

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 2014-15. Barring restricted components of the ending fund balance, the District's budgeted change in fund balance for all funds represents a 27.6% 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 2013-14 and budgeted ending fund balances for fiscal 2014-15.



All District Funds - Final Budget Summary

Statement of Revenues, Expenditures, and Changes in Fund Balance

Fiscal Year 2014-15

Description	General Operating Funds	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Proprietary Funds ¹	Total All Funds
Revenues:						
Local sources	\$1,339,975,000	\$13,545,000	\$307,800,000	\$118,865,000	\$37,690,000	\$1,817,875,000
State sources	909,900,000	80,880,000	-	-	450,000	991,230,000
Federal sources	4,300,000	244,850,000	-	6,075,000	98,975,000	354,200,000
Total revenues	2,254,175,000	339,275,000	307,800,000	124,940,000	137,115,000	3,163,305,000
Expenditures:						
Salaries	1,441,006,284	176,480,250	-	9,484,000	31,830,000	1,658,800,534
Employee fringe benefits	586,768,559	61,102,000	-	3,026,000	12,395,000	663,291,559
Purchased services	82,343,402	38,196,000	-	66,535,000	11,660,000	198,734,402
Supplies	152,980,844	57,017,750	-	8,595,000	66,715,000	285,308,594
Property and equipment	35,747,250	6,015,000	-	815,000	100,000	42,677,250
Other expenditures	2,363,661	12,539,000	-	95,000	17,170,000	32,167,661
Depreciation	-	-	-	-	2,245,000	2,245,000
Debt service	-	-	457,200,000	-	-	457,200,000
Total expenditures	2,301,210,000	351,350,000	457,200,000	88,550,000	142,115,000	3,340,425,000
Excess (deficiency) of revenues over expenditures	(47,035,000)	(12,075,000)	(149,400,000)	36,390,000	(5,000,000)	(177,120,000)
Other sources (uses):						
Proceeds from insurance	100,000	-	-	-	-	100,000
Sale of medium-term bonds	34,500,000	-	-	-	-	34,500,000
Proceeds of refunding bonds	-	-	437,590,000	-	-	437,590,000
Payment to escrow agent	-	-	(435,185,000)	-	-	(435,185,000)
Transfers from other funds	-	10,000,000	87,280,000	1,600,000	1,150,000	100,030,000
Transfer to other funds	(14,880,000)	-	-	(84,000,000)	-	(98,880,000)
Total other sources (uses)	19,720,000	10,000,000	89,685,000	(82,400,000)	1,150,000	38,155,000
Fund balances, July 1	80,000,000	11,444,573	67,855,693	270,651,871	74,441,903	504,394,040
Fund balances, June 30	\$52,685,000	\$9,369,573	\$8,140,693	\$224,641,871	\$70,591,903	\$365,429,040
Percent increase (decrease)	(34.1)%	(18.1)%	(88.0)%	(17.0)%	(5.2)%	(27.6)%

(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 2012-13 Through 2014-15

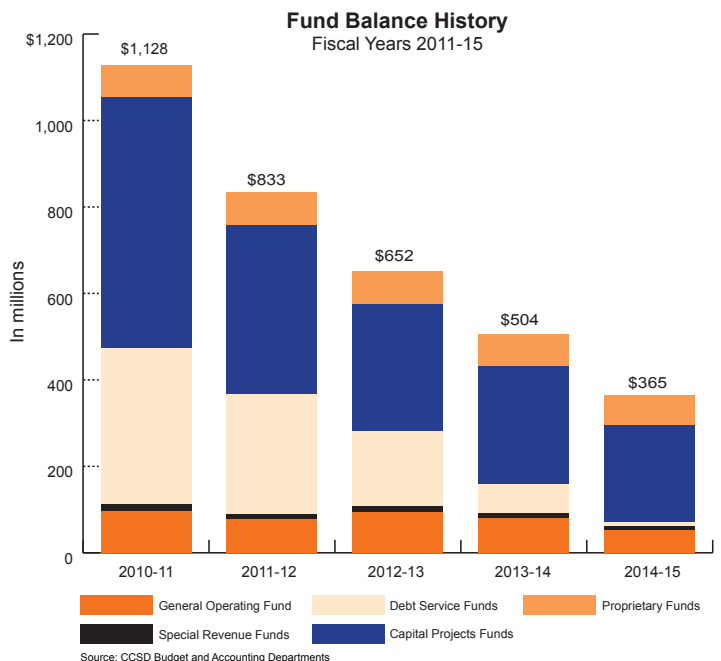
Description	Actual 2012-13	Estimated 2013-14	Final Budget 2014-15	FY 2013-14 vs. FY 2014-15 \$ Change	% Change
Revenues:					
Local sources	\$1,718,096,885	\$1,763,423,513	\$1,817,875,000	\$ 54,451,487	3.1%
State sources	856,322,629	971,385,000	991,230,000	19,845,000	2.0
Federal sources	286,416,544	347,715,000	354,200,000	6,485,000	1.9
Total revenues	2,860,836,058	3,082,523,513	3,163,305,000	80,781,487	2.6
Expenditures:					
Salaries	1,487,351,390	1,600,485,250	1,658,800,534	58,315,284	3.6
Employee fringe benefits	583,287,756	648,206,000	663,291,559	15,085,559	2.3
Purchased services	195,243,891	162,969,000	198,734,402	35,765,402	21.9
Supplies	246,334,521	271,303,750	285,308,594	14,004,844	5.2
Property and equipment	13,221,535	48,680,000	42,677,250	(6,002,750)	(12.3)
Other expenditures	23,624,376	33,441,000	32,167,661	(1,273,339)	(3.8)
Depreciation	2,007,340	2,245,000	2,245,000	-	0.0
Debt service	500,965,771	497,980,000	457,200,000	(40,780,000)	(8.2)
Total expenditures	3,052,036,580	3,265,310,000	3,340,425,000	75,115,000	2.3
Excess (deficiency) of revenues over expenditures	(191,200,522)	(182,786,487)	(177,120,000)	5,666,487	3.1
Other sources (uses):					
Proceeds from insurance	7,452	100,000	100,000	-	-
Sale of medium-term bonds	-	34,430,000	34,500,000	70,000	0.2
Proceeds of refunding bonds	199,248,293	324,725,000	437,590,000	112,865,000	34.8
Payment to escrow agent	(189,574,194)	(324,875,000)	(435,185,000)	(110,310,000)	(34.0)
Transfers from other funds	119,262,809	109,830,000	100,030,000	(9,800,000)	(8.9)
Transfers to other funds	(118,176,422)	(109,510,000)	(98,880,000)	10,630,000	9.7
Total other sources	10,767,938	34,700,000	38,155,000	3,455,000	10.0
Fund balances - July 1	832,913,111	652,480,527	504,394,040	(148,086,487)	(22.7)
Fund balances - June 30	\$ 652,480,527	\$ 504,394,040	\$ 365,429,040	\$(138,965,000)	(27.6)%

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 2010-11 Through 2014-15

Funds	Actual 2010-11	Actual 2011-12	Actual 2012-13	Estimated 2013-14	Final Budget 2014-15	2013-14 vs. 2014-15 Amount	Variance Percent
General Operating Fund	\$ 96,620,752	\$ 76,982,721	\$ 92,596,487	\$ 80,000,000	\$ 52,685,000	\$ (27,315,000)	(34.1)%
Special Revenue Funds	14,708,096	12,284,614	13,909,573	11,444,573	9,369,573	(2,075,000)	(18.1)%
Debt Service Funds	361,212,422	276,954,144	175,795,693	67,855,693	8,140,693	(59,715,000)	(88.0)%
Capital Projects Funds	580,955,519	392,493,638	292,361,871	270,651,871	224,641,871	(46,010,000)	(17.0)%
Proprietary Funds ¹	74,194,941	74,197,994	77,816,903	74,441,903	70,591,903	(3,850,000)	(5.2)%
Total	\$1,127,691,730	\$832,913,111	\$652,480,527	\$504,394,040	\$365,429,040	\$(138,965,000)	(27.6)%

(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 34% 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 2014-15, the District has planned spend downs of fund balances due to stagnant (2.7%) 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 2015 Final Budget, the General Operating Fund comprises 14.4% of the total ending fund balances. This represents a slight decrease from the 15.9% of total fund balances reflected in the 2013-14 estimated fund balance. Following a 15-year capital improvement program, the Capital Projects Funds ending fund balances comprises over 61%.

Bonds issued to fund program facilities created a need for adequate reserves in the Debt Service Fund, which totals 2.2% of all ending fund balances. As the graph on Page 54 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 10.9% between fiscal years 2010-11 and 2014-15. Special Revenue Funds anticipate decreases in State categorical program funding. An increase of \$54.5 million in local revenue sources and \$19.8 million in State revenue sources will increase the District’s “All Funds” total revenues by over \$80 million.

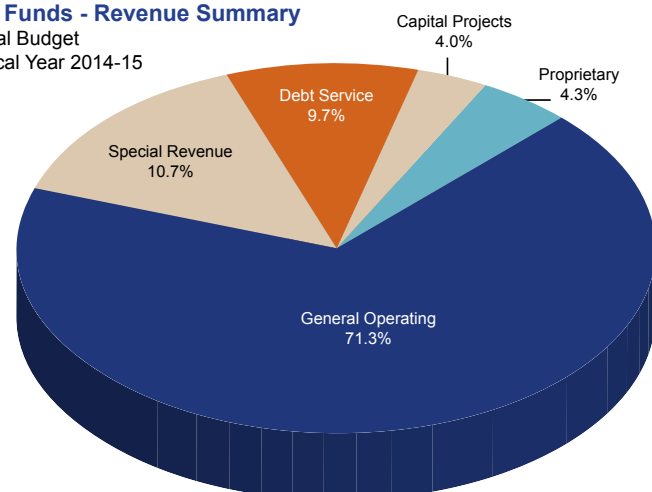


Of the \$3.2 billion in anticipated revenues, the General Operating Fund will represent 71.3%, Special Revenues 10.7%, Debt Service 9.7%, Capital Projects 4%, and Proprietary Funds 4.3%. Total projected resources for the 2014-15 fiscal year for all funds will be over \$4.2 billion with the inclusion 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

Final Budget
Fiscal Year 2014-15



Source: CCSD Budget Department

All District Funds - Summary of Revenues

For Fiscal Years 2010-11 Through 2014-15

Funds	Actual 2010-11	Actual 2011-12	Actual 2012-13	Estimated 2013-14	Final Budget 2014-15	2013-14 vs. 2014-15 Variance Amount	Percent
General Operating Fund	\$2,033,081,365	\$2,045,513,311	\$2,071,034,580	\$2,187,718,513	\$2,254,175,000	\$66,456,487	3.0 %
Special Revenue Funds	307,088,071	245,308,859	247,548,886	345,825,000	339,275,000	(6,550,000)	(1.9)%
Debt Service Funds	352,400,912	319,688,125	298,150,491	292,495,000	307,800,000	15,305,000	5.2 %
Capital Projects Funds	113,992,334	114,413,151	115,470,478	120,585,000	124,940,000	4,355,000	3.6 %
Proprietary Funds	116,917,122	123,204,842	128,631,623	135,900,000	137,115,000	1,215,000	0.9 %
Total	\$2,923,479,804	\$2,848,128,288	\$2,860,836,058	\$3,082,523,513	\$3,163,305,000	\$80,781,487	2.6 %

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 3,300 (1.1%) students while expenditures are expected to increase by more than 3.6% in the General Operating Fund. The following summary highlights the District's major challenges for appropriating budgets for fiscal 2015 and beyond.

Of the 2014-15 Final Budget total appropriated expenditures, the General Operating Fund represents 68.9% of the total. Capital Projects and Debt Service Funds combine to represent 16.3% of total appropriations. Total expenditures will be \$3.3 billion in 2014-15, or an increase of 2.3% versus the estimated expenditures for 2013-14.

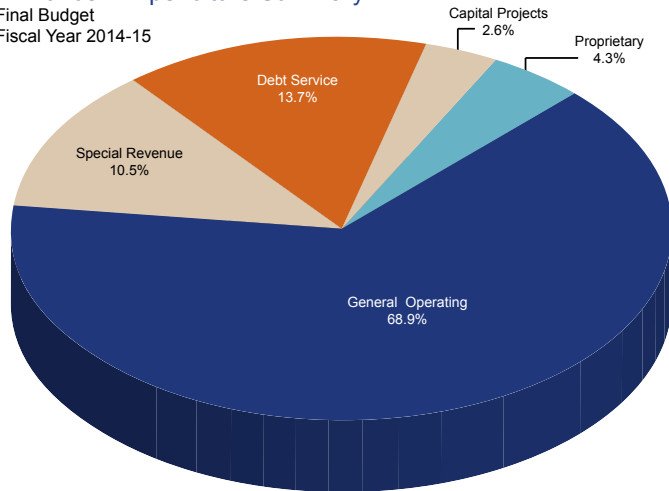
2014-15 Appropriation Challenges:

- 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 3,300 students with no additional classroom space scheduled for construction 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 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 potential program cuts from a drawdown of assigned and restricted fund balances by \$40 million since 2013
- 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 2014-15



Source: CCSD Budget Department



All District Funds - Summary of Expenditures

For Fiscal Years 2010-11 Through 2014-15

Funds	Actual 2010-11	Actual 2011-12	Actual 2012-13	Estimated 2013-14	Final Budget 2014-15	2013-14 vs. 2014-15 Amount	2013-14 vs. 2014-15 Percent
General Operating Fund	\$2,134,662,278	\$2,086,954,110	\$2,070,611,150	\$2,221,300,000	\$2,301,210,000	\$79,910,000	3.6 %
Special Revenue Funds	301,560,974	249,482,921	250,099,921	356,450,000	351,350,000	(5,100,000)	(1.4)%
Debt Service Funds	563,277,763	496,499,383	500,965,771	497,980,000	457,200,000	(40,780,000)	(8.2)%
Capital Projects Funds	207,103,769	190,822,052	104,260,637	49,155,000	88,550,000	39,395,000	80.1 %
Proprietary Funds ¹	105,924,230	120,129,852	126,099,101	140,425,000	142,115,000	1,690,000	1.2 %
Total	\$3,312,529,014	\$3,143,888,318	\$3,052,036,580	\$3,265,310,000	\$3,340,425,000	\$75,115,000	2.3 %

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

Source: CCSD Budget and Accounting Departments