:** In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described below, interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the “Tax Code”), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, except that such interest is required to be included in calculating the “adjusted current earnings” adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations as further described in the Preliminary Official Statement.

**DESIGNATION AS QUALIFIED TAX-EXEMPT OBLIGATIONS:** In the Bond Resolution, the Board has delegated to the Director of Fiscal Services, or in his absence the Superintendent, the designation of the Bonds as qualified tax-exempt obligations for purposes of section 265(b)(3) of the Tax Code.

**STATE TAX EXEMPTION:** In the opinion of Bond Counsel, under present laws of the State, the Bonds, their transfer, and the income therefrom are free and exempt from taxation by the State or any subdivision thereof except for the tax on estates imposed pursuant to chapter 375A of NRS and the tax on generation skipping transfers imposed pursuant to chapter 375B of NRS.

**CONSTITUTIONAL TAX LIMITATION:** Sec. 2, art. 10, Constitution of the State, provides:

“The total tax levy for all public purposes including levies for bonds, within the state, or any subdivision thereof, shall not exceed five cents on one dollar of assessed valuation.”



**STATUTORY TAX LIMITATION:** NRS 361.453 provides:

“. . . the total ad valorem tax levy for all public purposes must not exceed \$3.64 on each \$100 of assessed valuation, or a lesser or greater amount fixed by the state board of examiners if the state board of examiners is directed by law to fix a lesser or greater amount for that fiscal year.”

**STATUTORY PRIORITY FOR BONDS:** NRS 361.463:

“1. . . . the total taxes levied by all overlapping units within the boundaries of the state exceed the limitation imposed by NRS 361.453, and it becomes necessary for that reason to reduce the levies made by any of those units, the reduction so made must be in taxes levied by those units (including the state) for purposes other than the payment of bonded indebtedness, including interest thereon.

2. The taxes levied for the payment of bonded indebtedness and the interest thereon enjoy a priority over taxes levied by each such unit (including the state) for all other purposes where reduction is necessary to comply with the limitation imposed by NRS 361.453.”

**STATUTORY PROVISION FOR TAX LEVIES:** NRS 350.592 provides in relevant part:

“1. There must be levied annually in due season a special tax on all property, both real and personal, subject to taxation within the boundaries of the municipality, fully sufficient together with the revenue which will result from application of the rate to the net proceeds of minerals, without regard to any statutory or charter tax limitation, other than the limitation set forth in NRS 361.453, to pay the interest on the general obligation municipal securities and to pay and retire the securities as provided in the Local Government Securities Law and in any act supplemental hereto. The amount of money to be raised by the tax must be included in the annual estimate or budget for each county within the state for each year for which the tax is hereby required to be levied. The tax must be levied and collected in the same manner and at the same time as other taxes are levied and collected.

2. The proceeds thereof levied to pay interest on the securities must be kept by the treasurer in a special fund, separate and apart from all other funds, and the proceeds of the tax levied to pay the principal of the securities must be kept by the treasurer in a special fund, separate and apart from all other funds. The two special funds must be used for no other purpose than the payment

of the interest on the securities and the principal thereof, respectively, when due; \* \* \*.”

**TIME OF LEVIES:** NRS 350.594 provides:

“Such tax shall be levied immediately after the issuance of any general obligation securities issued in accordance with the provisions of the Local Government Securities Law, and annually thereafter, at the times and in the manner provided by law, until all of the securities, and the interest thereon, have been fully discharged. Such tax may be first levied after the municipality has contracted to sell any securities but before their issuance.”

**STATUTORY APPROPRIATIONS:** NRS 350.602 provides:

“There is by the Local Government Securities Law, and there shall be by ordinance authorizing the issuance of any indebtedness contracted in accordance with the provisions of the Local Government Securities Law, specially appropriated the proceeds of such taxes to the payment of such principal and interest; and such appropriations shall not be repealed nor the taxes postponed or diminished (except as herein otherwise expressly provided) until the principal of and interest on the municipal securities evidencing such debt have been wholly paid.”

**NO PLEDGE OF PROPERTY:** The payment of the Bonds is not secured by an encumbrance, mortgage or other pledge of property of the District.

**IMMUNITY OF INDIVIDUALS:** NRS 350.606 provides:

“No recourse shall be had for the payment of the principal of, any interest on, and any prior redemption premiums due in connection with any bonds or other municipal securities or for any claim based thereon or otherwise upon the ordinance authorizing their issuance or other instrument appertaining thereto, against any individual member of the governing body or any officer or other agent of the municipality, past, present or future, either directly or indirectly through the governing body or the municipality, or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of the securities and as a part of the consideration of their issuance specially waived and released.”

**ACTS IRREPEALABLE:** NRS 350.610 provides:

“The faith of the state is hereby pledged that the Local Government Securities Law, any law supplemental or otherwise

appertaining thereto, and any other act concerning the bonds or other municipal securities, taxes or the pledged revenues or any combination of such securities, such taxes and such revenues shall not be repealed nor amended or otherwise directly or indirectly modified in such a manner as to impair adversely any outstanding municipal securities, until all such securities have been discharged in full or provision for their payment and redemption has been fully made, including without limitation the known minimum yield from the investment or reinvestment of moneys pledged therefor in federal securities.”

### **TERMS OF SALE**

**BID PROPOSALS:** Bids may be submitted on the official bid form in a sealed envelope or electronically via PARITY. If an official bid form is used, such form must be completely filled out without any change. Any written bid in a form other than the official bid form may be disregarded. Any bidder is required to submit an unconditional bid for all of the Bonds specifying:

(1) The lowest rate or rates of interest on the Bonds and the premium or discount at which the bidder will purchase the Bonds.

It is also requested for informational purposes only, but is not required, that each bid disclose:

(2) The true interest cost (i.e., actuarial yield) on the Bonds stated as a nominal annual percentage rate (see “BASIS OF AWARD”, below).

**MANNER OF BID SUBMITTAL:** A bid submitted on an official bid form must be enclosed in a sealed envelope marked on the outside

#### **“Proposal for the Bonds”**

and addressed to:

**Director of Fiscal Services  
Carson City School District  
1402 W. King Street  
Carson City, Nevada 89703**

Electronic bids may only be submitted through PARITY. If any provisions in this Official Notice of Bond Sale conflict with information or terms provided or required by PARITY, this Official Notice of Bond Sale (and any amendments thereto) shall control. Each bidder shall be solely responsible for making necessary arrangements to access PARITY for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Bond Sale. Neither the District nor the Financial Advisor shall have any duty or obligations to provide or assure such access to any bidder, and neither the District nor the Financial Advisor shall be responsible for proper operation of, or have any liability for, any delays or interruptions of, or any damages caused by, use of PARITY. The District is using PARITY as a communication mechanism, and not as the District’s agent, to conduct the electronic bidding for the Bonds.

**GOOD FAITH DEPOSIT:** Except as otherwise provided below, a good faith deposit (“Deposit”) in the form of a certified or cashier’s check drawn on a solvent commercial bank or trust company in the United States of America, made payable to

**Carson City School District, Nevada**

in the amount of

**\$100,000**

is required for each bid to be considered. If a check is used, it must accompany each bid. ***If the apparent winning bidder on the Bonds is determined to be a bidder who has not submitted a Deposit in the form of a check, as provided above, the Financial Advisor will request the apparent winning bidder to immediately wire the Deposit and provide the Federal wire reference number of such Deposit to the Financial Advisor within 90 minutes of such request by the Financial Advisor. The Bonds will not be officially awarded to a bidder who has not submitted a Deposit in the form of a check, as provided above, until such time as the bidder has provided a Federal wire reference number for the Deposit to the Financial Advisor.***

No interest on the Deposit will accrue to any bidder, except as otherwise provided under “MANNER AND TIME OF DELIVERY”, below. The Deposit of the winning bidder will be applied to the purchase price of the Bonds. In the event the winning bidder fails to honor its accepted bid, the Deposit plus any interest accrued on the Deposit will be retained by the District. Deposits accompanying bids other than the bid which is accepted will be returned promptly upon the determination of the best bidder.

**CUSIP NUMBERS:** It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser to accept delivery of and pay for the Bonds in accordance with the terms of the purchase contract. All expenses relating to printing the CUSIP numbers on the Bonds and the CUSIP Service Bureau charge for the assignment of the numbers will be the responsibility of and must be paid by the purchaser.

**METHOD OF EXERCISING BIDDER’S OPTIONS:** Any option granted a bidder may be exercised only as expressly provided herein.

**SALES RESERVATIONS:** The Board reserves the privilege:

- A. Of waiving any irregularity or informality in any bid;
- B. Of rejecting any and all bids; and
- C. Of reoffering the Bonds for public sale or private sale as provided by law.

The District reserves the privilege of changing the sale date and/or sale time of the Bonds. Any change in the time and/or date of any Bond Sale will be announced via PARITY before the time of the sale.

**BASIS OF AWARD:** The Bonds, subject to such sale reservations, will be sold by the Board to the responsible bidder or bidders making the best bid for all the Bonds. The best bid will be determined by computing the True Interest Cost on the Bonds (i.e, using an actuarial or TIC method) for each bid received and an award will be made (if any is made) to the responsible bidder submitting the bid which results in the lowest true interest cost for the Bonds. “True Interest Cost” on the Bonds as used herein means that yield which if used to compute the present worth as of the date of delivery of the Bonds of all payments of principal and interest to be made on the Bonds from the date of delivery of the Bonds to their respective maturity dates (or any mandatory sinking fund redemption dates), produces an amount equal to the principal amount of the Bonds plus the premium or less the discount bid. Such calculation shall be based on a 360 day year and a semiannual compounding interval. If there are two or more equal bids for the Bonds and such equal bids are the best bids received, the Board will determine which bid will be accepted, if any.

**PLACE AND TIME OF AWARD:** The Superintendent or the Director of Fiscal Services will open bids on behalf of the Board at the time and place stated. The Superintendent or the Director of Fiscal Services will take action awarding the Bonds or rejecting all bids not later than 36 hours after the time stated for opening bids. An award may be made after the stated period if the bidder shall not have given to the Director of Fiscal Services notice in writing of the withdrawal of its bid. A bid may not be withdrawn during the 36-hour period following the bid opening.

**MANNER AND TIME OF DELIVERY:** The Deposit will be credited to the purchaser at the time of delivery of the Bonds (without accruing interest). If the successful bidder for the Bonds fails, neglects, or refuses to complete the purchase of such Bonds on the date on which such Bonds are made ready and are tendered by the Board for delivery, the amount of its Deposit will be forfeited (as liquidated damages for noncompliance with the bid) to the District. In that event, the District may reoffer such Bonds for sale, as provided by law. The purchaser of the Bonds will not be required to accept delivery of any of such Bonds if they are not made ready and are not tendered by the Board for delivery within 60 days from the date for opening bids; and if such Bonds are not so tendered as a result of the inability of the District to tender the Bonds within such period of time, the Deposit (with the interest earned by the District thereon) will be returned to the purchaser upon request. The Bonds, registered in the name of Cede & Co., will be made available for delivery by the Board to the purchaser of the Bonds as soon as reasonably possible after the date of the sale. The Board contemplates delivering the Bonds on or about **July 28, 2016**. The purchaser of the Bonds will be given 72 hours’ notice of the time fixed by the Board for tendering the Bonds for delivery.

**PAYMENT AT AND PLACE OF DELIVERY:** The successful bidder will be required to accept delivery of the Bonds at the Paying Agent, on behalf of DTC in New York, New York, pursuant to the FAST System. Payment of the balance of the purchase price due for the Bonds at the time of their delivery must be made in Federal Reserve Bank funds or other funds acceptable to the Board for immediate and unconditional credit to the account of the District, at a bank designated by the Director of Fiscal Services, so that such Bond proceeds may be deposited or invested, as the District may determine, simultaneously with the delivery of such Bonds. The balance of the purchase price of the Bonds must be paid in such funds and not by any waiver of interest, and not by any other concession as a substitution for such funds.

**INFORMATION:** This Official Notice of Bond Sale, an official statement, and financial and other information concerning the District and the Bonds may be obtained prior to the sale from the chief financial officer of the District:

**A.J. Feuling, Director of Fiscal Services  
Carson City School District  
1402 W. King Street  
Carson City, Nevada 89703  
(775) 283-2023**

or

the District's Financial Advisor:

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

**LEGAL OPINION, BONDS AND TRANSCRIPT:** The validity and enforceability of the Bonds will be approved by:

**Sherman & Howard L.L.C.  
50 W. Liberty Street, Suite 1000  
Reno, Nevada 89501  
(775) 323-1980**

whose final, approving opinion, together with the Bonds, a certified transcript of the legal proceedings, including a certificate stating that there is no litigation pending affecting the validity of such Bonds as of the date of their delivery (the "Closing Date"), and other closing documents, will be furnished to the purchaser of such Bonds without charge by the District.

**FORM OF APPROVING OPINION:** Bond counsel's final approving opinion for the Bonds will recite in conventional form that the designated law firm has examined the constitution and laws of the State and a certified copy of the record of the proceedings taken preliminary to and in the issue of the Bonds. The form of such approving opinion is set forth in Appendix "D" of the Preliminary Official Statement.

**OFFICIAL STATEMENT:** The District has prepared the Preliminary Official Statement relating to the Bonds which is deemed by the District to be final as of its date for purposes of allowing bidders to comply with Rule 15c2-12(b)(1) of the Securities Exchange Commission ("the Rule"), except for the omission of certain information as permitted by the Rule. The Preliminary Official Statement is subject to revision, amendment and completion in a "Final Official Statement".

The District will prepare a Final Official Statement, dated as of the date of its delivery to the winning bidder as soon as practicable after the date of award to the winning bidder. The District will provide the Final Official Statement to the winning bidder of the Bonds

electronically on or before seven business days following the date of the award to the winning bidder.

The District authorizes the winning bidder to distribute the Final Official Statement in connection with the offering of the Bonds.

For a period beginning on the date of the Final Official Statement and ending twenty-five days following the date a winning bidder shall no longer hold for sale any of the Bonds (which date shall be the Closing Date unless the purchaser notifies the District in writing otherwise), if any event concerning the affairs, properties or financial condition of the District shall occur as a result of which it is necessary to supplement the Final Official Statement in order to make the statements therein, in light of the circumstances existing at such time, not misleading, at the request of the winning bidder, the District shall forthwith notify the winning bidder of any such event of which it has knowledge and shall cooperate fully in the preparation and furnishing of any supplement to the Final Official Statement necessary, in the reasonable opinion of the District and the winning bidder, so that the statements therein as so supplemented will not be misleading in the light of the circumstances existing at such time.

**CONTINUING DISCLOSURE UNDERTAKING:** Pursuant to the Rule, the District will undertake in a continuing disclosure certificate which is authorized in the Bond Resolution to provide certain ongoing disclosure, including annual operating data and financial information, audited financial statements and notices of the occurrences of certain material events. A description of the undertaking is set forth in the Preliminary Official Statement, and a copy of such certificate in substantially the form that will be executed by the Director of Fiscal Services as of the Closing Date is set forth in Appendix "C" of the Preliminary Official Statement.

**DISCLOSURE CERTIFICATES:** The closing certificates for the Bonds included in the transcript of legal proceedings will include:

1. A certificate, dated as of the Closing Date, and signed by the President and Clerk of the Board, the Superintendent of the District and the Attorney for the Board in which each of them states, after reasonable investigation, that to the best of his or her knowledge (a) no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, public board, or body, is pending, or, to the best of the knowledge of each of them, threatened, in any way contesting the completeness or accuracy of the Final Official Statement, (b) the Final Official Statement as it pertains to the District and the Bonds does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and (c) no event affecting the District has occurred since the date of the Final Official Statement which should be disclosed therein for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any respect; provided, however, that the District does not make any representation concerning the pricing information contained in the Final Official Statement; and

2. A certificate, dated as of the Closing Date, and signed by the Director of Fiscal Services stating after reasonable investigation, that to the best of his knowledge, as of the date of the Final Official Statement and on the date of such certificate, the information contained

in the Final Official Statement relating to revenues and expenditures of the District is true and correct and does not contain any untrue statement of a material fact or omit any information necessary to be included therein in order that the Final Official Statement be not misleading for the purposes for which it is to be used.

**SUCCESSFUL BIDDER'S REOFFERING YIELDS:** Within one-half hour of the bid opening, the successful bidder (or manager of the purchasing account) shall notify by email transmission to the Financial Advisor at **marty@jnaconsultinggroup.com**, of the initial offering prices of such Bonds to the public. **The information about the initial offering prices shall be based on the successful bidder's expectations as of the date of sale.** The facsimile notification must be confirmed in writing in the form and substance satisfactory to Bond Counsel prior to the delivery of the Bonds, which shall be in substantially the form: "A bona fide public offering was made for all of the Bonds on this sale date at the initial public offering prices (or yields) shown on the cover page of the Official Statement. As of such sale date (i) based upon our assessment of market conditions, investor demand, sale and offering prices for comparable bonds, and the recent behavior of interest rates, we reasonably expected that the first prices (or yields) at which at least 10% of each maturity of the Bonds would be sold to the public (excluding such bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) would be those prices (or yields) and that none of the Bonds would be sold to the public at prices higher than or at yields less than those prices (or yields), and (ii) such initial offering prices (or yields) represented a fair market value for the Bonds." The facsimile notification must be confirmed in writing in the form and substance satisfactory to Bond Counsel prior to the delivery of the Bonds.

**CONSENT TO JURISDICTION:** A bid submitted by sealed bid or electronic bidding, if accepted by the Director of Fiscal Services or Superintendent on behalf of the District, forms a contract between the winning bidder and the District subject to the terms of this Official Notice of Bond Sale. By submitting a bid, the bidder consents to the exclusive jurisdiction of any court of the State of Nevada located in Carson City or the United States District Court for the State of Nevada for the purpose of any suit, action or other proceeding arising as a result of the submittal of the bid, and the bidder irrevocably agrees that all claims in respect to any such suit, action or proceeding may be heard and determined by such court. The bidder further agrees that service of process in any such action commenced in such State or Federal court shall be effective on such bidder by deposit of the same as registered mail addressed to the bidder at the address set forth in the bid.

By order of the Board of Trustees of the Carson City School District, Nevada, this  
July 1, 2016.

CARSON CITY SCHOOL DISTRICT,  
NEVADA

/s/ A.J. Feuling  
Director of Fiscal Services