

Brian Sandoval  
Governor




James R. Wells, CPA  
Director

Janet Murphy  
Deputy Director

**STATE OF NEVADA  
GOVERNOR'S FINANCE OFFICE  
Budget Division**

209 E. Musser Street, Room 200 | Carson City, NV 89701-4298  
Phone: (775) 684-0222 | [www.budget.nv.gov](http://www.budget.nv.gov) | Fax: (775) 684-0260

Date: December 15, 2016  
To: James R. Wells, Clerk of the Board  
Governor's Finance Office  
From: Susan Brown, Executive Branch Officer   
Budget Division  
Subject: BOARD OF EXAMINERS **ACTION** ITEM

The following describes an action item submitted for placement on the agenda of the next Board of Examiners' meeting.

**DEPARTMENT OF EDUCATION**

Agenda Item Write-up:


Pursuant to NRS 387.2065 the Department of Education, requests approval of a textbook waiver on behalf of White Pine County School District in the amount of \$13,278.48. The district has provided supporting information that they were unable to meet the required textbook expenditures due to an economic hardship.

Additional Information:

The department has reviewed the waiver request submitted by White Pine County School District and agrees with the conditions of hardship as stated from the district. The department has determined that a hardship exists and they are requesting approval as required by statute.

Statutory Authority:

NRS 387.2065

REVIEWED: 
ACTION ITEM: _____

BRIAN SANDOVAL  
*Governor*

STEVE CANAVERO, Ph.D.  
*Superintendent  
of Public Instruction*

STATE OF NEVADA



DEPARTMENT OF EDUCATION  
700 E. Fifth Street  
Carson City, Nevada 89701-5096  
(775) 687 - 9200 · Fax: (775) 687 - 9101  
<http://www.doe.nv.gov>

SOUTHERN NEVADA OFFICE  
9890 S. Maryland Parkway, Suite 221  
Las Vegas, Nevada 89183  
(702) 486-6458  
Fax: (702)486-6450  
[www.doe.nv.gov/Educator\\_Licensure](http://www.doe.nv.gov/Educator_Licensure)

**NRS 387.206 TEXTBOOK ET AL. EXPENDITURE WAIVER**  
**White Pine County School District**

DATE: 11-22-16

TO: Board of Examiners  
Interim Finance Committee  
IN TURN

FROM: Steve Canavero, Superintendent of Public Instruction  
Nevada Department of Education

Roger M. Rahming, Deputy Superintendent  
Nevada Department of Education

SUBJECT: White Pine County School District NRS 387.2065 Waiver Request from  
FY2016 NRS 387.206 Minimum Required Textbook, Instructional Supplies, Instructional  
Software, and Computer Hardware Expenditures

REFERENCE: NRS 387.206

Pursuant to NRS 387.2065 we have reviewed the waiver request submitted by the applicant above and agree with the conditions of economic hardship as stated in the form provided. Based on the economic information contained in this submission, the Department has determined a hardship does exist and we are hereby requesting approval of the attached waiver request in the amount of **\$13,278.48**.

Steve Canavero, Superintendent of Public Instruction  
Nevada Department of Education  
700 East Fifth Street, Suite 104  
Carson City, Nevada 89701  
Phone: (775) 687-9221  
FAX: (775) 687-9101  
Email: [scanavero@doe.nv.gov](mailto:scanavero@doe.nv.gov)

Attachment: Waiver Request Form (completed by White Pine County School District)

NEVADA DEPARTMENT of EDUCATION

**REQUEST FOR WAIVER FROM NRS 387.206  
TEXTBOOK ET AL. EXPENDITURE REQUIREMENT**  
(NRS 387.2065)

The following information is required by the Department of Education ("Department") in order to process all requests for a full or partial waiver from the NRS 387.206 minimum expenditure requirements for textbooks, instructional supplies, instructional software and computer hardware made by school districts, charter schools, or university schools for profoundly gifted pupils.

[1] Requestor: White Pine County School District  
(School District, Charter School, or University School)

[1A] If Charter School, List Sponsor: \_\_\_\_\_

[2] Fiscal Year(s) of Waiver Request: FY2016

[3A] District or School Budgeted Revenues for Waiver Year: \$ \$11,784,037

[3B] District or School Budgeted Expenses for Waiver Year: \$ \$12,250,927

[3C] District or School Projected Revenues for Waiver Year: \$ \$11,835,776

[3D] District or School Projected Expenses for Waiver Year: \$ \$12,285,124

**Note: Expenses include General Fund Transfers to other funds.**

[4] Local or Regional Economic Conditions Warranting Waiver:  
(Detail all economic conditions warranting this waiver request – expand space as necessary)

(Refer to attached)

[5] Detail District or School Conditions Warranting Waiver:  
(Detail specific district or school conditions warranting this waiver request – expand space as necessary)

[6] Textbook et al. Expenditure Obligation for Fiscal Year of Request: \$ \$146,651.81

[7] Amount of Waiver Request: \$ \$13,278.48

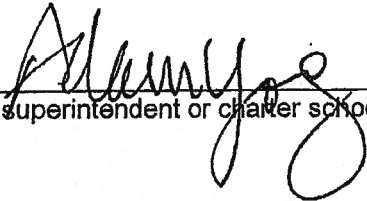
[8] Period of Which the Waiver is Being Requested (i.e., specific months or fiscal years):  
FY2016

**TESTAMENT of REQUESTOR:**

Based upon the information provided above, I am hereby requesting that the

White Pine County School District  
(Name of school district, charter school, or university school)


be provided a waiver from its NRS 387.206 minimum textbook et al. expenditure requirement in the amount of \$ 13,278.48 pursuant to NRS 387.2065. I hereby attest that the above statements are true and correct to the best of my knowledge and belief.

Signed:  Date: 11-8-2016  
(School district superintendent or charter school or university school principal, director, or administrator)

**APPROVAL ROUTING:**

**[1] NEVADA DEPARTMENT of EDUCATION**

Approved: Yes/No

Signed:  Date: 11.22.16  
Steve Canavero, Superintendent of Public Instruction  
See Attached for Basis of Determination and Recommendation  
Or Reason for Denial

**[2] STATE BOARD OF EXAMINERS (BOE)**

Approved: Yes/No

Attach BOE Minutes

**[3] INTERIM FINANCE COMMITTEE (IFC)**

Approved: Yes/No

Attach IFC Resolution

## **[4] Local or Regional Economic Conditions Warranting Waiver:**

(Detail all economic conditions warranting this waiver request – expand space as necessary)

**White Pine County School District**  
**FY2017 Budget Information and Discussion**

**Executive Summary**

**May 9, 2016**

(Revisions June 15, 2016; June 28, 2016)

Recently, the White Pine County School District (WPCSD) has undergone a significant financial shift caused by the following factors:

- significant migration of students to charter schools
- change in the hold harmless provision
- declining local revenue primarily from net proceeds of minerals
- nominal increase in the per pupil guarantee

These factors have significantly altered the FY2016 budget and adversely impacting the FY2017 budget process. The change that has had the most profound impact has been charter school enrollment. The District has cut approximately \$1.2 million from its budget in FY2016 compared with FY2015 and anticipates cutting an additional \$1 million in FY2017. Expenditures have shrunk from \$13,968,082 in FY2014 to approximately \$11,746,527 in the tentative FY2017 budget. In order to spend within the diminished revenue, the District has had to entertain the following budget changes:

- school closures
- staff reduction-in-force
- elimination of athletic and co-curricular programs
- elimination of vocational programs
- re-open collective bargaining agreements
- increase student fees
- and other cuts

The details of the actual budget cuts for FY2016 and proposed for FY2017 are attached (refer to page 9). The end result is that the District's General Fund will be less diverse and the remaining programs and services will make it difficult for White Pine to offer an equitable Nevada education.

Ironically, these budget decisions have come at a time when the State has awarded the WPCSD approximately \$990,000 in new, categorical (a.k.a. grant) programs that cannot be used to supplant General Fund operations. This concept of cutting budgets while receiving additional funding is difficult

for the general public to understand and has been a source of local contention. Unfortunately, the District cannot simply shift the General Fund labor and expenditures into these categorical funds. Also, given the small increase in per pupil funding, it seems the categorical programs may have been implemented at the expense of general fund operations and base funding. Despite the increase in grants, the District will have cut approximately \$2.1 million, or 16%, over the biennium while temporarily adding new grant funded programs and services with a life cycle of less than two years.

The additional grant funding is sincerely appreciated and will provide a direct benefit for certain subgroups of students for a period of time. However, these categorical programs and services are only authorized for the biennium with no guarantee they will continue. This presents a unique set of challenges for many rural areas. Perhaps the biggest hurdles with respect to categorical programs are recruiting, hiring and retaining qualified personnel for positions and services that are only guaranteed for less than two years. For example, by the time the grant application process was developed and then the application written, processed, approved and awarded; there were only a few months remaining in the current fiscal year. We were fortunate to hire a recent college graduate and WP alumni for a grant funded social worker position for the remaining two months of this fiscal year. When this employee asked about her employment status for the next fiscal year, we could not guarantee her employment because a grant application must be completed and approved before we can officially offer the position for another year. This instability makes it difficult for the employee and employer to make any hiring commitments beyond the current fiscal year. The District has a hard enough time attracting and retaining qualified personnel for permanent positions so a guarantee of such a short period of time will make convincing an individual and/or family to relocate to rural Nevada a harder sell. When the funding goes away, so does the job and associated programs and services. Larger school districts may be able to relocate and shift employees within the District to retain positions and avoid layoffs. In smaller areas, when the funding goes away, the employee must relocate their family and belongings. This transient nature associated with categorical funding and related employment risk makes it increasingly difficult to find and hire qualified candidates. In the wake of the recession, researchers at the Federal Reserve Bank of Minneapolis found that Americans would rather change professions than move somewhere new.

During the fiscal collapse caused by the recession after FY2008, the District was fortunate to have collected net proceeds of minerals (NPM) and built a fund reserve to help stabilize operations. Although the budget instructions from the Department of Taxation recommend that local governments not fund operations with NPM, the District was forced to use this source to mitigate the financial impact caused by the recession. The District has steadily cut expenditures, positions, programs, and worked with its collective bargaining units to minimize the impact of wages and benefits while buying time with its fund balance. In fact, WPCSD teacher wages are now among the lowest in the State. Unfortunately, local health insurance costs are among the highest in the State. The District had sufficient funds to make it through to the 2017 Legislative session where we were hoping for an increase in base funding to provide some relief in FY2018. Unfortunately, the hold harmless provision was changed after our final budget was submitted in FY2016 which required the District use its remaining fund reserves in FY2016 which is one fiscal period before the next Legislative session. This means that if there is financial relief in FY2018,

the District will have cut more positions than necessary from the FY2017 budget and may have to hire them back in FY2018 if they are not employed elsewhere.

The remainder of this report provides more specific details about the District's financial complexities. Despite these economic challenges, the White Pine County School District Board of Trustees has acted responsibly and will make the necessary budget decisions in a very transparent way to adapt to its new and challenging financial environment. In addition to cutting expenditures, the District will consider increasing student fees, fund raising activities, leverage technology to provide blended learning and partner with K12 Incorporated to expand and develop distance education services to become more diverse and competitive. It is our hope that this will bring homeschool and charter schools back to the District and increase student enrollment. Because approximately 80% of the District General Fund revenue comes from Nevada Plan sources, adequate increases in base funding are essential to offering consistent programs and services from year to year. If this funding does not keep pace with inflation, the District will be forced to further erode educational programs and services. The District continues to streamline and reduce operations in a manner to preserve instructional services while meeting fiscal constraints. As resources continue to shrink, class sizes increase and employees assume additional responsibilities and diminished household income.

For additional information with respect to the contents of this report, please contact:

Paul Johnson, CFO  
White Pine County School District  
1135 Avenue C  
Ely, NV 89301  
(775) 289-4851 x7107  
(775) 289-3999 (fax)  
(775) 293-0569 (cell)  
paujohns@whitepine.k12.nv.us

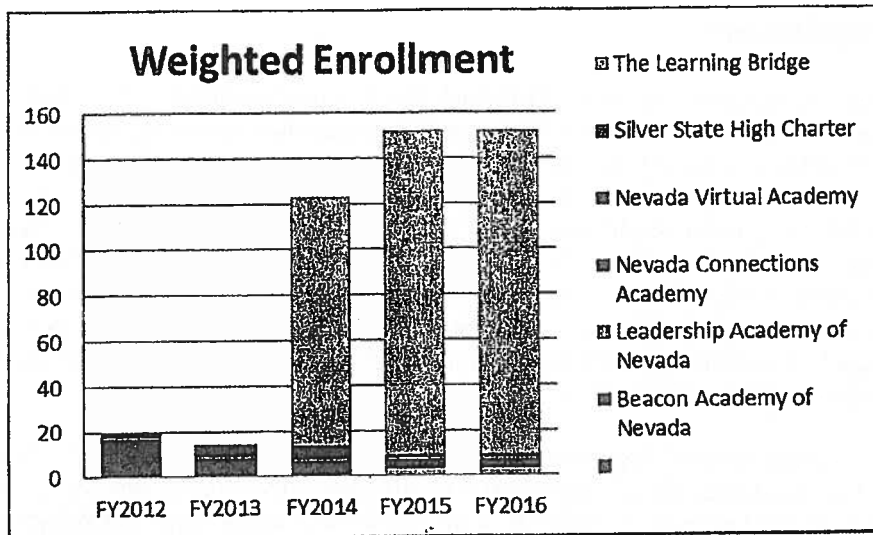


## Charter School Impact:

I need to preface this document by saying the District does not have a problem with charter schools, private schools or school choice nor do we take issue with any family that chooses to exercise their right to educate their child in a manner other than the school district. We are simply attempting to address the economic reality the recent charter school enrollment has created that has significantly and adversely affected our enrollment and revenue. Approximately \$1.7 million has left our school district budget and migrated to charter schools. Unfortunately school districts do not lose a dollar of operating costs for every dollar of revenue lost. There are certain core costs of operations for each facility and student population outside the classroom. This makes adapting to losses in enrollment and revenue more complicated. Based on the current funding authorized by law, it seems that school choice has come at the expense of the school districts instead of supplementing and diversifying.

For example: If charter schools cause a loss of enrollment equal to a typical elementary classroom of 20 students *and* if we use the current per pupil charter school allotment of \$9,272, the District would lose approximately \$185,440 (20 students x \$9,272). If the loss of 20 students were all from the same school and grade level, we could layoff one teaching position due to the drop in enrollment without affecting other classrooms. If we use the salary and benefits of a teacher in the middle of our salary schedule to estimate the total cost of the teacher, we could eliminate approximately \$70,066 in wages and benefits related to this hypothetical drop in enrollment. Further, if we add the minimum textbook spending requirement of \$121.27 per student, or \$2,425, to the teacher's wages and benefits the total budget cut would be \$72,491. This means that the District would lose \$185,440 of revenue but would only be able to cut \$72,491 of expenditures directly related to those 20 students. This leaves a balance of approximately \$112,949 that the District still has to cut. Where does this additional budget cut come from? If all of the cuts come from instruction, the District would have to cut an additional 2.5 teaching positions in order to meet the revenue deficit. A loss of 20 students does not decrease the need for transportation, counseling, administrators, maintenance, custodial staff, central office personnel, and other areas of the budget? The District still has essentially the same demand for services outside the classroom but budget cuts still have to be made and, unfortunately, are made at the expense of the students and staff that remain with the school district. Also, keep in mind that in the scenario above we assumed that the 20 students came from one grade level which is not realistic. In reality, the 20 students would come from various grade levels and schools. If we did lose 20 students, we would not lose them in such a simplistic manner as explained in our example. Losses of two or three students in a single classroom are more likely which would make eliminating a classroom teacher a bit more difficult and most likely increase student teacher ratios. The reality is that in addition to eroding our instructional services, we also have to cut our student and staff support services as well.

The graph below illustrates the recent impact of charter schools affecting WPCSD's enrollment and finances:



The statistics below reflect what has actually happened in White Pine. The actual number of charter school students has grown to approximately 176.1 students or 15% of the District's enrollment. The table below provides an example of how this has affected the District's total revenue:

# Charter School Students	176.1 (per 4 <sup>th</sup> qtr per NDE – Rev. 6/15/16)
X Per Pupil Amount	<u>\$9,272.00</u>
Approximate Loss of Revenue	\$1,632,799.20

This is a simplified example but provides a reasonable estimate of the financial impact.

Using an average class size of 30 students, a loss of 176.1 students would justify a loss of approximately 6 teaching positions. However, the cost of 6 teachers is well below the loss of revenue.

# Teachers (176.1/30)	6.0
Est. Cost Per Teacher	<u>\$70,066.00</u>
Total Est. Teaching Costs	\$420,396.00
Plus: Instructional Materials	<u>\$21,356.00</u>
Total Instructional Cuts	\$441,752.00

This means that in addition to the 6 teaching positions, the District would have to cut an additional \$1,191,047 in order to balance its budget \$12.5 General Fund budget.

To put this in terms of personnel, the following positions would have to be cut in addition to the 6 teaching positions to balance the budget.

- 17.0 Teaching Position @ \$70,066 per Teacher, or
- 10 High School Principals (Range 6 Step 5) @ \$116,197, or
- 10 Middle School Principals (Range 6 Step 5) @ \$112,874, or
- 10 Elementary School Principals (Range 6 Step 5) \$111,802, or
- 24 Custodians (12 months, Range 4, Step E) \$48,707, or
- 20 Administrative Assistants (12 months, Range 10, Step E) \$59,133

These statistics are staggering considering we have approximately 80 teachers, a total of 8 school administrators, 9 administrative assistants, and 13 custodians. Changes of this magnitude stretch the District's ability to offer equitable services compared with other Nevada school districts and has significantly altered and redefined how the White Pine County School District must provide programs and services. We are fortunate that this impact was spread over two years and the impact did not take place over a summer. This may not be the case given the recent change in hold harmless provisions. Of course the Board would not simply choose one labor group and eliminate them from the budget. Instead, the Board of Trustees has chosen a combination of staff and other cuts instead of any of the over simplified scenarios above. The statistics were used simply as a way to put some sort of scale to the significant impact of the budget cuts.

The actual budget cuts that have been made in FY2016 and contemplated in FY2017 can be found on the following page. The District has cut 28 of its 160 full time positions from the FY2015 budget over two years. This is a reduction in force of approximately 17.5% for a student population that would justify a reduction of 5 teachers.

Without some sort of equalization of aid to compensate for the significant shift in student population and resources, the only remedy left for the District is to cut expenditures and gradually erode the level of programs and services available for students and staff that remain with the District.

### **Wages and Benefits:**

The District and its collective bargaining units have collaborated to limit the impact of wages and benefits on the District budget. The teachers and support staff union have agreed to freeze salary schedules, take pay cuts, and the teachers extended their work day by having their prep time outside student contact time. These steps were taken in order to mitigate the impact of staff reductions and impact on programs and services. In 1999, the District modified its salary schedule to become more competitive in Nevada in order to attract highly qualified instructional staff. Wages rates moved closer to the State average and the District found it easier to attract and hire qualified staff. Since that time, the District has struggled to maintain competitive wages and entry level teacher wages are once again near the bottom. Each year we lose staff to neighboring school districts because their wages are higher and cost of insurance is lower.

White Pine County is fortunate to have a local hospital; however, their cost to operate is higher on a per patient basis than areas with a larger population and higher claims volume. This means health insurance premiums are also higher. Over the years, the District has realized renewal rates with double digit inflation. In order to reduce this impact, labor groups have agreed to modify their plan of benefits, change insurers and increase their out-of-pocket expenditures to reduce the District's health insurance costs. Our close proximity to Las Vegas helps recruit from other states; however, our wages and benefits make it difficult to retain them.

The table below illustrates the impact of wage increases, PERS and health insurance.

	Teacher Wage Increases	Support Wage Increases	Admin Wage Increases	PERS Rate	PERS Increase	Group Insurance Premiums	Group Insurance Increase	Comments
FY2007	1.00%	2.00%	2.00%	20.50%	0.75%	\$ 579.56	10.43%	
FY2008	2.00%	2.00%	2.20%	20.50%	0.00%	\$ 564.86	-2.54%	Reduced plan benefits to increase employee out of pocket expenses to reduce premium
FY2009	4.00%	0.00%	0.00%	21.50%	1.00%	\$ 676.00	19.68%	
FY2010	0.00%	0.00%	0.00%	21.50%	0.00%	\$ 644.95	-4.59%	Switched from PEBP to new health plan. Froze admin salary schedule (no roll-ups)
FY2011	-2.00%	-2.00%	-2.00%	23.75%	2.25%	\$ 740.94	14.88%	Froze all staff salary schedules (no roll-ups) and pay decrease.
FY2012	0.00%	0.00%	0.00%	23.75%	0.00%	\$ 805.62	8.73%	
FY2013	0.00%	0.00%	0.00%	25.75%	2.00%	\$ 861.82	6.98%	
FY2014	4.00%	4.00%	4.00%	25.75%	0.00%	\$ 857.56	-0.49%	Reduced plan benefits to increase employee out of pocket expenses to reduce premium
FY2015	0.00%	0.00%	0.00%	25.75%	0.00%	\$ 877.78	2.36%	Reduced plan benefits to increase employee out of pocket expenses to reduce premium and create Employee H.S.A.
FY2016	0.00%	0.00%	0.00%	28.00%	2.25%	\$ 856.36	-2.44%	Reflects decrease in benefits from prior year
FY2017	0.00%	0.00%	0.00%	28.00%	0.00%	\$ 904.60	5.63%	No plan changes

In the last 8 years, teachers have received a 2% increase and support staff received the same increase over 9 years. Certain classes of nonunion staff took 4% to 6% pay cuts in order to retain positions they believed were necessary for operations. They felt a loss of the position(s) would adversely affect their quality of life because the remaining staff would be required to work overtime, weekends and take on extra duties that would take time away from their family and personal life. Teachers were willing to sacrifice pay to maintain class sizes, programs and services.

### Positions and Programs

Since FY2008, the District has eliminated all of the positions that were funded through State categorical funds that were not reauthorized. For example, funding was available through SB 185 for teacher mentors, English language learners and alternative education. Because this funding was not continued, these positions were eliminated. This is a scenario that will repeat when current categorical funds are not reauthorized and base funding does not keep pace with program costs. In addition to the grant funded positions, the District has reduced its workforce by approximately 20%.

The table on the following page provides a summary of the budget decisions from FY2016 and Final FY2017 budget.

Summary

Location	Description	FY2016 Amount	FY2016 FTE	FY2017 Amount	FY2017 FTE	Total Both Years \$	Total Both Years \$	Description
17001	District Office	150,901.00	2.00	-	-	150,901.00	2.00	Refer to detail for additional information.
17002	Transportation	-	-	-	-	-	-	
17003	Countywide	259,029.00	1.00	-	-	259,029.00	1.00	
17004	Maintenance	-	-	-	-	-	-	
17103	Baker Grade School	-	-	-	-	-	-	
17201	David E. Norman Elementary	(68,881.00)	(1.00)	77,819.00	1.00	8,938.00	-	
17203	McGill Elementary	17,000.00	1.00	-	-	17,000.00	1.00	
17301	White Pine Middle School	426,049.00	5.00	206,344.00	2.00	632,393.00	7.00	
17502	White Pine High School	301,749.00	5.50	536,587.00	5.50	838,336.00	11.00	
17601	Lund K-12	113,681.00	3.00	145,714.00	3.00	259,395.00	6.00	
	<b>Total Budget Cuts</b>	<b>1,199,528.00</b>	<b>16.50</b>	<b>966,464.00</b>	<b>11.50</b>	<b>2,165,992.00</b>	<b>28.00</b>	

For detailed budget information, refer to the following page.

The summary above reflects a General Fund budget reduction of approximately 16% and labor reduction from FY2015 of approximately 17%.

In order to balance its budget, the District has considered eliminating vocational programs, increasing class sizes, eliminating all athletic and co-curricular for the Lund K-12 school, eliminating certain athletics at White Pine High School, school closures and/or temporarily combining student populations. All of these make attracting families for employment with the District and other employers in the White Pine Communities more difficult. One of the redeeming qualities the District has with respect to recruiting and hiring staff is that class sizes are smaller relative to the larger metropolitan cities such as Las Vegas and Reno. Now that teacher wages are near the bottom and health insurance is among the most expensive in the State, if class sizes continue to increase it will further complicate the District's ability to attract and retain highly qualified staff.

The table on the following page provides detailed budget cuts for FY2016 and FY2017.

White Pine County School District  
Budget Cuts FY2016 & Proposed FY2017

P. Johnson  
4/26/2016

Location	Description	FY2016 Amount	FY2016 FTE	FY2017 Amount	FY2017 FTE	Total Both Years \$	Total Both Years \$	Description
17001	District Office	\$ 104,294.00	1.00			\$ 104,294.00	1.00	Assistant Superintendent
17001	District Office	16,607.00	1.00			16,607.00	1.00	payroll staff
17001		30,000.00				30,000.00	-	Reduce cost of superintendent office
17009	Countywide	88,918.00	1.00			88,918.00	1.00	Custodial Supervisor
17009	Countywide	40,970.00				40,970.00	-	Instructional supplies
17009	Countywide	16,605.00				16,605.00	-	Professional Development
17009	Countywide	11,844.00				11,844.00	-	cell phone
17009	Countywide	692.00				692.00	-	Sirius Radio
17009	Countywide	100,000.00				100,000.00	-	Out-sourcing of nutrition program proposal estimated savings
17201	David E. Norman Elementary	(68,881.00)	(1.00)			(68,881.00)	(1.00)	DE Norman add 1st grade classroom
17201	David E. Norman Elementary			77,819.00	1.00	77,819.00	1.00	Elementary position
17203	McGill Elementary	17,000.00	1.00			17,000.00	1.00	McGill paraprofessional
17301	White Pine Middle School	278,028.00	3.00			278,028.00	3.00	WPMS Three (3) positions (attrition)
17301	White Pine Middle School	47,083.00	1.00			47,083.00	1.00	WPMS Administrative Assistant
17301	White Pine Middle School	75,938.00	1.00			75,938.00	1.00	WPMS Counselor
17301	White Pine Middle School	25,000.00				25,000.00	-	WPMS: athletics intramural
17301	White Pine Middle School			61,377.00	1.00	61,377.00	1.00	1 classroom position (this was a position not filled this year, will need to determine if it has already been added to current budget cuts)
17301	White Pine Middle School						-	All athletics
17301	White Pine Middle School			32,291.00		32,291.00	-	Athletics
17301	White Pine Middle School			6,880.00		6,880.00	-	Athletics - Travel
17301	White Pine Middle School			105,796.00	1.00	105,796.00	1.00	1 Administrative position
17502	White Pine High School	68,881.00	1.00			68,881.00	1.00	WPHS librarian
17502	White Pine High School	47,900.00	1.00			47,900.00	1.00	WPHS custodial position
17502	White Pine High School	23,587.00	0.50			23,587.00	0.50	WPHS administrative assistants-office
17502	White Pine High School	53,000.00	1.00			53,000.00	1.00	WPHS School-to-Career staff
17502	White Pine High School	68,881.00	1.00			68,881.00	1.00	WPHS Secondary Teacher
17502	White Pine High School	39,500.00	1.00			39,500.00	1.00	WPHS PE para-professional
17502	White Pine High School			31,000.00	0.50	31,000.00	0.50	administrative assistant (part-time)
17502	White Pine High School			95,952.00	1.00	95,952.00	1.00	math teacher
17502	White Pine High School			74,953.00	1.00	74,953.00	1.00	English teacher
17502	White Pine High School			77,819.00	1.00	77,819.00	1.00	Auto shop
17502	White Pine High School			61,377.00	1.00	61,377.00	1.00	Wood shop and robotics
17502	White Pine High School			51,572.00		51,572.00	-	Athletics: B&G soccer, B&G golf, wrestling, baseball, dance, flag, one assistant FB coach,
17502	White Pine High School			143,914.00	1.00	143,914.00	1.00	One administrator
17601	Lund K-12	22,400.00	1.00			22,400.00	1.00	Lund non-sped para-professionals-foreign language
17601	Lund K-12	22,400.00	1.00			22,400.00	1.00	Lund non-sped para-professionals-kindergarten
17601	Lund K-12	68,881.00	1.00			68,881.00	1.00	Lund secondary teaching position
17601	Lund K-12			15,715.00	1.00	15,715.00	1.00	K-1 paraprofessional
17601	Lund K-12			15,172.00	1.00	15,172.00	1.00	Specials Paraprofessional
17601	Lund K-12			15,573.00		15,573.00	-	All stipends and per diem:
17601	Lund K-12			3,157.00		3,157.00	-	Cocurricular
17601	Lund K-12			27,081.00		27,081.00	-	Cocurricular - Transportation
17601	Lund K-12			7,639.00		7,639.00	-	Athletic
17601	Lund K-12						-	Athletic - Transportation
17601	Lund K-12			61,377.00	1.00	61,377.00	1.00	1 high school staff positions
17601	Lund K-12						-	Position 1 (Step C, Range 3)
	Total Budget Cuts	\$ 1,199,528.00	16.50	\$ 966,464.00	11.50	2,165,992.00	28.00	

## **Class Sizes**

Class sizes for kindergarten through third grade are fixed by statute. This means that instructional staff reductions affect class sizes, programs and services in grades 4 through 12. The District cut its "specials" such as music, computers and physical education from all elementary schools a number of years ago and teachers have agreed to have their prep-period outside the instructional day to compensate. This practice breaks from a long-standing and revered, collective bargaining position.

Smaller class sizes have historically been an attractive feature for employee recruitment. However, with the decrease in wages, increase in health insurance costs and increased class sizes this advantage has diminished. The increase in class sizes and unstable budget make it difficult to retain staff. In FY2016, the District had more unfilled positions than any time in the prior 20 years. It is possible that the comparison goes back further but the District only reviewed information dating back to FY1996. The District spends significant grant funds on professional development (PD). When staff leaves the District, the benefit derived from the funds spent to develop and train staff leaves with the employee. Because most of the professional development is grant funded, there is no guarantee that the PD can be sustained and there is no guarantee that we will be able to provide the same training. This also puts the District in a position to continually seek PD funds to train and develop new employees.

## **Hold Harmless Provision**

In order to protect school districts and charter schools during times of declining enrollment, the Nevada Plan contained a hold-harmless provision (NRS 387.1233). Prior to FY 2016, if a school district or charter school enrollment was less than the prior year's enrollment, funding from the DSA was apportioned based on count-day enrollment from the immediately preceding school year. In cases of significant enrollment decrease (when school district or charter school enrollment is less than or equal to 95 percent of the prior year's enrollment), the highest enrollment number from the immediately preceding two school years was used for purposes of apportioning funding from the DSA. This allowed school districts time to adjust their work force, curriculum, student schedules, teaching assignments, etc. over one or two years instead of making such a sharp transition over the few months of summer. This helped stabilize educational programs and services for students to avoid gaps in educational services from year to year.

This hold harmless provision was changed without notification to, or collaboration with, school districts. Funding changed from a fixed student count and guaranteed amount to a fluctuating enrollment and uncertain dollar amount. Section 9 of Senate Bill 508 removed "the count day" method and instead requires school districts to report and receive funding on their "average daily enrollment," reported on a quarterly basis. This bill revises the hold harmless provision so that if the enrollment of pupils in a school district or charter school based upon the average daily enrollment during the quarter is less than or equal to 95 percent of the enrollment of pupils in the same school district or charter school during the same quarter of the immediately preceding school year, the enrollment of pupils during the quarter in the immediately preceding school year must be used for purposes of apportioning money to the school district or charter school. This works well when school districts or charter schools experience increasing enrollment; however, it can be problematic when districts lose students. Changes in revenue in the final quarter of a school year may prove difficult to adapt to especially given that wages and benefits represent approximately 80% to 85% of a district's budget. Districts will now be required to

react to quarterly changes in enrollment and will no longer be able to phase in financial changes caused by fluctuating enrollment as in the past.

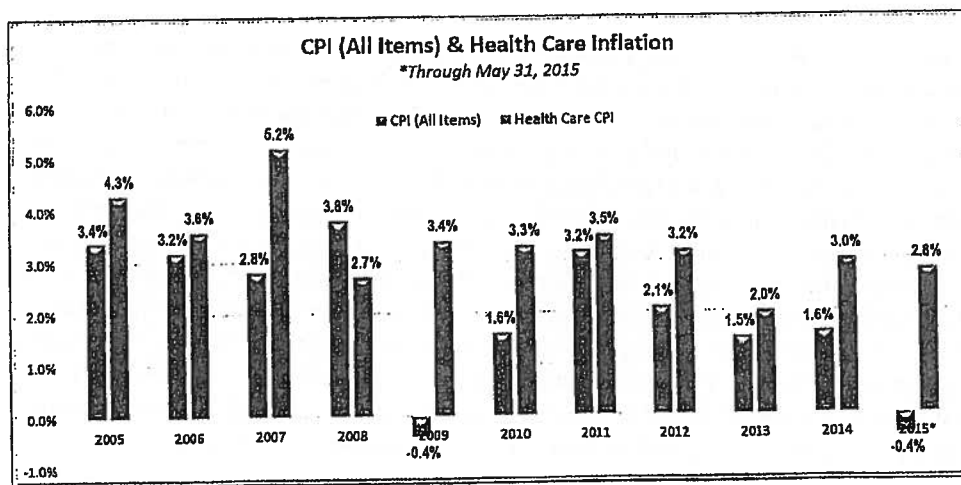
Although the per-pupil guarantee increased, the District lost approximately \$790,000 after the hold harmless changed. This represents a loss of approximately 6.5% of General Fund revenue and occurred after the district adopted and filed its final budget, developed its instructional plan and made staffing commitments for the upcoming school year. The District was forced to use its stabilization fund and remaining unrestricted fund balance in order to balance its budget. Unfortunately, this left little fund balance to stabilize the FY2017 budget.

Changes as significant as the hold harmless should take place in consultation with the entities affected and should require a fiscal note so legislators can understand the financial impact of their decisions. Also, changes of this magnitude should not be implemented until there has been adequate notice and time to adapt.

### Base Funding (a.k.a. per-pupil guarantee)

It is important to convey the significance of adequately funding the "base" or the per pupil allotment. In FY2017, the increase in White Pine's per pupil guarantee is expected to be \$49 per student (from \$7,799 to \$7,848). Based on student enrollment of 1,200 students, we can expect an increase of approximately \$58,800. This falls well short of funding a simple inflation index of 3%. Nevada uses a Consumer Pricing Index (CPI) that does not reflect the inflation factors that influence school district budgets. In addition, Nevada does not have its own CPI and must use an Index that represents a different region. This will skew calculations in a manner that will most likely not reflect Nevada and/or school district economic activity and can adversely affect funding. For example, most school districts realize wage and benefit increases equal to 2%+- for "roll-ups" and higher increase for health insurance.

The following chart from Forbes.com shows the percentage increase in overall inflation as measured by the consumer price index (all items) and health care inflation from 2005 through May 31, 2015. As you can see, health care inflation has outpaced the CPI in each year except 2008. Moreover, in 2007, 2009, 2010, 2014, and thus far in 2015, the difference is quite significant.





Because wages and benefits make-up 80% - 85% of a school district's budget, it seems using a generic CPI as a measure of inflation is a poor reflection of school district economics. For example, White Pine's health insurance will increase by 6% in YF2017. Based on roll-ups and health insurance increases, a 3% inflation factor seems quite reasonable. Three percent inflation on a \$12 million dollar budget is approximately \$360,000 which would require an increase of \$300 per student of approximately six times the \$49 per pupil increase included in the FY2017 tentative budget.

This nominal increase in base funding comes at a time when the Nevada Legislature increased categorical, or grant, funding by approximately \$1,000 per student. This was well intentioned; however, not practical in many rural areas and not available in some instances. It is impractical because programs and services funded through categorical funds have a life cycle of 2 years and have to be reauthorized by a subsequent legislative body in order to continue. This presents a difficult situation in many rural areas that have difficulty recruiting and retaining staff. If we can only make a guarantee of two years, it makes it even more difficult to recruit employees and have them move to rural areas. If the school district applies for and receives funding and then are unable to find employees, the school district may have to send money back to the state and risk criticism for not spending the funds. It is difficult for legislators to understand how a school district can ask for funding and then send money back.

If the categorical funding is not reauthorized, the only option for the employees in many rural areas is to pack up and move to another location. Even if the funding is reauthorized, it is only reauthorized for another two years so there would never be a long-term commitment for employment like there would be if the funding was included in our base funding (a.k.a. per pupil funding). In metropolitan areas such as Reno and Las Vegas, employees hired under a two year contract can find employment elsewhere in the school district or with other employers in the same area if funding is not reauthorized. In addition, none of the programs and services funded through these categorical funds can become long-term, sustainable programs if they are at risk of expiring every two years. It is simply impossible to make long-term planning and commitment on short-term funding.

It is also impractical to heap so many new grant funded programs on smaller rural administrative offices that have limited human resources to apply for and manage additional grant funded programs. For each grant, regardless of the size, there is a certain amount of paperwork, authorizations, budgets, reports and audits that must be performed. This creates additional administrative burden without financial assistance or additional staff to assist with the increased workload.

In addition to being impractical, some of the funding simply is not available because not all schools or districts qualify for all of the categories of funding. In Nevada, one size does not fit all. For example, approximately \$70 million was appropriated for Charter Harbor Master, Victory and GATE programs that White Pine will not be able to apply for. There are approximately 418,000 students in Nevada so an appropriation of \$70 million represents approximately \$127 per student. This means that select schools will receive funding but not all schools will benefit. Despite their good intentions, categorical funds actually create inequitable funding.

### **Fund Raising Efforts (Rev. 06/15/16)**

In order to address the current budget situation, the District and community are also reviewing the revenue side of the equation. Because school districts have no ability to assess taxes, the White Pine

communities have band together to try and raise funds to keep athletics and other items that have been cut from the budget. Below are examples of these efforts:

**Surplus Sales:** Surplus property that is obsolete, damaged or no longer used by the District.

**Athletic Fees:** The District currently has a pay-to-play fee to help support the cost of athletics. These fees are used to support the travel and related costs associated with the District's athletic programs. These fees were increased

**Lab/Class Fees:** Lab fees will be used for vocational, science and other classes that require nontraditional, instructional material.

**Community Yard Sale:** The community will be hosting a fund raising event designed to benefit the school district and raise funds to assist with extra-curricular programs and services.

**White Pine Boosters/Alumni:** The White Pine County School District is the beneficiary of an active booster and alumni network. These organizations have escalated their efforts to raise funds to pay for athletic programs that have been eliminated from the FY2017 budget.

In addition to these efforts, the District's Chief Financial Officer has served on a number of state-wide legislative and agency panels designed to review and assess education funding and distribution formula. These efforts help communicate decisions involving legislative actions relative to rural school districts. The District will be actively engaged with its legislative representatives and the Nevada Department of Education to lobby for an increase to base funding.

## **Collective Bargaining**

The District is fortunate to have a mutually-beneficial, collaborative relationship with its collective bargaining organizations or unions. Over the years that the District has faced financial adversity, bargaining unions have compromised their health insurance coverage and reduced their pay. The health insurance compromise shifted financial burden from the District to the employee's personal budgets and checkbooks. Deductibles and co-payments have been increased, coverage limits have diminished and health insurance carriers changed all in the efforts to mitigate the impact of adverse financial conditions. In addition, the unions have also agreed to wage *decreases*.

In addition to compromises to health insurance and wages, the District has laid off 17% of its workforce as mentioned previously. This means that in addition to compromising wages and benefits, the employees that have survived budget cuts have had to shoulder more responsibilities for less compensation.

## **Local Economy (added 6/28/16)**

The natural resources and mining industries account for approximately 29% of the labor force in White Pine which is similar to the prior year. This is in sharp contrast to a decade ago when the same industry accounted for 6% of the work force. During fiscal year (FY) 1998, the largest local mining operation, a

copper mine, reduced its workforce and subsequently closed. From FY1999 through FY2004, mineral prices fell and the mining industry reduced employment to a minimum which caused a significant recession. In FY2005, the industry rebounded demonstrating the classic mining boom and bust cycles inherent in many rural Nevada mining communities.

The government sector has remained a significant and stable influence on White Pine's job market. In calendar year (CY) 2013, the government segment reflected 1,400 jobs and approximately 33.5% of employment. In CY2000, when mining faltered, government reported 1,320 jobs or approximately 42% of total employment. The table below illustrates employment by industry segment.

The mining industry has remained relatively stable but sluggish mineral prices threaten the long-term viability of mining operations. Midway Gold opened its Pan Mining operation in FY2015 but filed a voluntary petition for relief under Chapter 11 of the bankruptcy code to implement restructuring in June of 2015. In May 2016, Midway announced that it closed the sale of subsidiary assets to GRP Minerals, LLC. GRP acquired the assets by submitting a Stalking Horse Bid and the Company did not receive any competitive bids that qualified as higher and better than GRP's binding offer (<http://www.midwaygold.com/resources/news/2016.05.13.pdf>).

The assets that were subject to the arrangement include the following projects :

- Pan Project
- Gold Rock Project
- Pinyon Project
- Golden Eagle Project

The Pan and Gold Rock Projects are located in White Pine County. The mine is expected to continue operations within the next 12 months.

Solitario Exploration & Royalty Corp. (NYSE MKT:XPL; TSX:SLR) ("Solitario") and Ely Gold & Minerals Inc. (TSX.V:ELY) announced that they have entered into a definitive agreement to sell their combined interests in the Mt. Hamilton gold project to Waterton Nevada Splitter, LLC, a wholly-owned subsidiary of Waterton Precious Metals Fund II Cayman, LP, for total cash proceeds of US\$30 million. This sale is expected to provide sufficient capital for Ely Gold to focus on advancing their 100% owned Green Springs project, located just seven miles south of Mt. Hamilton. Green Springs is fully permitted for exploration and we expect to begin a drill program late this summer.

In August 2015, Viscount Mining Corp. (TSX-V: VML) (OTCQB: VLMGF) provided an update on the recently completed Phase 2 soil sampling program (463 samples) as well as on the geologic mapping and rock chip sampling programs on its Cherry Creek Property which is currently being explored by Summit Mining Exploration II Inc., a wholly-owned US subsidiary of Sumitomo Corporation. Cherry Creek is located within White Pine County approximately 30 miles north of Ely, Nevada. Viscount Mining is an exploration company with a portfolio of gold and silver properties in the Western United States, including Cherry Creek in Nevada and Silver Cliff in Colorado. Cherry Creek is comprised of more than 9,000 acres, all 100% owned, and includes more than 20 past producing mines (<http://www.viscountmining.com/news.html>).

The potential for economic growth in the next few years is promising. Expansion of mining and renewable energy has the potential to positively influence the local economy. However, because White Pine's economy is predominantly based on mining which has proven to be a transient industry, it is

important for the school district to build sufficient reserves during the periods of economic growth to hedge for future economic declines.

## **Budget Analysis and Financial Management (added 06/15/16)**

Although the District has been faced with its share of financial challenges, it has acted responsibly and made the budget cuts necessary to balance its budget and spend within its financial means. The District's Chief Financial Officer performs a budget analysis on a monthly basis and financial reports are provided to the Board of Trustees at every public meeting in order to keep Board and community informed. The annual budget is changed as necessary during the year to reflect anticipated changes in economic factors and budget assumptions. The CFO, district administration and governing board have successfully navigated the financial ups and downs that are an integral part of a predominant mining economy. Since 1997, the District has experienced a number of significant economic ups and downs and has managed its finances without realizing a deficit fund balance nor incurring any liquidity of cash management problems.

Financial information involving budget discussions and other financial information are available in addition to the annual financial reports. A forty-one (41) member, community-wide budget committee was implemented in FY2016 to review the District's finances so the District can be as transparent as possible with its financial information and the community can collectively be involved with and solve the District's budget issues. This process culminated in the budget cuts identified on Page 9.

The District prepares its annual budget within the dates and information provided through Nevada Revised Statutes

- 2/15 Department of Taxation issues preliminary revenue projections
- 3/15 Dept. of Taxation provides final revenue projections
- 3/25 Dept. of Taxation provides final abated revenue projections for property taxes
- 4/15 **File Tentative Budget (NRS 354.596)**
- 4/25 Final estimate of net proceeds of minerals provided to Dept. of Education
- 5/1 **District's must notify teachers of employment (NRS 391.3196)**
- 5/18 **Mandatory Tentative Budget Public Hearing (3rd Wednesday in May) (NRS 354.596)**
- 5/31 **Department of Education notifies school district of per pupil basic support based on updated revenue from Taxation.**
- 6/2 End of regular Legislative Session (During legislative years)
- 6/8 **Adopt Final Budget (NRS 354.598)**
- 10/31 Audit Report is Final – prior year fund balances are official (NRS 354.624(2))
- 1/1 **School districts are required to amend their "final budget" on or before 1/1 (NRS 354.598005(9))**

The District holds a number of public budget sessions that begin as early as February and continue up to June in order to prepare the final budget that must be adopted on or before June 8<sup>th</sup>. Budgets are submitted to the Nevada Department of Education and Taxation for third party review. The Nevada Department of Taxation thoroughly reviews local government budgets for compliance with statutes and fiscal integrity.

Debt rates that are used to secure voter approved principal and interest are guaranteed through Nevada Revised Statutes so individuals and entities are insulated from harm if ad valorem values decrease. If ad valorem values decrease, the District must raise its debt rate to raise revenue sufficient to cover annual payments related to voter approved debt.

In the unlikely event that the District fell under the conditions of NRS 354.685 (Severe Financial Emergency), the Nevada Department of Taxation (NDT) would take over management of the District. If the Executive Director of NDT determines that available revenue is not sufficient to provide for the payment of required debt, the Director can recommend additional taxes that the Nevada Tax Commission can assess in order to satisfy bond requirements. In addition, the bonds are also guaranteed by the State of Nevada Permanent Fund. These measures insulate bondholders from any financial harm despite the economic position of the local governments operating fund.

# FY2016 Unaudited Financial Statements

**WHITE PINE COUNTY SCHOOL DISTRICT  
GENERAL FUND  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Year Ended June 30, 2016  
(With Comparative Totals for June 30, 2015)**

Revenues	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)	Actual 2015
	Original	Final			
<b>Local sources</b>					
<b>Taxes</b>					
Ad valorem	\$ 2,307,406	\$ 2,305,453	\$ 2,305,455	\$ 2	\$ 2,112,384
School support	2,988,766	2,392,686	2,627,101	234,415	2,827,881
Motor vehicle privilege tax	564,344	643,992	643,992	-	584,284
Total taxes	<u>5,860,516</u>	<u>\$5,342,131</u>	<u>5,576,548</u>	<u>234,417</u>	<u>5,524,549</u>
<b>Tuition</b>					
From other districts	23,000	54,593	54,593	-	51,632
Adult/continuing education	-	270	270	-	585
Total tuition	<u>23,000</u>	<u>54,863</u>	<u>54,863</u>		<u>52,217</u>
<b>Other revenue</b>					
Interest earnings	2,200	2,200	16,533	14,333	2,095
Miscellaneous	75,000	108,704	187,083	78,379	251,285
Total other revenue	<u>77,200</u>	<u>\$110,904</u>	<u>203,616</u>	<u>92,712</u>	<u>253,380</u>
Total from local sources	<u>5,960,716</u>	<u>\$5,507,898</u>	<u>5,835,027</u>	<u>327,129</u>	<u>5,830,146</u>
<b>State sources</b>					
Distributive school fund	5,616,172	5,735,727	5,676,104	(59,623)	6,433,425
Total from state sources	<u>5,616,172</u>	<u>5,735,727</u>	<u>5,676,104</u>	<u>(59,623)</u>	<u>6,433,425</u>
<b>Federal sources</b>					
E-rate reimbursements	-	16,027	94,715	78,688	52,358
National Forest Reserve	207,149	229,929	229,930	1	229,853
Total from federal sources	<u>207,149</u>	<u>245,956</u>	<u>324,645</u>	<u>78,689</u>	<u>282,211</u>
<b>Total revenues</b>	<u>11,784,037</u>	<u>\$11,489,581</u>	<u>11,835,776</u>	<u>346,195</u>	<u>12,545,782</u>

(continued)

**WHITE PINE COUNTY SCHOOL DISTRICT**  
**GENERAL FUND**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Year Ended June 30, 2016 (continued)**  
**(With Comparative Totals for June 30, 2015)**

Expenditures	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)	Actual 2015
	Original	Final			
<b>Instructional Expenditures</b>					
<b>Regular programs</b>					
Instruction					
Salaries and wages	\$ 2,402,385	\$ 2,507,933	\$ 2,491,350	\$ 16,583	\$ 2,775,782
Employee benefits	1,140,051	1,222,290	1,218,669	3,621	1,226,245
Purchased services	279,563	250,837	250,862	(25)	250,868
Supplies	132,990	119,396	119,972	(576)	121,369
Other	135	-	-	-	798
Total regular programs	3,955,124	4,100,456	4,080,853	19,603	4,375,062
<b>Vocational programs</b>					
Instruction					
Salaries and wages	181,526	284,160	281,742	2,418	221,255
Employee benefits	83,874	134,687	136,166	(1,479)	102,517
Purchased services	-	-	-	-	123
Supplies	19,749	10,239	10,238	1	14,331
Total vocational programs	285,149	429,086	428,146	940	338,226
<b>Other instructional programs</b>					
Instruction					
Salaries and wages	95,868	201,506	196,960	4,546	243,951
Employee benefits	9,654	10,627	10,816	(189)	15,816
Purchased services	49,381	42,191	41,895	296	70,433
Supplies	9,068	5,790	2,797	2,993	13,187
Property and equipment	3,173	-	-	-	-
Other	3,020	2,050	1,900	150	1,945
Total instruction	170,164	262,164	254,368	7,796	345,332
Transportation					
Salaries and wages	29,073	42,359	40,384	1,975	46,876
Employee benefits	3,058	3,462	2,920	542	3,388
Purchased services	9,745	9,850	8,867	983	14,727
Total transportation	41,876	55,671	52,171	3,500	64,991
Total other instructional programs	212,040	317,835	306,539	11,296	410,323
Total instructional expenditures	4,452,313	4,847,377	4,815,538	31,839	5,123,611

(continued)



**WHITE PINE COUNTY SCHOOL DISTRICT**  
**GENERAL FUND**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Year Ended June 30, 2016 (continued)**  
**(With Comparative Totals for June 30, 2015)**

Expenditures (Continued):	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)	Actual 2015
	Original	Final			
<b>Support Service Expenditures</b>					
<b>Student support services</b>					
Salaries and wages	\$ 108,643	\$ 90,992	\$ 90,988	\$ 4	\$ 115,983
Employee benefits	67,924	41,202	41,193	9	51,869
Purchased services	542	179	179	-	5,564
Supplies	3,856	412	411	1	3,775
Total student support	<u>180,965</u>	<u>132,785</u>	<u>132,771</u>	<u>14</u>	<u>177,191</u>
<b>Instructional support services</b>					
Salaries and wages	-	8,458	8,456	2	49,084
Employee benefits	-	491	487	4	21,854
Purchased services	15,132	3,924	3,918	6	24,037
Supplies	5,798	59	58	1	24,204
Total instructional support	<u>20,930</u>	<u>12,932</u>	<u>12,919</u>	<u>13</u>	<u>119,179</u>
<b>General administration support</b>					
Salaries and wages	172,305	164,006	161,504	2,502	185,101
Employee benefits	126,258	136,690	136,685	5	122,349
Purchased services	109,645	116,088	115,470	618	99,514
Supplies	10,198	2,762	2,906	(144)	9,834
Other	18,000	16,702	16,702	-	18,240
Total general administration support	<u>436,406</u>	<u>436,248</u>	<u>433,267</u>	<u>2,981</u>	<u>435,038</u>
<b>School administration support</b>					
Salaries and wages	858,119	847,160	847,149	11	974,048
Employee benefits	396,522	377,000	376,981	19	386,598
Purchased services	49,488	37,123	37,100	23	71,408
Supplies	7,115	2,990	2,988	2	6,157
Other	4,630	2,430	2,430	-	3,880
Total school administration support	<u>1,315,874</u>	<u>1,266,703</u>	<u>1,266,648</u>	<u>55</u>	<u>1,442,091</u>

(continued)

**WHITE PINE COUNTY SCHOOL DISTRICT**  
**GENERAL FUND**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Year Ended June 30, 2016 (continued)**  
**(With Comparative Totals for June 30, 2015)**

Expenditures (Continued):	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)	Actual 2015
	Original	Final			
<b>Central services</b>					
Salaries and wages	\$ 340,028	\$ 336,813	\$ 333,777	\$ 3,036	\$ 358,471
Employee benefits	151,859	156,464	156,456	8	158,592
Purchased services	298,992	368,526	364,526	4,000	311,338
Supplies	12,682	8,184	8,184	-	11,368
Property and equipment	-	300	150	150	-
Other	1,055	2,772	2,772	-	1,464
<b>Total central services</b>	<b>804,616</b>	<b>873,059</b>	<b>865,865</b>	<b>7,194</b>	<b>841,233</b>
<b>Operation/maintenance</b>					
Salaries and wages	\$ 430,403	\$ 354,790	\$ 354,786	\$ 4	\$ 442,789
Employee benefits	208,821	170,443	170,430	13	218,486
Purchased services	611,719	720,935	720,793	142	686,205
Supplies	670,732	500,360	495,895	4,465	601,420
Property and equipment	-	5,900	5,900	-	-
Other	1,825	501	351	150	2,325
<b>Total operation and maintenance</b>	<b>1,923,500</b>	<b>1,752,929</b>	<b>1,748,155</b>	<b>4,774</b>	<b>1,951,225</b>
<b>Student transportation services</b>					
Salaries and wages	473,007	498,468	498,462	6	475,135
Employee benefits	243,080	283,208	283,199	9	238,902
Purchased services	130,895	135,172	135,162	10	132,253
Supplies	306,056	282,797	282,794	3	326,693
Property and equipment	14,333	20,000	20,000	-	14,333
Other	950	2,492	2,490	2	1,949
<b>Total student transportation services</b>	<b>1,168,321</b>	<b>1,222,137</b>	<b>1,222,107</b>	<b>30</b>	<b>1,189,265</b>
<b>Other support</b>					
Salaries and wages	-	154	154	-	10,415
Employee benefits	74,886	187,245	187,243	2	189,268
Purchased services	-	416	413	3	-
Supplies	-	-	-	-	993
<b>Total other support</b>	<b>74,886</b>	<b>187,815</b>	<b>187,810</b>	<b>5</b>	<b>200,676</b>
<b>Total support service expenditures</b>	<b>5,925,498</b>	<b>5,884,608</b>	<b>5,869,542</b>	<b>15,066</b>	<b>6,355,898</b>
<b>Total expenditures</b>	<b>10,377,811</b>	<b>10,731,985</b>	<b>10,685,080</b>	<b>46,905</b>	<b>11,479,509</b>
<b>Excess of revenues over/(under) expenditures</b>	<b>1,406,226</b>	<b>\$757,596</b>	<b>1,150,696</b>	<b>393,100</b>	<b>1,066,273</b>

(continued)

**WHITE PINE COUNTY SCHOOL DISTRICT  
GENERAL FUND  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Year Ended June 30, 2016 (continued)  
(With Comparative Totals for June 30, 2015)**

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)	Actual 2015
	Original	Final			
<b>Other sources (uses)</b>					
Transfers in	\$ -	\$ -	\$ 7,005	\$ 7,005	\$ -
Transfers out	(1,873,116)	(1,797,526)	(1,600,044)	197,482	(1,635,288)
Total other financing sources (uses):	(1,873,116)	(1,797,526)	(1,593,039)	204,487	(1,635,288)
<b>Net change in fund balance</b>	(466,890)	(1,039,930)	(442,343)	597,587	(569,015)
Fund balance, beginning of year	1,130,336	1,130,336	1,130,336	-	1,699,351
Fund balance, end of year	\$ 663,446	\$ 90,406	\$ 687,993	\$ 597,587	\$ 1,130,336

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**WHITE PINE COUNTY SCHOOL DISTRICT  
SPECIAL EDUCATION  
Special Revenue Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2016  
(With Comparative Totals for June 30, 2015)**

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)	Actual 2015
	Original	Final			
<b>Revenues</b>					
State sources	\$ 641,175	\$ 681,821	\$ 727,275	\$ 45,454	\$ 678,967
Federal sources	9,100	9,100	11,232	2,132	10,235
Total revenues	650,275	690,921	738,507	47,586	689,202
<b>Expenditures</b>					
<b>Special programs</b>					
Salaries and wages	893,094	924,387	906,873	17,514	831,294
Employee benefits	416,056	430,405	423,726	6,679	362,848
Supplies	-	-	148	(148)	98
Other	-	-	-	-	75
Total special programs	1,309,150	1,354,792	1,330,747	24,045	1,194,315
<b>Support services - student support</b>					
Salaries and wages	190,718	191,292	191,292	-	234,291
Employee benefits	87,886	88,186	88,184	2	103,395
Purchased services	120,420	82,597	-	82,597	17,089
Total student support	399,024	362,075	279,476	82,599	354,775
<b>Support services - instructional support</b>					
Salaries and wages	-	-	-	-	1,350
Employee benefits	-	-	-	-	97
Total instructional support	-	-	-	-	1,447
<b>Support services - general administration</b>					
Salaries and wages	87,210	85,194	82,642	2,552	84,667
Employee benefits	45,757	45,757	39,677	6,080	34,170
Purchased services	7,875	7,799	798	7,001	7,985
Total general administration	140,842	138,750	123,117	15,633	126,822
Total expenditures	1,849,016	1,855,617	1,733,340	122,277	1,677,359
Excess of revenues over/(under) expenditures	(1,198,741)	(1,164,696)	(994,833)	169,863	(988,157)
<b>Other financing sources (uses)</b>					
Transfers in	1,198,741	1,164,696	994,833	(169,863)	988,157
Total other financing sources (uses)	1,198,741	1,164,696	994,833	(169,863)	988,157
Net change in fund balance	-	-	-	-	-
Fund balance, beginning of year	-	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -	\$ -

**WHITE PINE COUNTY SCHOOL DISTRICT**  
**STATE SPECIAL REVENUE FUND**  
**Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**For the Year Ended June 30, 2016**  
**(With Comparative Totals for June 30, 2015)**

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)	Actual 2015
	Original	Final			
<b>Revenues</b>					
State sources	\$ 592,608	\$ 1,205,274	\$ 1,029,719	\$ (175,555)	\$ 712,302
Total revenues	<u>592,608</u>	<u>1,205,274</u>	<u>1,029,719</u>	<u>(175,555)</u>	<u>712,302</u>
<b>Expenditures</b>					
Regular programs	67,555	329,446	297,483	31,963	63,870
Special programs	134,794	97,794	97,793	1	110,108
Vocational programs	65,362	27,521	20,826	6,695	49,863
Other instructional programs	4,583	20,653	15,862	4,791	2,859
Support services					
Student support	181,083	203,764	175,860	27,904	152,307
Instructional support	178,396	438,247	343,033	95,214	343,776
General administration	30,613	24,912	23,720	1,192	24,287
School administration	-	19,635	13,670	5,965	805
Student transportation	-	6,000	5,301	699	-
Building improvements	-	74,982	74,982	-	-
Total expenditures	<u>662,386</u>	<u>1,242,954</u>	<u>1,068,530</u>	<u>174,424</u>	<u>747,875</u>
Excess of revenues over (under) expenditures	<u>(69,778)</u>	<u>(37,680)</u>	<u>(38,811)</u>	<u>(1,131)</u>	<u>(35,573)</u>
Other financing sources (uses):					
Transfers in (out)	69,778	37,584	38,782	1,198	35,602
Total other financing sources (uses)	<u>69,778</u>	<u>37,584</u>	<u>38,782</u>	<u>1,198</u>	<u>35,602</u>
Net change in fund balances	-	(96)	(29)	67	29
Fund balances - beginning	11,136	11,136	11,136	-	11,107
Fund balances - ending	<u>\$ 11,136</u>	<u>\$ 11,040</u>	<u>\$ 11,107</u>	<u>\$ 67</u>	<u>\$ 11,136</u>

