

Financial Section

District Funds - Summary

The presentation of all District funds gives a unique perspective into the cumulative financial position of the school district. The All District Funds - Final Budget Summary illustrates the District-wide budgeted revenues, appropriations, and changes in fund balance for the fiscal year 2013-14. Barring restricted components of the ending fund balance, the District's budgeted change in fund balance for all funds represents a 45.2% decrease due to necessary draw downs of fund balance designations in the General Operating, Debt Service, and Capital Projects Funds. The percentage decrease illustration details the change from estimated ending fund balances for 2012-13 and budgeted ending fund balances for fiscal 2013-14.



All District Funds - Final Budget Summary

Statement of Revenues, Expenditures, and Changes in Fund Balance

Fiscal Year 2013-14

Description	General Operating Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Proprietary Funds ¹	Total All Funds
Revenues:						
Local sources	\$1,283,995,000	\$14,520,000	\$292,645,000	\$108,215,000	\$39,515,000	\$1,738,890,000
State sources	758,505,000	177,125,000	-	-	450,000	936,080,000
Federal sources	300,000	231,100,000	-	5,765,000	94,500,000	331,665,000
Total revenues	2,042,800,000	422,745,000	292,645,000	113,980,000	134,465,000	3,006,635,000
Expenditures:						
Salaries	1,319,842,343	209,854,250	-	5,865,000	33,780,000	1,569,341,593
Employee fringe benefits	547,944,077	83,645,000	-	1,635,000	14,115,000	647,339,077
Purchased services	81,036,466	38,665,300	-	107,415,000	11,318,000	238,434,766
Supplies	160,380,303	45,391,450	-	6,085,000	68,067,000	279,923,753
Property and equipment	25,324,800	5,505,000	-	1,205,000	2,355,000	34,389,800
Other expenditures	1,512,011	12,644,000	-	95,000	16,050,000	30,301,011
Depreciation	-	-	-	-	2,245,000	2,245,000
Debt service	-	-	497,640,000	-	-	497,640,000
Total expenditures	2,136,040,000	395,705,000	497,640,000	122,300,000	147,930,000	3,299,615,000
Excess (deficiency) of revenues over expenditures	(93,240,000)	27,040,000	(204,995,000)	(8,320,000)	(13,465,000)	(292,980,000)
Other sources (uses):						
Proceeds from insurance	200,000	-	-	-	-	200,000
Sale of bonds	34,000,000	-	-	-	-	34,000,000
Proceeds of refunding bonds	-	-	418,520,000	-	-	418,520,000
Payment to escrow agent	-	-	(416,530,000)	-	-	(416,530,000)
Transfers from other funds	28,000,000	-	95,830,000	500,000	750,000	125,080,000
Transfer to other funds	(5,395,000)	(28,500,000)	-	(90,435,000)	-	(124,330,000)
Total other sources (uses)	56,805,000	(28,500,000)	97,820,000	(89,935,000)	750,000	36,940,000
Fund balances, July 1	72,000,000	10,114,614	167,849,144	245,807,757	70,697,994	566,469,509
Fund balances, June 30	\$35,565,000	\$8,654,614	\$60,674,144	\$147,552,757	\$57,982,994	\$310,429,509
Percent increase (decrease)	(50.6%)	(14.4%)	(63.9%)	(40.0%)	(18.0%)	(45.2%)

(1) Proprietary funds ending fund balances are reflected as cumulative unrestricted net assets.

Source: CCSD Budget Department



All District Funds - Final Budget Analysis For Fiscal Years 2011-12 Through 2013-14

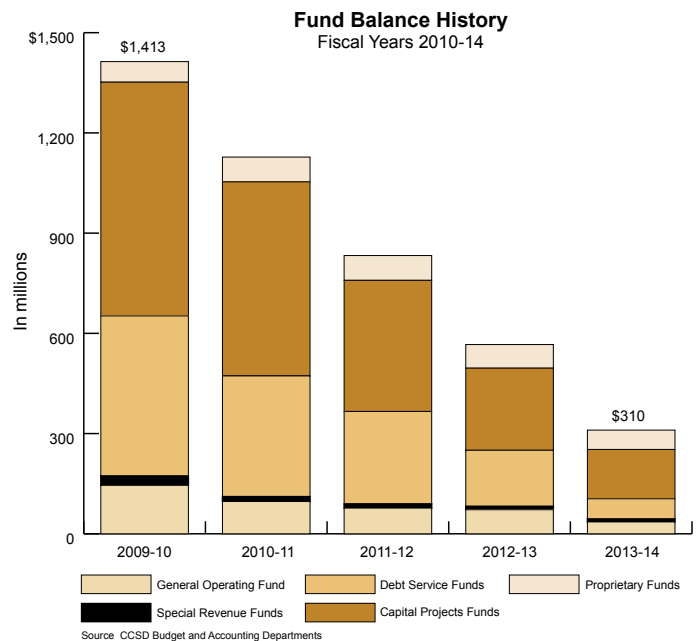
Description	Actual 2011-12	Estimated 2012-13	Final Budget 2013-14	2012-13 vs. 2013-14 Variance Amount	Percent
Revenues:					
Local sources	\$1,721,233,797	\$1,706,377,279	\$1,738,890,000	\$32,512,721	1.9%
State sources	839,810,125	867,435,000	936,080,000	68,645,000	7.9%
Federal sources	287,084,366	333,710,000	331,665,000	(2,045,000)	(0.6%)
Total revenues	2,848,128,288	2,907,522,279	3,006,635,000	99,112,721	3.4%
Expenditures:					
Salaries	1,502,759,916	1,506,143,250	1,569,341,593	63,198,343	4.2%
Employee fringe benefits	592,909,324	603,748,000	647,339,077	43,591,077	7.2%
Purchased services	292,788,506	259,561,881	238,434,766	(21,127,115)	(8.1%)
Supplies	229,314,047	262,809,750	279,923,753	17,114,003	6.5%
Property and equipment	4,593,488	18,565,000	34,389,800	15,824,800	85.2%
Other expenditures	23,316,174	30,083,000	30,301,011	218,011	0.7%
Depreciation	1,707,480	2,245,000	2,245,000	-	0.0%
Debt service	496,499,383	492,490,000	497,640,000	5,150,000	1.0%
Total expenditures	3,143,888,318	3,175,645,881	3,299,615,000	123,969,119	3.9%
(Deficiency) of revenues over expenditures	(295,760,030)	(268,123,602)	(292,980,000)	(24,856,398)	(9.3%)
Other sources (uses):					
Proceeds from insurance	253,348	200,000	200,000	-	0.0%
Sale of bonds	-	-	34,000,000	34,000,000	100.0%
Proceeds of refunding bonds	-	199,365,000	418,520,000	219,155,000	109.9%
Payment to escrow agent	-	(198,635,000)	(416,530,000)	(217,895,000)	(109.7%)
Transfers from other funds	143,533,286	139,705,000	125,080,000	(14,625,000)	(10.5%)
Transfers to other funds	(142,805,223)	(138,955,000)	(124,330,000)	14,625,000	10.5%
Total other sources	981,411	1,680,000	36,940,000	35,260,000	100.0%
Fund balances - July 1	1,127,691,730	832,913,111	566,469,509	(266,443,602)	(32.0%)
Fund balances - June 30	\$832,913,111	\$566,469,509	\$310,429,509	\$(256,040,000)	(45.2%)

Source: CCSD Budget and Accounting Departments

District Funds - Ending Fund Balances

Measuring the fiscal solvency of a governmental entity can be performed using several methods. Analyzing the ending fund balance over multiple years produces a measurement that more likely reflects an entity's financial condition. Although scrutiny and the interpretation of financial condition may be construed differently for each user of the financial statement, financial condition is relative to local board policies, the economic vitality of the local taxpayer base, and crucial funding support from the Nevada Legislature. The District's Funds - Summary of Ending Fund Balances illustrates the District's reserves in conjunction with Board of Trustees policies over multiple fiscal years.

The District effectively employs a "balanced budget" methodology in preparing its annual budget. The District's definition of a "balanced budget" constitutes the measurement of total appropriations not exceeding total resources, including beginning fund balance. The result of that measurement must achieve a desired ending fund balance that satisfies Board policies and legal requirements.



Source: CCSD Budget and Accounting Departments



All District Funds - Summary of Fund Balances For Fiscal Years 2009-10 Through 2013-14

Funds	Actual 2009-10	Actual 2010-11	Actual 2011-12	Estimated 2012-13	Final Budget 2013-14	2012-13 vs. 2013-14 Variance Amount	Variance Percent
General Operating Fund	\$145,055,694	\$96,620,752	\$76,982,721	\$72,000,000	\$35,565,000	\$(36,435,000)	(50.6)%
Special Revenue Funds	27,814,750	14,708,096	12,284,614	10,114,614	8,654,614	(1,460,000)	(14.4)%
Debt Service Funds	479,362,977	361,212,422	276,954,144	167,849,144	60,674,144	(107,175,000)	(63.9)%
Capital Projects Funds	699,609,470	580,955,519	392,493,638	245,807,757	147,552,757	(98,255,000)	(40.0)%
Proprietary Funds ¹	61,618,844	74,194,941	74,197,994	70,697,994	57,982,994	(12,715,000)	(18.0)%
Total	\$1,413,461,735	\$1,127,691,730	\$832,913,111	\$566,469,509	\$310,429,509	\$(256,040,000)	(45.2)%

(1) Proprietary Funds ending fund balances are reflected as cumulative unrestricted net assets.
Source: CCSD Budget and Accounting Departments

The decline in the General Operating Fund balance of over 50% follows a total liquidation of existing fund balance components for future revenue shortfalls along with substantial programmatic reductions to arrive at a "balanced budget" position. During 2013-14, the District has planned spend downs of fund balances due to stagnant (2.3%) increases in local revenue sources. For future years, it is obvious that essential State funding resources must increase to avoid continued deterioration of financial resources.

For the fiscal year 2014 Final Budget, the General Operating Fund comprises 11.5% of the total ending fund balances. This represents a slight decrease from the 12.7% of total fund balances reflected in the 2012-13 estimated fund balance. Following a 14-year capital improvement program, the Capital Projects Funds ending fund balances comprises over 47%.

Bonds issued to fund program facilities created a need for adequate reserves in the Debt Service Fund, which totals 19.5% of all ending fund balances. As the graph on Page 50 reflects, facility construction and its related debt service represent a substantial portion of the District's ending fund. The reasons detailing the decreases in the ending fund balances of the General Operating Fund and the Special Revenue Funds are described in the General Operating Fund and the Federal Projects Funds sections.

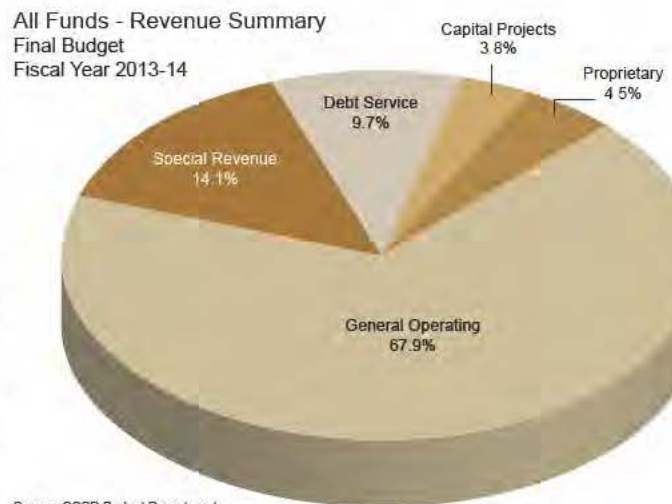
District Funds - Projected Revenues Summary

The District's sources of revenue for all funds originate from a wide range of categories. The District Funds - Summary of Revenues and Other Sources illustrates the five-year history of total revenues. This history shows a slight one year increase in Debt Service Funds revenues following a welcome turnaround in the trending of taxable assessed valuation of Clark County. The General Operating Fund revenue has increased slightly by only 1% between fiscal years 2009-10 and 2013-14. Special Revenue Funds anticipate increases at the state and federal levels until the true effects of sequestration have been determined. An increase of \$32 million in local revenue sources and \$69 million in State revenue sources will increase the District's "All Funds" total revenues by almost \$100 million.



Of the \$3 billion in anticipated revenues, the General Operating Fund will represent 67.9%, Special Revenues 14.1%, Debt Service 9.7%, Capital Projects 3.8%, and Proprietary Funds 4.5%. Total projected resources for the 2013-14 fiscal year for all funds will be over \$4 billion with the inclusion of beginning fund balances and other financing sources.

Note: Please refer to the General Operating Fund and Other Funds sections for more detailed revenue descriptions and explanations.



All District Funds - Summary of Revenues For Fiscal Years 2009-10 Through 2013-14

Funds	Actual 2009-10	Actual 2010-11	Actual 2011-12	Estimated 2012-13	Final Budget 2013-14	2012-13 vs. 2013-14 Variance Amount	Percent
General Operating Fund	\$2,021,008,006	\$1,922,655,869	\$1,938,740,239	\$1,957,952,279	\$2,042,800,000	\$84,847,721	4.3 %
Special Revenue Funds	356,225,260	417,513,567	352,081,931	408,960,000	422,745,000	13,785,000	3.4 %
Debt Service Funds	445,377,759	352,400,912	319,688,125	290,695,000	292,645,000	1,950,000	0.7 %
Capital Projects Funds	101,848,721	113,992,334	114,413,151	114,005,000	113,980,000	(25,000)	(0.0)%
Proprietary Funds	101,252,098	116,917,122	123,204,842	135,910,000	134,465,000	(1,445,000)	(1.1)%
Total	\$3,025,711,844	\$2,923,479,804	\$2,848,128,288	\$2,907,522,279	\$3,006,635,000	\$99,112,721	3.4 %

Source: CCSD Budget and Accounting Departments

District Funds - Projected Expenditures Summary

Through the District's budgeting cycle, cost centers engage in technical analysis to evaluate the specific needs of the District. The allocation of appropriations is carefully designed to meet designated requirements, including personnel, supplies, utilities, transportation, and property. Each of the District's funds serves a specific purpose to account for and record financial activity relative to the needs of the District. Appropriations within those funds define the constraints of those expenditures in an effort to maintain fiscal accountability and solvency.

As in previous years, the District continues to face many challenges in serving the diverse needs of the students in Clark County. Projected enrollment should increase by more than 1,500 (.5%) students while expenditures are expected to increase by more than 6.4% in the General Operating Fund. The following summary highlights the District's major challenges for appropriating budgets for fiscal 2014 and beyond.

Of the 2013-14 Final Budget total appropriated expenditures, the General Operating Fund represents 64.7% of the total. Capital Projects and Debt Service Funds combine to represent 27.1% of total appropriations. Total expenditures will be almost \$3.3 billion in 2013-14, or an increase of 3.9% versus the estimated expenditures for 2012-13.

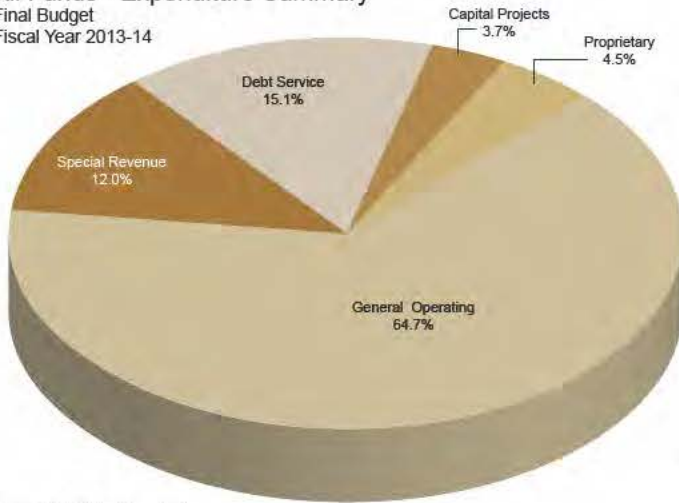


2013-14 Appropriation Challenges:

- Revenue projections continue to be volatile and subject to uncertainty due to the continuing impacts of the economic downturn experienced at both the State and local levels
- Finding sufficient resources to implement the necessary instructional initiative changes that will provide the structure to improve student achievement and "ensure that all students are ready by exit"
- Student enrollment has increased by over 4,400 students since 2012 with no additional classroom space scheduled for construction to house this increase in enrollment. Further unpleasant measures such as returning to year-round school schedules, rezoning attendance boundaries, adding more portable classrooms, or eliminating and/or relocating select programs will be considered for implementation following the absence of voter approval for the District's proposed 2012 Capital Renovation and Replacement Plan
- Audited ending fund balances – Actual beginning balances are unknown and not available until the issuance of the Comprehensive Annual Financial Report in October of each year
- Recruiting and retaining qualified personnel and maintaining competitive employee compensation salaries and benefits in spite of inevitable program and staffing reductions within a financial resource structure that continues to be unpredictable and unstable
- Maintaining adequate reserves to reduce the impacts from the program cuts that have occurred from a drawdown of assigned and restricted fund balances of over \$47 million since 2012
- Satisfying the requirement of Regulation 3110 to maintain "an unassigned ending fund balance of not less than 2% of total General Fund revenue for each fiscal year" which has not occurred since 2009



All Funds - Expenditure Summary
Final Budget
Fiscal Year 2013-14



Source: CCSD Budget Department

All District Funds - Summary of Expenditures
For Fiscal Years 2009-10 Through 2013-14

Funds	Actual 2009-10	Actual 2010-11	Actual 2011-12	Estimated 2012-13	Final Budget 2013-14	2012-13 vs. 2013-14 Variance	
						Amount	Percent
General Operating Fund	\$2,051,324,159	\$2,049,062,278	\$2,003,881,038	\$2,007,920,000	\$2,136,040,000	\$128,120,000	6.4 %
Special Revenue Funds	355,342,185	387,160,974	332,555,993	385,845,000	395,705,000	9,860,000	2.6 %
Debt Service Funds	783,748,570	563,277,763	496,499,383	492,490,000	497,640,000	5,150,000	1.0 %
Capital Projects Funds	275,573,517	207,103,769	190,822,052	149,230,881	122,300,000	(26,930,881)	(18.0)%
Proprietary Funds ¹	102,646,007	105,924,230	120,129,852	140,160,000	147,930,000	7,770,000	5.5 %
Total	\$3,568,634,438	\$3,312,529,014	\$3,143,888,318	\$3,175,645,881	\$3,299,615,000	\$123,969,119	3.9 %

(1) Proprietary Funds balances reflect operating and non-operating expenses for presentation purposes.

Source: CCSD Budget and Accounting Departments