

# Financial Section



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## Independent Auditor's Report

The Board of Trustees of the  
Clark County School District  
Clark County, Nevada

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Clark County School District (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2021, and the respective changes in financial position and, where, applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Special Education Fund, and Federal Projects Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Note 1 to the financial statements, the District has adopted the provisions of GASB Statement No. 87, *Leases*. This adoption did not lead to a restatement of net position as of July 1, 2020. Our opinions are not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 18 as well as the schedule of District contributions, the schedule of the District's proportionate share of the net pension liability, and the schedules of changes in the District's total OPEB liability and related ratios on pages 94 through 99 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 introductory section, combining and individual nonmajor fund financial statements, capital asset schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulation (CFR) Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is also not a required part of the financial statements.

The combining and individual fund statements and schedules, capital asset schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules, capital asset schedules, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated October 15, 2021 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, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Las Vegas, Nevada  
October 15, 2021

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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The Management's Discussion and Analysis (MD&A) offers readers a narrative overview and analysis of the Clark County School District's (District) financial statements for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal, which precedes this report, and the financial statements, which immediately follow this report.

**FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2021**

Following is an analysis of facts, descriptions and/or conditions of the District, in fiscal year 2021, that had a material effect on its financial position and/or operating results.

**Government-wide Financial Statements**

- The overall financial position of the District, as shown on the government-wide statement of net position, increased \$186 million during fiscal year 2021, from a negative \$56.8 million to a positive \$129 million. The positive net position was driven by an increase in accounts receivable of \$201 million primarily in the Federal Fund due to additional funding for Elementary and Secondary School Emergency Relief Fund (ESSER) as part of the CARES Act. This award was intended to address the impact that the Coronavirus Disease (COVID-19) has had on schools nationwide.
- Total revenues increased \$25.4 million from \$3.748 billion in fiscal year 2020 to \$3.773 billion in fiscal year 2021, a 0.68% increase. Property tax, sales tax and operating grants increased from fiscal year 2020 in the amount of \$71,348,039, \$56,510,042 and \$105,390,037, respectively, due to an increase in home prices, taxable sales in Clark County, and federal funds related to COVID-19. A decrease in state aid through the Distributive School Account (DSA), student revenue in the Student Activity Fund, unrestricted investment earnings, and room tax reduced the overall increase to property tax, sales tax, and operating grants.
- Total expenses increased 1.55% from \$3.532 billion in fiscal year 2020, to \$3.587 billion in fiscal year 2021. This is attributed to the increase in federal spending as the result of additional funds related to COVID-19. These funds were used to pay teacher salaries for Summer Acceleration that supported students' learning, social and emotional wellbeing programs, purchase of software, chromebooks, and textbooks.

**Fund Financial Statements**

- The combined ending governmental fund balances decreased to \$1.393 billion in fiscal year 2021 from \$1.396 billion in fiscal year 2020, a 0.20% decrease.
- As the local economy continues to see the effects of COVID-19, the combined revenues in the governmental funds recorded a \$77 million increase from the previous year predominantly in the Federal Fund due to increased funding related to COVID-19. This increase was offset by a decrease in state funding with the passing of Assembly Bill 3 (AB3) during the 31<sup>st</sup> (2020) Special Session of the Legislature that resulted in budget cuts to the Nevada Education funding plan and Read by Grade 3 program. In addition, there was a decrease in funds raised for extra co-curricular activities in the Student Activity Fund due to having transitioned to the distance-learning model.
- One of the largest sources of revenue in the General Fund and the Special Education Fund is the DSA. Revenues received from property tax and sales tax are deducted from the state guarantee, which determines the amount of state aid the District will receive. DSA revenues generally offset the effect of property tax and sales tax.

**General Operating Fund Balance**

- Ending fund balance in the General Fund increased from approximately \$291 million in fiscal year 2020 to approximately \$377 million in fiscal year 2021, a 29.51% increase. Included in the ending fund balance is \$191 million, which is restricted in the General Fund due to Nevada Revised Statutes 388G (NRS 388G). This state statute requires schools to carry over unspent funds into the next year. Total general operating revenues increased by approximately \$12 million due to an increase of sales and property taxes.



**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

- The District fully funded the unassigned (spendable) portion of fund balance to 2.25% of general operating revenue in fiscal year 2021. This is the highest it has been in over ten years. Unassigned fund balance is reported at \$55.2 million in fiscal year 2021.
- The District was able to assign funding in its General Fund for categorical indirect costs, instructional supply appropriations, potential litigation, a NV Energy incentive, and potential shortfall for the next fiscal year.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The District's basic financial statements are comprised of government-wide financial statements, fund financial statements, and notes to the financial statements. Following is a brief discussion of the structure of the basic financial statements.

#### Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with an assessment of the overall financial position and activities of the District as a whole. These statements are structured around the primary government and are further divided into governmental activities and business-type activities. Governmental activities are those generally financed through taxes and intergovernmental revenues, while business-type activities are those financed to some degree by charging external parties for goods received.

*Statement of net position* - combines and consolidates all of the District's current financial resources (short-term spendable resources) with capital assets, deferred outflows of resources, long-term obligations, and deferred inflows of resources, using the accrual basis of accounting. The result is net position that is segregated into three components: net investment in capital assets; restricted and unrestricted net position.

*Statement of activities* - presents information showing how the District's net position changed during fiscal year 2021. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, there are some revenues and expenses reported in this statement that will result in cash flows in future fiscal periods. All expenses are reported by related function as prescribed by the Nevada Department of Education *Nevada Common Elements for Accounting and Reporting K-12 Educational Finances* manual.

#### Fund Financial Statements

The District uses fund financial statements to provide detailed information about its most significant funds. All of the funds of the District can be divided into two categories:

*Governmental Funds* – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements described above. However, unlike the government-wide financial statements, governmental fund financial statements use the modified accrual basis of accounting, which focuses on near-term inflows and outflows of spendable resources and balances of spendable resources available at the end of the fiscal year. To provide a better understanding of the relationship between the fund statements and government-wide statements, a reconciliation is provided for a more comprehensive picture of the District's financial position.

*Proprietary Funds* – Funds that focus on the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows are reported in the proprietary funds. The District reports two types, enterprise funds and internal service funds. Enterprise funds are used to report an activity where a fee is charged to external users. The District's sole enterprise fund, the Food Service Enterprise Fund, is used to account for food service operations within the District. Internal service funds report activities that provide goods and services to the other departments of the District. The District reports two internal service funds, the Insurance and Risk Management Fund, and the Graphic Arts Production Fund.

#### Notes to the Financial Statements

The notes to the financial statements complement the financial statements by describing qualifying factors and changes throughout the fiscal year.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, the government-wide statements are structured to report financial information on the District as a whole. Condensed financial information with comparative amounts from the prior year is presented along with accompanying analysis.

**Clark County School District's Net Position:**

|                                  | Governmental activities |                         | Business-type activities |                      | Total                 |                        |
|----------------------------------|-------------------------|-------------------------|--------------------------|----------------------|-----------------------|------------------------|
|                                  | 2021                    | 2020                    | 2021                     | 2020                 | 2021                  | 2020                   |
| Current assets                   | \$ 2,001,338,370        | \$ 1,941,343,381        | \$ 114,547,581           | \$ 117,046,931       | \$ 2,115,885,951      | \$ 2,058,390,312       |
| Capital assets, net              | 5,126,825,913           | 4,953,227,386           | 17,665,491               | 18,530,795           | 5,144,491,404         | 4,971,758,181          |
| Total assets                     | <u>7,128,164,283</u>    | <u>6,894,570,767</u>    | <u>132,213,072</u>       | <u>135,577,726</u>   | <u>7,260,377,355</u>  | <u>7,030,148,493</u>   |
| Deferred outflows of resources   | <u>536,162,078</u>      | <u>567,243,105</u>      | <u>7,270,649</u>         | <u>7,356,226</u>     | <u>543,432,727</u>    | <u>574,599,331</u>     |
| Current liabilities              | 814,045,118             | 776,167,617             | 5,229,894                | 4,534,380            | 819,275,012           | 780,701,997            |
| Long-term liabilities            | 6,528,533,747           | 6,451,176,488           | 49,877,894               | 46,491,469           | 6,578,411,641         | 6,497,667,957          |
| Total liabilities                | <u>7,342,578,865</u>    | <u>7,227,344,105</u>    | <u>55,107,788</u>        | <u>51,025,849</u>    | <u>7,397,686,653</u>  | <u>7,278,369,954</u>   |
| Deferred inflows of resources    | <u>272,720,717</u>      | <u>378,011,626</u>      | <u>3,986,804</u>         | <u>5,180,579</u>     | <u>276,707,521</u>    | <u>383,192,205</u>     |
| Net position:                    |                         |                         |                          |                      |                       |                        |
| Net investment in capital assets | 2,288,820,345           | 2,206,276,498           | 17,665,491               | 18,530,795           | 2,306,485,836         | 2,224,807,293          |
| Restricted                       | 897,053,277             | 796,647,079             | -                        | -                    | 897,053,277           | 796,647,079            |
| Unrestricted                     | (3,136,846,843)         | (3,146,465,436)         | 62,723,638               | 68,196,729           | (3,074,123,205)       | (3,078,268,707)        |
| Total net position               | <u>\$ 49,026,779</u>    | <u>\$ (143,541,859)</u> | <u>\$ 80,389,129</u>     | <u>\$ 86,727,524</u> | <u>\$ 129,415,908</u> | <u>\$ (56,814,335)</u> |

The District's assets and deferred outflows of resources were more than liabilities and deferred inflows of resources by \$129,415,908 at the close of the current fiscal year. Total net position increased by \$186,230,243 or 327.79%.

Governmental Activities

The District's total net position in governmental activities is \$49,026,779, which includes a negative unrestricted net position of \$3,136,846,843. Included in this figure is the impact of recording the net pension liability and the total OPEB liability. The portion the District pays to PERS is for required contributions, but pursuant to statute, there is no obligation on the part of the employer to pay for their proportionate share of the unfunded liability. Portions of total net position are subject to external restrictions on how the resources may be utilized. In the current fiscal year, restricted assets include assets for servicing long-term general obligation bonded debt in the amount of \$614,385,056; assets related to bond proceeds and other revenues to be used in the District's capital projects programs in the amount of \$36,293,335; school carryover (supplies) in the amount of \$93,402,517; school carryover (net vacancy) in the amount of \$84,554,693; activities for student groups in the amount of \$30,200,045; a certificate of deposit with the State of Nevada for the District's workers' compensation self-insurance program in the amount of \$10,245,000; school technology appropriations in the amount of \$7,665,997; school based project carryover in the amount of \$7,197,631; school bus appropriations in the amount of \$4,444,302; net position restricted for other purposes totaling \$8,664,701, which includes, a total of \$3,744,907 in school carryover (service level agreements), \$2,307,618 in term endowments made over time to Vegas PBS, \$2,108,263 in school carryover (supplies) for GATE proceeds, and donations of \$503,913.

Business-type Activities

Business-type activities consist solely of the District's Food Service Enterprise Fund. In the current fiscal year, this activity decreased net position by 7.31% to \$80,389,129, in large part due to a decrease in federal subsidies and daily food sales caused by transitioning to the distance-learning model and free lunch distribution as a result of COVID-19. This resulted in a corresponding decrease in food costs, and payroll expenses. Expenses exceeded revenues by \$6,338,395. Food Service is reporting approximately \$63 million in unrestricted net position.



**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**Clark County School District's Statement of Activities:**

|  | Governmental activities |                  | Business-type activities |               | Totals         |                 |
|--|-------------------------|------------------|--------------------------|---------------|----------------|-----------------|
|  | 2021                    | 2020             | 2021                     | 2020          | 2021           | 2020            |
| <b>Revenues</b>  |                         |                  |                          |               |                |                 |
| Program revenues:  |                         |                  |                          |               |                |                 |
| Charges for services   | \$ 14,200,542           | \$ 66,025,633    | \$ 149,283               | \$ 6,422,696  | \$ 14,349,825  | \$ 72,448,329   |
| Operating grants and contributions   | 817,786,468             | 673,039,117      | 85,768,569               | 125,125,883   | 903,555,037    | 798,165,000     |
| Capital grants and contributions   | 450,000                 | 1,644,531        | -                        | -             | 450,000        | 1,644,531       |
| Total program revenues   | 832,437,010             | 740,709,281      | 85,917,852               | 131,548,579   | 918,354,862    | 872,257,860     |
| General revenues:  |                         |                  |                          |               |                |                 |
| Property taxes   | 1,008,892,986           | 937,544,947      | -                        | -             | 1,008,892,986  | 937,544,947     |
| Local school support tax   | 1,032,896,029           | 976,385,987      | -                        | -             | 1,032,896,029  | 976,385,987     |
| Governmental services tax  | 116,190,374             | 99,166,458       | -                        | -             | 116,190,374    | 99,166,458      |
| Room tax   | 38,008,144              | 79,779,216       | -                        | -             | 38,008,144     | 79,779,216      |
| Real estate transfer tax   | 43,522,507              | 34,283,512       | -                        | -             | 43,522,507     | 34,283,512      |
| Franchise tax  | 2,715,272               | 758,397          | -                        | -             | 2,715,272      | 758,397         |
| Unrestricted federal aid   | 160,760                 | 122,324          | -                        | -             | 160,760        | 122,324         |
| Unrestricted state aid   | 601,781,849             | 697,067,316      | -                        | -             | 601,781,849    | 697,067,316     |
| Other local sources  | 10,319,781              | 7,963,313        | 24,427                   | 32,835        | 10,344,208     | 7,996,148       |
| Unrestricted investment earnings   | 393,963                 | 40,325,901       | (137,506)                | 2,050,285     | 256,457        | 42,376,186      |
| Total general revenues   | 2,854,881,665           | 2,873,397,371    | (113,079)                | 2,083,120     | 2,854,768,586  | 2,875,480,491   |
| Total revenues   | 3,687,318,675           | 3,614,106,652    | 85,804,773               | 133,631,699   | 3,773,123,448  | 3,747,738,351   |
| <b>Expenses</b>  |                         |                  |                          |               |                |                 |
| Instruction expenses   | 2,205,346,971           | 2,103,953,837    | -                        | -             | 2,205,346,971  | 2,103,953,837   |
| Support services:  |                         |                  |                          |               |                |                 |
| Student support  | 179,425,044             | 161,343,435      | -                        | -             | 179,425,044    | 161,343,435     |
| Instructional staff support  | 188,185,939             | 235,780,607      | -                        | -             | 188,185,939    | 235,780,607     |
| General administration   | 34,475,777              | 34,119,370       | -                        | -             | 34,475,777     | 34,119,370      |
| School administration  | 234,404,683             | 228,892,419      | -                        | -             | 234,404,683    | 228,892,419     |
| Central services   | 102,905,183             | 74,387,371       | -                        | -             | 102,905,183    | 74,387,371      |
| Operation and maintenance of plant services  | 280,323,232             | 287,646,056      | -                        | -             | 280,323,232    | 287,646,056     |
| Student transportation   | 136,382,555             | 148,194,031      | -                        | -             | 136,382,555    | 148,194,031     |
| Other support services   | 5,520,409               | 4,117,155        | -                        | -             | 5,520,409      | 4,117,155       |
| Community services   | 3,611,965               | 4,100,426        | -                        | -             | 3,611,965      | 4,100,426       |
| Facilities acquisition and construction services   | 13,245,167              | 20,150,078       | -                        | -             | 13,245,167     | 20,150,078      |
| Interdistrict payments   | 5,335,229               | 6,918,798        | -                        | -             | 5,335,229      | 6,918,798       |
| Interest on long-term debt   | 105,070,903             | 97,470,848       | -                        | -             | 105,070,903    | 97,470,848      |
| Food services  | -                       | -                | 92,792,154               | 125,218,600   | 92,792,154     | 125,218,600     |
| Total expenses   | 3,494,233,057           | 3,407,074,431    | 92,792,154               | 125,218,600   | 3,587,025,211  | 3,532,293,031   |
| Excess (deficiency) of revenues over (under) expenditures before term endowments and transfers | 193,085,618             | 207,032,221      | (6,987,381)              | 8,413,099     | 186,098,237    | 215,445,320     |
| Term endowment   | 132,006                 | 342,099          | -                        | -             | 132,006        | 342,099         |
| Transfers in / (out)   | (648,986)               | (296,346)        | 648,986                  | 296,346       | -              | -               |
| Change in net position   | 192,568,638             | 207,077,974      | (6,338,395)              | 8,709,445     | 186,230,243    | 215,787,419     |
| Net position - beginning   | (143,541,859)           | (350,619,833)    | 86,727,524               | 78,018,079    | (56,814,335)   | (272,601,754)   |
| Net position - ending  | \$ 49,026,779           | \$ (143,541,859) | \$ 80,389,129            | \$ 86,727,524 | \$ 129,415,908 | \$ (56,814,335) |

**Governmental Activities**

**Net Position**

Governmental activities increased the District's net position as revenues exceeded expenses by \$192,568,638 in fiscal year 2021.

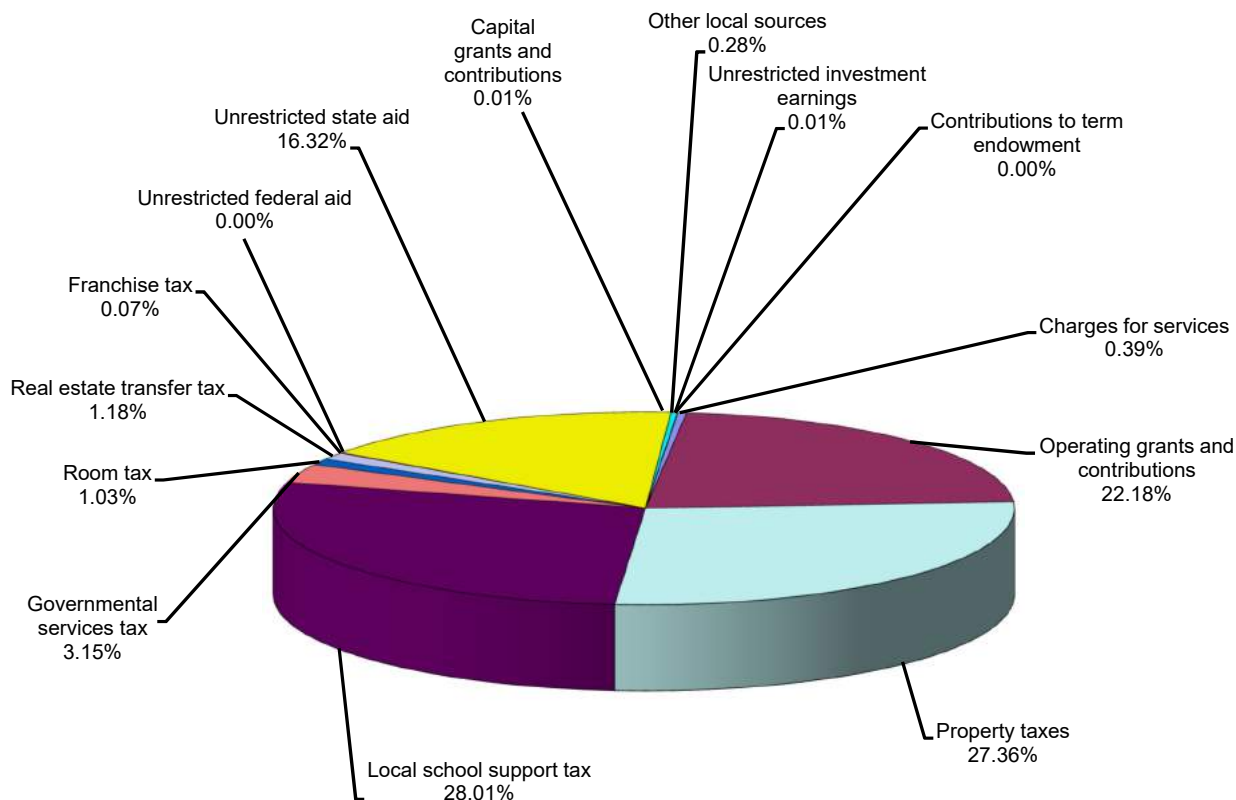
**Revenues**

- The largest general revenues received by the District include sales tax in the amount of \$1,032,896,029, aggregated property taxes in the amount of \$1,008,892,986 and unrestricted state aid in the amount of \$601,781,849. These revenues represent 28.01, 27.36, and 16.32%, respectively, of total governmental revenues for the current fiscal year.
- This year's unrestricted state aid in the General Fund decreased by 13.67% due to the increase in sales and property taxes and a drop in enrollment in the first two quarters. The DSA is guaranteed through a funding mechanism known as the Nevada Plan. The District is legislatively guaranteed to receive a specific amount of per-pupil funding from the state, which is apportioned through components of both local sales tax and property taxes. The state is required to provide funding to meet the residual amount not collected through these taxes. Under the provision of this plan, the State formula is adjusted by the change in local sales tax and property tax revenues, which corresponds to an increase or decrease in the State's obligation.
- Clark County taxable retail sales recognized the largest sales increases to food and beverage establishments, clothing stores, retailers, motor vehicle/parts dealers and wholesalers. In fiscal year 2021, the District's sales tax revenue increased by \$56,510,042 or 5.79% over the prior year. Total sales tax collections for the District in fiscal year 2021 totaled \$1,032,896,029. The portion of property taxes deposited into the General Fund, also increased by \$46,087,594 as home values rose over the year. These increases reduce the DSA funds; therefore, the District does not directly benefit from this increase in revenue.
- Sales tax and property tax collection are part of the Nevada Plan for school funding. When sales tax and property tax decreases, the state is required to make up the difference to meet its basic support obligation. However, when sales tax and property tax are higher than anticipated, as occurred this year, the District does not share in any surplus and will receive reduced state-aid payments through the DSA.
- Although the Clark County economy slowed down due to the COVID-19 pandemic, there was an increase in home prices/sales; therefore, the District experienced a favorable change in real estate transfer tax, a tax collected on transfers of real property, of \$9,238,995 or 26.95% due to the rise of total home sales. The room tax associated with hotel lodging however, saw a decrease of \$41,771,072 or 52.36% over the previous year due to the effects of tourism decline and travel restrictions. The real estate transfer tax, property tax and room tax are the main components of repaying outstanding bond obligations.
- Governmental services tax (GST) revenue increased \$17,023,916 or 17.17%. GST is collected when residents register their vehicles each year. In fiscal year 2021, the DMV reopened and vehicle registration renewals resumed, resulting in higher revenue from previous year when DMV was shutdown.
- Franchise tax revenue increased by \$1,956,875 or 258.03% due to a timing difference in the recording of the franchise tax payments by local utility companies.
- Other local sources increased by \$2,356,468 or 29.59%. Indirect costs went up due to an increase of total expenses, which is based on the State approved rate of 2.07%. This cost is associated with expenses that cannot be specifically identified to a direct service, program or grant.
- Investment earnings decreased \$39,931,938 or 99.02% due to the impact of unrealized losses on long-term securities. However, no losses were actually realized, as those securities will be held to maturity, earning the full investment return expected when those securities were purchased. This is a requirement by the Governmental Accounting Standards Board (GASB) Statement No. 31, which requires the District to net and record unrealized gains/losses against investment income.
- Revenue from charges for services decreased by \$51,825,091 or 78.49%, predominately in the Student Activity Fund. This fund raises money for extra co-curricular activities through fundraisers. The decrease is a result of transitioning to the distance-learning model and cancellation of fundraising events in an effort to reduce the spread of COVID-19.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

- Operating grants and contributions revenues increased by \$144,747,351 or 21.51% due to the increase in federal funding related to COVID-19, which provided supplemental support for summer programs, the purchase of software, chromebooks, and textbooks. This increase was offset by a decrease in state appropriations with the passing of AB3 during the 31<sup>st</sup> (2020) Special Session of the Legislature that resulted in a statewide budget cut of the Nevada Education funding plan and Read by Grade 3 program.
- Capital grant and contributions revenues decreased by \$1,194,531 or 72.64% due to the completion of most of the Pre-K grant used for floor replacements and installation of bollards at various locations.

**Governmental Activities – Revenue Sources\*\***



\*\*Percentages in the chart above may not total to 100% due to rounding.

**Governmental Activities - Change in Revenues**

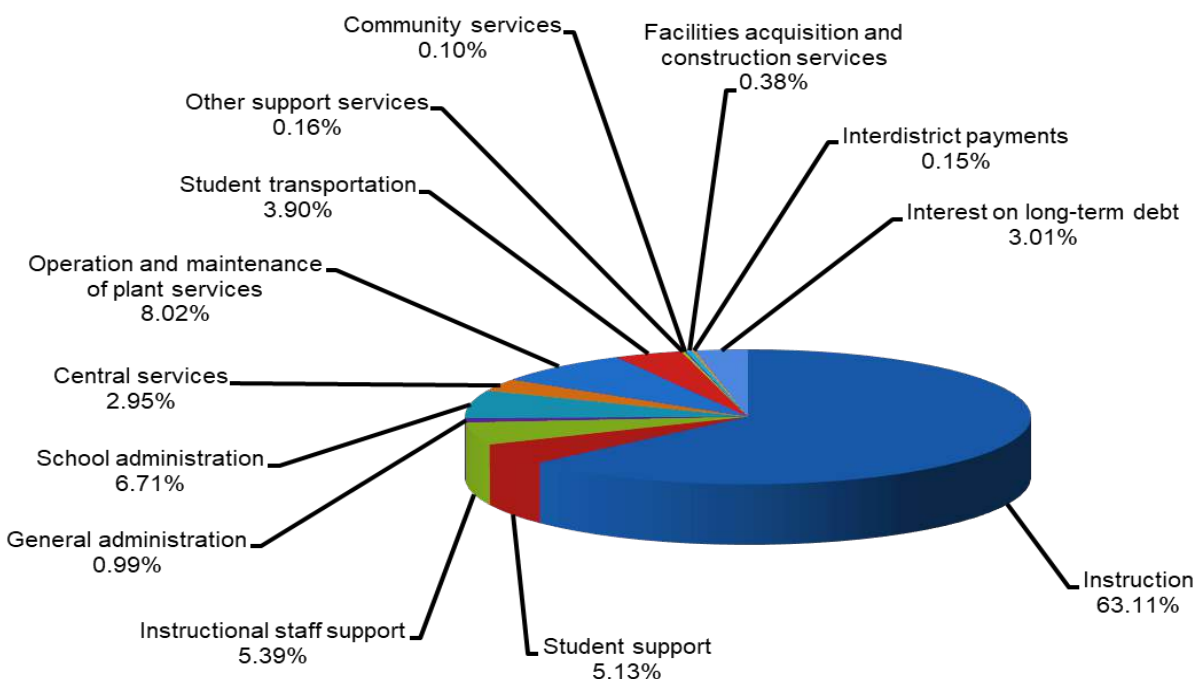
| Revenues                           | 2021                    | 2020                    | Inc / (Dec)<br>from 2020 | % Inc / (Dec)<br>from 2020 |
|------------------------------------|-------------------------|-------------------------|--------------------------|----------------------------|
| Charges for services               | \$ 14,200,542           | \$ 66,025,633           | \$ (51,825,091)          | -78.49%                    |
| Operating grants and contributions | 817,786,468             | 673,039,117             | 144,747,351              | 21.51%                     |
| Capital grants and contributions   | 450,000                 | 1,644,531               | (1,194,531)              | -72.64%                    |
| Property taxes                     | 1,008,892,986           | 937,544,947             | 71,348,039               | 7.61%                      |
| Local school support tax           | 1,032,896,029           | 976,385,987             | 56,510,042               | 5.79%                      |
| Governmental services tax          | 116,190,374             | 99,166,458              | 17,023,916               | 17.17%                     |
| Room tax                           | 38,008,144              | 79,779,216              | (41,771,072)             | -52.36%                    |
| Real estate transfer tax           | 43,522,507              | 34,283,512              | 9,238,995                | 26.95%                     |
| Franchise tax                      | 2,715,272               | 758,397                 | 1,956,875                | 258.03%                    |
| Unrestricted federal aid           | 160,760                 | 122,324                 | 38,436                   | 31.42%                     |
| Unrestricted state aid             | 601,781,849             | 697,067,316             | (95,285,467)             | -13.67%                    |
| Other local sources                | 10,319,781              | 7,963,313               | 2,356,468                | 29.59%                     |
| Unrestricted investment earnings   | 393,963                 | 40,325,901              | (39,931,938)             | -99.02%                    |
| Contributions to term endowment    | 132,006                 | 342,099                 | (210,093)                | -61.41%                    |
| <b>Total revenues</b>              | <b>\$ 3,687,450,681</b> | <b>\$ 3,614,448,751</b> | <b>\$ 73,001,930</b>     | <b>2.02%</b>               |

**Expenses**

- Instruction related expenses represent 63.11% of total governmental expenses. They consist of regular, special, gifted and talented, vocational, other instruction, and adult program expenses, with 92.30% of these dollars spent on regular and special education.
- Instruction related expenses increased by \$101,393,134 or 4.82% due to extra pay for licensed personnel who worked the Summer Acceleration, Extended School Year, and the Secondary Summer School programs. The additional compensation was funded by the ESSER grant. In addition, coronavirus relief funds were used to purchase chromebooks, textbooks, new educational software, and hotspot services to accommodate distance-learning.
- Operation and maintenance of plant services account for approximately 8.02% of total expenses. Utility and maintenance costs meant to provide upkeep for the District's schools and administrative facilities are recorded here. The decrease of \$7,322,824 or 2.55% is the result of lower natural gas and electricity expenses due to an incentive from NV Energy and transitioning to the distance-learning model in response to COVID-19.
- Student support related expenses increased \$18,081,609 or 11.21%. The District increased various professional therapy services such as speech language pathology, physical therapy and occupational therapy. Additionally, a Global Plasma System was installed at various facilities to help improve indoor air quality. Services to aid students who have been out of school for at least one academic semester increased in the second year of the Acceleration Academies dropout recovery program. Licensed personnel salaries associated with extra duty, first aids, preparatory periods, and summer school also reported an increase in this function.
- Central services expenses increased by \$28,517,812 or 38.34% largely due to GASB 51, which required expenses related to the HCM Information System project to be capitalized. The expenses were reclassified and credited to this function in fiscal year 2020 but incurred in earlier fiscal years. Also, contributing to the increase were expenses incurred in an effort to prevent the spread of the coronavirus such as hand sanitizers, facemasks, COVID testing sites, and the E-Mocha software used to monitor employees for possible symptoms.
- School administration function increased by \$5,512,264 or 2.41% as a result of stipends offered to school administrators that worked the Summer Acceleration program. This was offset by a decrease to pension expense.
- Instructional staff support expenses consist of staff training, library services, instruction related technology, and network systems. These expenses decreased by \$47,594,668 or 20.19% primarily from lower Student Activity expenses because of moving to the distance-learning model.
- Student transportation expenses decreased by \$11,811,476 or 7.97% due to fewer transportation aides and transportation operation assistants. There was also fewer field trips, travel, diesel fuel consumption, and school busses were not in physical operation.
- Other support services increased by \$1,403,254 or 34.08% due to the new ESSER grant indirect costs, a cost associated with expenses that are not identified to a direct service, program or grant at the State approved rate of 2.07% of increased expense base.
- Facilities acquisition and construction services decreased by \$6,904,911 or 34.27% due to the reduction in construction services for replacement schools and classroom additions at various school sites. Labor and material shortages also affected construction projects.
- Interdistrict payments decreased by \$1,583,569 or 22.89%. The payments allocated to charter schools through the state grant Senate Bill (SB178) funding were eliminated with the passing of AB3 during the 31<sup>st</sup> (2020) Special Session of the Legislature resulting from COVID-19 budget cuts.
- Interest on long-term debt increased by \$7,600,055 or 7.8%, largely due to the decrease in amortization of premiums with the payoff of several bond series in fiscal year 2021. Additionally, with the increase in construction and renovation of schools in the last few years, more building bonds have been issued therefore interest expenses increased.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Governmental Activities – Expenses by Function**



**Governmental Activities – Change in Expenses by Function**

| Expenses   | 2021                    | 2020                    | Inc / (Dec)<br>from 2020 | % Inc / (Dec)<br>from 2020 |
|--|-------------------------|-------------------------|--------------------------|----------------------------|
| Instruction                                      | \$ 2,205,346,971        | \$ 2,103,953,837        | \$ 101,393,134           | 4.82%                      |
| Student support                                  | 179,425,044             | 161,343,435             | 18,081,609               | 11.21%                     |
| Instructional staff support                      | 188,185,939             | 235,780,607             | (47,594,668)             | -20.19%                    |
| General administration                           | 34,475,777              | 34,119,370              | 356,407                  | 1.04%                      |
| School administration                            | 234,404,683             | 228,892,419             | 5,512,264                | 2.41%                      |
| Central services                                 | 102,905,183             | 74,387,371              | 28,517,812               | 38.34%                     |
| Operation and maintenance of plant services      | 280,323,232             | 287,646,056             | (7,322,824)              | -2.55%                     |
| Student transportation                           | 136,382,555             | 148,194,031             | (11,811,476)             | -7.97%                     |
| Other support services                           | 5,520,409               | 4,117,155               | 1,403,254                | 34.08%                     |
| Community services                               | 3,611,965               | 4,100,426               | (488,461)                | -11.91%                    |
| Facilities acquisition and construction services | 13,245,167              | 20,150,078              | (6,904,911)              | -34.27%                    |
| Interdistrict payments                           | 5,335,229               | 6,918,798               | (1,583,569)              | -22.89%                    |
| Interest on long-term debt                       | 105,070,903             | 97,470,848              | 7,600,055                | 7.80%                      |
| <b>Total expenses</b>                            | <b>\$ 3,494,233,057</b> | <b>\$ 3,407,074,431</b> | <b>\$ 87,158,626</b>     | <b>2.56%</b>               |

**Business-type Activities**

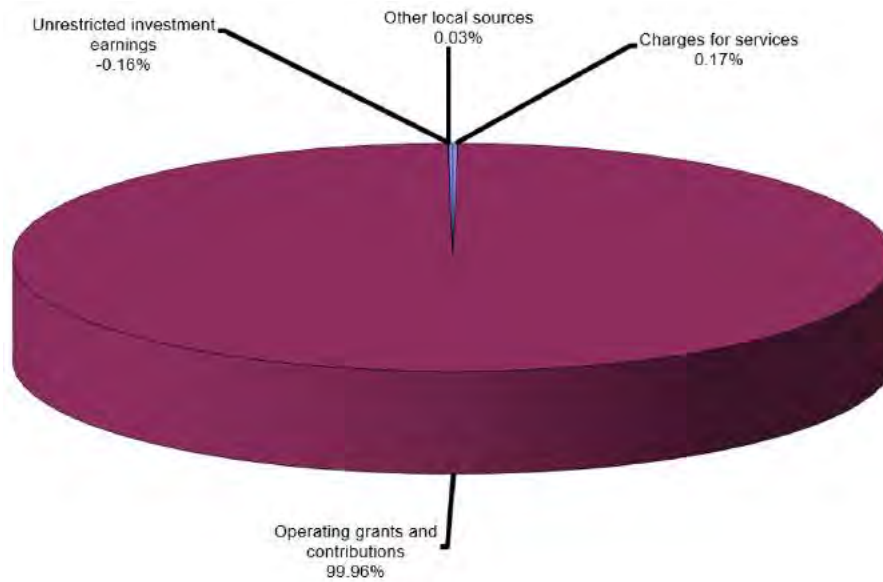
Business-type activities consist solely of the District's Food Service Enterprise Fund. In the current fiscal year, this activity decreased net position by 7.31% to \$80,389,129, largely due to a decrease in federal subsidies and daily food sales, which is the effect of transitioning to the distance-learning model and free lunch distribution due to COVID-19.

Food service federal subsidies, account for almost 100% of the revenues received by business-type activities. In fiscal year 2021, federal subsidies account for 99.96%. The majority of the expenses in business-type activities are for food purchases and personnel expenses, including salary and benefits, to maintain the District's food service program.



**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Business-type Activities – Revenue Sources**



**Business-type Activities - Change in Revenues**

| Revenues                           | 2021                 | 2020                  | Increase / (Decrease) from 2020 | % Increase / (Decrease) from 2020 |
|------------------------------------|----------------------|-----------------------|---------------------------------|-----------------------------------|
| Charges for services               | \$ 149,283           | \$ 6,422,696          | \$ (6,273,413)                  | -97.68%                           |
| Operating grants and contributions | 85,768,569           | 125,125,883           | (39,357,314)                    | -31.45%                           |
| Other local sources                | 24,427               | 32,835                | (8,408)                         | -25.61%                           |
| Unrestricted investment earnings   | (137,506)            | 2,050,285             | (2,187,791)                     | -106.71%                          |
| <b>Total Revenues</b>              | <b>\$ 85,804,773</b> | <b>\$ 133,631,699</b> | <b>\$ (47,826,926)</b>          | <b>-35.79%</b>                    |

Revenues generated from charges for services and operating grants and contributions declined \$6,273,413 and \$39,357,314, respectively from the prior year. For fiscal year 2021, the District worked under a U.S. Department of Agriculture waiver that allowed for the distribution of free meals to all students regardless of eligibility due to economic decline. Even with free meal distribution there were fewer meals served than prior year, which resulted in decreased federal subsidies.

**ANALYSIS OF GOVERNMENTAL FUND BALANCES AND TRANSACTIONS**

Governmental funds use fund accounting and follow the modified accrual basis of accounting which focuses on short-term sources and uses of spendable resources. Following is an analysis of individual fund balances and material transactions.

At the end of the current fiscal year, the District’s governmental funds reported combined ending fund balances of \$1.393 billion, a decrease of \$3 million from last year. Of the total governmental fund balance, \$38,115,890 is classified as nonspendable and \$1,215,891,091 as restricted. Committed fund balance totaled \$3,879,368, which included amounts for PBS programming fees and Medicaid programs. The assigned fund balance totaling \$80,272,342 is for various initiatives throughout the District including categorical indirect costs, instructional supply appropriations, potential litigation, potential shortfall, and a NV Energy incentive. Unassigned fund balance for all governmental funds serves as a useful measure of the District’s net resources as a whole. The available balance for spending is \$55,178,837.

The main operating fund of the District is the General Fund. At the end of the current fiscal year, the total fund balance in the General Fund was \$377,044,115; the nonspendable portion totaled \$37,970,713 and the restricted portion was \$203,622,223. The unassigned portion, which represents spendable resources, was \$55,178,837, representing 14.63% of the total fund balance or 2.25% of the general operating budget resources. See **Note 15**.



**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Although reported separately, the Special Education Fund is budgeted for in combination with the General Fund and together they represent the general operating budget of the District. Any deficiencies of revenues under expenditures in the Special Education Fund are compensated for through a transfer from the General Fund. The transfer from the General Fund to cover special education expenditures in fiscal year 2021 was \$349,232,854. This is a slight decrease of 0.96% over fiscal year 2020 as the state revenue distribution increased to accommodate the enrollment growth of students qualifying for special education services.

The District's Debt Service Fund reported an increase in fund balance of approximately \$120 million, from \$241 million in fiscal year 2020 to \$361 million in fiscal year 2021. This is a result of an excess of revenue over expenditures primarily from higher property tax revenue.

The District's Bond Fund reported a decrease in fund balance of \$186 million due to less construction bonds authorized and issued in the amount of \$200 million, compared to \$400 million in fiscal year 2020. The District received approximately \$82 million in combined revenues from the room tax and real estate transfer tax. These taxes are pledged to reduce specific general obligation debt as it comes due. Most of these pledged revenues are reported as a transfer out of the Bond Fund for \$93.7 million and are shown as a transfer in to the Debt Service Fund.

The Federal Projects and State Grants Funds reported no fund balance, as draws are recorded as receivables, and requested from the grantor to cover any outstanding expenditures at year-end. Additionally, any revenues that were drawn down and not yet spent are considered unearned until the next fiscal year.

Towards the end of the current fiscal year, the grant/fiscal accountability department request draws to cover several expenditures mainly in its ESSER I, ESSER II, Title I, and Title II grants, but did not receive the funding until after the end of the current fiscal year. As of June 30, 2021, the Federal Projects Fund and State Grants Fund are reporting \$186 million and \$36 million receivables, respectively. Since these funds did not receive grant awards in time to cover the current expenditures, the General Fund provided funding. Liabilities are recorded in the Federal Projects Fund in the amount of \$98,017,673, and \$14,682,604 in the State Grants Fund to recognize the payable; corresponding receivables are recorded in the General Fund.

Additional information on the District's interfund balances and transfers can be found in **Note 4** on pages 63-64 of this report.

### BUDGETARY HIGHLIGHTS

The Original Budget (Final Budget) was approved on May 18, 2020. Budgeted appropriations were developed with certain assumptions remaining unknown or not finalized, namely average daily enrollment (ADE), beginning fund balance, and the 31st (2020) Special Session of the Legislature. For this reason, the Original Budget was approved and submitted according to NRS 354.598 on or before June 8 to commence District operations for the fiscal year beginning July 1, 2020.

An amendment to the 2020-2021 Final Budget was approved on December 10, 2020, following recognition of the first quarter ADE, providing more precise 2nd, 3rd, and 4th quarter enrollment projections, audited fiscal year 2020 financial reports, and conclusion of the 31st (2020) Special Session of the Legislature. This amendment increased appropriations by \$3.7 million from Final Budget. Below is a list of major events:

1. Restored New Nevada Education Funding - SB178 program: AB3 of the 31st (2020) Special Session of the Legislature eliminated state grant SB178 funding. The General Fund restored the program to \$54 million.
2. Restored Read by Grade 3 program: AB3 of the 31st (2020) Special Session of the Legislature eliminated state grant Read by Grade 3 funding. The General Fund restored the program to \$16 million.
3. Potential Litigation: Addition of \$8 million for potential 2021 litigation expenditures.
4. COVID-19 related Personal Protective Equipment (PPE): Addition of \$7 million for COVID-19 PPE.
5. State Unemployment Insurance (SUI) Rate Increase: Addition of \$5 million due to a SUI rate increase. The increase is primarily due to additional COVID-19 related unemployment claims.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

6. Restored Gifted and Talented Education (GATE) program: AB3 of the 31st (2020) Special Session of the Legislature partially eliminated the state grant GATE funding. The General Fund restored the program to \$3 million.
7. Schools Strategic Budget Reduction: Reduction of \$21 million primarily due to COVID-19 causing a large enrollment decline. Enrollment revised to 305,750 down 9,546 students from the 2021 Final Budget projection of 315,296.
8. COVID-19 related Distance Learning Savings: Reduction of \$25 million from adjusting down the Secondary Athletic Events budget by \$5 million, lowering diesel fuel budget by \$9 million, lowering special education payroll budget by \$6 million, and decreasing the general fund's payroll budget by \$5 million related to lower overtime/extra time payroll.
9. Utilities (Electricity, Fuel, Garbage, Gas, Sewer, Telephone, and Water): Utilities reduction of \$44 million, as the ESSER grant will cover the majority of the District's FY 2021 utilities expenditures in the District's Federal Fund. This adjustment assisted with restoring SB178, Read by Grade 3, and GATE programs in the General Fund.

The amendment to the Final Budget reflects the District's best estimates and includes all transfers, additions, and deletions that have been approved through June 30, 2021, and more accurately denote total appropriation activity throughout the year.

NRS and District regulations require that school districts legally adopt budgets for all funds. Budgets are prepared in accordance with GASB and Generally Accepted Accounting Principles. Budgeted amounts reflected in the accompanying financial statements recognize amendments and transfers made during the year. The budget is prepared by fund, program, and function. All appropriations lapse at year-end and certain allowable encumbrances will carry over and be appropriated in 2021-2022.

#### Revenues

Total General Operating Fund actual revenues came in over budget by \$25 million. In FY 2021, the District experienced a significant enrollment decline caused by COVID-19, which triggered the hold harmless provision from NRS 387.1223. This hold harmless provision increased CCSD's annual quarterly ADE to 310,785 (weighted 309,219), which is an increase of 5,035 (weighted 4,604) from 305,750 (weighted 304,615) used to create the FY 2021 Final Budget. Since, funding is based on weighted ADE, 4,604 additional students generated an additional \$28.3 million of DSA revenue in FY 2021. Although there was a significant increase in local school support tax (LSST) revenue of \$71.5 million this increase to local revenue sources will be offset by a corresponding decrease to the state's basic support guarantee contribution of DSA funding as provided in The Nevada Plan for School Finance.

#### Expenditures

General Operating Fund expenditures came in below budget by \$266 million, which is primarily a result of the following events: \$191 million of unutilized school level appropriations and per NRS 388G carry forward funds were placed as a restricted balance in the 2021 ending fund balance. The remaining \$75 million was generated from the Special Education Fund coming in under budget by \$24 million, because of limited operations due to COVID-19 that generated lower transportation expenditures and cost saving related to vacant special education positions. Furthermore, the District changed the beginning of the Special Education's Extended School Year program to July 2021 from June 2021. In addition, General Fund experienced cost savings of \$29 million because of limited operations due to COVID-19 such as school bus and technology equipment fulfillment delays in the amount of \$4.4 million and \$7.7 million. State and Federal grants provided further assistance that relieved the General Fund. Additionally, there were \$8.5 million of unutilized litigation and NV Energy's incentive of \$1.3 million.

#### Ending Fund Balance

The Board adopted an amendment to the fiscal year 2021 Final Budget for the General Operating Fund in December 2020 that reflected total appropriations of \$2.7 billion and a projected ending fund balance of \$86.2 million. The actual fiscal year 2021 ending fund balance is \$377 million, a positive variance of \$291 million to the plan, the majority being school carry forward and additional funding related to NRS 387.1223 hold harmless provision.

CCSD's regulation 3110 requires an unassigned ending fund balance of not less than two percent of total General Fund's

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

revenues for each fiscal year shall be included in the General Fund budget. The District did achieve a 2.25%, or \$55.2 million unassigned ending fund balance for fiscal year 2021. This is a \$6.4 million improvement over fiscal year 2020.

**CAPITAL ASSETS AND LONG-TERM DEBT**

**Capital Assets**

At June 30, 2021, the District held approximately \$5.14 billion invested in a broad range of capital and leased capital assets, net of depreciation, including land and improvements, buildings and improvements, and equipment. This amount represents a net increase (including additions, disposals, and depreciation) of \$173 million or 3.47% from last year. The following tables reflect additions and disposals of capital and leased capital assets for governmental and business-type activities:

**Governmental Activities Capital Assets:**

|                                  | Balance<br>June 30, 2020 | Additions             | Deletions               | Balance<br>June 30, 2021 |
|----------------------------------|--------------------------|-----------------------|-------------------------|--------------------------|
| Land                             | \$ 265,746,547           | \$ -                  | \$ -                    | \$ 265,746,547           |
| Leased Land                      | -                        | 122,716               | -                       | 122,716                  |
| Land Improvements                | 1,493,781,637            | 142,032,058           | (480,225)               | 1,635,333,470            |
| Buildings                        | 5,324,151,172            | 291,625,122           | (6,491,989)             | 5,609,284,305            |
| Leased Buildings                 | -                        | 11,559                | -                       | 11,559                   |
| Building Improvements            | 966,405,521              | 33,291,537            | (24,196,587)            | 975,500,471              |
| Equipment                        | 592,067,871              | 45,739,742            | (50,658,763)            | 587,148,850              |
| Leased Equipment                 | -                        | 185,888               | -                       | 185,888                  |
| Construction in Progress         | 293,289,539              | 423,784,417           | (485,177,017)           | 231,896,939              |
| Less: Accumulated Depreciation   | (3,982,214,901)          | (271,442,070)         | 75,252,139              | (4,178,404,832)          |
| <b>Total Capital Assets, Net</b> | <b>\$ 4,953,227,386</b>  | <b>\$ 665,350,969</b> | <b>\$ (491,752,442)</b> | <b>\$ 5,126,825,913</b>  |

The majority of the increase in capital assets is due to the increase in buildings, which represent the capitalized construction costs. In fiscal year 2021, the District opened one new school. Additions to land, buildings, and building improvements include construction, expansions and renovations to new and existing District facilities. Construction in progress includes school renovations, improvements, expansions to existing schools, and work performed to fully replace some older existing schools.

**Business-type Activities Capital Assets:**

|                                  | Balance<br>June 30, 2020 | Additions           | Deletions   | Balance<br>June 30, 2021 |
|----------------------------------|--------------------------|---------------------|-------------|--------------------------|
| Land Improvements                | \$ 968,279               | \$ -                | \$ -        | \$ 968,279               |
| Buildings                        | 1,737,413                | -                   | -           | 1,737,413                |
| Building Improvements            | 10,079,510               | (424,336)           | -           | 9,655,174                |
| Equipment                        | 25,082,359               | 1,504,688           | (91,528)    | 26,495,519               |
| Less: Accumulated Depreciation   | (19,336,766)             | (1,945,656)         | 91,528      | (21,190,894)             |
| <b>Total Capital Assets, Net</b> | <b>\$ 18,530,795</b>     | <b>\$ (865,304)</b> | <b>\$ -</b> | <b>\$ 17,665,491</b>     |

Additional information on the District's capital and leased capital assets can be found in **Note 5** on pages 64-65 of this report.

**Long-term Debt**

The District finalized one of the largest school construction programs in the United States, funded through the issuance of municipal bonds. Before bonds can be sold, the District provides information to various bond raters to obtain bond ratings for the proposed issue. Much of this information is focused on the financial stability of the District and how it responds

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

to various financial situations. The District has the following ratings with Standard and Poor (A+) and Moody's Investor Services (A1) both with a stable outlook rating at year end. The change in the rating outlook from prior year is influenced by the rapidly improving economic conditions in the region as vaccination rates increase and business social activities return to normal.

As of June 30, 2021, the District carried approximately \$3.2 billion in debt. The District has recently issued general obligation bonds to finance various projects including, but not limited to, constructing or purchasing new buildings, enlarging, remodeling or repairing existing buildings or grounds, acquiring sites for new buildings, and purchasing necessary furniture and equipment for schools including equipment used for student transportation. The following table summarizes long-term debt activity over the past fiscal year:

**Long-term Debt Obligations:**

|                                  | Balance<br>June 30, 2020    | Issuances                 | Retirements                 | Balance<br>June 30, 2021    |
|----------------------------------|-----------------------------|---------------------------|-----------------------------|-----------------------------|
| <b>Governmental Activities:</b>  |                             |                           |                             |                             |
| General Obligation Debt          | \$ 2,871,155,000            | \$ 229,070,000            | \$ (273,825,000)            | \$ 2,826,400,000            |
| Less: Discounts                  | (2,499,101)                 | -                         | 624,775                     | (1,874,326)                 |
| Plus: Premiums                   | 358,778,871                 | 28,281,632                | (37,041,734)                | 350,018,769                 |
| <br>General Obligation Debt, Net | <br><u>\$ 3,227,434,770</u> | <br><u>\$ 257,351,632</u> | <br><u>\$ (310,241,959)</u> | <br><u>\$ 3,174,544,443</u> |

Per NRS 387.400, the debt limitation for the District is equal to 15% of the assessed valuation of property, excluding motor vehicles. The debt limitation currently applicable at June 30, 2021 is \$15,547,356,321. It is expected that future increases in assessed valuation and the retirement of bonds will result, at all times, in a statutory debt limitation in excess of outstanding debt, subject to changes in assumptions, costs and revenues.

The District's liability for compensated absences, including sick leave, increased this year with combined governmental and business-type activities reporting \$75,398,564 in compensated absences payable at June 30, 2021. This represents a 8.13% increase over the previous year. In the current year, this liability increased due to the increase in pay rate and banked vacation days, because of step advancements on the salary scale, longevity movement and the distance-learning model during COVID-19 that required non-essential employees to remain home with compensation.

Additional information on the District's long-term debt can be found in notes 8 and 10 on pages 67-69 and pages 71-72 respectively of this report.

REQUESTS FOR INFORMATION

This financial report is designed to provide its users with a general overview of the Clark County School District's finances and to demonstrate the District's accountability for the revenues it receives. Additional information and an electronic copy of this report may be found at the District's website, [www.ccsd.net](http://www.ccsd.net). Any further questions, comments or requests for additional financial information should be addressed to:

Clark County School District  
Accounting Department  
4190 McLeod Drive  
Las Vegas, NV 89121

