

## 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 Amended Final Budget Summary illustrates the Districtwide budgeted revenues, appropriations, and changes in fund balance for the fiscal year 2015-16. Barring restricted components of the ending fund balance, the District's budgeted change in fund balance for all funds represents a 32.8% 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 2014-15 and budgeted ending fund balances for fiscal 2015-16.



### All District Funds - Amended Final Budget Summary

#### Statement of Revenues, Expenditures, and Changes in Fund Balance

Fiscal Year 2015-16

Description	General Operating Funds	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Proprietary Funds <sup>1</sup>	Total All Funds
<b>Revenues:</b>						
Local sources	\$1,466,776,000	\$11,703,486	\$325,525,000	\$135,915,000	\$37,225,000	\$1,977,144,486
State sources	808,025,000	181,472,000			450,000	989,947,000
Federal sources	300,000	206,565,000		5,631,000	104,000,000	316,496,000
<b>Total revenues</b>	<b>2,275,101,000</b>	<b>399,740,486</b>	<b>325,525,000</b>	<b>141,546,000</b>	<b>141,675,000</b>	<b>3,283,587,486</b>
<b>Expenditures:</b>						
Salaries	1,449,688,519	222,764,152		9,355,000	32,391,143	1,714,189,814
Employee fringe benefits	620,249,984	79,402,824		3,383,500	12,548,379	715,584,687
Purchased services	93,074,165	36,871,701		247,314,000	12,873,170	390,133,036
Supplies	157,095,376	46,107,350		8,000,000	70,197,100	281,399,826
Property and equipment	39,033,750	4,200,000		28,600,000	100,000	71,933,750
Other expenditures	7,978,206	11,242,500		147,500	14,427,727	33,795,933
Depreciation					1,865,000	1,865,000
Debt service			426,533,532			426,533,532
<b>Total expenditures</b>	<b>2,367,120,000</b>	<b>400,588,527</b>	<b>426,533,532</b>	<b>296,800,000</b>	<b>144,402,519</b>	<b>3,635,444,578</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(92,019,000)</b>	<b>(848,041)</b>	<b>(101,008,532)</b>	<b>(155,254,000)</b>	<b>(2,727,519)</b>	<b>(351,857,092)</b>
<b>Other sources (uses):</b>						
Gain on disposal of assets	100,000					100,000
Sale of bonds	34,500,000					34,500,000
Proceeds of refunding bonds			238,695,000			238,695,000
Payment to escrow agent			(237,629,560)			(237,629,560)
Loan proceeds				140,000,000		140,000,000
Transfers from other funds	313,400,000		101,887,000	25,000,000		440,287,000
Transfers to other funds	(313,400,000)	-	-	(126,887,000)	-	(440,287,000)
<b>Total other sources (uses)</b>	<b>34,600,000</b>	<b>-</b>	<b>102,952,440</b>	<b>38,113,000</b>	<b>-</b>	<b>175,665,440</b>
<b>Fund balances, July 1</b>	<b>110,000,000</b>	<b>16,945,772</b>	<b>25,702,000</b>	<b>302,366,000</b>	<b>82,646,644</b>	<b>537,660,416</b>
<b>Fund balances, June 30</b>	<b>\$52,581,000</b>	<b>\$16,097,731</b>	<b>\$27,645,908</b>	<b>\$185,225,000</b>	<b>\$79,919,125</b>	<b>\$361,468,764</b>
<b>Percent increase (decrease)</b>	<b>(52.2%)</b>	<b>(5.0%)</b>	<b>7.6%</b>	<b>(38.7%)</b>	<b>(3.3%)</b>	<b>(32.8%)</b>

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

Source: CCSD Budget Department

## All District Funds - Amended Final Budget Analysis

### For Fiscal Years 2013-14 Through 2015-16

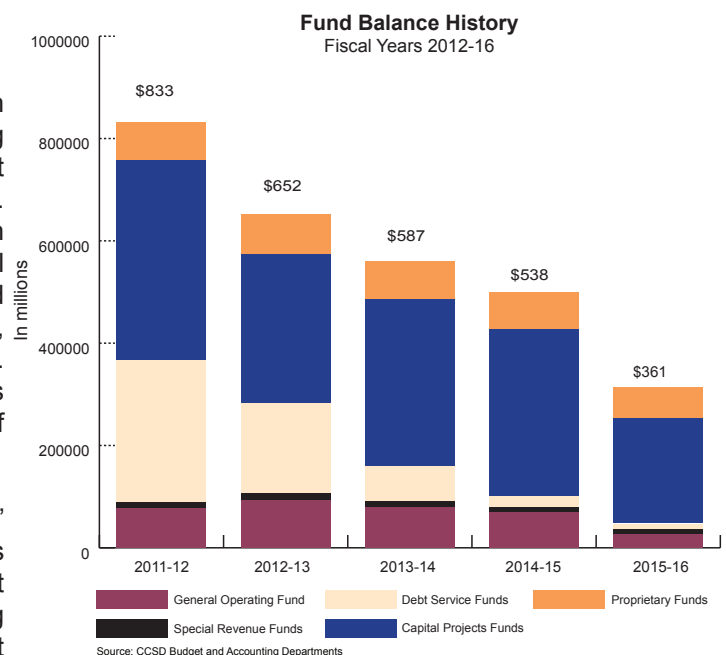
Description	Actual 2013-14	Estimated 2014-15	Amended Final Budget 2015-16	FY 2014-15 vs. FY 2015-16	
				\$ Change	% Change
<b>Revenues:</b>					
Local sources	\$1,777,948,030	\$1,871,442,956	\$1,977,144,486	\$105,701,530	5.6%
State sources	954,825,215	968,499,719	989,947,000	21,447,281	2.2
Federal sources	282,628,927	317,170,959	316,496,000	(674,959)	(0.2)
<b>Total revenues</b>	<b>3,015,402,172</b>	<b>3,157,113,634</b>	<b>3,283,587,486</b>	<b>126,473,852</b>	<b>4.2</b>
<b>Expenditures:</b>					
Salaries	1,542,643,973	1,611,989,449	1,714,198,814	102,209,365	6.3
Employee fringe benefits	611,620,143	639,204,786	715,584,687	78,379,901	11.9
Purchased services	142,620,084	154,104,610	390,133,036	236,028,426	153.2
Supplies	268,502,004	279,973,850	281,399,826	1,425,976	0.5
Property and equipment	32,490,506	38,716,000	71,933,750	33,217,750	85.8
Other expenditures	23,591,793	26,373,000	33,795,933	7,422,933	28.1
Depreciation	1,561,004	1,865,000	1,865,000	-	-
Debt service	492,217,158	455,875,000	426,533,532	(29,341,468)	(6.4)
<b>Total expenditures</b>	<b>3,115,246,665</b>	<b>3,208,101,695</b>	<b>3,635,444,578</b>	<b>427,342,883</b>	<b>13.7</b>
<b>Excess (deficiency) of revenues over expenditures</b>					
	<b>(99,844,493)</b>	<b>(50,988,061)</b>	<b>(351,857,092)</b>	<b>(300,869,031)</b>	<b>(590.1)</b>
<b>Other financing sources (uses):</b>					
Gain on disposal of assets		100,000	100,000	-	-
Sale of bonds	34,431,637		34,500,000	34,500,000	100
Proceeds of refunding bonds	325,043,523	436,207,000	238,695,000	(197,512,000)	(45.3)
Paymt to escrow agent	(324,872,718)	(435,127,000)	(237,629,560)	197,497,440	(45.4)
Loan procceds			140,000,000	140,000,000	100
Interfund transfers in	421,174,065	432,475,000	440,287,000	7,812,000	1.8
Interfund transfers (out)	(421,174,064)	(432,245,000)	(440,287,000)	(8,042,000)	1.9
<b>Total other financing sources</b>	<b>34,602,443</b>	<b>1,410,000</b>	<b>175,665,440</b>	<b>174,255,440</b>	<b>123.6</b>
<b>Fund balances - July 1</b>	<b>652,480,527</b>	<b>587,238,477</b>	<b>537,660,416</b>	<b>(8,042,000)</b>	<b>(8.4)</b>
<b>Fund balances - June 30</b>	<b>\$587,238,477</b>	<b>\$537,660,416</b>	<b>\$361,468,764</b>	<b>\$(176,191,652)</b>	<b>(32.8)%</b>
Source: CCSD Budget and Accounting Departments					

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.



## All District Funds - Summary of Fund Balances

For Fiscal Years 2011-12 Through 2015-16

Funds	Actual 2011-12	Actual 2012-13	Actual 2013-14	Estimated 2014-15	Amended Final Budget 2015-16	2014-15 vs. 2015-16 Amount	Variance Percent
General Operating Fund	\$76,982,721	\$92,596,487	\$119,902,569	\$110,000,000	\$52,581,000	\$(57,419,000)	(52.2%)
Special Revenue Funds	12,284,614	13,909,573	17,675,087	16,945,772	16,097,731	(848,041)	(5.0%)
Debt Service Funds	276,954,144	175,795,693	78,420,424	25,702,000	27,645,908	1,943,908	7.6%
Capital Projects Funds	392,493,638	292,361,871	289,792,502	302,366,000	185,225,000	(117,141,000)	(38.7%)
Proprietary Funds <sup>1</sup>	74,197,994	77,816,903	81,447,895	82,646,644	79,919,125	(2,727,519)	(3.3%)
<b>Total</b>	<b>\$832,913,111</b>	<b>\$652,480,527</b>	<b>\$587,238,477</b>	<b>\$537,660,416</b>	<b>\$361,468,764</b>	<b>\$(176,191,652)</b>	<b>(32.8%)</b>

(1) Proprietary Funds ending fund balances are reflected as cumulative unrestricted net position.

Source: CCSD Budget and Accounting Departments

The decline in the General Operating Fund balance of over 52% 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. For future years, it is obvious that essential State funding resources must increase to avoid continued deterioration of financial resources.

For the fiscal year 2016 Amended Final Budget, the General Operating Fund comprises 14.5% of the total ending fund balances. This represents a slight decrease from the 20.5% of total fund balances reflected in the 2014-15 estimated fund balance. Following a 15-year capital improvement program, the Capital Projects Funds ending fund balances comprises over 51%.

Bonds issued to fund program facilities created a need for adequate reserves in the Debt Service Fund, which totals 7.6% of all ending fund balances. As the graph on Page 51 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 by 11.2% between fiscal years 2011-12 and 2015-16. Special Revenue Funds anticipate increases in State categorical program funding. An increase of \$105 million in local revenue sources and \$21.4 million in State revenue sources will increase the District’s “All Funds” total revenues by over \$126 million.

Of the \$3.3 billion in anticipated revenues, the General

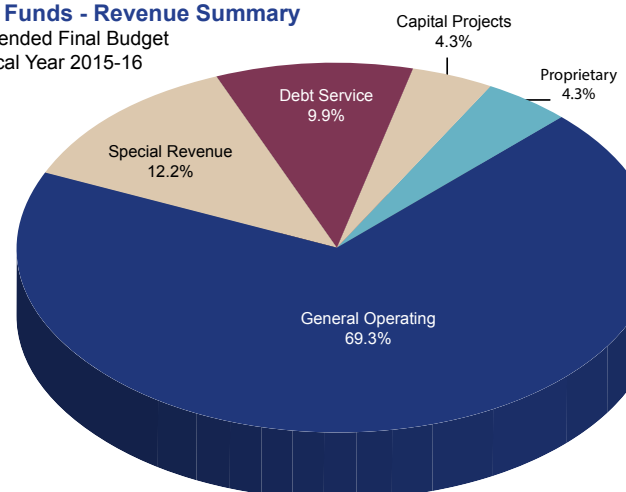


Operating Fund will represent 69.3%, Special Revenues 12.2%, Debt Service 9.9%, Capital Projects 4.3%, and Proprietary Funds 4.3%. Total projected resources for the 2015-16 fiscal year for all funds will be over \$4.2 billion with the inclusion of beginning fund balances and other financing sources.

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

### All Funds - Revenue Summary

Amended Final Budget  
Fiscal Year 2015-16



Source: CCSD Budget Department



## All District Funds - Summary of Revenues

For Fiscal Years 2011-12 Through 2015-16

Funds	Actual 2011-12	Actual 2012-13	Actual 2013-14	Estimated 2014-15	Amended Final Budget 2015-16	2014-15 vs. 2015-16 Amount	Variance Percent
General Operating Fund	\$2,045,513,311	\$2,071,034,580	\$2,190,006,646	\$2,249,280,431	\$2,275,101,000	\$25,820,569	1.1%
Special Revenue Funds	245,308,859	247,548,886	267,179,369	320,443,170	399,740,486	79,297,316	24.7%
Debt Service Funds	319,688,125	298,150,491	298,922,729	314,796,576	325,525,000	10,728,424	3.4%
Capital Projects Funds	114,413,151	115,470,478	127,653,867	133,368,498	141,546,000	8,177,502	6.1%
Proprietary Funds	123,204,842	128,631,623	131,639,561	139,224,959	141,675,000	2,450,041	1.8%
Total	\$2,848,128,288	\$2,860,836,058	\$3,015,402,172	\$3,157,113,634	\$3,283,587,486	\$126,473,852	4.0%

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 4,800 (1.5%) students while expenditures are expected to increase by more than 5% in the General Operating Fund. The following summary highlights the District's major challenges for appropriating budgets for fiscal 2016 and beyond.

Of the 2015-16 Amended Final Budget total appropriated expenditures, the General Operating Fund represents 65.1% of the total. Capital Projects and Debt Service Funds combine to represent 19.9% of total appropriations. Total expenditures will be \$3.6 billion in 2015-16, or an increase of 13.3% versus the estimated expenditures for 2014-15.

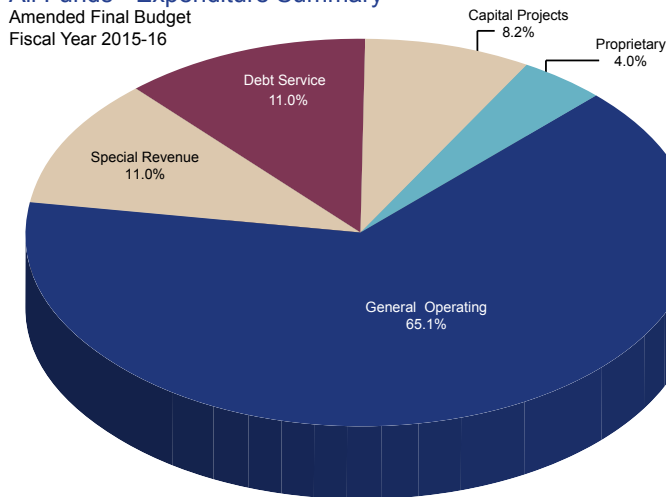
#### 2015-16 Appropriation Challenges:

- 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 focus on "every student in every classroom, without exceptions, without excuses."
- Student enrollment will increase by over 4,856 students with no additional classroom space scheduled for construction in fiscal year 2016 to house this increase in enrollment. Further unpleasant measures such as expanding year-round school schedules, rezoning attendance boundaries, adding more portable classrooms, or eliminating and/or relocating select programs will be considered.
- 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
- 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

Amended Final Budget  
Fiscal Year 2015-16



Source: CCSD Budget Department



## All District Funds - Summary of Expenditures

For Fiscal Years 2011-12 Through 2015-16

Funds	Actual 2011-12	Actual 2012-13	Actual 2013-14	Estimated 2014-15	Amended Final Budget 2015-16	2014-15 vs. 2015-16 Amount	Variance Percent
General Operating Fund	\$2,086,954,110	\$2,070,611,150	\$2,192,222,729	\$2,254,633,000	\$2,367,120,000	\$112,487,000	5.0 %
Special Revenue Funds	249,482,921	250,099,921	262,938,555	321,172,485	400,588,527	79,416,042	24.7 %
Debt Service Funds	496,499,383	500,965,771	492,217,158	455,875,000	426,533,532	(29,341,468)	(6.4)%
Capital Projects Funds	190,822,052	104,260,637	39,859,654	38,395,000	296,800,000	258,405,000	673.0 %
Proprietary Funds <sup>1</sup>	120,129,852	126,099,101	128,008,569	138,026,210	144,402,519	6,376,309	4.6 %
Total	\$3,143,888,318	\$3,052,036,580	\$3,115,246,665	\$3,208,101,695	\$3,635,444,578	\$427,342,883	13.3 %

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

Source: CCSD Budget and Accounting Departments

## POST EMPLOYMENT HEALTHCARE PLAN

**Plan Description.** The District subsidizes eligible retirees' contributions to the Public Employees' Benefits Plan (PEBP), an agent multiple-employer defined benefit postemployment healthcare plan administered by the State of Nevada. NRS 287.041 assigns the authority to establish and amend benefit provisions to the PEBP nine-member board of trustees. The plan is now closed to current CCSD retirees, however, district employees who previously met the eligibility requirement for retirement within the Nevada Public Employee Retirement System had the option upon retirement to enroll in coverage under the PEBP with a subsidy provided by the District as determined by their number of years of service. The PEBP issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Public Employee's Benefits Program, 901 S. Stewart Street, Suite 1001, Carson City, NV, 89701, by calling (775) 684-7000, or by accessing the website at [www.pebp.state.nv.us/informed/financial.htm](http://www.pebp.state.nv.us/informed/financial.htm).

**Funding Policy.** NRS 287.046 establishes the subsidies to be contributed toward the premium costs of the eligible retired district employees. Plan members receiving benefits have their monthly contributions deducted from their pension checks based on the health plan chosen by the retiree as reduced by the amount of the subsidy. Retirees qualify for a subsidy of \$114 at five years of service and \$627 at 20 years of service with incremental increases for each year of service between. The contribution requirements of plan members and the District are established and amended by the PEBP board of trustees. As a participating employer, the District is billed for the subsidy on a monthly basis and is legally required under NRS 287.023 to provide for it.

**Annual OPEB Cost and Net OPEB Obligation.** The District's annual other postemployment benefit (OPEB) cost (expense) for the plan is calculated based on the annual required contribution of the employer (ARC), an amount obtained from the actuarial report provided every two years. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.