



# Financial Section



## **INDEPENDENT AUDITOR'S REPORT**

To 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, 2014, 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.

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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, the Special Education Fund and the Federal Projects Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Other Matters***

##### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of funding progress on pages 4–16 and 72 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 fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual fund financial statements and 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 financial statements and 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.

*Prior Year Comparative Information*

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the District's basic financial statements as of and for the year ended June 30, 2013 (not presented herein), and have issued our report thereon dated October 10, 2013, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. The combining and individual fund financial statements and schedules, related to the 2013 financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2013 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2013 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 2013 combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2014, 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, and grant agreements and other matters. The purpose of that report is 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 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.

*Kafoury, Armstrong & Co.*

Las Vegas, Nevada  
October 10, 2014

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, 2014. 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 2014

Following is an analysis of facts, descriptions or conditions of the District, in fiscal year 2014, that had a material effect on its financial position or operating results.

##### Government-wide Financial Statements

- The overall financial position of the District improved slightly as government-wide net position increased during fiscal year 2014, from \$1.935 billion to \$2.012 billion, a \$77 million dollar increase.
- Total revenues increased \$158 million from \$2.838 billion in fiscal year 2013 to \$2.997 billion in fiscal year 2014, a 5.58% increase. This was mainly due to a rise in state aid and local school support tax.
- Certain local revenues such as the real estate transfer tax and the governmental services tax experienced an increase from fiscal year 2013 in the amount of \$1,615,313 and \$6,074,555, respectively, due to a slight increase in home sales and increased local population. Franchise tax revenue increased by 137.94% due to an overall increase in tax receipts this year resulting from higher net profits by public utilities. Room tax had an increase of \$6,790,083 or 10.09% in fiscal year 2014 due to the growth in visitor volume from the previous year.
- Total expenses increased \$85 million from \$2.835 billion in fiscal year 2013 to \$2.920 billion in fiscal year 2014, a 2.99% increase. Increased expenses were mainly due to a rise in licensed staff resulting from a new Board initiated academic priority to reduce class sizes in grades 4-12 and increased student enrollment. In addition, the purchase of new buses and portables to support full-day kindergarten priorities also contributed to the increase.

##### Fund Financial Statements

- Ending combined governmental fund balances decreased to \$506 million in fiscal year 2014 from \$575 million in fiscal year 2013, an 11.98% decrease.
- Decreases to the combined ending fund balance were due in part to the Bond Fund, where the number of construction projects is declining as we come to the end of the 1998 bond program. Also, the Debt Service Fund ending fund balance continues to decline.
- As the local economy continues to improve, combined revenues in the governmental funds recorded a \$152 million increase from the previous year mainly in the General Fund and the State Grants Fund. The additional revenue received in the General Fund was due to the local school support tax increase of \$40 million. Additional revenues received in the State Grants Fund resulted from state-wide programs to promote early education opportunities through increases of \$8 million for full-day kindergarten, \$9 million for class size reduction kindergarten, and \$10 million for pre-kindergarten in zoom schools.
- One of the largest sources of revenue in the General Fund and the Special Education Fund is state aid known as the Distributive School Account (DSA). These funds increased significantly due to a rise in student enrollment of 3,380 pupils and the basic support rate increase of \$200 per student in fiscal year 2014.

##### General Operating Fund Balance

- Ending fund balance in the General Fund increased from \$93 million in fiscal year 2013 to \$120 million in fiscal year 2014, a 29.49% increase. Local and state revenues increased from the prior year and property tax has slowed in its decline. The District's increased expenditures are due to a new academic priority reducing class sizes in grades 4-12, enrollment related growth, and the purchase of new buses for student transportation.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

- Total General Fund revenues increased \$102 million to \$1.993 billion in fiscal year 2014. This was due in part, to increases of the Distributive School Account, local school support tax, and governmental services tax revenue.
- The District funded the unassigned (spendable) portion of fund balance to 1.25% of general operating revenue in fiscal year 2014. As a component of budget savings, it was recommended to waive the current unassigned fund balance requirement from the 2% established by District Regulation 3110, which the Board of Trustees approved. Unassigned fund balance is reported at \$25.9 million in 2014. The District will increase .25% annually until unassigned fund balance reaches the 2% requirement.
- The District was able to assign additional funding in its General Fund for instructional supplies, school bus appropriations, surplus school balance carryovers, categorical indirect costs, school bus purchases, deferred maintenance initiatives, human capital management implementation, and school computer replacement 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, not including fiduciary funds. They are further divided into governmental activities and business-type activities. Governmental activities being 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.

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

The statement of activities presents information showing how the District's net position changed during fiscal year 2014. 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 expenditures are reported by related function as prescribed by the Nevada Department of Education Handbook II Accounting System.

#### Fund Financial Statements

The District uses fund financial statements to provide detailed information about its most significant funds. All of the funds of the Clark County School District can be divided into three 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.

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

*Fiduciary Funds* – Funds that are used to report assets held in a trustee or agency capacity for others and, therefore, cannot be used to support the government’s own programs. The District currently holds assets related to student activities of various schools in its single fiduciary fund, the Student Activity Agency 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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, the government-wide statements are structured to report financial information on the District as a whole, excluding fiduciary funds. 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	
	2014	2013	2014	2013	2014	2013
Current assets	\$ 936,124,054	\$ 1,003,909,830	\$ 57,418,406	\$ 48,978,474	\$ 993,542,460	\$ 1,052,888,304
Capital assets, net	4,532,343,300	4,705,708,550	12,679,400	12,257,405	4,545,022,700	4,717,965,955
Total assets	5,468,467,354	5,709,618,380	70,097,806	61,235,879	5,538,565,160	5,770,854,259
Deferred outflow s	30,782,071	41,966,000	-	-	30,782,071	41,966,000
Current liabilities	405,454,369	396,818,416	4,020,790	2,735,275	409,475,159	399,553,691
Long-term liabilities	3,145,972,192	3,475,698,537	1,095,975	997,026	3,147,068,167	3,476,695,563
Total liabilities	3,551,426,561	3,872,516,953	5,116,765	3,732,301	3,556,543,326	3,876,249,254
Deferred inflow s	1,029,707	2,054,502	-	-	1,029,707	2,054,502
Net position:						
Net investment in capital assets	1,602,205,080	1,484,021,125	12,679,400	12,257,405	1,614,884,480	1,496,278,530
Restricted	287,372,577	355,035,762	-	-	287,372,577	355,035,762
Unrestricted	57,215,500	37,956,038	52,301,641	45,246,173	109,517,141	83,202,211
Total net position	\$ 1,946,793,157	\$ 1,877,012,925	\$ 64,981,041	\$ 57,503,578	\$ 2,011,774,198	\$ 1,934,516,503

The District’s assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$2,011,774,198 at the close of the current fiscal year and total net position increased by 3.99% or \$77,257,695.

Governmental Activities

The District’s total net position in governmental activities is \$1,946,793,157 of which, unrestricted net position totaled \$57,215,500; these dollars are used to meet the ongoing obligations of the District.

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 \$195,215,477; assets related to bond proceeds and other revenues to be used in the District’s capital projects programs in the amount of \$81,887,073; and net position restricted for other purposes totaling \$10,270,027, which includes donations of \$202,114, state restricted money for adult education in the amount of \$1,426,281, a certificate of deposit with the State of Nevada for the District’s workers’ compensation self-insurance program in the amount of \$6,947,000 and a total of \$1,694,632 in term endowments made over time to Vegas PBS.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Business-type Activities

Business-type activities consist solely of the District's Food Service Enterprise Fund. Net position in this fund increased by 13% to \$64,981,041 and revenues exceeded expenses by \$7,477,463. Food Service is reporting approximately \$52 million in unrestricted net position.

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

	Governmental activities		Business-type activities		Totals	
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenues:						
Charges for services	\$ 10,249,955	\$ 10,032,406	\$ 16,357,955	\$ 17,415,957	\$ 26,607,910	\$ 27,448,363
Operating grants and contributions	465,539,067	436,759,925	98,664,573	94,999,625	564,203,640	531,759,550
Capital grants and contributions	7,918,056	1,533,606	-	-	7,918,056	1,533,606
Total program revenues	483,707,078	448,325,937	115,022,528	112,415,582	598,729,606	560,741,519
General revenues:						
Property taxes	692,150,495	688,600,716	-	-	692,150,495	688,600,716
Local school support tax	832,511,729	792,018,758	-	-	832,511,729	792,018,758
Governmental services tax	73,688,079	67,613,524	-	-	73,688,079	67,613,524
Room tax	74,067,663	67,277,580	-	-	74,067,663	67,277,580
Real estate transfer tax	21,311,525	19,696,212	-	-	21,311,525	19,696,212
Franchise tax	3,602,799	1,514,151	-	-	3,602,799	1,514,151
Unrestricted federal aid	237,429	374,154	-	-	237,429	374,154
Unrestricted state aid	677,169,613	621,805,351	-	-	677,169,613	621,805,351
Other local sources	17,966,634	17,670,410	63,384	54,697	18,030,018	17,725,107
Unrestricted investment earnings	5,064,337	881,356	176,652	12,335	5,240,989	893,691
Total general revenues	2,397,770,303	2,277,452,212	240,036	67,032	2,398,010,339	2,277,519,244
Total revenues	2,881,477,381	2,725,778,149	115,262,564	112,482,614	2,996,739,945	2,838,260,763
Expenses						
Instruction expenses	1,696,578,663	1,604,594,098	-	-	1,696,578,663	1,604,594,098
Support services:						
Student support	120,130,725	115,803,335	-	-	120,130,725	115,803,335
Instructional staff support	159,075,335	162,712,891	-	-	159,075,335	162,712,891
General administration	22,356,725	21,429,448	-	-	22,356,725	21,429,448
School administration	187,494,657	179,071,665	-	-	187,494,657	179,071,665
Central services	78,632,206	73,483,533	-	-	78,632,206	73,483,533
Operation and maintenance of plant services	269,244,660	265,086,728	-	-	269,244,660	265,086,728
Student transportation	127,025,270	122,177,974	-	-	127,025,270	122,177,974
Other support services	3,733,353	4,372,133	-	-	3,733,353	4,372,133
Community services	3,113,614	2,333,725	-	-	3,113,614	2,333,725
Facilities acquisition and construction services	7,481,160	9,309,181	-	-	7,481,160	9,309,181
Interdistrict payments	2,423,183	93,796	-	-	2,423,183	93,796
Interest on long-term debt	134,468,848	168,413,566	-	-	134,468,848	168,413,566
Food services	-	-	107,785,101	105,843,199	107,785,101	105,843,199
Total expenses	2,811,758,399	2,728,882,073	107,785,101	105,843,199	2,919,543,500	2,834,725,272
Change in net position before term endowments and transfers	69,718,982	(3,103,924)	7,477,463	6,639,415	77,196,445	3,535,491
Term endowment	61,250	22,050	-	-	61,250	22,050
Transfers in / (out)	-	(1,086,387)	-	1,086,387	-	-
Change in net position	69,780,232	(4,168,261)	7,477,463	7,725,802	77,257,695	3,557,541
Net position - beginning	1,877,012,925	1,881,181,186	57,503,578	49,777,776	1,934,516,503	1,930,958,962
Net position - ending	\$ 1,946,793,157	\$ 1,877,012,925	\$ 64,981,041	\$ 57,503,578	\$ 2,011,774,198	\$ 1,934,516,503

Governmental Activities**Net Position**

Governmental activities increased the District's net position by \$69,780,232. Increases in net position are due to increases in local school support tax revenue, governmental services tax revenue, room tax revenue, and state aid revenue.

**Revenues**

The largest general revenues received by the District include local school support tax in the amount of \$832,511,729, aggregated property taxes in the amount of \$692,150,495, and unrestricted state aid in the amount of \$677,169,613. These revenues represent 28.89%, 24.02%, and 23.50%, respectively, of total governmental revenues for the current fiscal year.

This year's state aid increased by 8.90% and 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 and is apportioned that funding through components of both sales and property taxes. The amount received per pupil for fiscal year 2014 was \$5,457, up from last year's amount of \$5,257 per pupil. The state is required to provide funding to meet the residual amount that is not collected through these taxes.

As the Clark County economy continues to recover, many other revenue collections have experienced improvements over the previous year. In fiscal year 2014, the real estate transfer tax, a tax collected on transfers of real property, has experienced an increase of \$1,615,313 due to the positive change in the housing market. The room tax, a tax associated with hotel lodging and deposited into the Bond Fund, experienced an increase of \$6,790,083 or 10.09% over the previous year. The real estate transfer tax, along with the property tax and room tax are the main components of meeting outstanding bond obligations. The reductions of property taxes overtime have placed a strain on servicing future debt obligations and on future bonding capacity.

The Local School Support Tax (LSST), a component of the sales tax, in Clark County, is one of the few revenues of the District that showed increases for the last five years. It currently increased 5.11% or \$40,492,971 over the prior year, with collections totaling \$832,511,729. This is primarily due to a .35% increase in the tax passed during the 2009 Nevada Legislative Session and extended until 2014, where the LSST increased from 2.25% to 2.60%.

LSST is 100% guaranteed by the state as part of the Nevada Plan. When LSST decreases, the state is required to make up the difference to meet its basic support obligation. However, when LSST is higher than anticipated as occurred this year, the District does not share in any surplus. It simply means the state reduces its state-aid payments through the DSA.

Franchise tax revenue increased significantly by \$2,088,648 or 137.94% resulting from an overall increase in tax receipts this year that resulted primarily from higher net profits reported by two public utilities, NV Energy and Republic Services.

The District has also seen significant increases in its unrestricted investment earnings as fund balance begins to increase and interest rates continue to rise. Overall investment earnings have increased \$4,182,981 or 474.61% from fiscal year 2013.

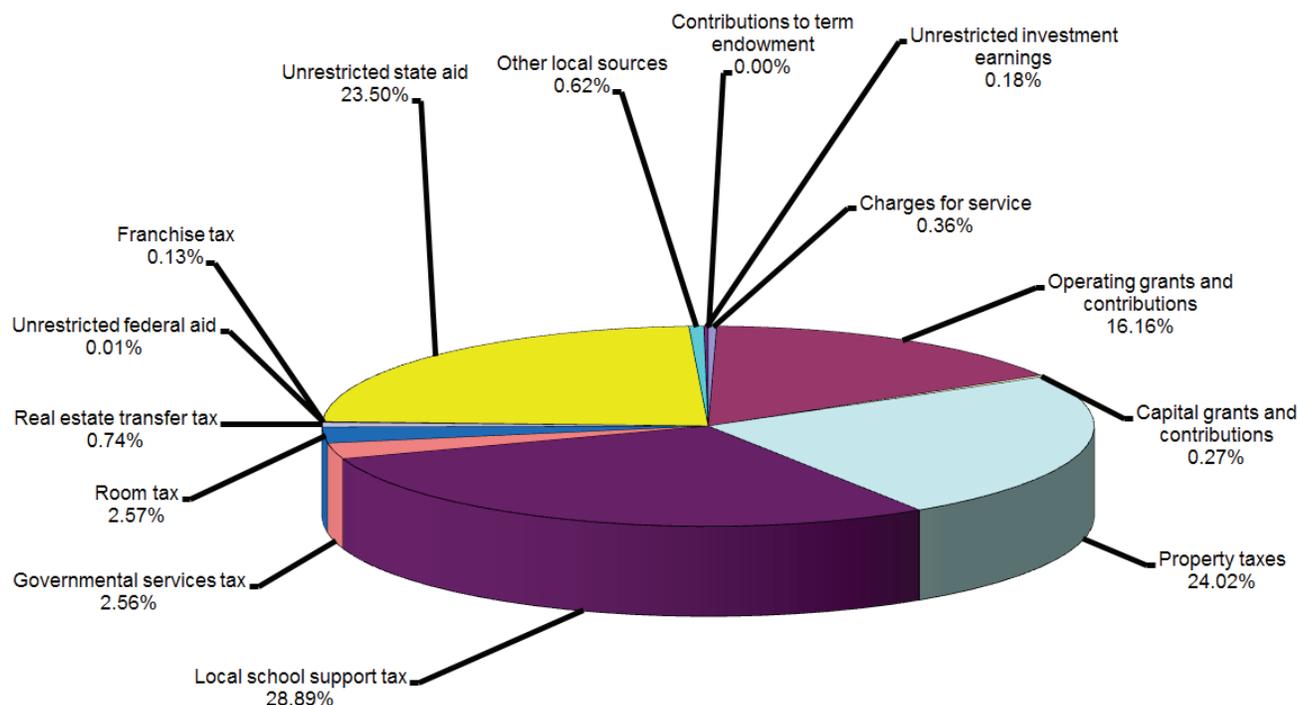
In fiscal 2014, governmental services tax revenue increased \$6,074,555 or 8.98%. Governmental services taxes are collected when residents register their vehicles each year. This tax is based on the original Manufactures Suggested Retail Price (MSRP) set when the vehicle was new.

Operating grants and contributions had increased state grant funding from the Nevada Department of Education for full day kindergarten and zoom school programs by \$28,779,142 or 6.59% from the prior year.

Capital grants and contributions increased \$6,384,450 or 416.30% as we received two new state grants that provided portables to increase full day kindergarten capacity and the class size reduction initiative.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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



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

**Governmental Activities - Change in Revenues**

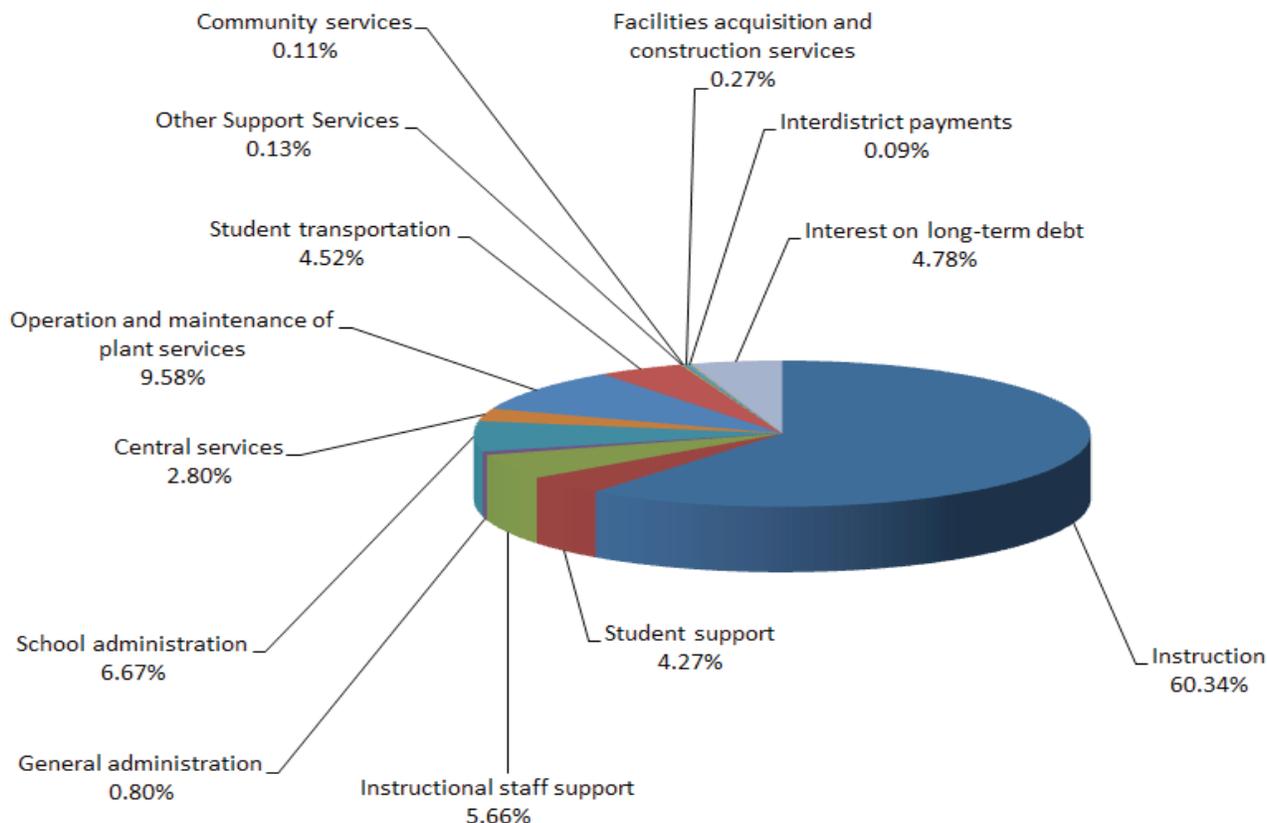
Revenues	2014	2013	Inc / (Dec) from 2013	% Inc / (Dec) from 2013
Charges for services	\$ 10,249,955	\$ 10,032,406	\$ 217,549	2.17%
Operating grants and contributions	465,539,067	436,759,925	28,779,142	6.59%
Capital grants and contributions	7,918,056	1,533,606	6,384,450	416.30%
Property taxes	692,150,495	688,600,716	3,549,779	0.52%
Local school support taxes	832,511,729	792,018,758	40,492,971	5.11%
Governmental services tax	73,688,079	67,613,524	6,074,555	8.98%
Room tax	74,067,663	67,277,580	6,790,083	10.09%
Real estate transfer tax	21,311,525	19,696,212	1,615,313	8.20%
Franchise tax	3,602,799	1,514,151	2,088,648	137.94%
Unrestricted federal aid	237,429	374,154	(136,725)	-36.54%
Unrestricted state aid	677,169,613	621,805,351	55,364,262	8.90%
Other local sources	17,966,634	17,670,410	296,224	1.68%
Unrestricted investment earnings	5,064,337	881,356	4,182,981	474.61%
Contributions to term endowment	61,250	22,050	39,200	177.78%
<b>Total revenues</b>	<b>\$2,881,538,631</b>	<b>\$ 2,725,800,199</b>	<b>\$ 155,738,432</b>	<b>5.71%</b>

**Expenses**

- Instruction related expenses represent 60.34% of total governmental expenses. They consist of regular, special, gifted and talented, vocational, other instruction, and adult program expenses, with 96.08% of these dollars spent on regular and special education.
- Instruction related expenses reported a significant increase of \$91,984,565 or 5.73% from the previous fiscal year due to the newly implemented academic priority to reduce class sizes in grades 4-12, enrollment growth reflected in additional staffing positions, and computer purchases for the classroom.
- Operation and maintenance of plant services account for the next highest expenses comprising approximately 9.58% of total expenses. These expenses include utility and maintenance costs intended to provide upkeep for the District's schools and administrative facilities.
- The school administration function reported an increase of \$8,422,992 or 4.70% which was caused by additional elementary assistant principals. This increase was a result of a new academic priority to increase school-based staffing of elementary assistant principals based on an administrator to student ratio and the anticipated implementation of pay for performance of licensed staff.
- Central services function increased by 7.01% or \$5,148,673 due in part to the reimbursements of professional services for behavioral interventions and an escalation in property insurance premiums.
- Student transportation expenses increased by 3.97% or \$4,847,296 resulting from an increase in the number of bus drivers related to student enrollment growth, higher fuel costs in the current year, and the purchase of new buses. The average price of fuel has increased sharply in the past six months.
- Instructional staff support expenses decreased this year by \$3,637,556 or 2.24% as a result of decreased grant funding for Career Professional Development in Title I and Title II schools. In previous years these programs were being partially funded through the American Recovery and Reinvestment Act (ARRA) grants.
- Community services expenses increased by 33.42% or \$779,889 as we experienced an increase in professional services for health education provided by Southern Nevada Health District (SNHD). The goal of this initiative is to increase implementation of effective physical activity, nutrition, and tobacco-use prevention efforts to improve outcome measures.
- Facilities acquisition and construction services expenses decreased by 19.64% or \$1,828,021 largely due to the number of projects in construction services decreasing. As the 1998 bond program is nearing its end, no new school construction debt could be authorized or issued in 2014.
- Interdistrict payments increased by \$2,329,387 or 2,483.46% due to an increase in the number of students enrolled at charter schools. Also, data reclassification of Special Education Fund payments to the charter schools contributed to this increase.
- Interest on long term debt decreased by \$33,944,718 or 20.16% as interest payments decreased in the Debt Service fund resulting from the issuance of three advance bond refundings and no new school construction debt.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**Governmental Activities – Expenses by Function\*\***



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

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

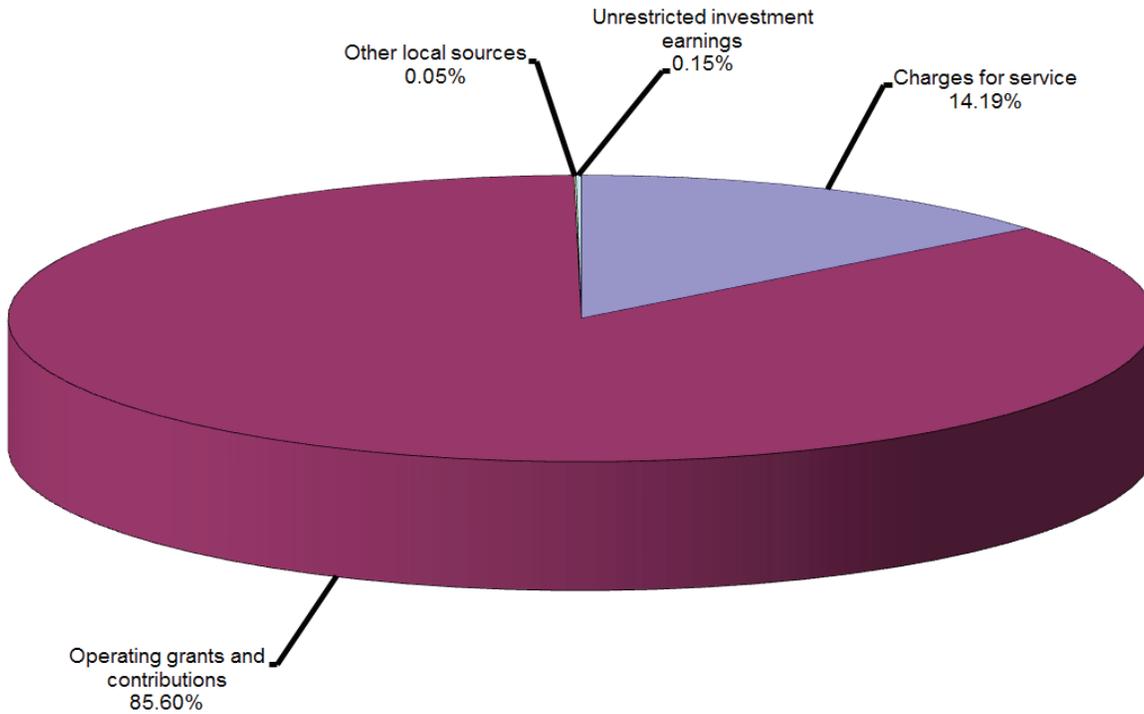
Expenses	2014	2013	Inc / (Dec) from 2013	% Inc / (Dec) from 2013
Instruction	\$ 1,696,578,663	\$ 1,604,594,098	\$ 91,984,565	5.73%
Student support	120,130,725	115,803,335	4,327,390	3.74%
Instructional staff support	159,075,335	162,712,891	(3,637,556)	-2.24%
General administration	22,356,725	21,429,448	927,277	4.33%
School administration	187,494,657	179,071,665	8,422,992	4.70%
Central services	78,632,206	73,483,533	5,148,673	7.01%
Operation and maintenance of plant services	269,244,660	265,086,728	4,157,932	1.57%
Student transportation	127,025,270	122,177,974	4,847,296	3.97%
Other support services	3,733,353	4,372,133	(638,780)	-14.61%
Community services	3,113,614	2,333,725	779,889	33.42%
Facilities acquisition and construction services	7,481,160	9,309,181	(1,828,021)	-19.64%
Interdistrict payments	2,423,183	93,796	2,329,387	2,483.46%
Interest on long-term debt	134,468,848	168,413,566	(33,944,718)	-20.16%
<b>Total expenses</b>	<b>\$ 2,811,758,399</b>	<b>\$ 2,728,882,073</b>	<b>\$ 82,876,326</b>	<b>3.04%</b>

Business-type Activities

Business-type activities consist solely of the District's Food Service Enterprise Fund. In the current fiscal year, this activity increased net position by \$7,477,463 mainly due to increased free and reduced meals and additional federal dollars awarded.

Food service student charges and federal subsidies, including contributions of commodity food products, account for almost 100% of the revenues received by business-type activities, with student charges representing approximately 14.19% and federal subsidies accounting for 85.60%. 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.

**Business-type Activities – Revenue Sources\*\***



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

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

Revenues	2014	2013	Increase / (Decrease) from 2013	% Increase / (Decrease) from 2013
Charges for service	\$ 16,357,955	\$ 17,415,957	\$ (1,058,002)	-6.07%
Operating grants and contributions	98,664,573	94,999,625	3,664,948	3.86%
Other local sources	63,384	54,697	8,687	15.88%
Unrestricted investment earnings	176,652	12,335	164,317	1332.12%
<b>Total Revenues</b>	<b>\$ 115,262,564</b>	<b>\$ 112,482,614</b>	<b>\$ 2,779,950</b>	<b>2.47%</b>

Revenues generated in fiscal year 2014 from charges for services declined while federal sources increased. This was primarily due to a shift in free meals from full pay meals, reflecting the general economic conditions in the District. The free lunch meals increased from 72% to 74%, while the full pay meals remained at 15%.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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 \$506 million, a decrease of \$69 million from last year. The General Fund reported higher revenue collections overall as a result of improvements in the local economy and increased expenditures fueled by a student enrollment growth of 3,380. Of the total governmental fund balance, \$5,260,902 is classified as nonspendable and \$371,535,953 as restricted. Committed fund balance totaled \$14,554,175 which included amounts for PBS programming fees and Medicaid programs. The assigned fund balance totaling \$88,589,394 are for various initiatives throughout the District including instructional supplies, new school bus appropriations, school carryover, categorical indirect costs, school bus purchases, deferred maintenance initiatives, human capital management implementation, and school computer replacement. Unassigned fund balance, for all governmental funds (which serves as a useful measure of the District's net resources as a whole) available for spending is \$25,850,159.

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 \$119,902,569; nonspendable portion totaled \$5,260,902 and the restricted portion was \$202,114. The unassigned portion which represents spendable resources was \$25,850,159, representing 21.56% of the total fund balance or 1.25% of the general operating budget resources.

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 2014 was \$297,469,464. This is an increase of 5.89% over 2013, as Special Education instruction and transportation costs increased over the prior year due to an increase of 1,306 students with special needs.

The District's Debt Service Fund ending fund balance decreased by \$97 million, from \$176 million in fiscal year 2013 to \$78 million in fiscal year 2014. Due to declining property tax, it is expected that the District will continue to utilize its reserves to assist with servicing debt until 2017, when it is projected to once again have one times coverage.

The District's Bond Fund reported a decrease in fund balance of \$10 million due to continuing construction costs. As the 1998 bond program is coming to an end, no new school construction debt could be authorized or issued in 2014. The District received \$95 million in combined revenues from the room tax and real property transfer tax. These taxes are pledged to reduce specific general obligation debts as they come due. Most of these pledged revenues are reported as a transfer out of the Bond Fund in the amount of \$83 million and are shown as transfer in to the Debt Service Fund.

The Federal Projects and State Grants Funds reported no fund balance as draws, recorded as receivables, are 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 requested draws to cover several expenditures mainly in its Title I, Title III and IDEA grants, but did not receive the funding until after the end of the current fiscal year. As of June 30, 2014, the Federal Projects Fund and the State Grants Fund are reporting \$50 million and \$23 million receivables, respectively. Since these funds did not receive grant awards in time to cover the current expenditures, funding was provided by the General Fund. Liabilities are recorded in the Federal Projects Fund in the amount of \$16,365,567 and \$3,744,459 in the State Grants Fund to recognize the payable; corresponding receivables are recorded in the General Fund.

BUDGETARY HIGHLIGHTS

The "Original Budget" reflected in the General Fund was approved on May 15, 2013. Budgeted appropriations were developed with certain assumptions remaining unknown or not finalized, namely certified student enrollment. An amendment to the 2013-14 "Original Budget" was approved on December 12, 2013 following recognition of final certified student enrollment,

increased State revenues, and the audited June 30, 2013 ending fund balance. For this reason, the "Original Budget" was approved and submitted based upon future resolution of various assumptions of revenue elements. Total General Fund resources were increased by over \$41.2 million (2.0%) between adoption of the "Original Budget" in May 2013 and the "Final Budget" in December 2013.

The "Final Budget" reflects the District's best estimates and includes all transfers, additions, and deletions that have been approved through June 30, 2014 and more accurately denote total appropriation activity throughout the year then ended.

Nevada Revised Statutes and District regulations require that school districts legally adopt budgets for all funds. Budgets are prepared in accordance with generally accepted accounting principles. Budgeted amounts reflected in the accompanying financial statements recognize amendments and transfers made during the year. The "Final Budget" is prepared by fund, program, and function. All appropriations lapse at year-end and certain allowable encumbrances will carry over and be re-appropriated in 2014-15.

There were numerous variances between the original and final budgets in the General and the Special Education Funds attributable largely to additional resources becoming available between adoption of the original and final budgets. Actual enrollment exceeded the May 2013 projected enrollment by 1,882 students which necessitated additional appropriations for support of instructional based services.

Appropriations for the student transportation services function were increased by \$12.3 million to purchase replacement buses and \$2.2 million to replace failing large system equipment. School based appropriations related to final enrollment counts were increased \$2.9 million to provide adequate resources. Adjustments to formula driven support staffing increased appropriations \$2.5 million. Further increases in appropriations for all other items totaled \$5.2 million.

The Board adopted the Amended Final Budget for 2013-14 of the General Fund in December 2013 that reflected total resources of \$2,222,500,000 including a projected ending fund balance of \$47.8 million. Local revenues were \$14.6 million above projections while State related revenue was \$10.4 million lower than budgeted. The State revenue shortfall was offset by an almost equal increase in sales tax collections as part of the State aid is guaranteed through a funding mechanism known as the Nevada Plan.

Revenues were \$1.0 million more than anticipated while a negative net transfer variance of \$16,597 was higher than projected. The actual ending fund balance of \$120 million was \$72.1 million more than budgeted largely from an unexpected positive expenditure variance of \$71.1 million.

Although unassigned fund balance increased by over \$6.2 million from 2013, this continues to necessitate a waiver approved by the Board relative to Regulation 3110 that requires the unassigned fund balance be no less than 2.0% of total revenues. For fiscal 2014, General Fund revenues were 0.05% more than anticipated while total expenditures produced a positive variance of 4.0% and provided additional resources for fiscal 2015.

## CAPITAL ASSETS AND LONG-TERM DEBT

### Capital Assets

At June 30, 2014, the District held approximately \$4.5 billion invested in a broad range of capital assets, net of depreciation, including land and improvements, buildings and improvements, and equipment. This amount represents a net decrease (including additions, disposals, and depreciation) of \$173 million or 3.68% from last year. The following tables reflect additions and disposals of capital assets for governmental and business-type activities (see following page).

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**Governmental Activities Capital Assets:**

	Balance June 30, 2013	Additions	Disposals	Balance June 30, 2014
Land	\$ 265,557,653	\$ 28,452	\$ (324,120)	\$ 265,261,985
Land Improvements	1,275,729,950	2,713,605	-	1,278,443,555
Buildings	4,277,199,830	26,555,108	(15,771)	4,303,739,167
Building Improvements	900,112,724	2,589,612	-	902,702,336
Equipment	492,274,454	30,225,449	(2,008,800)	520,491,103
Construction in Progress	5,554,174	32,421,072	(29,135,223)	8,840,023
Less: Accumulated Depreciation	(2,510,720,235)	(238,263,506)	1,848,872	(2,747,134,869)
<b>Total Capital Assets, Net</b>	<b>\$ 4,705,708,550</b>	<b>\$ (143,730,208)</b>	<b>\$ (29,635,042)</b>	<b>\$4,532,343,300</b>

The majority of the decrease in capital assets is due to the increase in depreciation expense. In fiscal year 2014, the District opened no new schools. Additions to land, buildings, and building improvements include expansions and renovations to existing District facilities. Construction in progress includes school renovations, improvements, expansions to existing schools, and work performed to completely replace some older existing schools.

**Business-type Activities Capital Assets:**

	Balance June 30, 2013	Additions	Disposals	Balance June 30, 2014
Land Improvements	\$ -	\$ 240,579	\$ -	\$ 240,579
Buildings	70,552	1,644,934	-	1,715,486
Building Improvements	-	559,584	-	559,584
Equipment	23,085,966	1,002,346	(3,734,002)	20,354,310
Construction in Progress	1,388,714	1,537,413	(2,524,663)	401,464
Less: Accumulated Depreciation	(12,287,827)	(1,398,813)	3,094,617	(10,592,023)
<b>Total Capital Assets, Net</b>	<b>\$ 12,257,405</b>	<b>\$ 3,586,043</b>	<b>\$ (3,164,048)</b>	<b>\$ 12,679,400</b>

Additional information on the District's capital assets can be found in note 5 on pages 57-58 of this report.

Long-term Debt

The Clark County School District has 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 the information centers on the financial stability of the District and how it responds to various financial situations. As the local economy has improved in Clark County, the District now has the following ratings with Standard and Poor (AA-), Fitch (A), and Moody's Investor Services (A1) all with a stable outlook rating at year end.

As of June 30, 2014, the District carried approximately \$3.1 billion in debt, including general obligation bonds and liabilities for compensated absences. The District previously 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 purchase necessary furniture and equipment for schools including equipment used for the transportation of pupils. The table on the following page summarizes long-term debt activity over the past fiscal year.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**Long-term Debt Obligations:**

	Balance June 30, 2013	Issuances	Retirements	Balance June 30, 2014
<b>Governmental Activities:</b>				
General Obligation Debt	\$3,223,895,000	\$ 322,100,000	\$ (651,870,000)	\$2,894,125,000
Plus: Premiums	169,929,790	37,375,160	(42,171,532)	165,133,418
Less: Discounts	(7,092,158)	-	656,151	(6,436,007)
General Obligation Debt, Net	3,386,732,632	359,475,160	(693,385,381)	3,052,822,411
OBEP Obligation	32,694,644	-	1,776,284	34,470,928
Compensated Absences Payable	56,271,261	27,662,341	(25,254,749)	58,678,853
Total Long-term Debt, Net	<u>\$3,475,698,537</u>	<u>\$ 387,137,501</u>	<u>\$ (716,863,846)</u>	<u>\$3,145,972,192</u>
<b>Business-type Activities:</b>				
Compensated Absences Payable	<u>\$ 997,026</u>	<u>\$ 377,797</u>	<u>\$ (278,848)</u>	<u>\$ 1,095,975</u>

Per Nevada Revised Statute Chapter 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, 2014 is \$8,444,527,183. 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 increased this year with combined governmental and business-type activities reporting \$59,774,828 in compensated absences payable at June 30, 2014. This represents more than a 4.38% increase over the previous year. In the current year, this liability increased due to the additional staffing needs.

Additional information on the District's long-term debt can be found in notes 8 and 10 on pages 60-63 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 web site, [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  
5100 W. Sahara Avenue  
Las Vegas, NV 89146



# **Basic Financial Statements**

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CLARK COUNTY SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2014

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Pooled cash and investments	\$ 575,704,956	\$ 45,897,766	\$ 621,602,722
Accounts receivable	352,601,616	2,185,183	354,786,799
Interest receivable	707,000	-	707,000
Inventories	5,260,901	9,335,457	14,596,358
Prepays	28,130	-	28,130
Prepaid bond insurance premium costs	1,821,451	-	1,821,451
Capital assets - not being depreciated	274,102,008	401,464	274,503,472
Capital assets - net of accumulated depreciation	4,258,241,292	12,277,936	4,270,519,228
<b>Total assets</b>	<b>5,468,467,354</b>	<b>70,097,806</b>	<b>5,538,565,160</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred loss on refundings	30,782,071	-	30,782,071
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>5,499,249,425</b>	<b>70,097,806</b>	<b>5,569,347,231</b>
<b>LIABILITIES</b>			
Accounts payable	90,485,042	2,387,116	92,872,158
Accrued salaries and benefits	249,753,116	681,651	250,434,767
Unearned revenues	34,519,188	952,023	35,471,211
Interest payable	7,169,570	-	7,169,570
Construction contracts and retention payable	2,626,294	-	2,626,294
Liability insurance claims payable	8,848,432	-	8,848,432
Workers' compensation claims payable	12,052,727	-	12,052,727
Long term liabilities:			
Portion due or payable within one year:			
General obligation bonds payable	312,475,000	-	312,475,000
Compensated absences payable	25,254,749	278,848	25,533,597
Portion due or payable after one year:			
General obligation bonds payable	2,740,347,411	-	2,740,347,411
Compensated absences payable	33,424,104	817,127	34,241,231
OPEB obligation	34,470,928	-	34,470,928
<b>Total Liabilities</b>	<b>3,551,426,561</b>	<b>5,116,765</b>	<b>3,556,543,326</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred gain on refundings	1,029,707	-	1,029,707
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>3,552,456,268</b>	<b>5,116,765</b>	<b>3,557,573,033</b>
<b>NET POSITION</b>			
Net investment in capital assets	1,602,205,080	12,679,400	1,614,884,480
Restricted for:			
Debt service	195,215,477	-	195,215,477
Capital projects	81,887,073	-	81,887,073
Other purposes	10,270,027	-	10,270,027
Unrestricted	57,215,500	52,301,641	109,517,141
<b>TOTAL NET POSITION</b>	<b>\$ 1,946,793,157</b>	<b>\$ 64,981,041</b>	<b>\$ 2,011,774,198</b>

The notes to the financial statements are an integral part of this statement.



CLARK COUNTY SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Functions / Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
<b>GOVERNMENTAL ACTIVITIES</b>			
Instruction:			
Regular instruction	\$ (1,328,541,908)	\$ 7,636,794	\$ 297,732,521
Special instruction	(301,564,161)	-	131,909,125
Gifted and talented instruction	(11,452,942)	-	39,739
Vocational instruction	(24,313,434)	-	5,495,862
Other instruction	(24,751,760)	829,008	-
Adult instruction	(5,954,458)	3,625	5,990,803
Total instruction	<u>(1,696,578,663)</u>	<u>8,469,427</u>	<u>441,168,050</u>
Support services:			
Student support	(120,130,725)	-	1,049,678
Instructional staff support	(159,075,335)	1,477,171	11,835,429
General administration	(22,356,725)	-	1,426
School administration	(187,494,657)	-	-
Central services	(78,632,206)	175,000	5,360,978
Operation and maintenance of plant services	(269,244,660)	-	475,704
Student transportation	(127,025,270)	128,357	11,381
Other support services	(3,733,353)	-	-
Community services	(3,113,614)	-	-
Facilities acquisition and construction services <sup>1</sup>	(7,481,160)	-	-
Interdistrict payments	(2,423,183)	-	-
Interest on long-term debt	(134,468,848)	-	5,636,421
Total support services	<u>(1,115,179,736)</u>	<u>1,780,528</u>	<u>24,371,017</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<u>(2,811,758,399)</u>	<u>10,249,955</u>	<u>465,539,067</u>
<b>BUSINESS-TYPE ACTIVITIES</b>			
Food service	<u>(107,785,101)</u>	<u>16,357,955</u>	<u>98,664,573</u>
<b>TOTAL SCHOOL DISTRICT</b>	<u>\$ (2,919,543,500)</u>	<u>\$ 26,607,910</u>	<u>\$ 564,203,640</u>

General revenues:

Taxes:

- Property taxes, levied for general purposes
- Property taxes, levied for debt service
- Local school support taxes
- Governmental services tax
- Room tax
- Real estate transfer tax
- Two percent franchise tax
- Federal aid not restricted to specific purposes
- State aid not restricted to specific purposes
- Other local sources
- Unrestricted investment earnings
- Contributions to term endowment

Total general revenues and contributions to term endowment

Change in net position

Net position - July 1

Net position - June 30

<sup>1</sup>This amount represents expenses incurred in connection with activities related to capital projects that are not otherwise capitalized and included as part of capital assets.

The notes to the financial statements are an integral part of this statement.

Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
\$ 776,514	\$ (1,022,396,079)	\$ -	\$ (1,022,396,079)
-	(169,655,036)	-	(169,655,036)
-	(11,413,203)	-	(11,413,203)
-	(18,817,572)	-	(18,817,572)
-	(23,922,752)	-	(23,922,752)
-	39,970	-	39,970
<u>776,514</u>	<u>(1,246,164,672)</u>	<u>-</u>	<u>(1,246,164,672)</u>
-	(119,081,047)	-	(119,081,047)
89,539	(145,673,196)	-	(145,673,196)
-	(22,355,299)	-	(22,355,299)
-	(187,494,657)	-	(187,494,657)
-	(73,096,228)	-	(73,096,228)
-	(268,768,956)	-	(268,768,956)
-	(126,885,532)	-	(126,885,532)
-	(3,733,353)	-	(3,733,353)
-	(3,113,614)	-	(3,113,614)
7,052,003	(429,157)	-	(429,157)
-	(2,423,183)	-	(2,423,183)
-	(128,832,427)	-	(128,832,427)
<u>7,141,542</u>	<u>(1,081,886,649)</u>	<u>-</u>	<u>(1,081,886,649)</u>
<u>7,918,056</u>	<u>(2,328,051,321)</u>	<u>-</u>	<u>(2,328,051,321)</u>
-	-	7,237,427	7,237,427
<u>\$ 7,918,056</u>	<u>\$ (2,328,051,321)</u>	<u>\$ 7,237,427</u>	<u>\$ (2,320,813,894)</u>
	395,867,155	-	395,867,155
	296,283,340	-	296,283,340
	832,511,729	-	832,511,729
	73,688,079	-	73,688,079
	74,067,663	-	74,067,663
	21,311,525	-	21,311,525
	3,602,799	-	3,602,799
	237,429	-	237,429
	677,169,613	-	677,169,613
	17,966,634	63,384	18,030,018
	5,064,337	176,652	5,240,989
	61,250	-	61,250
	<u>2,397,831,553</u>	<u>240,036</u>	<u>2,398,071,589</u>
	69,780,232	7,477,463	77,257,695
	1,877,012,925	57,503,578	1,934,516,503
	<u>\$ 1,946,793,157</u>	<u>\$ 64,981,041</u>	<u>\$ 2,011,774,198</u>



CLARK COUNTY SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2014

	MAJOR	
	General Fund	Special Education Fund
<b>ASSETS</b>		
Pooled cash and investments	\$ 118,130,727	\$ 41,033,837
Accounts receivable	242,786,674	18,027
Interest receivable	603,180	-
Due from other funds	20,110,026	-
Inventories	5,260,902	-
<b>TOTAL ASSETS</b>	<b>\$ 386,891,509</b>	<b>\$ 41,051,864</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 65,181,675	\$ 646,226
Intergovernmental accounts payable	15,970,693	-
Accrued salaries and benefits	171,283,248	40,405,638
Unearned revenue	6,641,521	-
Construction contracts and retentions payable	-	-
Due to other funds	-	-
<b>Total liabilities</b>	<b>259,077,137</b>	<b>41,051,864</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue - delinquent property taxes	7,911,803	-
<b>FUND BALANCES</b>		
Nonspendable:		
Inventories	5,260,902	-
Restricted for:		
Donations	202,114	-
Debt service reserve requirement per NRS 350.020		-
Debt service	-	-
Capital projects	-	-
Capital improvements	-	-
Term endowment	-	-
Adult educational programs	-	-
Committed to:		
PBS programming fees	-	-
Medicaid programs	-	-
Assigned to:		
Instructional supplies	5,336,853	-
School bus appropriations	6,511,824	-
School carryover	10,400,175	-
Categorical indirect costs	12,132,888	-
School bus purchases	18,804,954	-
Deferred maintenance initiative	22,931,247	-
Human capital management implementation	7,000,000	-
School computer replacement	5,471,453	-
Unassigned:	25,850,159	-
<b>Total fund balances</b>	<b>119,902,569</b>	<b>-</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 386,891,509</b>	<b>\$ 41,051,864</b>

The notes to the financial statements are an integral part of this statement.

FUNDS				
Debt Service Fund	Bond Fund	Federal Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ 69,820,068	\$ 218,985,132	\$ -	\$ 90,112,375	\$ 538,082,139
14,486,151	18,285,393	50,344,333	26,680,938	352,601,516
92,996	91	-	-	696,267
-	-	-	-	20,110,026
-	-	-	-	5,260,902
<u>\$ 84,399,215</u>	<u>\$ 237,270,616</u>	<u>\$ 50,344,333</u>	<u>\$ 116,793,313</u>	<u>\$ 916,750,850</u>
\$ -	\$ 1,706,666	\$ 4,291,014	\$ 2,129,622	\$ 73,955,203
-	-	-	276,000	16,246,693
-	54,408	12,764,821	25,104,154	249,612,269
-	-	16,922,931	10,954,736	34,519,188
-	2,044,198	-	582,096	2,626,294
-	-	16,365,567	3,744,459	20,110,026
-	<u>3,805,272</u>	<u>50,344,333</u>	<u>42,791,067</u>	<u>397,069,673</u>
<u>5,978,791</u>	-	-	-	<u>13,890,594</u>
-	-	-	-	5,260,902
-	-	-	-	202,114
78,420,424	35,278,139	-	-	113,698,563
-	81,516,914	-	-	81,516,914
-	116,670,291	-	-	116,670,291
-	-	-	56,327,158	56,327,158
-	-	-	1,694,632	1,694,632
-	-	-	1,426,281	1,426,281
-	-	-	1,118,917	1,118,917
-	-	-	13,435,258	13,435,258
-	-	-	-	5,336,853
-	-	-	-	6,511,824
-	-	-	-	10,400,175
-	-	-	-	12,132,888
-	-	-	-	18,804,954
-	-	-	-	22,931,247
-	-	-	-	7,000,000
-	-	-	-	5,471,453
-	-	-	-	25,850,159
<u>78,420,424</u>	<u>233,465,344</u>	<u>-</u>	<u>74,002,246</u>	<u>505,790,583</u>
<u>\$ 84,399,215</u>	<u>\$ 237,270,616</u>	<u>\$ 50,344,333</u>	<u>\$ 116,793,313</u>	<u>\$ 916,750,850</u>

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CLARK COUNTY SCHOOL DISTRICT  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE STATEMENT OF NET POSITION  
 JUNE 30, 2014

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<b>Total fund balances - governmental funds</b>	<b>\$ 505,790,583</b>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets net of the related depreciation are not reported in the Governmental Funds financial statements because they are not current financial resources, but they are reported in the statement of net position.	4,531,748,867
Other long-term assets are not available to pay for current period expenditures and, therefore are unavailable in the funds.	13,890,594
Certain liabilities, deferred inflows of resources, and deferred outflow of resources (such as bonds payable and capital leases payable) are not reported in the Governmental Funds financial statements because they are due and payable, but they are presented as liabilities in the statement of net position.	(3,121,103,741)
Assets and liabilities of the District's Insurance and Risk Management Internal Service Fund and the Graphic Arts Internal Service Fund are not reported in the Governmental Funds financial statements because they are presented on a different accounting basis, but they are presented as assets and liabilities in the statement of net position.	<u>16,466,854</u>
<b>Total net position - governmental activities</b>	<b><u>\$ 1,946,793,157</u></b>

The notes to the financial statements are an integral part of this statement.



CLARK COUNTY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	MAJOR	
	General Fund	Special Education Fund
<b>REVENUES</b>		
Local sources	\$ 1,315,378,797	\$ 6,667
State sources	677,169,613	75,220,191
Federal sources	237,429	-
<b>TOTAL REVENUES</b>	<b>1,992,785,839</b>	<b>75,226,858</b>
<b>EXPENDITURES</b>		
Current:		
Instruction:		
Regular instruction	916,139,058	-
Special instruction	836,445	283,246,777
Gifted and talented instruction	11,353,789	36,633
Vocational instruction	6,474,416	-
Other instruction	20,932,575	-
Adult instruction	-	-
Support services:		
Student support	77,674,288	22,025,768
Instructional staff support	99,299,159	3,790,213
General administration	20,537,858	782,548
School administration	185,657,570	191,401
Central services	53,483,362	554,402
Operation and maintenance of plant services	262,717,080	78,415
Student transportation	68,359,197	60,935,668
Other support services	-	-
Community services	-	-
Interdistrict payments	-	1,054,497
Capital outlay:		
Facilities acquisition and construction services	-	-
Debt service:		
Principal	-	-
Interest	-	-
Purchased services	-	-
Bond issuance costs	-	-
<b>TOTAL EXPENDITURES</b>	<b>1,723,464,797</b>	<b>372,696,322</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>269,321,042</b>	<b>(297,469,464)</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	25,932,339	297,469,464
Transfers out	(302,378,936)	-
Premiums on general obligation bonds	1,576,637	-
General obligation refunding bonds issued	32,855,000	-
Payment to refunded bond escrow agent	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(242,014,960)</b>	<b>297,469,464</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>27,306,082</b>	<b>-</b>
<b>FUND BALANCES, JULY 1</b>	<b>92,596,487</b>	<b>-</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 119,902,569</b>	<b>\$ -</b>

The notes to the financial statements are an integral part of this statement.

FUNDS				
Debt Service Fund	Bond Fund	Federal Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ 298,922,729	\$ 96,669,582	\$ -	\$ 33,995,268	\$ 1,744,973,043
-	-	-	201,978,610	954,368,414
-	5,636,421	172,925,622	5,621,683	184,421,155
298,922,729	102,306,003	172,925,622	241,595,561	2,883,762,612
-	660,233	68,329,760	149,045,427	1,134,174,478
-	-	14,664,277	1,714,321	300,461,820
-	-	-	40,638	11,431,060
-	-	2,002,974	1,061,395	9,538,785
-	-	3,803,125	-	24,735,700
-	-	10,064	5,854,085	5,864,149
-	-	18,491,605	1,073,106	119,264,767
-	14,498	40,113,474	15,631,108	158,848,452
-	-	-	143,605	21,464,011
-	-	133,648	-	185,982,619
-	987,783	16,929,758	5,341,653	77,296,958
-	-	454,169	2,756,189	266,005,853
-	-	656,332	538,839	130,490,036
-	-	2,962,617	192,619	3,155,236
-	-	3,008,121	98,516	3,106,637
-	-	1,365,698	-	2,420,195
-	26,411,008	-	14,369,173	40,780,181
339,665,000	-	-	-	339,665,000
151,995,089	-	-	-	151,995,089
124,561	-	-	-	124,561
432,508	-	-	-	432,508
492,217,158	28,073,522	172,925,622	197,860,674	2,987,238,095
(193,294,429)	74,232,481	-	43,734,887	(103,475,483)
95,748,355	-	-	2,023,907	421,174,065
-	(84,650,540)	-	(34,144,589)	(421,174,065)
35,798,523	-	-	-	37,375,160
289,245,000	-	-	-	322,100,000
(324,872,718)	-	-	-	(324,872,718)
95,919,160	(84,650,540)	-	(32,120,682)	34,602,442
(97,375,269)	(10,418,059)	-	11,614,205	(68,873,041)
175,795,693	243,883,403	-	62,388,041	574,663,624
\$ 78,420,424	\$ 233,465,344	\$ -	\$ 74,002,246	\$ 505,790,583

CLARK COUNTY SCHOOL DISTRICT  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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**Net change in fund balances - governmental funds** **\$ (68,873,041)**

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. (173,203,597)

Property taxes that are collected in time to pay obligations of the current period are reported as revenue in the fund statements. However, amounts that relate to prior periods that first become available in the current period should not be reported as revenue in the statement of activities. (2,205,026)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 305,749,812

The net revenues of the District's Insurance and Risk Management Internal Service Fund and the Graphic Arts Internal Service Fund are not reported in this fund financial statement because they are presented on a different accounting basis (in the proprietary fund financial statements), but they are presented in the statement of activities. (3,846,471)

Generally expenditures recognized in the fund financial statements are limited to only those that use current financial resources but expenses are recognized in the statement of activities when incurred. 12,396,748

Gains, losses, and capital donations are not presented in this financial statement because they do not provide or use current financial resources, but they are presented in the statement of activities. (238,193)

**Change in net position of governmental activities** **\$ 69,780,232**

The notes to the financial statements are an integral part of this statement.

CLARK COUNTY SCHOOL DISTRICT  
MAJOR FUND - GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS		Actual	VARIANCES POSITIVE / (NEGATIVE)	
	Original Budget	Final Budget		Original to Final Budget	Final Budget to Actual
<b>REVENUES</b>					
Local sources:					
Local school support tax	\$ 811,700,000	\$ 824,110,000	\$ 832,511,729	\$ 12,410,000	\$ 8,401,729
Ad valorem taxes	395,000,000	395,000,000	397,118,677	-	2,118,677
Governmental services tax	46,265,000	46,265,000	50,183,704	-	3,918,704
Two percent franchise tax	1,225,000	3,075,000	3,602,799	1,850,000	527,799
E-rate reimbursements	3,000,000	3,000,000	4,163,132	-	1,163,132
Local government taxes	1,535,000	1,200,000	1,431,027	(335,000)	231,027
Tuition and summer school fees	8,950,000	8,550,000	8,882,786	(400,000)	332,786
Adult education	50,000	50,000	207,728	-	157,728
Athletic proceeds	1,200,000	1,200,000	1,155,816	-	(44,184)
Services provided	2,700,000	2,500,000	1,387,414	(200,000)	(1,112,586)
Donations and grants	4,600,000	5,600,000	5,600,169	1,000,000	169
Other local sources	6,635,000	8,863,513	7,518,368	2,228,513	(1,345,145)
Investment income	1,135,000	1,340,000	1,615,448	205,000	275,448
Total local sources	1,283,995,000	1,300,753,513	1,315,378,797	16,758,513	14,625,284
State sources:					
State distributive fund	687,030,000	687,595,000	677,169,613	565,000	(10,425,387)
Federal sources:					
Federal impact aid	300,000	200,000	137,111	(100,000)	(62,889)
Forest reserve	-	100,000	100,318	100,000	318
Third-party billing	-	3,000,000	-	3,000,000	(3,000,000)
Total federal sources	300,000	3,300,000	237,429	3,000,000	(3,062,571)
Other sources:					
Proceeds from insurance	200,000	100,000	-	(100,000)	(100,000)
<b>TOTAL REVENUES</b>	<b>1,971,525,000</b>	<b>1,991,748,513</b>	<b>1,992,785,839</b>	<b>20,223,513</b>	<b>1,037,326</b>
<b>EXPENDITURES</b>					
Current:					
<b>REGULAR PROGRAMS</b>					
Instruction:					
Salaries	619,557,994	619,609,062	606,937,715	(51,068)	12,671,347
Benefits	246,336,596	241,089,355	234,161,618	5,247,241	6,927,737
Purchased services	8,126,850	10,723,490	10,589,503	(2,596,640)	133,987
Supplies	49,824,123	72,301,792	62,498,522	(22,477,669)	9,803,270
Property	435,000	3,836,651	1,552,722	(3,401,651)	2,283,929
Other	300,100	655,790	398,978	(355,690)	256,812
Total instruction	924,580,663	948,216,140	916,139,058	(23,635,477)	32,077,082
Support services:					
Student transportation:					
Purchased services	369,550	1,329,603	1,292,688	(960,053)	36,915
Supplies	-	19,830	2,545	(19,830)	17,285
Other	-	2,000	1,588	(2,000)	412
Total student transportation	369,550	1,351,433	1,296,821	(981,883)	54,612
Other support services:					
Salaries	29,770,196	28,944,839	28,800,388	825,357	144,451
Benefits	11,997,547	11,440,241	11,392,253	557,306	47,988
Purchased services	132,000	495,333	465,195	(363,333)	30,138
Supplies	2,739,403	2,822,923	1,925,199	(83,520)	897,724
Other	3,000	30,474	28,798	(27,474)	1,676
Total other support services	44,642,146	43,733,810	42,611,833	908,336	1,121,977

(Continued)



CLARK COUNTY SCHOOL DISTRICT  
 MAJOR FUND - GENERAL FUND  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCES POSITIVE / (NEGATIVE)	
	Original	Final	Actual	Original to	Final Budget
	Budget	Budget		Final Budget	to Actual
EXPENDITURES - Continued					
Total support services	\$ 45,011,696	\$ 45,085,243	\$ 43,908,654	\$ (73,547)	\$ 1,176,589
TOTAL REGULAR PROGRAMS	969,592,359	993,301,383	960,047,712	(23,709,024)	33,253,671
SPECIAL PROGRAMS					
Instruction:					
Salaries	564,973	611,957	594,797	(46,984)	17,160
Benefits	221,365	229,322	229,271	(7,957)	51
Purchased services	26,500	26,500	5,690	-	20,810
Supplies	50,000	50,000	6,687	-	43,313
Total instruction	862,838	917,779	836,445	(54,941)	81,334
Other support services:					
Salaries	93,740	99,312	95,136	(5,572)	4,176
Benefits	34,135	43,737	43,558	(9,602)	179
Purchased services	-	50,000	46,567	(50,000)	3,433
Supplies	135,000	115,000	98,352	20,000	16,648
Total other support services	262,875	308,049	283,613	(45,174)	24,436
TOTAL SPECIAL PROGRAMS	1,125,713	1,225,828	1,120,058	(100,115)	105,770
GIFTED AND TALENTED PROGRAMS					
Instruction:					
Salaries	8,192,905	8,363,945	8,245,807	(171,040)	118,138
Benefits	3,142,423	3,173,337	3,107,982	(30,914)	65,355
TOTAL GIFTED AND TALENTED PROGRAMS	11,335,328	11,537,282	11,353,789	(201,954)	183,493
VOCATIONAL PROGRAMS					
Instruction:					
Salaries	3,538,690	3,262,516	2,977,556	276,174	284,960
Benefits	1,354,675	1,126,684	1,063,161	227,991	63,523
Purchased services	91,565	191,702	187,494	(100,137)	4,208
Supplies	1,343,980	2,786,064	2,197,760	(1,442,084)	588,304
Property	306,050	227,512	18,025	78,538	209,487
Other	-	35,000	30,420	(35,000)	4,580
Total instruction	6,634,960	7,629,478	6,474,416	(994,518)	1,155,062
Support services:					
Student transportation:					
Purchased services	3,000	67,337	63,014	(64,337)	4,323
Supplies	-	398	-	(398)	398
Total student transportation	3,000	67,735	63,014	(64,735)	4,721
Other support services:					
Salaries	212,417	242,704	238,579	(30,287)	4,125
Benefits	77,699	76,840	72,473	859	4,367
Purchased services	114,454	87,152	67,954	27,302	19,198
Supplies	70,045	76,566	44,872	(6,521)	31,694
Other	9,000	9,000	2,800	-	6,200
Total other support services	483,615	492,262	426,678	(8,647)	65,584
Total support services	486,615	559,997	489,692	(73,382)	70,305
TOTAL VOCATIONAL PROGRAMS	7,121,575	8,189,475	6,964,108	(1,067,900)	1,225,367

(Continued)

CLARK COUNTY SCHOOL DISTRICT  
MAJOR FUND - GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS		Actual	VARIANCES POSITIVE / (NEGATIVE)	
	Original Budget	Final Budget		Original to Final Budget	Final Budget to Actual
EXPENDITURES - Continued					
OTHER INSTRUCTIONAL PROGRAMS					
School co-curricular activities:					
Instruction:					
Salaries	\$ 2,245,649	\$ 1,595,757	\$ 1,509,246	\$ 649,892	\$ 86,511
Benefits	798,225	585,136	549,198	213,089	35,938
Purchased services	2,455,440	3,436,960	3,436,576	(981,520)	384
Supplies	3,161,835	3,305,705	1,694,648	(143,870)	1,611,057
Property	-	56,000	52,414	(56,000)	3,586
Other	146,085	176,399	175,248	(30,314)	1,151
Total instruction	8,807,234	9,155,957	7,417,330	(348,723)	1,738,627
Support services:					
Student transportation:					
Purchased services	1,785,570	1,765,491	1,650,028	20,079	115,463
Other support services:					
Salaries	1,969,688	1,939,743	1,922,299	29,945	17,444
Benefits	387,145	389,055	386,122	(1,910)	2,933
Purchased services	272,686	381,933	261,078	(109,247)	120,855
Supplies	188,583	208,833	208,228	(20,250)	605
Other	51,000	81,000	80,588	(30,000)	412
Total other support services	2,869,102	3,000,564	2,858,315	(131,462)	142,249
Total support services	4,654,672	4,766,055	4,508,343	(111,383)	257,712
Total school co-curricular activities	13,461,906	13,922,012	11,925,673	(460,106)	1,996,339
Summer school:					
Instruction:					
Salaries	1,467,068	1,867,068	1,784,035	(400,000)	83,033
Benefits	34,475	44,475	39,663	(10,000)	4,812
Purchased services	10,000	10,000	-	-	10,000
Supplies	111,000	56,220	33,464	54,780	22,756
Other	5,000	5,000	-	-	5,000
Total instruction	1,627,543	1,982,763	1,857,162	(355,220)	125,601
Support services:					
Student transportation:					
Purchased services	-	140,880	127,440	(140,880)	13,440
Other support services:					
Salaries	193,868	342,109	339,802	(148,241)	2,307
Benefits	4,034	8,765	8,186	(4,731)	579
Purchased services	15,500	15,500	5,640	-	9,860
Total other support services	213,402	366,374	353,628	(152,972)	12,746
Total support services	213,402	507,254	481,068	(293,852)	26,186
Total summer school	1,840,945	2,490,017	2,338,230	(649,072)	151,787
Other programs:					
Instruction:					
Salaries	9,721,822	8,055,359	7,745,761	1,666,463	309,598
Benefits	3,470,031	2,790,661	2,657,961	679,370	132,700
Purchased services	73,540	74,462	17,575	(922)	56,887
Supplies	2,294,849	1,503,992	1,235,185	790,857	268,807
Property	-	5,346	-	(5,346)	5,346
Other	-	2,000	1,601	(2,000)	399

(Continued)

CLARK COUNTY SCHOOL DISTRICT  
 MAJOR FUND - GENERAL FUND  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCES POSITIVE / (NEGATIVE)	
	Original	Final	Actual	Original to	Final Budget
	Budget	Budget		Final Budget	to Actual
EXPENDITURES - Continued					
Total instruction	\$ 15,560,242	\$ 12,431,820	\$ 11,658,083	\$ 3,128,422	\$ 773,737
Support services:					
Student transportation:					
Purchased services	83,975	4,605	875	79,370	3,730
Other support services:					
Salaries	9,474,234	9,083,119	8,845,712	391,115	237,407
Benefits	4,016,054	3,682,720	3,533,878	333,334	148,842
Purchased services	1,188,047	1,466,568	1,465,691	(278,521)	877
Supplies	314,951	324,986	147,110	(10,035)	177,876
Other	10,589	10,589	2,991	-	7,598
Total other support services	15,003,875	14,567,982	13,995,382	435,893	572,600
Total support services	15,087,850	14,572,587	13,996,257	515,263	576,330
Total other programs	30,648,092	27,004,407	25,654,340	3,643,685	1,350,067
TOTAL OTHER INSTRUCTIONAL PROGRAMS	45,950,943	43,416,436	39,918,243	2,534,507	3,498,193
ADULT EDUCATION PROGRAMS					
Other support services:					
Salaries	104,794	102,753	57,802	2,041	44,951
Benefits	24,086	23,376	20,925	710	2,451
Purchased services	-	50,000	40,262	(50,000)	9,738
Supplies	75,000	75,000	43,040	-	31,960
TOTAL ADULT EDUCATION PROGRAMS	203,880	251,129	162,029	(47,249)	89,100
UNDISTRIBUTED EXPENDITURES					
Support services:					
Student support:					
Salaries	54,884,527	53,987,979	53,098,106	896,548	889,873
Benefits	22,532,829	21,838,805	21,496,327	694,024	342,478
Purchased services	84,275	50,085	40,253	34,190	9,832
Supplies	394,852	530,067	394,664	(135,215)	135,403
Property	10,000	38,944	38,832	(28,944)	112
Other	6,000	6,000	5,879	-	121
Total student support	77,912,483	76,451,880	75,074,061	1,460,603	1,377,819
Instructional staff support:					
Salaries	22,513,809	21,836,815	20,324,261	676,994	1,512,554
Benefits	8,012,933	7,703,319	7,151,844	309,614	551,475
Purchased services	4,152,758	5,121,164	4,900,477	(968,406)	220,687
Supplies	10,655,415	12,652,643	12,635,255	(1,997,228)	17,388
Property	-	1,597,044	1,429,947	(1,597,044)	167,097
Other	288,029	606,169	591,932	(318,140)	14,237
Total instructional staff support	45,622,944	49,517,154	47,033,716	(3,894,210)	2,483,438
General administration:					
Salaries	9,726,293	10,174,430	9,786,116	(448,137)	388,314
Benefits	3,540,176	3,599,808	3,343,216	(59,632)	256,592
Purchased services	6,241,834	6,925,792	6,651,738	(683,958)	274,054
Supplies	1,455,620	1,279,545	597,473	176,075	682,072
Property	-	12,000	11,998	(12,000)	2
Other	73,866	141,404	133,658	(67,538)	7,746
Total general administration	21,037,789	22,132,979	20,524,199	(1,095,190)	1,608,780

(Continued)

CLARK COUNTY SCHOOL DISTRICT  
MAJOR FUND - GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCES POSITIVE / (NEGATIVE)	
	Original Budget	Final Budget	Actual	Original to Final Budget	Final Budget to Actual
	EXPENDITURES - Continued				
School administration:					
Salaries	\$ 127,955,715	\$ 129,707,403	\$ 129,087,398	\$ (1,751,688)	\$ 620,005
Benefits	53,790,419	51,939,376	51,736,079	1,851,043	203,297
Purchased services	1,195,000	1,199,660	669,928	(4,660)	529,732
Supplies	-	211,269	202,588	(211,269)	8,681
Other	-	660	393	(660)	267
Total school administration	<u>182,941,134</u>	<u>183,058,368</u>	<u>181,696,386</u>	<u>(117,234)</u>	<u>1,361,982</u>
Central services:					
Salaries	31,560,008	30,632,482	29,598,692	927,526	1,033,790
Benefits	12,459,115	11,753,488	12,249,922	705,627	(496,434)
Purchased services	10,744,021	10,132,657	9,982,578	611,364	150,079
Supplies	1,241,187	718,815	572,058	522,372	146,757
Property	250,000	500,000	270,092	(250,000)	229,908
Other	175,415	683,217	636,166	(507,802)	47,051
Total central services	<u>56,429,746</u>	<u>54,420,659</u>	<u>53,309,508</u>	<u>2,009,087</u>	<u>1,111,151</u>
Operation and maintenance of plant services:					
Salaries	116,714,808	114,214,615	112,701,924	2,500,193	1,512,691
Benefits	52,043,842	48,832,014	48,268,899	3,211,828	563,115
Purchased services	36,939,693	35,738,403	34,822,475	1,201,290	915,928
Supplies	66,967,453	64,903,144	64,027,790	2,064,309	875,354
Property	298,750	916,388	758,657	(617,638)	157,731
Other	383,595	479,284	460,224	(95,689)	19,060
Total operation and maintenance of plant services	<u>273,348,141</u>	<u>265,083,848</u>	<u>261,039,969</u>	<u>8,264,293</u>	<u>4,043,879</u>
Student transportation:					
Salaries	27,258,220	25,582,709	24,425,020	1,675,511	1,157,689
Benefits	14,948,238	13,745,092	12,640,718	1,203,146	1,104,374
Purchased services	1,851,000	1,555,310	1,100,284	295,690	455,026
Supplies	10,533,007	7,317,860	7,664,274	3,215,147	(346,414)
Property	24,025,000	37,660,108	19,339,894	(13,635,108)	18,320,214
Other	27,500	57,500	50,829	(30,000)	6,671
Total student transportation	<u>78,642,965</u>	<u>85,918,579</u>	<u>65,221,019</u>	<u>(7,275,614)</u>	<u>20,697,560</u>
Other support:					
Supplies	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>735,960,202</u>	<u>736,608,467</u>	<u>703,898,858</u>	<u>(648,265)</u>	<u>32,709,609</u>
TOTAL EXPENDITURES	<u>1,771,290,000</u>	<u>1,794,530,000</u>	<u>1,723,464,797</u>	<u>(23,240,000)</u>	<u>71,065,203</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>200,235,000</u>	<u>197,218,513</u>	<u>269,321,042</u>	<u>(3,016,487)</u>	<u>72,102,529</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	28,000,000	28,000,000	25,932,339	-	(2,067,661)
Transfers out	(298,670,000)	(304,430,000)	(302,378,936)	(5,760,000)	2,051,064
Premiums on general obligation bonds	-	-	1,576,637	-	1,576,637
General obligation refunding bonds issued	-	34,430,000	32,855,000	34,430,000	(1,575,000)
Other proceeds	34,000,000	-	-	(34,000,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(236,670,000)</u>	<u>(242,000,000)</u>	<u>(242,014,960)</u>	<u>(5,330,000)</u>	<u>(14,960)</u>
NET CHANGE IN FUND BALANCE	<u>(36,435,000)</u>	<u>(44,781,487)</u>	<u>27,306,082</u>	<u>(8,346,487)</u>	<u>72,087,569</u>
FUND BALANCE, JULY 1	<u>72,000,000</u>	<u>92,596,487</u>	<u>92,596,487</u>	<u>20,596,487</u>	<u>-</u>
FUND BALANCE, JUNE 30	<u>\$ 35,565,000</u>	<u>\$ 47,815,000</u>	<u>\$ 119,902,569</u>	<u>\$ 12,250,000</u>	<u>\$ 72,087,569</u>

The notes to the financial statements are an integral part of this statement.



CLARK COUNTY SCHOOL DISTRICT  
 MAJOR FUND - SPECIAL EDUCATION FUND  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCES POSITIVE / (NEGATIVE)	
	Original Budget	Final Budget	Actual	Original to Final Budget	Final Budget to Actual
<b>REVENUES</b>					
Local sources:					
Donations and grants	\$ -	\$ -	\$ 6,667	\$ -	\$ 6,667
State sources:					
State distributive fund	71,475,000	75,725,000	75,220,191	4,250,000	(504,809)
<b>TOTAL REVENUES</b>	<b>71,475,000</b>	<b>75,725,000</b>	<b>75,226,858</b>	<b>4,250,000</b>	<b>(498,142)</b>
<b>EXPENDITURES</b>					
Current:					
<b>SPECIAL PROGRAMS</b>					
Instruction:					
Salaries	188,351,028	186,670,784	194,401,029	1,680,244	(7,730,245)
Benefits	85,351,572	83,579,621	82,983,875	1,771,951	595,746
Purchased services	22,100	3,448,432	3,293,579	(3,426,332)	154,853
Supplies	3,273,535	3,207,348	2,554,167	66,187	653,181
Other	26,000	25,383	14,127	617	11,256
Total instruction	277,024,235	276,931,568	283,246,777	92,667	(6,315,209)
Support services:					
Student transportation:					
Purchased services	2,150,000	2,681,857	2,667,641	(531,857)	14,216
Other support services:					
Salaries	17,607,756	17,114,999	17,542,447	492,757	(427,448)
Benefits	6,955,498	6,749,921	6,631,983	205,577	117,938
Purchased services	2,831,108	2,905,423	2,670,921	(74,315)	234,502
Supplies	413,309	498,051	410,232	(84,742)	87,819
Other	6,832	12,632	7,966	(5,800)	4,666
Total other support services	27,814,503	27,281,026	27,263,549	533,477	17,477
Total support services	29,964,503	29,962,883	29,931,190	1,620	31,693
<b>TOTAL SPECIAL PROGRAMS</b>	<b>306,988,738</b>	<b>306,894,451</b>	<b>313,177,967</b>	<b>94,287</b>	<b>(6,283,516)</b>
<b>GIFTED AND TALENTED PROGRAMS</b>					
Instruction:					
Supplies	19,000	36,776	36,421	(17,776)	355
Other	-	242	212	(242)	30
Total instruction	19,000	37,018	36,633	(18,018)	385
Other support services:					
Salaries	50,196	54,365	54,106	(4,169)	259
Benefits	21,229	21,074	20,685	155	389
Purchased services	21,000	17,591	15,707	3,409	1,884
Supplies	16,425	17,849	17,777	(1,424)	72
Total other support services	108,850	110,879	108,275	(2,029)	2,604

(Continued)

CLARK COUNTY SCHOOL DISTRICT  
MAJOR FUND - SPECIAL EDUCATION FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCES POSITIVE / (NEGATIVE)	
	Original Budget	Final Budget	Actual	Original to Final Budget	Final Budget to Actual
EXPENDITURES - Continued					
TOTAL GIFTED AND TALENTED PROGRAMS	\$ 127,850	\$ 147,897	\$ 144,908	\$ (20,047)	\$ 2,989
UNDISTRIBUTED EXPENDITURES					
Support services:					
General administration:					
Salaries	113,934	-	-	113,934	-
Benefits	39,755	-	-	39,755	-
Total general administration	153,689	-	-	153,689	-
Operation and maintenance of plant services:					
Salaries	29,515	35,888	35,090	(6,373)	798
Benefits	15,474	16,016	15,834	(542)	182
Total operation and maintenance of plant services	44,989	51,904	50,924	(6,915)	980
Student transportation:					
Salaries	35,968,496	36,034,801	36,641,685	(66,305)	(606,884)
Benefits	16,334,507	15,800,783	15,309,631	533,724	491,152
Purchased services	55,000	220,000	143,537	(165,000)	76,463
Supplies	5,076,731	6,358,364	6,172,568	(1,281,633)	185,796
Other	-	1,800	605	(1,800)	1,195
Total student transportation	57,434,734	58,415,748	58,268,026	(981,014)	147,722
Interdistrict payments:					
Other	-	1,100,000	1,054,497	(1,100,000)	45,503
TOTAL UNDISTRIBUTED EXPENDITURES	57,633,412	59,567,652	59,373,447	(1,934,240)	194,205
TOTAL EXPENDITURES	364,750,000	366,610,000	372,696,322	(1,860,000)	(6,086,322)
DEFICIENCY OF REVENUES UNDER EXPENDITURES					
	(293,275,000)	(290,885,000)	(297,469,464)	2,390,000	(6,584,464)
OTHER FINANCING SOURCES					
Transfers in	293,275,000	290,885,000	297,469,464	(2,390,000)	6,584,464
NET CHANGE IN FUND BALANCE	-	-	-	-	-
FUND BALANCE, JULY 1	-	-	-	-	-
FUND BALANCE, JUNE 30	\$ -	\$ -	\$ -	\$ -	\$ -

The notes to the financial statements are an integral part of this statement.



CLARK COUNTY SCHOOL DISTRICT  
 MAJOR FUND - FEDERAL PROJECTS FUND  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCES POSITIVE / (NEGATIVE)	
	Original	Final	Actual	Original to	Final Budget
	Budget	Budget		Final Budget	to Actual
<b>REVENUES</b>					
Federal sources:					
Federal-direct grants	\$ 4,175,000	\$ 7,200,000	\$ 3,581,010	\$ 3,025,000	\$ (3,618,990)
Federal-pass through	221,575,000	231,600,000	169,344,612	10,025,000	(62,255,388)
<b>TOTAL REVENUES</b>	<b>225,750,000</b>	<b>238,800,000</b>	<b>172,925,622</b>	<b>13,050,000</b>	<b>(65,874,378)</b>
<b>EXPENDITURES</b>					
Current:					
<b>REGULAR PROGRAMS</b>					
Instruction:					
Salaries	43,450,000	45,163,000	33,128,740	(1,713,000)	12,034,260
Benefits	17,885,000	17,688,000	9,680,789	197,000	8,007,211
Purchased services	2,080,000	1,905,000	1,152,394	175,000	752,606
Supplies	22,105,000	31,703,000	24,256,951	(9,598,000)	7,446,049
Property	3,100,000	3,050,000	107,044	50,000	2,942,956
Other	1,135,000	1,000,000	3,842	135,000	996,158
<b>Total instruction</b>	<b>89,755,000</b>	<b>100,509,000</b>	<b>68,329,760</b>	<b>(10,754,000)</b>	<b>32,179,240</b>
Other support services:					
Salaries	845,000	1,928,000	1,603,338	(1,083,000)	324,662
Benefits	345,000	377,000	160,516	(32,000)	216,484
Purchased services	1,640,000	1,898,000	508,253	(258,000)	1,389,747
Supplies	375,000	200,000	170,776	175,000	29,224
Property	-	150,000	-	(150,000)	150,000
Other	15,000	2,000	1,400	13,000	600
<b>Total support services</b>	<b>3,220,000</b>	<b>4,555,000</b>	<b>2,444,283</b>	<b>(1,335,000)</b>	<b>2,110,717</b>
<b>TOTAL REGULAR PROGRAMS</b>	<b>92,975,000</b>	<b>105,064,000</b>	<b>70,774,043</b>	<b>(12,089,000)</b>	<b>34,289,957</b>
<b>SPECIAL PROGRAMS</b>					
Instruction:					
Salaries	6,985,000	8,160,000	7,758,154	(1,175,000)	401,846
Benefits	4,175,000	4,175,000	4,005,494	-	169,506
Purchased services	5,275,000	4,475,000	1,678,970	800,000	2,796,030
Supplies	2,665,000	2,765,000	1,221,659	(100,000)	1,543,341
Property	645,000	645,000	-	-	645,000
Other	900,000	900,000	-	-	900,000
<b>Total instruction</b>	<b>20,645,000</b>	<b>21,120,000</b>	<b>14,664,277</b>	<b>(475,000)</b>	<b>6,455,723</b>
Support services:					
Student transportation:					
Purchased services	1,700,000	1,700,000	750	-	1,699,250
Supplies	3,800,000	3,800,000	-	-	3,800,000
Property	-	-	405,590	-	(405,590)
Other	-	-	975	-	(975)
<b>Total student transportation</b>	<b>5,500,000</b>	<b>5,500,000</b>	<b>407,315</b>	<b>-</b>	<b>5,092,685</b>
Other support services:					
Salaries	22,950,000	22,950,000	17,923,703	-	5,026,297
Benefits	5,915,000	5,915,000	5,773,389	-	141,611

(Continued)

CLARK COUNTY SCHOOL DISTRICT  
MAJOR FUND - FEDERAL PROJECTS FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCES POSITIVE / (NEGATIVE)	
	Original	Final	Actual	Original to	Final Budget
	Budget	Budget		Final Budget	to Actual
EXPENDITURES - Continued					
Purchased services	\$ 3,805,000	\$ 3,190,000	\$ 1,968,996	\$ 615,000	\$ 1,221,004
Supplies	3,000,000	2,000,000	879,074	1,000,000	1,120,926
Property	200,000	200,000	10,120	-	189,880
Other	2,250,000	2,250,000	986,462	-	1,263,538
Total other support services	38,120,000	36,505,000	27,541,744	1,615,000	8,963,256
Total support services	43,620,000	42,005,000	27,949,059	1,615,000	14,055,941
TOTAL SPECIAL PROGRAMS	64,265,000	63,125,000	42,613,336	1,140,000	20,511,664
GIFTED AND TALENTED PROGRAMS					
Other support services:					
Salaries	-	72,000	71,486	(72,000)	514
Benefits	-	3,000	1,787	(3,000)	1,213
Purchased services	-	16,000	14,060	(16,000)	1,940
Supplies	-	9,000	8,704	(9,000)	296
TOTAL GIFTED AND TALENTED PROGRAMS	-	100,000	96,037	(100,000)	3,963
VOCATIONAL PROGRAMS					
Instruction:					
Salaries	415,000	555,000	540,317	(140,000)	14,683
Benefits	220,000	240,000	232,293	(20,000)	7,707
Purchased services	50,000	50,000	33,881	-	16,119
Supplies	1,435,000	1,320,000	1,120,820	115,000	199,180
Property	150,000	150,000	75,663	-	74,337
Other	100,000	100,000	-	-	100,000
Total instruction	2,370,000	2,415,000	2,002,974	(45,000)	412,026
Other support services:					
Salaries	1,200,500	1,130,000	969,152	70,500	160,848
Benefits	285,000	335,000	289,284	(50,000)	45,716
Purchased services	200,000	220,000	217,130	(20,000)	2,870
Supplies	39,500	40,000	14,834	(500)	25,166
Other	110,000	110,000	6,743	-	103,257
Total support services	1,835,000	1,835,000	1,497,143	-	337,857
TOTAL VOCATIONAL PROGRAMS	4,205,000	4,250,000	3,500,117	(45,000)	749,883
OTHER INSTRUCTIONAL PROGRAMS					
Other programs:					
Instruction:					
Salaries	1,540,000	2,540,000	1,445,053	(1,000,000)	1,094,947
Benefits	385,000	385,000	371,342	-	13,658
Supplies	1,800,000	2,415,000	1,986,730	(615,000)	428,270
Total instruction	3,725,000	5,340,000	3,803,125	(1,615,000)	1,536,875
Support services:					
Student transportation:					
Purchased services	-	5,000	3,600	(5,000)	1,400

(Continued)

CLARK COUNTY SCHOOL DISTRICT  
 MAJOR FUND - FEDERAL PROJECTS FUND  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCES POSITIVE / (NEGATIVE)	
	Original	Final	Actual	Original to	Final Budget
	Budget	Budget		Final Budget	to Actual
EXPENDITURES - Continued					
Other support services:					
Salaries	\$ 1,260,000	\$ 1,660,000	\$ 1,537,335	\$ (400,000)	\$ 122,665
Benefits	450,000	700,000	660,679	(250,000)	39,321
Purchased services	350,000	345,000	144,389	5,000	200,611
Supplies	425,000	425,000	235,435	-	189,565
Property	-	20,000	18,025	(20,000)	1,975
Other	150,000	150,000	728	-	149,272
Total other support services	2,635,000	3,300,000	2,596,591	(665,000)	703,409
Total support services	2,635,000	3,305,000	2,600,191	(670,000)	704,809
TOTAL OTHER INSTRUCTIONAL PROGRAMS	6,360,000	8,645,000	6,403,316	(2,285,000)	2,241,684
ADULT EDUCATION PROGRAMS					
Instruction:					
Salaries	19,250	19,250	9,332	-	9,918
Benefits	5,000	5,000	222	-	4,778
Supplies	750	750	510	-	240
TOTAL ADULT EDUCATION PROGRAMS	25,000	25,000	10,064	-	14,936
COMMUNITY SERVICES PROGRAMS					
Community services:					
Salaries	335,000	1,490,000	1,475,330	(1,155,000)	14,670
Benefits	20,000	570,000	561,759	(550,000)	8,241
Purchased services	65,000	675,000	668,027	(610,000)	6,973
Supplies	-	300,000	298,446	(300,000)	1,554
Other	-	5,000	4,559	(5,000)	441
TOTAL COMMUNITY SERVICES PROGRAMS	420,000	3,040,000	3,008,121	(2,620,000)	31,879
UNDISTRIBUTED EXPENDITURES					
Support services:					
Student support:					
Salaries	3,785,000	2,525,000	1,391,581	1,260,000	1,133,419
Benefits	427,000	843,000	505,649	(416,000)	337,351
Purchased services	460,000	60,000	31,100	400,000	28,900
Supplies	195,000	115,000	49,725	80,000	65,275
Other	450,000	50,000	1,711	400,000	48,289
Total student support	5,317,000	3,593,000	1,979,766	1,724,000	1,613,234
Instructional staff support:					
Salaries	23,518,000	22,715,000	21,565,941	803,000	1,149,059
Benefits	1,992,000	6,739,000	6,382,789	(4,747,000)	356,211
Purchased services	5,612,000	3,937,000	3,546,944	1,675,000	390,056
Supplies	2,025,000	896,000	807,535	1,129,000	88,465
Property	265,000	265,000	-	-	265,000
Other	1,086,000	93,000	85,932	993,000	7,068
Total instructional staff support	34,498,000	34,645,000	32,389,141	(147,000)	2,255,859

(Continued)

CLARK COUNTY SCHOOL DISTRICT  
MAJOR FUND - FEDERAL PROJECTS FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCES POSITIVE / (NEGATIVE)	
	Original Budget	Final Budget	Actual	Original to Final Budget	Final Budget to Actual
EXPENDITURES - Continued					
General administration:					
Purchased services	\$ 175,000	\$ -	\$ -	\$ 175,000	\$ -
Other	55,000	-	-	55,000	-
Total general administration	230,000	-	-	230,000	-
School administration:					
Salaries	200,000	200,000	112,296	-	87,704
Benefits	205,000	178,500	17,012	26,500	161,488
Supplies	-	25,000	2,993	(25,000)	22,007
Other	-	1,500	1,347	(1,500)	153
Total school administration	405,000	405,000	133,648	-	271,352
Central services:					
Salaries	6,430,000	5,564,000	5,128,168	866,000	435,832
Benefits	2,215,000	2,041,000	2,018,551	174,000	22,449
Purchased services	500,000	475,000	380,722	25,000	94,278
Supplies	940,000	733,000	120,013	207,000	612,987
Other	80,000	80,000	2,338	-	77,662
Total central services	10,165,000	8,893,000	7,649,792	1,272,000	1,243,208
Operation and maintenance of plant services:					
Salaries	265,000	215,000	68,110	50,000	146,890
Benefits	95,000	93,000	27,718	2,000	65,282
Purchased services	5,000	15,000	13,098	(10,000)	1,902
Supplies	50,000	170,000	163,618	(120,000)	6,382
Property	-	180,000	179,000	(180,000)	1,000
Other	-	2,000	1,086	(2,000)	914
Total operation and maintenance of plant services	415,000	675,000	452,630	(260,000)	222,370
Student transportation:					
Purchased services	2,270,000	770,000	245,417	1,500,000	524,583
Other	100,000	100,000	-	-	100,000
Total student transportation	2,370,000	870,000	245,417	1,500,000	624,583
Other support:					
Other	4,100,000	4,100,000	2,304,496	-	1,795,504
Interdistrict payments:					
Other	-	1,370,000	1,365,698	(1,370,000)	4,302
TOTAL UNDISTRIBUTED EXPENDITURES	57,500,000	54,551,000	46,520,588	2,949,000	8,030,412
TOTAL EXPENDITURES	225,750,000	238,800,000	172,925,622	(13,050,000)	65,874,378
NET CHANGE IN FUND BALANCE	-	-	-	-	-
FUND BALANCE, JULY 1	-	-	-	-	-
FUND BALANCE, JUNE 30	\$ -	\$ -	\$ -	\$ -	\$ -

The notes to the financial statements are an integral part of this statement.



CLARK COUNTY SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2014

	MAJOR FUND		Total
	Business-type Activities Food Service Enterprise Fund	Governmental Activities Internal Service Funds	
<b>ASSETS</b>			
Current assets:			
Pooled cash and investments	\$ 45,897,766	\$ 30,675,815	\$ 76,573,581
Accounts receivable	2,185,183	100	2,185,283
Interest receivable	-	10,733	10,733
Inventories	9,335,457	-	9,335,457
Prepays	-	28,130	28,130
<b>Total current assets</b>	<b>57,418,406</b>	<b>30,714,778</b>	<b>88,133,184</b>
Noncurrent assets:			
Restricted pooled cash and investments:			
Certificate of deposit for self-insurance	-	6,947,000	6,947,000
Capital assets - not being depreciated	401,464	-	401,464
Capital assets - net of accumulated depreciation	12,277,936	594,433	12,872,369
<b>Total noncurrent assets</b>	<b>12,679,400</b>	<b>7,541,433</b>	<b>20,220,833</b>
<b>TOTAL ASSETS</b>	<b>70,097,806</b>	<b>38,256,211</b>	<b>108,354,017</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	2,387,116	283,144	2,670,260
Accrued salaries and benefits	681,651	140,848	822,499
Unearned revenues	952,023	-	952,023
Liability insurance claims payable	-	8,848,432	8,848,432
Workers compensation claims payable	-	12,052,727	12,052,727
Compensated absences liability - current	278,848	337,379	616,227
<b>Total current liabilities</b>	<b>4,299,638</b>	<b>21,662,530</b>	<b>25,962,168</b>
Noncurrent liabilities:			
Compensated absences liability	817,127	126,827	943,954
<b>TOTAL LIABILITIES</b>	<b>5,116,765</b>	<b>21,789,357</b>	<b>26,906,122</b>
<b>NET POSITION</b>			
Net investment in capital assets	12,679,400	594,433	13,273,833
Restricted for certificate of deposit for self-insurance	-	6,947,000	6,947,000
Unrestricted	52,301,641	8,925,421	61,227,062
<b>TOTAL NET POSITION</b>	<b>\$ 64,981,041</b>	<b>\$ 16,466,854</b>	<b>\$ 81,447,895</b>

The notes to the financial statements are an integral part of this statement.

CLARK COUNTY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	MAJOR FUND		
	Business-type Activities Food Service Enterprise Fund	Governmental Activities Internal Service Funds	Total
OPERATING REVENUES:			
Charges for sales and services:			
Daily food sales	\$ 16,297,111	\$ -	\$ 16,297,111
Catering sales	60,844	-	60,844
Graphic production sales	-	1,708,866	1,708,866
Insurance premiums	-	14,710,568	14,710,568
Subrogation claims	-	377,713	377,713
Other revenue	63,384	-	63,384
TOTAL OPERATING REVENUES	16,421,339	16,797,147	33,218,486
OPERATING EXPENSES:			
Salaries	27,660,744	3,247,334	30,908,078
Benefits	10,248,279	1,253,955	11,502,234
Purchased services	4,381,585	4,648,675	9,030,260
Food and supplies	60,625,388	1,336,219	61,961,607
Insurance claims	-	10,201,530	10,201,530
Depreciation	1,398,814	162,190	1,561,004
Other expenses	2,830,907	12,949	2,843,856
TOTAL OPERATING EXPENSES	107,145,717	20,862,852	128,008,569
OPERATING LOSS	(90,724,378)	(4,065,705)	(94,790,083)
NON-OPERATING REVENUES (EXPENSES):			
Federal subsidies	91,278,024	-	91,278,024
Commodity revenue	6,929,748	-	6,929,748
State matching funds	456,801	-	456,801
Net loss on disposal of assets	(639,384)	(1,627)	(641,011)
Investment income	176,652	220,861	397,513
TOTAL NON-OPERATING REVENUES (EXPENSES)	98,201,841	219,234	98,421,075
CHANGE IN NET POSITION	7,477,463	(3,846,471)	3,630,992
NET POSITION, JULY 1	57,503,578	20,313,325	77,816,903
NET POSITION, JUNE 30	\$ 64,981,041	\$ 16,466,854	\$ 81,447,895

The notes to the financial statements are an integral part of this statement.



CLARK COUNTY SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	MAJOR FUND		Total
	Business-type Activities Food Service Enterprise Fund	Governmental Activities Internal Service Funds	
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 16,359,764	\$ 16,419,334	\$ 32,779,098
Cash received from other operating sources	60,844	377,713	438,557
Cash paid for services and supplies	(58,065,936)	(5,935,576)	(64,001,512)
Cash paid for other operating uses	(2,822,109)	(9,469,029)	(12,291,138)
Cash paid to employees	(37,698,599)	(4,437,246)	(42,135,845)
Cash from other sources	63,384	-	63,384
Net cash provided by/(used in) operating activities	<u>(82,102,652)</u>	<u>(3,044,804)</u>	<u>(85,147,456)</u>
<b>Cash flows from capital and related financing activities:</b>			
Purchase of equipment	<u>(2,460,193)</u>	<u>(240,356)</u>	<u>(2,700,549)</u>
<b>Cash flows from noncapital financing activities:</b>			
Federal reimbursements	101,297,182	-	101,297,182
State matching funds	456,801	-	456,801
Net cash provided by noncapital financing activities	<u>101,753,983</u>	<u>-</u>	<u>101,753,983</u>
<b>Cash flows from investing activities:</b>			
Investment income	176,652	224,438	401,090
Sale of restricted investments	-	6,075,000	6,075,000
Purchase of restricted investments	-	(6,947,000)	(6,947,000)
Net cash provided by/(used in) investing activities	<u>176,652</u>	<u>(647,562)</u>	<u>(470,910)</u>
Net increase/(decrease) in cash and cash equivalents	17,367,790	(3,932,722)	13,435,068
Cash and cash equivalents, July 1	<u>28,529,976</u>	<u>34,608,537</u>	<u>63,138,513</u>
Cash and cash equivalents, June 30	<u>45,897,766</u>	<u>30,675,815</u>	<u>76,573,581</u>
Restricted investments	-	6,947,000	6,947,000
Cash, cash equivalents, and restricted investments	<u>\$ 45,897,766</u>	<u>\$ 37,622,815</u>	<u>\$ 83,520,581</u>
<b>Reconciliation of operating loss to net cash provided by/(used in) operating activities:</b>			
Operating loss	\$ (90,724,378)	\$ (4,065,705)	\$ (94,790,083)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation	1,398,814	162,190	1,561,004
Commodity inventory used	6,929,748	-	6,929,748
Change in assets and liabilities:			
Increase in accounts receivable	(12,998)	(100)	(13,098)
Increase in inventories	(1,078,302)	-	(1,078,302)
Increase in prepaids	-	(3,993)	(3,993)
Increase in accounts payable	1,199,946	53,311	1,253,257
Increase in unearned revenues	75,651	-	75,651
Decrease in workers compensation claims payable	-	(2,587,914)	(2,587,914)
Decrease in construction contracts payable	(101,557)	-	(101,557)
Increase in liability insurance claims payable	-	3,333,364	3,333,364
Increase in liability for compensated absences	98,949	47,189	146,138
Increase in accrued salaries and benefits	111,475	16,854	128,329
Total adjustments	<u>8,621,726</u>	<u>1,020,901</u>	<u>9,642,627</u>
Net cash provided by/(used in) operating activities	<u>\$ (82,102,652)</u>	<u>\$ (3,044,804)</u>	<u>\$ (85,147,456)</u>
<b>Noncash capital and financing activities:</b>			
Commodity revenue <sup>1</sup>	\$ 6,929,748	\$ -	\$ 6,929,748

<sup>1</sup> The District received the equivalent of \$6,929,748 in fair market value of commodity food inventory from the federal government. The net effect of this non-cash transaction increased the value of inventory. Consumption of commodity revenue throughout the year resulted in a reduction of inventory and a charge to operating expenses.

The notes to the financial statements are an integral part of this statement.

CLARK COUNTY SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - FIDUCIARY FUNDS  
JUNE 30, 2014

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	STUDENT ACTIVITY AGENCY FUND
ASSETS	
Cash in bank	\$ <u>24,104,037</u>
LIABILITIES	
Due to student groups	\$ <u>24,104,037</u>

The notes to the financial statements are an integral part of this statement.

**CLARK COUNTY SCHOOL DISTRICT****NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2014****NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****REPORTING ENTITY**

The accompanying financial statements include all of the activities that comprise the financial reporting entity of the Clark County School District (District). The District is governed by an elected, seven member Board of School Trustees (Board). The Board is legally separate and fiscally independent from other governing bodies; therefore, the District is a primary government and the District is not reported as a component unit by any other governmental unit. The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles.

**Blended Component Unit**

The District is the licensee for the local Public Broadcasting System affiliate, Vegas PBS. The Board is substantively the same as the governing body for Vegas PBS, therefore the District is required to finance deficits and has access to Vegas PBS resources. Also, there is sufficient representation of the District's governing body, with a financial benefit/burden relationship over Vegas PBS, to allow for complete control of Vegas PBS's activities. Therefore, the financial activities of Vegas PBS are included in these statements as a blended component unit. Blended component units, although legally separate, are, in substance, part of the government's operations. Separately issued financial statements for Vegas PBS can be obtained by contacting their financial department at the following address:

Vegas PBS  
3050 E. Flamingo Rd.  
Las Vegas, NV 89121

A summary of the District's significant accounting policies follows.

**BASIC FINANCIAL STATEMENTS**

The District's basic financial statements consist of the government-wide statements, the fund financial statements, and the related notes to the financial statements. The government-wide statements include a statement of net position, a statement of activities, and the fund financial statements which include financial information for the three fund types: governmental, proprietary, and fiduciary. Reconciliations between the fund statements, the statement of net position, and the statement of activities are also included along with the statements of revenues, expenditures, and changes in fund balances that show an original to final budget comparison for the District's General Fund and its major special revenue funds: the Special Education Fund, and the Federal Projects Fund.

**Government-wide Financial Statements**

The government-wide financial statements are made up of the statement of net position and the statement of activities. These statements include the aggregated financial information of the District as a whole, except for fiduciary activity. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support. As a general rule, the effect of interfund activity has been removed from these statements; however, any interfund services provided and used are not eliminated in the process of consolidation.

The statement of net position presents the consolidated financial position of the District at year-end, in separate columns, for both governmental and business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or program are offset by program revenues. Direct expenses are those that are specifically associated with a program or service and are, therefore, clearly identifiable to a particular function. Program revenues include operating grants and contributions and investment earnings legally restricted to support a specific program. Taxes and other revenues properly not included among

## CLARK COUNTY SCHOOL DISTRICT

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

program revenues are reported instead as general revenues. This statement provides a net cost or net revenue of specific programs and functions within the District. Those functions with a net cost are generally dependent on general-purpose tax revenues, such as property tax, to remain operational.

#### **Fund Financial Statements**

The financial accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts comprised of assets, liabilities, deferred outflows and inflows, fund equity, revenues, and expenditures or expenses, as appropriate. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

The presentation emphasis in the fund financial statements is on major funds, for both governmental and enterprise funds. The District's one enterprise fund, the Food Service Fund, is considered a major fund. The District may also display other funds as major funds if it believes the presentation will provide useful information to the users of the financial statements, which is the case with the District's Special Education Fund.

#### **MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Gross receipts and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are then recognized as revenue. The government considers property tax revenues to be "available" if they are collected within 60 days of the end of the current fiscal period. Anticipated refunds of taxes are recorded as liabilities and reductions of revenue when they are measurable and the payment seems certain. In general, expenditures are recorded when liabilities are incurred. The exception to this rule is that principal and interest on debt service, as well as liabilities related to compensated absences and claims and judgments are recorded when payment is due.

In addition, the District's agency fund is reported under the accrual basis of accounting.

The major revenue sources of the District include state distributive fund revenues, local school support taxes, ad valorem taxes, real estate transfer taxes, room taxes, interest income, and the governmental services tax.

The District reports the following major governmental funds:

**General Fund** - The General Fund is the general operating fund of the District. It is used to account for all resources and cost of operations traditionally associated with governments, which are not required to be accounted for in other funds.

**Special Revenue Funds** - These funds are used to account for the proceeds of special revenue sources that are restricted or committed by law or administrative action to expenditure for specific purposes other than debt service or capital projects. The following special revenue funds are reported as major funds.

**Special Education Fund** - The Special Education Fund accounts for transactions of the District relating to educational services provided to children with special needs as supported by DSA (Distributive School Account) payments and donations and grants.

## CLARK COUNTY SCHOOL DISTRICT

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Federal Projects Fund** - The Federal Projects Fund accounts for costs and operations of programs funded by federal direct and pass through grants.

**Debt Service Fund** - The Debt Service Fund is used to account for the collection of revenues, payment of principal and interest, and the cost of operations associated with debt service for general obligation debt.

**Bond Fund** - The Bond Fund accounts for the costs of capital improvements and constructing major capital facilities paid for by bond proceeds, related interest earnings, and proceeds from real estate transfer taxes and room taxes.

Additionally the District reports the following fund types:

#### Proprietary Funds

**Enterprise Fund** – The enterprise fund is used to account for operations financed and operated in a manner similar to a private business enterprise - where the intent of the governing body is for the cost (expenses, including depreciation) of providing goods and services to the schools and other locations on a continuing basis to be financed or recovered primarily through charges or fees to customers. Currently, the District has one enterprise fund and this year it is reported as a major fund.

**Food Service Enterprise Fund** - The Food Service Enterprise Fund accounts for transactions relating to food services provided to schools and other locations. Support is provided by customer fees and federal subsidies.

**Internal Service Funds** – Internal service funds are used to account for the financing of goods or services provided by one department to other departments of the District on a cost reimbursement basis. Currently, there are two District Internal Service Funds.

**Insurance and Risk Management Fund** - The Insurance and Risk Management Fund accounts for transactions relating to insurance and risk management services provided to other District departments on a cost reimbursement basis.

**Graphic Arts Production Fund** - The Graphic Arts Production Fund accounts for transactions relating to printing services provided to other District departments on a cost reimbursement basis.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the District's food service enterprise fund and of the District's internal service funds are charges to customers for sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

#### Fiduciary Funds

**Agency Fund** – Agency funds are used to report assets held in a trustee or agency capacity for others and, therefore, cannot be used to support the government's own programs. All assets reported in an agency fund are offset by a liability to the party on whose behalf they are held.

**Student Activity Agency Fund** – The District's Student Activity Agency Fund reports assets held in an agency capacity for student groups and organizations.

#### BUDGETS AND BUDGETARY ACCOUNTING

Nevada Statutes and District policies and regulations require that school districts legally adopt budgets for all funds except

## CLARK COUNTY SCHOOL DISTRICT

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

fiduciary funds. The budgets are filed as a matter of public record with the County Auditor, and the State Departments of Taxation and Education. The District staff uses the following procedures to establish, modify, and control the budgetary data reflected in the financial statements:

1. The statutes provide for the following timetable in adoption of budgets:
  - (a) Before April 15, the Superintendent of Schools submits to the Board of School Trustees a tentative budget for the upcoming fiscal year. The tentative budget includes proposed expenditures and the means to finance them.
  - (b) Before the third Wednesday in May, a minimum seven-day notice of public hearing on the final budget is published in a local newspaper.
  - (c) Before June 8, the Board of School Trustees must adopt a final budget.
2. On or before January 1, the Board of School Trustees adopts an amended final budget reflecting any adjustments necessary as a result of the completed count of students.
3. NRS 354.615 provides that the Board of School Trustees may augment the budget at any time by a majority vote of the Board providing the Board publishes notice of its intention to act in a newspaper of general circulation in the county at least three days before the date set for adoption of the resolution.
4. NRS 354.598005 allows appropriations to be transferred within or among any functions or programs within a fund without an increase in total appropriations. If it becomes necessary during the course of the year to change any of the departmental budgets, transfers are initiated by department heads and approved by the appropriate administrator. Transfers within program or function classifications can be made with appropriate administrative approval. The Board of School Trustees is advised of transfers between funds, program, or function classifications and the transfers are recorded in the official Board minutes, on a monthly basis.
5. Budgeted appropriations may not be exceeded by actual expenditures of the various programs and functions of the General Fund, Special Revenue, and Capital Projects Funds, as described on pages 51-53, Expenditure Line Item Titles. The sum of operating and non-operating expenses in the Enterprise and Internal Service Funds may not exceed total appropriations.
6. Generally, budgets for all funds are adopted in accordance with generally accepted accounting principles. Budgeted amounts reflected in the accompanying financial statements recognize amendments made during the year. Individual amendments were not material in relation to the original appropriation.
7. Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are included in restricted, committed, or assigned fund balance, as appropriate and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. See **Note 14**.

#### **POOLED CASH AND INVESTMENTS**

Cash includes cash deposited in interest-bearing accounts at banks and cash in custody of fiscal agents. Investments consist of United States Treasury bills and notes, government agency securities, commercial paper, negotiable certificates of deposit, and government money market funds. Investments are reported at fair value on the balance sheet. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale. Changes in the fair value of District investments are part of investment income that is included in revenues from local sources. See **Note 3**.

#### **CASH AND CASH EQUIVALENTS**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, non-negotiable certificates of deposit, and short-term investments with original maturities of three months or less from the date of acquisition.

## CLARK COUNTY SCHOOL DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**ACCOUNTS RECEIVABLE**

The accounts receivable are shown net of any provision for doubtful accounts.

**Property Taxes**

All property taxes collected within 60 days of year end are reported as accounts receivable as of June 30, 2014, as well as those taxes assessed but not yet received. The Clark County Treasurer, based on the assessed valuation at January 1<sup>st</sup> of each year, levies taxes on real property. A lien is placed on the property subject to the payment of taxes on July 1st of each year and the taxes are due on the third Monday in August. Taxes may be paid in quarterly installments on or before the third Monday in August, and the first Monday in October, January, and March. If not paid, the County Treasurer is authorized to hold the property for two years, subject to redemption upon payment of taxes, penalties, interest, and costs. If delinquent taxes are not paid within the redemption period, the County Treasurer obtains a property deed free of encumbrances. Upon receipt of a deed, the County Treasurer may sell the property to satisfy the tax lien. Article X, Section 2, of the Nevada Constitution limits the taxes levied by all units of Clark County to an amount not to exceed \$5 per \$100 of assessed valuation. The 1979 Nevada Legislature enacted provisions whereby starting July 1, 1979, the combined overlapping tax rate was limited to \$3.64 per \$100 of assessed value. The assessed value is annually adjusted.

**INVENTORIES**

Instructional materials and general supplies inventories (recorded in the General Fund) are valued at weighted average cost. Transportation supplies (recorded in the General Fund) and food service inventories (recorded in the Enterprise Fund) are valued using the first-in, first-out method. In all funds, the District follows the consumption method, thus, materials and supplies to be used in operations are reported as financial resources when acquired and recognized as expenditures when used. In the fund financial statements, the inventory amount is equally offset by a fund balance classification indicating it is "nonspendable".

**PREPAID ITEMS**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. Prepaid items are equally offset by a fund balance classification indicating they are "nonspendable".

**CAPITAL ASSETS**

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. If purchased or constructed, all capital assets are recorded at historical cost or estimated historical cost and updated for additions and retirements during the year. Donated capital assets are valued at their estimated fair value as of the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<u>Capital Assets</u>	<u>Years</u>
Buildings	50
Building Improvements	20
Land Improvements	20
Vehicles	5
Heavy Trucks and Vans	7-10
Buses	10
Computer Hardware	5
Various Other Equipment	3-25

**CLARK COUNTY SCHOOL DISTRICT****NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2014****NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES**

In fiscal year 2013, the District implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Deferred outflow of resources represents a consumption of net position that applies to a future period and so will not be recognized as an outflow or resources (expense/expenditure) until then. Deferred inflow of resources represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Statement of Net Assets will now be reported as Statement of Net Position.

Also in fiscal year 2013, the District early implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* which requires governments to adopt provisions of Concepts Statement No. 4 for all other items reported as assets and liabilities, which were not addressed as part of GASB 63.

GASB Concepts Statement No. 4, *Elements of Financial Statements*, specifies that recognition of deferred outflows and deferred inflows should be limited to those instances specifically identified in authoritative GASB pronouncements. Consequently, guidance was needed to determine which balances being reported as assets and liabilities should actually be reported as deferred outflows of resources or deferred inflows of resources, according to the definitions in Concepts Statement 4. Based on those definitions, Statement 65 reclassifies certain items currently being reported as assets and liabilities as deferred outflows of resources and deferred inflows of resources.

Following GASB Statements No. 63 and No.65, fiscal year 2013 basic financial statements were adjusted with a prior year restatement of the beginning net position to fully expense unamortized debt issuance costs, not related to prepaid bond insurance costs. These were previously classified as noncurrent assets, and expensed as a component of central services and facilities acquisition and construction services. Further, unamortized balances resulting from advance bond refundings, previously reported as a deduction to long-term bond payable, have been reclassified as deferred outflows of resources and deferred inflows of resources. In addition, delinquent property taxes are now reported in the General Fund and Debt Service Fund as a deferred inflow of resources, specifically unavailable revenue-delinquent property taxes. Property tax revenues are considered "delinquent" when the due date of an assessment has passed and any statutory appeal rights have expired.

**ACCRUED SALARIES AND BENEFITS**

District salaries earned but not paid by June 30, 2014, have been accrued as liabilities and shown as expenses for the current year.

**LONG-TERM OBLIGATIONS**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as deferred losses and gains, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are immediately expensed in the government-wide financial statements. Deferred losses related to refundings of debt are reported as deferred outflows of resources and deferred gains related to refundings of debt are reported as deferred inflows of resources. They are amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**COMPENSATED ABSENCES AND ACCUMULATED SICK LEAVE**

## CLARK COUNTY SCHOOL DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Except for teachers and certain hourly employees, it is the District's policy to permit employees to accumulate earned but unused vacation leave. All employee groups are allowed to accumulate earned but unused sick leave. However, the District only pays limited accumulated sick leave to certain employees upon retirement.

With no material liability for sick leave, nothing is recorded in the accompanying financial statements. All vacation pay is accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in governmental funds only if they have matured as a result of employee resignations and retirements.

**FUND BALANCES**

In the fund financial statements, the classifications of fund balance are based on limitations on their use, and the source and strength of those limitations. Assignments of fund balance represent tentative management plans that are subject to change. The following classifications have been implemented by the District's Regulation 3110:

- a. *Nonspendable* fund balance: These items are legally or contractually required to be maintained intact and are not in a spendable form, such as inventories and prepaids.
- b. *Restricted* fund balance: These amounts are constrained to being used for specific purposes by external parties, constitutional provisions or enabling legislation, such as debt service.
- c. *Committed* fund balance: These amounts can only be used for specific purposes as set forth by the Board of Trustees. The Board must take formal action (vote approval by the majority), prior to the end of the reporting period, in order to establish an ending fund balance commitment for any specific purpose. This Formal Board action (vote approval by the majority) is also required to modify or rescind an established commitment. Only the highest level action that constitutes the most binding constraint can be considered a commitment for fund balance classification purposes.
- d. *Assigned* fund balance: Assignments are neither restrictions or commitments and represent the District's intent to use funds for a specific purpose. These assignments, however, are not legally binding and are meant to reflect intended future use of the District's ending fund balance. The Chief Financial Officer of the District has the responsibility of assigning amounts of ending fund balance per District Regulation 3110.
- e. *Unassigned* fund balance: The residual classification for the General Fund that is available to spend. The District's Regulation 3110 requires that an unassigned ending fund balance of not less than 2% of total General Operating Fund revenues be included in the budget. A Board waiver is required to adopt a budget that does not meet this requirement. On November 15, 2013, the Board approved a waiver to reduce the projected balance requirement for 2013-2014 to 1.25% of total revenues.

When an expenditure is incurred, and both restricted and unrestricted resources are available, the portion of the fund balance that was restricted for those purposes shall be reduced first. If no restricted resources exist, then the unrestricted fund balance shall be reduced. Furthermore, when an expenditure is incurred for purposes which amounts of committed, assigned, or unassigned are considered to have been spent, and any of these unrestricted fund balance classifications could be used, they are considered to be spent in the above order.

**NET POSITION**

In the government-wide statements, Net Position on the Statement of Net Position includes the following:

**Net Investment in Capital Assets**

The calculation of net investment in capital assets is similar to the prior calculation of investment in capital assets, net of related debt which reported the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended bond proceeds, that is directly attributable to the acquisition, construction, or improvement of those assets.

With the implementation of GASB Statement No. 63, the deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt will also be included in this component of net position.

## CLARK COUNTY SCHOOL DISTRICT

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### **Restricted Net Position**

The component of net position that reports the constraints placed on the use of assets by either external parties and/or enabling legislation. Currently, the District has restricted assets related to its Debt Service Fund, assets related to its Capital Projects Funds, education foundation donations in the General Fund, state restricted money for Adult Education, reserve to self-insurance deposits related to the District's worker's compensation program accounted for in the Insurance and Risk Management Fund, and term endowments to Vegas PBS.

##### **Unrestricted Net Position**

The component of net position that is the difference between the assets, deferred outflows, liabilities, and deferred inflows not reported in Net Investment in Capital Assets and Restricted Net Position.

It is the District's policy to expend restricted resources first and use unrestricted resources when the restricted resources have been depleted.

#### **COMPARATIVE TOTAL DATA AND RECLASSIFICATIONS**

The District follows the data classification guidelines provided in the Financial Accounting Handbook from the Nevada Department of Education, in conjunction with the U. S. Department of Education publication *Financial Accounting for Local and State School Systems*. Comparative total data for the prior year has been presented in the accompanying fund financial statements and schedules to provide an understanding of changes in the District's financial position and results of operations.

#### **USE OF ESTIMATES**

The preparation of financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

#### **REVENUE LINE ITEM TITLES**

**Local sources** are monies generated from local school support (sales tax), ad valorem (property taxes), real estate transfer taxes, room tax, governmental services tax, franchise tax, investment income, and athletic proceeds.

**State sources** are revenues paid by the State of Nevada (through the Distributive School Account) to the District and state grants.

**Federal sources** are mostly grants received from the federal government for specific educational programs and interest subsidized on the Qualified School Construction Bond Program.

**Other sources** are monies including proceeds from the sale of capital assets and other miscellaneous income.

#### **EXPENDITURE LINE ITEM TITLES**

The statements of revenues, expenditures, and changes in fund balances characterize expenditure data by major program classifications pursuant to the provisions of the Handbook II (Revised) Accounting System established by the Nevada Department of Education. Programs are further segregated by functional services provided within each program. Below is a brief description of these program and function classifications.

##### **Programs:**

**Regular programs** are activities designed to provide elementary and secondary students with learning experiences to prepare them as citizens, family members, and non-vocational workers.

## CLARK COUNTY SCHOOL DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Special programs** are activities designed primarily to serve students having special needs. Special programs include services for the mentally challenged, physically handicapped, emotionally disturbed, culturally different, learning disabled, bilingual, and special programs for other types of students at all levels.

**Gifted and talented programs** are activities available to students that show above average general and/or specific abilities, high levels of task commitment, and high levels of creativity. Gifted and Talented Education (GATE) services are available to students in third, fourth, and fifth grades. Students have the opportunity to develop their potential through curriculum that emphasizes complexity and higher-level thinking.

**Vocational programs** are learning experiences that will provide individuals with the opportunity to develop the necessary knowledge, skills, and attitudes needed for occupational employment.

**Other instructional programs** are activities that provide elementary and secondary students with learning experiences in school-sponsored activities, athletics, and summer school.

**Adult education programs** are learning experiences designed to develop knowledge and skills to meet intermediate and long-range educational objectives for adults, who having completed or interrupted formal schooling, have accepted adult roles and responsibilities.

**Community services programs** are activities not directly related to the provision of educational services in a school district. These include such services as community recreation programs, civic activities, public libraries, programs of custody and care of children, and community welfare activities. This also includes parental training or related programs.

**Undistributed expenditures** are charges not readily assignable to a specific program. Student and instructional staff support and overall general and administrative costs are classified as undistributed expenditures. Also included are costs of operating, maintaining, and constructing the physical facilities of the District.

**Functions:**

**Instruction** includes all activities dealing directly with the interaction between teachers and students, including the activities of aides or classroom assistants which assist in the instructional process.

**Student support** includes activities designed to assess and improve the well-being of students and to supplement the teaching process.

**Instructional staff support** includes activities associated with assisting the instructional staff with the content and process of providing learning experiences for students.

**General administration** includes activities concerned with establishing and administering policy in connection with operating the District.

**School administration** includes activities concerned with overall administrative responsibility for a school. This includes principals, assistants, and clerical staff involved in the supervision of operations at a school.

**Central services** includes activities that support other administrative and instructional functions. In addition, this covers activities concerned with paying, transporting, exchanging, and maintaining goods and services for the District. Also included are the fiscal and internal services necessary for operating the District.

**Operation and maintenance of plant services** includes activities concerned with keeping the physical schools and associated administrative buildings open, comfortable, and safe for use. This also includes keeping the grounds, buildings, and equipment in effective working condition and state of repair. Additional activities include maintaining safety in buildings, on the grounds, and in the vicinity of schools.

## CLARK COUNTY SCHOOL DISTRICT

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Student transportation** includes activities concerned with the conveyance of students to and from school, as provided by state and federal law. It includes trips between home and school as well as trips to school activities.

**Other support services** are all other support services not otherwise properly classified elsewhere.

**Community services** includes activities concerned with providing community services to students, staff, or other community participants. This includes programs offering parental training.

**Facilities acquisition and construction services** are all activities concerned with the acquisition of land and buildings; the construction of buildings and additions to buildings; initial installation or extension of service systems and other built-in equipment; and improvements to sites.

**Food service** includes activities concerned with providing food to students and staff within the District. This includes the preparation and serving of regular and incidental meals, lunches, or snacks.

**Interdistrict payments** are funds transferred to another school district, charter school, or other educational entity such as private schools.

#### NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

##### 1. Explanation of certain differences between the governmental funds balance sheet and the government-wide statement of net position

The governmental funds balance sheet includes a reconciliation between fund balances – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “Certain liabilities, deferred inflows of resources, and deferred outflows of resources (such as bonds payable and capital leases payable) are not reported in the Governmental Funds financial statement because they are due and payable, but they are presented as liabilities in the statement of net position.” The details of this \$3,121,103,741 difference are as follows:

Bonds payable	\$ 2,894,125,000
Bond discounts (net of amortization)	(6,436,007)
Prepaid bond insurance premium costs (net of amortization)	(1,821,451)
Deferred losses on refundings (net of amortization)	(30,782,071)
Deferred gain on refundings (net of amortization)	1,029,707
Bond premiums (net of amortization)	165,133,418
Interest payable	7,169,570
Compensated absences	58,214,647
OPEB Obligation	34,470,928
Net adjustment to decrease fund balance - total governmental funds to arrive at net position - governmental activities	\$ 3,121,103,741

##### 2. Explanation of certain differences between the governmental funds statement of revenues, expenditures, and changes in fund balances, and the government-wide statement of activities

The governmental funds statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.” The details of this \$173,203,597 difference are as follows (see following page):

## CLARK COUNTY SCHOOL DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

## NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

Capital outlay	\$ 64,897,719
Depreciation expense	(238,101,316)
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u>\$ (173,203,597)</u>

Another element of that reconciliation states that "The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

This amount is the net effect of these differences in the treatment of long-term debt and related items." The details of this \$305,749,812 difference are as follows:

Debt issued or incurred:	
Issuance of general obligation debt	\$ (322,100,000)
Plus: Bond premiums	(37,375,160)
Less: Bond call premium	687,254
General obligation debt principal payments	339,665,000
Payment to escrow agent for refunding	324,872,718
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u>\$ 305,749,812</u>

Another element of that reconciliation states that "Generally expenditures recognized in the fund financial statements are limited to only those that use current financial resources, but expenses are recognized in the statement of activities when incurred." The details of this \$12,396,748 difference are as follows:

Change in accrued interest	\$ 7,273,715
Amortization of deferred gain/loss on refunding	(11,933,122)
Amortization of issuance costs	(992,808)
Amortization of bond discounts	(656,151)
Amortization of bond premiums	22,841,799
Change in compensated absences	(2,360,401)
Change in OPEB obligation	(1,776,284)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u>\$ 12,396,748</u>

## NOTE 3 - DEPOSITS AND INVESTMENTS

The District maintains a cash and investment pool that is available for use by all funds. At June 30, 2014, this pool is displayed in the statement of net position and major and other governmental funds on the governmental funds balance sheet as "Pooled Cash and Investments." The District accounts for its debt issuance proceeds portfolio separately in the capital projects funds to aid in compliance with bond covenants and federal arbitrage regulations. See **Note 8**. As of June 30, 2014, the District had the total amounts reported as pooled cash and investments (see following page):

## CLARK COUNTY SCHOOL DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

## NOTE 3 - DEPOSITS AND INVESTMENTS (continued)

## Combined Pooled Cash and Investments

Pooled Cash	\$ (2,205,646)
Non-negotiable Certificate of Deposit	6,947,000
Student Activity Agency Fund	24,104,037
Pooled Investments	616,861,368
<b>Total Pooled Cash and Investments</b>	<b>\$ 645,706,759</b>

Except for financial reporting purposes, the cash balances in the Student Activity Agency Fund are not normally considered part of the District's pooled cash and investments. These amounts represent cash held in an agency capacity by the District for student groups and organizations and cannot be used in the District's normal operations. The balances listed above for this fund are a consolidation of individual bank account balances held at schools across the District as of June 30, 2014.

As of June 30, 2014, the District had the following investments (*numbers stated in thousands*):

	Fair Value	Investment Maturities (In Years)				Interest Rec.	Total Value
		Less Than 1	1-5	6-10	More than 10		
<b>General Pooled Investments:</b>							
U.S. Treasury Notes	\$ 100,087	\$ 30,220	\$ 69,867	\$ -	\$ -	\$ 223	\$ 100,310
U.S. Agencies	183,336	14,040	169,295	-	-	380	183,716
Commercial Paper	49,998	49,998	-	-	-	-	49,998
Money Market Mutual Fund	65,500	65,500	-	-	-	-	65,500
Vegas PBS Endowment	2,316	2,316	-	-	-	-	2,316
NVEST Program:							
U.S. Treasury Notes	51,091	5,432	45,659	-	-	42	51,133
U.S. Agencies	6,896	-	6,896	-	-	9	6,905
Asset Backed Securities	37,529	388	27,700	8,429	1,012	42	37,571
Money Market Mutual Fund	156	157	-	-	-	-	156
Subtotal Gen. Pooled Investments	<u>496,909</u>	<u>168,051</u>	<u>319,417</u>	<u>8,429</u>	<u>1,012</u>	<u>696</u>	<u>497,605</u>
<b>Bond Proceed Investments:</b>							
U.S. Agencies	91,981	91,981	-	-	-	-	91,981
Commercial Paper	18,971	18,971	-	-	-	-	18,971
Money Market Mutual Fund	9,000	9,000	-	-	-	-	9,000
Subtotal Bond Proceed Investments	<u>119,952</u>	<u>119,952</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>119,952</u>
Total Securities Held	<u>\$ 616,861</u>	<u>\$ 288,003</u>	<u>\$ 319,417</u>	<u>\$ 8,429</u>	<u>\$ 1,012</u>	<u>\$ 696</u>	<u>\$ 617,557</u>

**Interest Rate Risk**

While the District does not have an overall investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate risk, Nevada statutes and District policy do impose certain restrictions by investment instrument. These include limiting maturities on U.S. Treasuries and Agencies to less than 10 years, limiting bankers' acceptances to 180 days maturity, limiting commercial paper to 270 days maturity and repurchase agreements to 90 days. The District's approximate weighted average maturity is 1.77 years.

U.S. Agencies as reported above consist of securities issued by the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Farm Credit Bank, and Federal Home Loan Bank. Since investments in these agencies are in several cases backed by assets such as mortgages they are subject to prepayment risk. Also, approximately \$160 million of the U.S. Agencies investments reported above have a call option which, should interest rates change, could shorten the maturity of these investments.

CLARK COUNTY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 3 - DEPOSITS AND INVESTMENTS (continued)

*Credit Risk*

State statute and the District's own investment policy limit investment instruments to the top rating issued by one of the nationally recognized statistical rating organizations (NRSROs). The District's investment in commercial paper is limited to that rated P-1 by Moody's Investor Service, Standard and Poor's as A-1, and Fitch Investors Service as F-1. The District's money market investments are only with those funds rated by a nationally recognized rating service as AAA or its equivalent and invest only in securities issued by the Federal Government, U.S. Agencies, or repurchase agreements fully collateralized by such securities. Credit ratings for obligations of U.S. government agencies only implicitly guaranteed by the U.S. Government, such as, the Federal National Mortgage Association, the Federal Farm Credit Bank, the Federal Home Loan Bank, and the Federal Home Loan Mortgage Corporation, short and long term instruments are limited to those rated A-1 / AA, P-1 / Aaa or F1 / AAA, by Standard and Poor's, Moody's and Fitch Investors Service, respectively. The investment program through the State of Nevada, NVEST, is not rated by any investment service.

Vegas PBS received an initial term endowment in fiscal year 2003-2004 and has received additional contributions in each subsequent fiscal year, including the current year. The endowment is invested in various equity mutual funds with the Nevada Community Foundation. While the District's investment policy does not allow it to directly invest in equities, endowment principal is restricted from use for a period of time. See **Note 17**.

*Concentrations of Credit Risk*

To limit exposure to concentrations of credit risk, the District's investment policy limits investment in bankers' acceptance notes to 15%, repurchase agreements to 25%, commercial paper to 15%, and money market mutual funds to 25%, of the entire portfolio on the day of purchase. As of June 30, 2014, more than 5% of the District's investments are in Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Federated Government Money Market Fund and Union Bank commercial paper. These investments are 8%, 16%, 11%, 14%, 12%, and 8%, respectively, of the District's total investments.

NOTE 4 - INTERFUND BALANCES AND TRANSFERS

**Interfund Balances:**

The "due to/due from other funds" balances in the General Fund of \$20,110,026, was between the Federal Projects Fund of \$16,365,567 and the State Grants Fund of \$3,744,459. These interfund balances represent funds that were transferred from the General Fund to the Federal Projects Fund and the State Grants Fund to cover the negative cash balances.

**Interfund Transfers:**

In the fund financial statements, interfund transfers are shown as other financing sources or uses. Transfers between funds during the year ended June 30, 2014 are as follows:

	Transfers In:					Totals
	General Fund	Special Education Fund	Debt Service	Nonmajor Governmental Funds		
Transfers Out:						
General Fund	\$ -	\$ 297,469,464	\$ 4,884,772	\$ 24,700	\$ 302,378,936	
Bond Fund	-	-	83,151,333	1,499,207	84,650,540	
Nonmajor Governmental Funds	25,932,339	-	7,712,250	500,000	34,144,589	
Total	\$ 25,932,339	\$ 297,469,464	\$ 95,748,355	\$ 2,023,907	\$ 421,174,065	

Following are explanations of certain interfund transfers of significance to the District:

\$297,469,464 was transferred from the General Fund to the Special Education Fund for costs related to programs for special needs students. Beginning in 1994, Senate Bill 569 has required separate accounting for revenues and expenditures associated with special education. The majority of the revenues are collected in the General Fund and transferred to the

## CLARK COUNTY SCHOOL DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**NOTE 4 - INTERFUND BALANCES AND TRANSFERS (continued)**

Special Education Fund to offset special education expenditures.

The Bond Fund transferred a total of \$83,151,333 during fiscal year 2014 to the Debt Service Fund to service the current principal and interest on the District's revenue bonds. Pledged revenues for these bonds, which include a portion of the real estate transfer tax and room tax collected within the county are deposited within the Bond Fund and transferred on a monthly basis to the Debt Service Fund. See **Note 8**. The Governmental Services Tax Fund transferred \$7,712,250 to the Debt Service Fund to service the principal and interest on the District's 2004C medium term bond. In addition to this, a transfer of \$4,884,772 was made from the General Fund to the Debt Service Fund to service the principal and interest on the District's 2013A medium term bond.

In the nonmajor governmental funds, the Vegas PBS Fund transferred \$500,000 to the Building and Sites fund for reimbursement of building costs. In addition to this, funds were transferred from the Class Size Reduction Fund to the General Fund in the amount of \$25,932,339 per Assembly Bill No. 579 of the Nevada Legislature in 2011 which temporarily revises provisions governing class-size reduction to allow school districts flexibility in addressing budget shortfalls. The Bond Fund transferred \$1,499,207 to the Capital Replacement Fund for costs associated with the new student information system (SIS). Also, \$24,700 was transferred from the General Fund to the State Grants Fund, a donation to help with recruitment costs for the Early Childhood program.

**NOTE 5 - CAPITAL ASSETS**

A summary of changes in capital assets for the year ended June 30, 2014 follows:

**Governmental Activities:**

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
Capital assets, not being depreciated:				
Land	\$ 265,557,653	\$ 28,452	\$ (324,120)	\$ 265,261,985
Construction in progress	5,554,174	32,421,072	(29,135,223)	8,840,023
Total capital assets, not being depreciated	271,111,827	32,449,524	(29,459,343)	274,102,008
Capital assets, being depreciated:				
Buildings	4,277,199,830	26,555,108	(15,771)	4,303,739,167
Building improvements	900,112,724	2,589,612	-	902,702,336
Land improvements	1,275,729,950	2,713,605	-	1,278,443,555
Equipment	492,274,454	30,225,449	(2,008,800)	520,491,103
Total capital assets being depreciated	6,945,316,958	62,083,774	(2,024,571)	7,005,376,161
Less accumulated depreciation for:				
Buildings	(1,044,736,233)	(104,253,759)	15,771	(1,148,974,221)
Building improvements	(524,191,516)	(42,973,325)	-	(567,164,841)
Land improvements	(601,142,235)	(58,280,202)	-	(659,422,437)
Equipment	(340,650,251)	(32,756,220)	1,833,101	(371,573,370)
Total accumulated depreciation	(2,510,720,235)	(238,263,506)	1,848,872	(2,747,134,869)
Total capital assets being depreciated, net	4,434,596,723	(176,179,732)	(175,699)	4,258,241,292
Governmental activities capital assets, net	\$ 4,705,708,550	\$ (143,730,208)	\$ (29,635,042)	\$ 4,532,343,300

## CLARK COUNTY SCHOOL DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

## NOTE 5 - CAPITAL ASSETS (continued)

## Business-type activities:

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
Capital assets, not being depreciated:				
Construction in progress	\$ 1,388,714	\$ 1,537,413	\$ (2,524,663)	\$ 401,464
Total capital assets, not being depreciated	<u>1,388,714</u>	<u>1,537,413</u>	<u>(2,524,663)</u>	<u>401,464</u>
Capital assets, being depreciated:				
Buildings	70,552	1,644,934	-	1,715,486
Building improvements	-	559,584	-	559,584
Land improvements	-	240,579	-	240,579
Equipment	<u>23,085,966</u>	<u>1,002,346</u>	<u>(3,734,002)</u>	<u>20,354,310</u>
Total capital assets being depreciated	<u>23,156,518</u>	<u>3,447,443</u>	<u>(3,734,002)</u>	<u>22,869,959</u>
Less accumulated depreciation for:				
Buildings	(4,722)	(45,656)	-	(50,378)
Building improvements	-	(6,995)	-	(6,995)
Land improvements	-	(3,007)	-	(3,007)
Equipment	<u>(12,283,105)</u>	<u>(1,343,155)</u>	<u>3,094,617</u>	<u>(10,531,643)</u>
Total accumulated depreciation	<u>(12,287,827)</u>	<u>(1,398,813)</u>	<u>3,094,617</u>	<u>(10,592,023)</u>
Total capital assets being depreciated, net	<u>10,868,691</u>	<u>2,048,630</u>	<u>(639,385)</u>	<u>12,277,936</u>
Business-type activities capital assets, net	<u>\$ 12,257,405</u>	<u>\$ 3,586,043</u>	<u>\$ (3,164,048)</u>	<u>\$ 12,679,400</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

## Governmental Activities:

Instruction:	
Regular instruction	\$ 194,592,237
Special instruction	450,679
Vocational instruction	14,826,943
Adult instruction	66,560
Other instruction	33,654
Support services:	
Student support	631,538
Instructional staff support	2,952,079
General administration	757,189
School administration	70,877
Business support	1,004,285
Operation and maintenance of plant services	3,293,747
Student transportation	15,914,772
Other support services	486,271
Facilities acquisition and construction services	3,182,675
	<u>\$ 238,263,506</u>

## NOTE 6 - ACCOUNTS RECEIVABLE

Receivables as of June 30, 2014, for the government's individual major funds and nonmajor funds in the aggregate are as follows (see following page):

## CLARK COUNTY SCHOOL DISTRICT

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

#### NOTE 6 - ACCOUNTS RECEIVABLE - (continued)

	General Fund	Special Education Fund	Debt Service Fund	Bond Fund	Federal Projects Fund	Nonmajor and Other Funds	Total
<u>Local Sources:</u>							
Property and Transfer Taxes	\$ 19,131,715	\$ -	\$ 14,428,059	\$ 3,798,954	\$ -	\$ -	\$ 37,358,728
Room Taxes	-	-	-	14,485,767	-	-	14,485,767
Governmental Services Tax	4,305,580	-	-	-	-	2,016,590	6,322,170
Local School Support Tax	146,630,884	-	-	-	-	-	146,630,884
Other Local Sources	1,613,218	-	58,092	-	-	-	1,671,310
<u>State Sources:</u>							
Grants	-	-	-	-	-	22,625,926	22,625,926
Distributive School Account	64,517,141	-	-	-	-	-	64,517,141
<u>Federal Sources:</u>							
Grants	-	-	-	-	50,344,333	-	50,344,333
Medicaid	-	-	-	-	-	1,197,067	1,197,067
<u>Other Sources:</u>							
E-rate Reimbursement	4,457,042	-	-	-	-	-	4,457,042
Miscellaneous	2,131,094	18,027	-	672	-	841,355	2,991,148
<b>Total Receivables</b>	<b>\$ 242,786,674</b>	<b>\$ 18,027</b>	<b>\$ 14,486,151</b>	<b>\$ 18,285,393</b>	<b>\$ 50,344,333</b>	<b>\$ 26,680,938</b>	<b>\$ 352,601,516</b>

#### NOTE 7 - UNEARNED REVENUES

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period and also in connection with resources that have been received but not yet earned. A summary of unearned revenues for the individual major governmental funds and nonmajor governmental funds in the aggregate at June 30, 2014 are as follows:

	General Fund	Federal Projects Fund	Nonmajor and Other Funds	Total
Summer School	\$ 858,952	\$ -	\$ -	\$ 858,952
Federal Programs	-	16,922,931	-	16,922,931
State Grants	-	-	10,681,569	10,681,569
E-Rate	4,393,817	-	-	4,393,817
Miscellaneous	1,388,752	-	273,167	1,661,919
<b>Total</b>	<b>\$ 6,641,521</b>	<b>\$ 16,922,931</b>	<b>\$ 10,954,736</b>	<b>\$ 34,519,188</b>

In the General Fund, summer school unearned revenue represents monies collected for summer school tuition in advance of the fiscal year 2015 summer school program. The e-rate unearned amount represents amounts submitted under the e-rate program, but not yet received. The miscellaneous unearned revenues consist of \$970,300 for extended-day kindergarten tuition which was received in advance, \$368,600 in revenues received in advance for facility usage, \$44,518 received in advance for tuition out of district, \$4,934 in donations received in advance for new teacher orientation and local charities, and \$400 for expense reimbursements on electricity charges.

In the Federal Projects Fund the unearned revenue relates to grant revenues received in advance of expenditures.

Nonmajor and other funds state grants and allotments in the amount of \$10,681,569 relates to state grant revenue received in advance of expenditures and the miscellaneous unearned revenue consists of \$273,167 in grant monies received by Vegas PBS in advance for various educational programs.

CLARK COUNTY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 8 - GENERAL OBLIGATION BONDS PAYABLE

**General Obligation Bonds:**

The District issues general obligation bonds to provide proceeds for the District's construction and modernization program and for other major capital acquisitions. These bonds are direct obligations and pledge the full faith and credit of the District. Bonds are often sold at a premium or a discount. These premiums and discounts are reported in the fund statements in the year incurred but are deferred and amortized over the life of the debt in the government-wide financial statements. Similarly, any gain or loss derived from an advance refunding is amortized in the government-wide financial statements. The Debt Service Fund services all of the bonds payable. The remaining principal and interest payment requirements for the general obligation debt as of June 30, 2014 are as follows:

**General Obligation Bonds Schedule:**

Series	Purpose	Date Issued	Date of Final Maturity	Interest	Original Issue	Balance June 30, 2014	Principal Due Within One Year	Interest Due Within One Year
1998	Refunding	09/01/98	06/15/15	4.00% - 5.50%	\$ 169,310,000	\$ 26,770,000	\$ 26,770,000	\$ 1,472,350
2005 A	Refunding	03/01/05	06/15/19	5.00% - 5.25%	269,600,000	219,025,000	26,970,000	11,018,675
2005C	Building	11/16/05	06/15/18	5.00%	500,000,000	107,790,000	25,010,000	5,389,500
2006A	Refunding	03/30/06	06/15/15	5.00%	153,925,000	21,170,000	21,170,000	1,058,500
2006B	Building	12/19/06	06/15/26	3.00% - 5.00%	450,000,000	335,750,000	21,795,000	13,796,900
2007A	Refunding	03/01/07	06/15/25	4.00% - 5.00%	473,045,000	343,780,000	24,945,000	16,116,750
2007C	Building	12/11/07	06/15/27	5.00%	400,000,000	316,675,000	18,715,000	15,833,750
2008A	Building	06/03/08	06/15/28	5.00%	675,000,000	444,565,000	22,685,000	22,228,250
2010D	Building (QSCB)	07/08/10	06/15/20	5.51%	6,245,000	6,245,000	-	344,099
2011A	Refunding	03/22/11	06/15/16	5.00%	69,160,000	29,380,000	14,285,000	1,469,000
2012A	Refunding	10/04/12	06/15/21	5.00%	159,425,000	159,425,000	20,545,000	7,971,250
2013A	Vehicles & Equip	07/31/13	06/15/23	3.25% - 4.00%	32,855,000	29,015,000	3,840,000	1,040,425
2013B	Refunding	07/31/13	06/15/19	3.00% - 5.00%	95,870,000	74,755,000	21,200,000	3,737,750
2014A	Refunding	04/29/14	06/15/20	5.00% - 5.50%	131,175,000	131,175,000	15,205,000	7,783,556
						<b>\$ 2,245,520,000</b>	<b>\$ 263,135,000</b>	<b>\$ 109,260,755</b>

**General Obligation Revenue Bonds:**

The District also issues general obligation debt that is additionally secured by a pledge of proceeds of taxes deposited in the District's Bond Fund. The District receives the proceeds of a 1 5/8% room tax collected within Clark County and this revenue is reflected in total in the Bond Fund. The proceeds of a tax equivalent to 60 cents for each \$500 of value on transferred real property are also deposited by the county. The District pledges the room tax and the real property transfer tax revenues to pay debt service on certain general obligation debt. In 2014, the District received \$95,379,188 and pledged 100% of these revenues to pay the principal and interest requirement. The remaining principal and interest payment requirements for the general obligation debt additionally secured by these pledged revenues as of June 30, 2014 are as follows:

**General Obligation Revenue Bonds Schedule:**

Series	Purpose	Date Issued	Date of Final Maturity	Interest	Original Issue	Balance June 30, 2014	Principal Due Within One Year	Interest Due Within One Year
2005 B	Refunding	03/01/05	06/15/22	5.00%	\$ 209,995,000	\$ 161,795,000	\$ 17,345,000	\$ 8,089,750
2006 C	Building	12/19/06	06/15/26	3.50% - 5.00%	125,000,000	93,270,000	6,055,000	4,239,150
2007 B	Building	12/11/07	06/15/27	5.00%	250,000,000	197,920,000	11,695,000	9,896,000
2010A	Building (QSCB)	07/08/10	06/15/24	4.74% - 5.51%	104,000,000	104,000,000	100,000	5,729,630
2011B	Refunding	03/22/11	06/15/19	5.00%	29,420,000	29,420,000	8,925,000	1,471,000
2014B	Refunding	04/29/14	06/15/20	5.00% - 5.50%	62,200,000	62,200,000	5,220,000	3,632,967
						<b>\$ 648,605,000</b>	<b>\$ 49,340,000</b>	<b>\$ 33,058,497</b>

## CLARK COUNTY SCHOOL DISTRICT

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

#### NOTE 8 - GENERAL OBLIGATION BONDS PAYABLE (continued)

At year end, pledged future revenues totaled \$855,769,398, which was the amount of the remaining principal and interest on these bonds.

General obligation bonds payable is reported net of premiums and discounts on the statement of net position.

#### Summary of Debt Service:

Following are the annual requirements to amortize all general obligation bonds outstanding at year-end:

Fiscal Year	Principal	Interest	Total Requirements
2015	\$ 312,475,000	\$ 142,319,252	\$ 454,794,252
2016	280,805,000	125,488,840	406,293,840
2017	289,590,000	111,645,490	401,235,490
2018	294,840,000	97,221,890	392,061,890
2019	289,720,000	82,805,039	372,525,039
2020 - 24	994,080,000	239,831,915	1,233,911,915
2025 - 28	432,615,000	41,459,650	474,074,650
<b>Totals</b>	<b>\$ 2,894,125,000</b>	<b>\$ 840,772,076</b>	<b>\$ 3,734,897,076</b>

A statutory limit of bonded indebtedness for school districts is set forth in Chapter 387.400 of the Nevada Revised Statutes. The limitation is based on 15% of the assessed valuation of property within the District, excluding motor vehicles. Based on the 2014 assessed valuation of \$56,296,847,888 the applicable debt limit is \$8,444,527,183 leaving the legal debt margin at \$5,550,402,183, notwithstanding the statutory tax rate limitation explained in **Note 1**. The District is in compliance with Chapter 387.400 as of June 30, 2014.

#### Authorized Unissued Debt:

In 1998, the District received both legislative and voter approval to issue a projected \$3.2 billion in long-term debt for school construction and modernization. The election authorized the District to issue general obligation bonds for school construction until June 30, 2008. As the authority to issue debt under this program has ended, the District will rely on pay-as-you-go financing to fund any capital requirements until the Board obtains voter approval to fund a future capital program. As of June 30, 2014, there is no reportable authorized unissued debt.

#### Refunded Debt:

In July 2013, the District issued \$95,870,000 of general obligation (limited tax) Series 2013B refunding bonds. This action was taken to achieve interest savings as well as to maintain the current levy for future bond issuance. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. With the Series 2013B refunding of bonds originally issued in 2003, 2004, and 2005 the district was able to reduce the cost of future debt service by approximately \$5 million, which equates to a net present value savings of 4.740 percent and an economic gain of \$4,544,197.

In April 2014, the District issued \$131,175,000 of general obligation (limited tax) Series 2014A refunding bonds. With this Series 2014A refunding of bonds originally issued in 2004, the District was able to reduce the cost of future debt service by approximately \$6 million, which equates to a net present value savings of 5.709 percent and an economic gain of \$7,488,354.

Also in April 2014, the District issued \$62,200,000 of general obligation (additionally secured by pledged revenues) Series 2014B refunding bonds. With this Series 2014B refunding of bonds originally issued in 2004, the District was able to reduce the cost of future debt service by approximately \$9 million, which equates to a net present value savings of 12.595 percent and an economic gain of \$7,834,112.

CLARK COUNTY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 8 - GENERAL OBLIGATION BONDS PAYABLE (continued)

**Defeasement of Debt:**

The District has defeased certain general obligation bonds by placing the proceeds of new bonds into irrevocable trust accounts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2014, the outstanding principal on the following bonds is considered defeased:

<u>CCSD School Improvement &amp; Building Bonds</u>	<u>Defeased Principal</u>
Series 2004D: Dated November 1, 2004	\$ 288,205,000
Series 2005C: Dated November 15, 2005	247,500,000
Total	<u>\$ 535,705,000</u>

**Obligation for Arbitrage Payable:**

The Tax Reform Act of 1986 established arbitrage guidelines that require a rebate of interest earned on bond funds in excess of interest paid. At June 30, 2014, the District is currently reporting negative arbitrage and thus no rebate of interest is required.

**Debt Service Fund:**

Nevada Revised Statute 350.020 requires that the Board establish a restricted account within its debt service fund for payment of the outstanding bonds of the District. In 2012, Assembly Bill 376 changed the amount of the reserves required to 10% of the outstanding principal or 25% (changed from 100%) of the principal and interest payments due on all outstanding bonds of the District in the next fiscal year, whichever is less. The amounts on deposit in this restricted account are not directly pledged to pay debt service on the debt, and if permitted, may be used for other purposes. As of June 30, 2014, the amount required to fund this account was \$113,698,563; which was fully funded by the District in the Debt Service Fund reserve amount of \$78,420,424 and the Bond Fund reserve amount of \$35,278,139.

NOTE 9 - LEASES

**Operating Leases**

**Lessee**

The District leases a fiber optical wide-area network under a non-cancelable operating lease. Total costs for this lease were \$2,401,260 for the year ending June 30, 2014. The future minimum lease payments for this lease are as follows:

<u>Year Ending, June 30</u>	<u>Amount</u>
2015	\$ 2,403,120
2016	2,403,120
2017	2,403,120
2018	2,403,120
2019	2,403,120
2020 - 2024	12,015,600
Total	<u>\$ 24,031,200</u>

**Lessor**

In 2008, Vegas PBS entered into a lease agreement with Sprint Nextel, Inc. whereby Sprint Nextel leases available spectrum from Vegas PBS for commercial use. The term for this cancelable operating lease agreement is 15 years with automatic renewal of an additional 15 years, for a maximum of 30 years. The spectrum provided by the District is an intangible asset which carries no value on the financial statements. The revenue recognized for this period is \$1,299,791 which includes a monthly fee paid to the District by Sprint Nextel.

## CLARK COUNTY SCHOOL DISTRICT

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

#### NOTE 10 - CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year-ended June 30, 2014, was as follows:

	Beginning Balance July 1, 2013	Additions	Reductions	Ending Balances June 30, 2014	Due Within One Year
<b>Governmental Activities:</b>					
Bonds payable:					
General obligation bonds	\$ 2,518,405,000	\$ 259,900,000	\$ (532,785,000)	\$ 2,245,520,000	\$ 263,135,000
General obligation revenue bonds	705,490,000	62,200,000	(119,085,000)	648,605,000	49,340,000
Less: issuance discounts	(7,092,158)	-	656,151	(6,436,007)	-
Plus: issuance premiums	169,929,790	37,375,160	(42,171,532)	165,133,418	-
Total bonds payable	3,386,732,632	359,475,160	(693,385,381)	3,052,822,411	312,475,000
Compensated absences	56,271,261	27,662,341	(25,254,749)	58,678,853	25,254,749
Governmental activity long-term liabilities	\$ 3,443,003,893	\$ 387,137,501	\$ (718,640,130)	\$ 3,111,501,264	\$ 337,729,749
<b>Business-type Activities:</b>					
Compensated absences	\$ 997,026	\$ 377,797	\$ (278,848)	\$ 1,095,975	\$ 278,848

Internal service funds predominantly serve the governmental funds. Accordingly, their long-term liabilities are included as part of the above totals for governmental activities. At year end, \$464,206 of internal service funds compensated absences are included in the above amounts. In governmental activities, compensated absences are generally liquidated by a combination of the major and nonmajor governmental funds with the majority liquidated from the General Fund.

#### NOTE 11 - COMPLIANCE AND ACCOUNTABILITY

Per NRS 354.626, the District is required to report and explain expenditures that exceeded budgeted appropriations at the function level for the General Fund, Special Revenue, and Capital Project Funds. The sum of operating and non-operating expenses in the Enterprise and Internal Service Funds may not exceed total appropriations. As of June 30, 2014, the District reported the following expenditures over appropriations:

The District's major Special Education Fund total expenditures exceeded appropriations by more than \$6 million as more licensed positions were filled than anticipated and the salary attrition projections exceeded actual attrition.

The District's non-major Special Revenue Fund - Class Size Reduction Fund reflects a budgeted expenditure overage of over \$2 million. This was a result of the placement of more experienced licensed teachers into the positions for reducing class sizes in grades 1 through 3.

#### NOTE 12 - DEFINED BENEFIT PENSION PLAN

All half-time or greater District employees are covered by the State of Nevada Public Employees Retirement System (the Plan), a cost sharing multiple-employer defined benefit plan of the public employee retirement system. The payroll for employees covered by the Plan for the year ended June 30, 2014 was \$1,412,077,385 and the District's total payroll was \$1,542,643,978. All full-time District employees are mandated by state law to participate in the Plan. Vested members are entitled to a life-time monthly retirement benefit equal to the service time multiplier (STM) percentages listed below times the member's years of service to a maximum of 30 years. The schedule of Eligibility for Monthly Unreduced Retirement Benefits for regular members and police/fire members are as follows (see following page):

CLARK COUNTY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 12 - DEFINED BENEFIT PENSION PLAN - (continued)

Eligibility for Regular Members:

Years of Service	Hired Prior to 7/01/01		Hired Between 7/01/01-12/31/09		Hired After 1/01/2010	
	Age	STM %	Age	STM %	Age	STM %
5 Years	65	2.5	65	2.67	65	2.5
10 Years	60	2.5	60	2.67	62	2.5
30 Years	Any age	2.5	Any age	2.67	Any age	2.5

Eligibility for Police/Fire Members:

Years of Service	Hired Prior to 7/01/01		Hired Between 7/01/01-12/31/09		Hired After 1/01/2010	
	Age	STM %	Age	STM %	Age	STM %
5 Years	65	2.5	65	2.67	65	2.5
10 Years	60	2.5	60	2.67	60	2.5
20 Years	50	2.5	50	2.67	50	2.5
25 Years	Any age	2.5	Any age	2.67	-	-
30 Years	-	-	-	-	Any age	2.5

The member's beginning retirement compensation is the average of their highest working compensation for 36 consecutive months. Benefits fully vest with 5 years of service. The Plan also provides death and disability benefits. Benefits are established by state statute and provisions may only be amended through legislation. All District employees in the plan are enrolled under a non-contributory plan. District payment of what were formerly employee contributions, was made in lieu of equivalent salary increases. Per Chapter 286 of the Nevada Revised Statutes, the District's contribution was based on the actuarially determined statutory rate of 25.75% in 2013-14 for unified, licensed, and support employees and 40.50% for police employees of gross compensation and amounted to \$364,569,644, 24% of the \$1,514,663,045 total paid by all employees and employers into the Plan for the year ended June 30, 2014. The District's contributions to PERS for the years ended June 30, 2013, 2012, and 2011 were \$327,548,750, \$331,265,268, and \$312,849,506, respectively, equal to the required contributions for each year, at the actuarially determined statutory rates of 23.75, 23.75, and 21.50%, respectively, for unified, licensed and support employees and 39.75, 39.75, and 37.00%, respectively, for police employees.

Financial statements for the Plan are available by calling (775) 687-4200 or writing to:

Public Employees' Retirement System of Nevada  
 693 W. Nye Lane  
 Carson City, NV 89703-1599

NOTE 13 - RISK MANAGEMENT

**Risk Management** - The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. The District accounts for such losses through its Insurance and Risk Management Internal Service Fund. The District retains the risk of financial loss per occurrence as follows:

1. Worker's compensation up to \$1,250,000.
2. General liability and motor vehicle liability, with retention of \$3,000,000.
3. Errors and omissions and employment practices liability, with retention of \$3,000,000 per occurrence.
4. Property, including boiler and machinery, with retention of \$500,000.
5. Broadcaster's liability, with retention of \$5,000.
6. Crime/employee dishonesty, with retention of \$50,000.
7. National Flood Insurance Program, with retention of \$50,000 for specific schools.

## CLARK COUNTY SCHOOL DISTRICT

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

#### NOTE 13 - RISK MANAGEMENT - (continued)

The District purchases commercial insurance for occurrences in excess of the foregoing retention levels. Over the past eight years, there have been significant reductions in almost all areas of insurance coverage for the District. However, the District remains adequately covered for losses and no settlements have reached amounts in excess of the insurance coverage for the past thirteen years.

The Insurance and Risk Management Internal Service Fund insures all operational activities of the District by charging premiums to other funds of the District. Premiums charged are based on estimates of the amounts needed to pay actual and projected claims, to support self-insurance operational costs, and to establish a self-insured reserve for incurred losses. The reserve was \$15,474,210 at June 30, 2014, and is reported as net position for Risk Management. The estimates of the liability insurance claims payable of \$8,848,432 and the worker's compensation claims payable of \$12,052,727 at June 30, 2014, were determined by the District with the assistance of an independent actuarial study as of that date and are reflected in the financial statements of the Insurance and Risk Management Internal Service Fund.

The actuarial study, which is prepared annually, calculates the estimated future losses for the District. The amount reflected represents the current amount due in fiscal year 2014-2015.

The District relies upon a statistical measure known as a confidence level to determine its estimated outstanding losses as calculated by the study. Estimated losses are recorded at their expected values, which correspond to an approximate 50%-55% confidence level. Information regarding actual claims expenses incurred and paid can be seen in the table below.

A summary of changes in the aggregate claims liabilities for the past two years follows:

	Fiscal 2014	Fiscal 2013
Beginning Balance - July 1, 2014 and 2013	\$ 20,155,709	\$ 19,547,775
Claims Incurred	7,990,650	8,966,587
Changes in Estimates for Claims of the Prior Periods	745,450	607,934
Claims Paid	(7,990,650)	(8,966,587)
Ending Balance - June 30, 2014 and 2013	<u>\$ 20,901,159</u>	<u>\$ 20,155,709</u>

In November 2013, the District renewed its interest-bearing time certificate of deposit used for the self-insured workers' compensation program as a security deposit with the Nevada Division of Insurance. The amount of the deposit, \$6,947,000, is based on the total incurred cost of current and future claims as estimated by the office of the State Insurance Commissioner. See **Note 3**.

#### NOTE 14 - ENCUMBRANCES AND COMMITMENTS

##### Construction Commitments and Encumbrances

The District utilizes encumbrance accounting in its governmental funds. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which a purchase order, contract, or other commitment is issued. In general, unencumbered appropriations lapse at year end. Open encumbrances at fiscal year end are included in restricted, committed, or assigned fund balance, as appropriate. The following schedule outlines significant encumbrances included in governmental fund balances:

<u>Major Funds</u>	<u>Restricted Fund Balance</u>	<u>Assigned Fund Balance</u>
General Fund	\$ -	\$ 11,848,677
Bond Fund	11,782,398	-
<u>Nonmajor Funds</u>		
Aggregate nonmajor funds	2,715,648	-
	<u>\$ 14,498,046</u>	<u>\$ 11,848,677</u>

CLARK COUNTY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 14 - COMMITMENTS AND CONTINGENCIES (continued)

Total encumbrances for general fund and capital projects as of June 30, 2014 were \$26,346,723. In the General Fund, \$6,511,824 of the total encumbrance balance of \$11,848,677 was assigned to the purchase of new buses and the remaining \$5,336,853 was assigned to the purchase of new computers and other transportation needs.

As of June 30, 2014, funds remain from the 1998 voter-approved bond program. The following schedule outlines the programmed construction commitments as of June 30, 2014. The total restricted amount of \$116,670,291 is construction contracts from the 1998 voter-approved bond program which is shown as a restriction for capital projects in the Bond Fund.

APPROVED 1998 CAPITAL IMPROVEMENT PLAN PROJECTS		
School	Capital Project	Total Programmed
ELEMENTARY SCHOOLS		
Dean Allen ES	Emergency Replacement of Chiller	\$ 120,000
Rex Bell ES	LAN Upgrade & Provide Classroom Technology Upgrade (CMAR Package awarded to Core Construction 01/09/2014)	1,960,000
Patricia Bendorf ES	HVAC Upgrade (Pending Close-Out Issues)	60,419
Blue Diamond ES	LAN Upgrade	75,332
Grant Bowler ES	HVAC Upgrade (Pending Close-Out Issues)	57,566
Joseph Bowler ES	LAN Upgrade, Expand ER/TR Rooms, Replace CCTV & Fire Alarm (CMAR Package awarded to Sletten Construction 06/27/13)	1,640,000
Walter Bracken ES	LAN Upgrade, Expand ER/TR Rooms, Replace CCTV	2,185,000
Crestwood ES	LAN Upgrade, Expand ER/TR Rooms, Replace CCTV & Clock/Intercom & Intrusion Alarm (CMAR Package awarded to Sletten Construction 06/27/13)	2,645,000
Jack Dailey ES	HVAC Upgrade (Pending Close-Out Issues)	86,368
P. A. Diskin ES	Emergency Replacement of Chiller & Cooling Tower	301,503
Dorothy Eisenberg ES	LAN Upgrade	525,000
Wing & Lily Fong ES	HVAC Upgrade (Pending Close-Out Issues)	75,102
Doris Hancock ES	LAN Upgrade, Classroom Technology, Expand ER/TR Rooms	1,850,000
	Replace Intrusion Alarm System	
	Replace Clock/Intercom System	
	Replace CCTV System	
Helen Herr ES	HVAC Upgrade (Pending Close-Out Issues)	79,891
Halle Hewetson ES	LAN Upgrade, Classroom Technology, Expand ER/TR Rooms	1,540,000
	Replace CCTV System	490,000
	Replace Intrusion Alarm System	210,000
Charlotte Hill ES	LAN Upgrade	485,000
Indian Springs ES	LAN Upgrade, Classroom Technology, Expand ER/TR Rooms (CMAR Package awarded to Core Construction 01/09/2014)	1,630,000
Helen Jydstrup ES	HVAC Upgrade (Pending Close-Out Issues)	52,946
Marc Kahre ES	HVAC Upgrade (Pending Close-Out Issues)	184,065
Edythe & Lloyd Katz ES	HVAC Upgrade (Pending Close-Out Issues)	78,684
Matt Kelly ES	Replace Fire Alarm	210,000
	Replace Clock/Intercom System	140,000
	LAN Upgrade, Classroom Technology, Expand ER/TR Rooms	1,540,000
	Electrical Upgrades (Required for Technology Upgrade)	700,000
	Replace Intrusion Alarm System	210,000
	Replace CCTV System	490,000

## CLARK COUNTY SCHOOL DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

## NOTE 14 - COMMITMENTS AND CONTINGENCIES (continued)

APPROVED 1998 CAPITAL IMPROVEMENT PLAN PROJECTS		
School	Capital Project	Total Programmed
ELEMENTARY SCHOOLS - (continued)		
Lincoln ES	Intercom Upgrade	\$ 53,184
Mary & Zel Lowman ES	HVAC Upgrade (Pending Close-Out Issues)	62,479
Ann Lynch ES	HVAC Upgrade (Pending Close-Out Issues)	105,678
Nate Mack ES	HVAC Upgrade (Pending Close-Out Issues)	91,418
Jo Mackey ES	HVAC Upgrade (Pending Close-Out Issues)	110,088
Jacob Manch ES	Replacement School (Pending Close-Out Issues)	106,894
Ernest May ES	HVAC Upgrade (Pending Close-Out Issues)	65,841
Andrew Mitchell ES	HVAC Upgrade (Pending Close-Out Issues)	131,465
Ulis Newton ES	HVAC Upgrade (Pending Close-Out Issues)	62,062
Ute Perkins ES	HVAC Upgrade (Pending Close-Out Issues)	58,601
Jim Thorpe ES	HVAC Upgrade (Pending Close-Out Issues)	105,411
J. M. Ullom ES	LAN Upgrade, Classroom Technology, Expand ER/TR Rooms	2,355,000
	Replace Fire Alarm	
	Replace Clock/Intercom System	
	Electrical Upgrades (Required for Technology Upgrade)	
	Replace Intrusion Alarm System	
	Replace CCTV System	
Vegas Verdes ES	Modernization of School (Pending Close-Out Issues)	110,000
Rose Warren ES	Modernization of School (Pending Close-Out Issues)	525,934
Howard Wasden ES	LAN Upgrade, Classroom Technology, Expand ER/TR Rooms	1,540,000
	Replace Fire Alarm	210,000
	Replace Clock/Intercom System	140,000
	Replace Intrusion Alarm System	210,000
	Replace CCTV System	490,000
Gwendolynn Woolley ES	HVAC Upgrade (Pending Close-Out Issues)	79,012
Elaine Wynn ES	LAN Upgrade	64,734
MIDDLE SCHOOLS		
J. Harold Brinley MS	LAN Upgrade, Classroom Technology, Expand ER/TR Rooms	\$ 1,950,000
James Cashman MS	Emergency Replacement of Sewer System Failure	385,000
Kenny Guinn MS	LAN Upgrade, Classroom Technology, Expand ER/TR Rooms (CMAR Package awarded to Core Construction 01/09/2014)	2,850,000
	Electrical Upgrades (Required for Technology Upgrade)	1,050,000
K. O. Knudson MS	LAN Upgrade, Classroom Technology, Expand ER/TR Rooms	2,550,000
	Replace Fire Alarm	375,000
	Replace Clock/Intercom System	315,000
	Electrical Upgrades (Required for Technology Upgrade)	975,000
	Replace Intrusion Alarm System	295,000
	Replace CCTV System	490,000

## CLARK COUNTY SCHOOL DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

## NOTE 14 - COMMITMENTS AND CONTINGENCIES (continued)

APPROVED 1998 CAPITAL IMPROVEMENT PLAN PROJECTS		
School	Capital Project	Total Programmed
MIDDLE SCHOOLS - (continued)		
Grant Sawyer MS	Replace HVAC System	\$ 8,820,000
	Replace Fire Alarm	490,000
Theron Swainston MS	Replace Fire Alarm	175,000
West Preparatory	Emergency Replacement of Chiller	245,000
HIGH SCHOOLS		
Advanced Technologies Academy	Low Voltage Upgrade	\$ 111,406
Indian Springs MS/HS	Replace CCTV, Intercom/Clock System, Intrusion Alarm & Fire Alarm (CMAR Package awarded to Core Construction 01/09/2014)	2,015,000
Jeffrey Alternative Junior/Senior School	LAN Upgrade, Classroom Technology, Expand ER/TR Rooms	485,000
LVAISPA	LAN Upgrade, Expand ER/TR Rooms, Replace Intrusion Alarm, Intercom & Fire Alarm	6,700,000
	Electrical Upgrades (Required for Technology Upgrade)	1,800,000
Moapa Valley HS Gymnasium Addition	New Gymnasium, Running Track, Intrusion Alarm, CCTV and Fire Alarm Upgrades	1,278,321
Sunrise Mountain HS	Pending Close-Out Issues	250,000
OTHER		
Administrative		\$ 194,749
Land Acquisition		18,983
Billy S. Key Transportation	Pending Close-Out Issues	102,305
Contingency Funds	Centralized Contingency for Open Projects*	2,468,040
Funds Available for Programming	Revision 18 (BOC 08/21/2014 & BOT 08/28/2014)	53,981,810
FUNDED PROJECTS IN PROGRESS TOTALS		\$ 116,670,291

**Legal Contingencies**

The District is a defendant in various legal actions. The financial impact of these actions is not determinable; however, it is the opinion of District legal counsel and management that none of these actions would have a material impact on the District's financial condition.

**NOTE 15 - CLASSIFICATIONS OF GENERAL FUND FUND BALANCE**

The District reports classifications of nonspendable, restricted, committed, assigned, and unassigned fund balance which represent management's intended use of resources available to the District.

Unassigned ending fund balance is that fund balance exclusive of non-spendable amounts such as inventories and amounts restricted, committed, or assigned for preexisting obligations. Portions of the larger fund balance at June 30, 2014, are being assigned to carry over into 2015 to assist with class size reductions and categorical indirect costs. The following are explanations of the reported classifications of fund balance in the General Fund:

Restricted for:

- *Donations* – to restrict donations as required by donor for various purposes.

## CLARK COUNTY SCHOOL DISTRICT

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

#### NOTE 15 - CLASSIFICATIONS OF GENERAL FUND FUND BALANCE (continued)

Assigned to:

- *Instructional supplies* – to classify funds to cover commitments related to unfilled contracts for goods and services including purchase orders.
- *School bus appropriations* – to classify funds to cover commitments related to unfilled contracts for new buses.
- *School carryover* – District schools are allowed to carry over into the next year an apportionment of their unspent budgets from the current fiscal/school year.
- *Categorical indirect costs* – to classify funds associated with indirect costs from federal programs.
- *School bus purchases* – to classify funds to cover future transportation needs.
- *Deferred maintenance initiative* – to classify funds for the cost of the District's repairs for routine maintenance that have been postponed to meet more pressing fiscal requirements.
- *Human capital management implementation* – to classify funds for the new human resources/payroll system which will integrate data from the current SAP financial module with human resources, payroll, workforce management and benefits administration.
- *School computer replacement* – to classify funds for replacing computer desktops and laptops in the classrooms.

#### NOTE 16 - 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.

For fiscal year 2014, the District contributed \$10,730,287 to the plan for current premiums. The District did not prefund any future benefits.

*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.

As of July 1, 2011, PEBP introduced significant plan design changes for retirees participating in their program. As a result of these changes, pre-Medicare and non-eligible Medicare retirees participate in a Consumer Driven Healthcare Plan (CDHP) in which PEBP provides \$700 to a Health Reimbursement Account (HRA) per year for the retiree and \$200 for each dependent (up to a maximum of \$600). In fiscal year 2013, an additional \$400 HRA contribution is provided to all retirees

## CLARK COUNTY SCHOOL DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

## NOTE 16 - POST EMPLOYMENT HEALTHCARE PLAN (continued)

and \$100 per dependent. Also, for those CDHP retirees with 20 or more years of service as of June 30, 2012 an additional \$200 allocation is provided. Medicare retirees participate in a Medicare Exchange provided Extend Health with PEHP providing a service related contribution to a HRA equal to \$11 per month per year of service (maximum of \$220 per month).

The Unfunded Actuarial Accrued Liability (UAAL) increased by about 7.8% or \$12.6 million from the last valuation performed for fiscal year 2013. This change is the result of a combination of benefit enhancements and assumption changes.

In fiscal year 2014, the District's annual OPEB cost (expense) was \$12,506,571 for the PEHP. The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 is as follows:

Fiscal Year Ended	Annual OPEB Cost (Projected Unit Credit Cost Method)	% of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2012	\$ 11,268,000	107%	\$ 33,024,636
6/30/2013	\$ 11,497,790	103%	\$ 32,694,644
6/30/2014	\$ 12,506,571	86%	\$ 34,470,928

The following table shows the components of the District's annual OPEB cost for the past three years, the amount actually contributed to the plan, and changes in the district's net OPEB obligation to the PEHP:

	Fiscal 2014	Fiscal 2013	Fiscal 2012
Annual Required Contribution	\$ 13,781,443	\$ 12,785,531	\$ 12,586,000
Interest on net OPEB obligation	1,307,786	1,320,985	1,351,505
Adjustment to annual required contribution	(2,582,658)	(2,608,726)	(2,669,505)
Annual OPEB cost (expense)	12,506,571	11,497,790	11,268,000
Contributions made	(10,730,287)	(11,827,782)	(12,030,988)
Increase/(Decrease) in net OPEB obligation	1,776,284	(329,992)	(762,988)
Net OPEB obligation - beginning of the year	32,694,644	33,024,636	33,787,624
Net OPEB obligation - end of the year	\$ 34,470,928	\$ 32,694,644	\$ 33,024,636

*Funded Status and Funding Progress.* The District's most recent actuarial valuation was as of July 1, 2013 and, as of the end of the fiscal year, the District has not prefunded any portion of the plan. The actuarial accrued liability (AAL) for benefits was \$174,463,384 and having not funded the obligation, the District currently has no associated assets to offset this liability. Because of this, the unfunded actuarial accrued liability (UAAL) is equal to the AAL. PEHP is closed to new District participants as of November 1, 2008; therefore, covered payroll is zero.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, present information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*Actuarial Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

**CLARK COUNTY SCHOOL DISTRICT****NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2014****NOTE 16 - POST EMPLOYMENT HEALTHCARE PLAN (continued)**

In the July 1, 2013 actuarial valuation, the projected unit credit actuarial cost method was used. The liabilities incorporate a 4% investment rate of return. An annual healthcare cost trend rate of 8% is used initially, reduced by decrements to an ultimate rate of 5% in 2022. The inflation rate assumed in this valuation is 2.5%, which is used to develop the impact of the excise tax. The HRA assumes a 0% trend rate.

Because of changes to state law, as of September 1, 2008, the plan was no longer available to those actively employed past this date. As a result, the District expects the liability to begin to decrease and eventually disappear over the life of the amortization period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The amortization period used is 18 years.

**NOTE 17 - DONOR RESTRICTED ENDOWMENTS**

In 2014, Vegas PBS received an additional \$61,250 in donations to their term endowment bringing the total reserve balance to \$1,694,632. The corpus (principal) of the endowment is restricted from use for a set period of time while the corresponding appreciation may be spent as Vegas PBS sees fit for their various programs. Currently, the District does not have a policy restricting the authorization and spending of endowment investment income. State statute, NRS 164, allows a local government to authorize expenditures of net appreciation as is prudent for the government. As of June 30, 2014, there was \$757,195 of net appreciation recognized on these investments.