

COMPREHENSIVE ANNUAL FINANCIAL REPORT



Financial Section

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CPAs & BUSINESS ADVISORS

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Clark County School District (the District) as of and for the year ended June 30, 2016, 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, 2016, and the respective changes in financial position and, where, applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Special Education 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 on pages 6 through 18 as well as the schedule of funding progress for the District's post employment healthcare plan, the schedule of the District's proportionate share of the net pension liability, and the schedule of District contributions for the District's defined benefit pension plan on pages 76 through 80 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, capital asset schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulation (CFR) Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is also not a required part of the financial statements.

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

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

Prior Year Comparative Information

The financial statements of the District as of and for the year ended June 30, 2015, were audited by Eide Bailly LLP, whose report dated October 12, 2015, expressed unmodified audit opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information.

The individual fund schedules related to the 2015 financial statements are presented for purposes of additional analysis and were derived from and relate directly to the underlying accounting and other records used to prepare the 2015 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2015 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. The individual fund schedules are consistent 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 a report dated October 10, 2016 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.



Las Vegas, Nevada
October 10, 2016

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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, 2016. 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 2016

Following is an analysis of facts, descriptions and/or conditions of the District, in fiscal year 2016, that had a material effect on its financial position and/or operating results.

Government-wide Financial Statements

- The overall financial position of the District, as shown on the government-wide statement, increased \$180 million during fiscal year 2016, from a negative \$651.8 million to a negative \$471.5 million. This negative balance is due to the effect of the Governmental Accounting Standards Board (GASB) Statement No. 68, which required the District to record their proportionate share of the net pension liability of the Public Employees' Retirement System of Nevada (PERS).
- Contributing to the overall gain in net position, revenues increased \$86 million from \$3.094 billion in fiscal year 2015 to \$3.180 billion in fiscal year 2016, a 2.77% increase. This was mainly due to a rise in property taxes, local school support tax (sales tax), and grant funding for Victory schools, New Teacher Incentives, increased funding for Zoom schools, and Full-day Kindergarten in the State Grants Fund.
- Certain local revenues such as the real estate transfer tax and the governmental services tax experienced an increase from fiscal year 2015 in the amount of \$4,375,713 and \$7,077,678, respectively, due to growth in new home sales, median resale home price, and vehicle registrations in Nevada. Franchise tax revenue rose by 60.32% or \$1,074,649 due to higher net profits realized by one of the city's largest contributors, NV Energy. Room tax went up \$7,287,325 or 8.96% in fiscal year 2016 due to the growth in visitor volume and hotel/motel occupancy levels from the previous year.
- Total expenses increased 1.96% from \$2.942 billion in fiscal year 2015, to \$2.999 billion in fiscal year 2016. This can be attributed to state mandated initiatives to expand the Pre-kindergarten, Full-day Kindergarten, and English Language Learners (ELL) programs, which all required additional licensed personnel. There was also an increase to the teacher's pay scale. The pension expense, which is now being recorded as a result of GASB Statement No. 68, is recognized as the difference between the net pension liability from the prior fiscal year to the current fiscal year, with some adjustments, and is not based solely on contributions. Even though the pension expense adjustment recorded in fiscal year 2016 reduced overall expenses, this didn't completely offset the increases in expenses for all functional areas.

Fund Financial Statements

- The combined ending governmental fund balances increased to \$781 million in fiscal year 2016 from \$453 million in fiscal year 2015, a 72.4% increase.
- Increases to the ending combined fund balances were mainly due to the increase in the Bond Fund, specifically, the unspent portion of bond proceeds received during the year.
- As the local economy continues to improve, the combined revenues in the governmental funds recorded a \$76 million increase from the previous year predominantly in the General Fund and the State Grants Fund. The General Fund recognized an increase of \$33 million in local school support tax and \$20 million in property tax. Additional revenues received in the State Grants Fund resulted from state-wide programs to promote early education opportunities through increases of \$14 million for Full-day Kindergarten, \$19 million for Pre-kindergarten and Full-day Kindergarten in Zoom schools, \$11 million for Victory schools, and \$8 million for New Teacher Incentives.
- 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 decreased by approximately \$36 million due to an increase in property tax and local school support tax, commonly referred to as the LSST. Revenue received from these local

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

taxes is deducted from the guarantee, which determines the amount of state aid the District will receive. The effect of increases in property taxes and LSST are offset by reduced DSA revenues. In addition, the basic support rate per pupil was reduced from \$5,527 to \$5,512 in 2016.

General Operating Fund Balance

- Ending fund balance in the General Fund decreased from approximately \$106 million in fiscal year 2015 to approximately \$72 million in fiscal year 2016, a 31.99% decrease. Although local revenues and property taxes have increased, the General Operating Fund expenditures also increased due to enrollment related growth, additional teachers in the ELL program, salary increases to teachers, and the purchase of new buses for student transportation. The overall impact was a decrease to ending fund balance.
- Total General Fund revenues increased \$23 million to \$2.060 billion in fiscal year 2016. This was due to the increase in property taxes, local school support tax, and governmental services tax revenue.
- The District funded the unassigned (spendable) portion of fund balance to 1.75% of general operating revenue in fiscal year 2016. As a component of budget savings, it was recommended and the Board of Trustees approved on May 20, 2015 to waive the current unassigned fund balance requirement from the 2% established by District Regulation 3110. In fiscal year 2017, the District will have completed the four year plan to restore the unassigned fund balance to the 2% requirement. Unassigned fund balance is reported at \$37.5 million in 2016.
- The District was able to assign funding in its General Fund for instructional supply appropriations, school bus appropriations, school carryover, and categorical indirect costs 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 are those generally financed through taxes and intergovernmental revenues, while business-type activities are those financed to some degree by charging external parties for goods received.

The statement of net position combines and consolidates all of the District's current financial resources (short-term spendable resources) with capital assets, deferred outflows of resources, long-term obligations, and deferred inflows of resources, using the accrual basis of accounting. The 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 2016. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, there are some revenues and expenses reported in this statement that will result in cash flows in future fiscal periods. All expenses are reported by related function as prescribed by the Nevada Department of Education 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 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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.

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	
	2016	2015	2016	2015	2016	2015
Current assets	\$ 1,228,394,704	\$ 859,080,428	\$ 72,839,228	\$ 64,527,179	\$ 1,301,233,932	\$ 923,607,607
Capital assets, net	4,240,291,668	4,368,145,717	11,885,121	12,701,768	4,252,176,789	4,380,847,485
Total assets	<u>5,468,686,372</u>	<u>5,227,226,145</u>	<u>84,724,349</u>	<u>77,228,947</u>	<u>5,553,410,721</u>	<u>5,304,455,092</u>
Deferred outflows	491,743,799	407,223,152	6,794,837	5,785,930	498,538,636	413,009,082
Current liabilities	722,876,164	663,823,221	2,846,691	3,839,161	725,722,855	667,662,382
Long-term liabilities	5,395,363,328	5,013,246,547	40,895,472	37,329,414	5,436,258,800	5,050,575,961
Total liabilities	<u>6,118,239,492</u>	<u>5,677,069,768</u>	<u>43,742,163</u>	<u>41,168,575</u>	<u>6,161,981,655</u>	<u>5,718,238,343</u>
Deferred inflows	355,730,627	641,596,538	5,769,862	9,432,455	361,500,489	651,028,993
Net position:						
Net investment in capital assets	1,810,729,482	1,736,010,978	11,885,121	12,701,768	1,822,614,603	1,748,712,746
Restricted	317,216,239	274,868,608	-	-	317,216,239	274,868,608
Unrestricted	(2,641,485,669)	(2,695,096,595)	30,122,040	19,712,079	(2,611,363,629)	(2,675,384,516)
Total net position	<u>\$ (513,539,948)</u>	<u>\$ (684,217,009)</u>	<u>\$ 42,007,161</u>	<u>\$ 32,413,847</u>	<u>\$ (471,532,787)</u>	<u>\$ (651,803,162)</u>

The District's assets and deferred outflows of resources were less than liabilities and deferred inflows of resources by \$471,532,787 at the close of the current fiscal year and total net position increased by 27.66% or \$180,270,375. The negative net position remains due to the effect of GASB Statement No. 68 which requires the District to report its proportionate share of the net pension liability in fiscal year 2016. The majority of the increase relates to the unspent portion of bond proceeds received in fiscal year 2016.

Governmental Activities

The District's total net position in governmental activities is a negative \$513,539,948, of which, unrestricted net position totaled a negative \$2,641,485,669. Included in this figure is the impact of recording the net pension liability. The portion the District pays to PERS is for required contributions, but pursuant to statute, there is no obligation on the part of the employer to pay for their proportionate share of the unfunded liability.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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 \$209,223,837; assets related to bond proceeds and other revenues to be used in the District's capital projects programs in the amount of \$84,397,020; and net position restricted for other purposes totaling \$23,595,382, which includes donations of \$277,758, City of Henderson RDA funds in the amount of \$827,875, funds for school technology in the amount of \$6,260,281, funds for the purchase of new buses in the amount of \$3,279,993, state restricted money for adult education in the amount of \$2,875,875, a certificate of deposit with the State of Nevada for the District's workers' compensation self-insurance program in the amount of \$8,326,000 and a total of \$1,747,600 in term endowments made over time to Vegas PBS.

Business-type Activities

Business-type activities consist solely of the District's Food Service Enterprise Fund. Net position in this fund increased by 29.60% to \$42,007,161. This was due to the increase in breakfast meals served, as part of the new Breakfast after the Bell program. Revenues exceeded expenses by \$9,593,314. Food Service is reporting approximately \$30 million in unrestricted net position.

Clark County School District's Statement of Activities:

	Governmental activities		Business-type activities		Totals	
	2016	2015	2016	2015	2016	2015
Revenues						
Program revenues:						
Charges for services	\$ 6,570,208	\$ 6,949,400	\$ 13,562,578	\$ 15,248,543	\$ 20,132,786	\$ 22,197,943
Operating grants and contributions	519,270,295	498,060,401	115,528,972	102,805,262	634,799,267	600,865,663
Capital grants and contributions	2,833,763	3,838,310	-	-	2,833,763	3,838,310
Total program revenues	528,674,266	508,848,111	129,091,550	118,053,805	657,765,816	626,901,916
General revenues:						
Property taxes	753,241,257	717,405,247	-	-	753,241,257	717,405,247
Local school support tax	914,035,783	881,056,204	-	-	914,035,783	881,056,204
Governmental services tax	87,376,152	80,298,474	-	-	87,376,152	80,298,474
Room tax	88,585,165	81,297,840	-	-	88,585,165	81,297,840
Real estate transfer tax	26,522,633	22,146,920	-	-	26,522,633	22,146,920
Franchise tax	2,856,294	1,781,645	-	-	2,856,294	1,781,645
Other local taxes	827,875	197,590	-	-	827,875	197,590
Unrestricted federal aid	157,399	340,659	-	-	157,399	340,659
Unrestricted state aid	618,990,946	659,619,067	-	-	618,990,946	659,619,067
Other local sources	22,228,873	18,779,550	66,856	56,618	22,295,729	18,836,168
Unrestricted investment earnings	6,771,186	4,015,151	289,572	223,300	7,060,758	4,238,451
Total general revenues	2,521,593,563	2,466,938,347	356,428	279,918	2,521,949,991	2,467,218,265
Total revenues	3,050,267,829	2,975,786,458	129,447,978	118,333,723	3,179,715,807	3,094,120,181
Expenses						
Instruction expenses	1,768,705,059	1,721,284,287	-	-	1,768,705,059	1,721,284,287
Support services:						
Student support	123,547,179	120,371,299	-	-	123,547,179	120,371,299
Instructional staff support	168,889,359	163,271,875	-	-	168,889,359	163,271,875
General administration	31,075,034	25,462,151	-	-	31,075,034	25,462,151
School administration	193,749,822	192,067,658	-	-	193,749,822	192,067,658
Central services	75,245,559	78,312,962	-	-	75,245,559	78,312,962
Operation and maintenance of plant services	257,486,489	266,323,989	-	-	257,486,489	266,323,989
Student transportation	125,820,167	124,388,428	-	-	125,820,167	124,388,428
Other support services	4,084,062	4,214,011	-	-	4,084,062	4,214,011
Community services	3,673,538	2,487,740	-	-	3,673,538	2,487,740
Facilities acquisition and construction services	18,444,458	7,089,192	-	-	18,444,458	7,089,192
Interdistrict payments	4,508,299	2,996,640	-	-	4,508,299	2,996,640
Interest on long-term debt	104,392,993	123,373,106	-	-	104,392,993	123,373,106
Food services	-	-	119,854,664	110,068,814	119,854,664	110,068,814
Total expenses	2,879,622,018	2,831,643,338	119,854,664	110,068,814	2,999,476,682	2,941,712,152
Change in net position before term endowments and transfers	170,645,811	144,143,120	9,593,314	8,264,909	180,239,125	152,408,029
Term endowment	31,250	21,719	-	-	31,250	21,719
Change in net position	170,677,061	144,164,839	9,593,314	8,264,909	180,270,375	152,429,748
Net position - beginning	(684,217,009)	1,946,793,157	32,413,847	64,981,041	(651,803,162)	2,011,774,198
Prior period restatement	-	(2,775,175,005)	-	(40,832,103)	-	(2,816,007,108)
Net position - beginning (as restated)	(684,217,009)	(828,381,848)	32,413,847	24,148,938	(651,803,162)	(804,232,910)
Net position - ending	\$ (513,539,948)	\$ (684,217,009)	\$ 42,007,161	\$ 32,413,847	\$ (471,532,787)	\$ (651,803,162)

Governmental Activities**Net Position**

Governmental activities increased the District's net position by \$170,677,061 for fiscal year 2016. Increases in net position are due in part to the effect of GASB Statement No. 68 which required the recording of a pension expense adjustment to governmental activities. The current year adjustment was a \$96 million credit to expense. The remainder of the increase can be attributed to the unspent portion of the bond proceeds in the Bond Fund and the additional grant funding in the State Grants Fund.

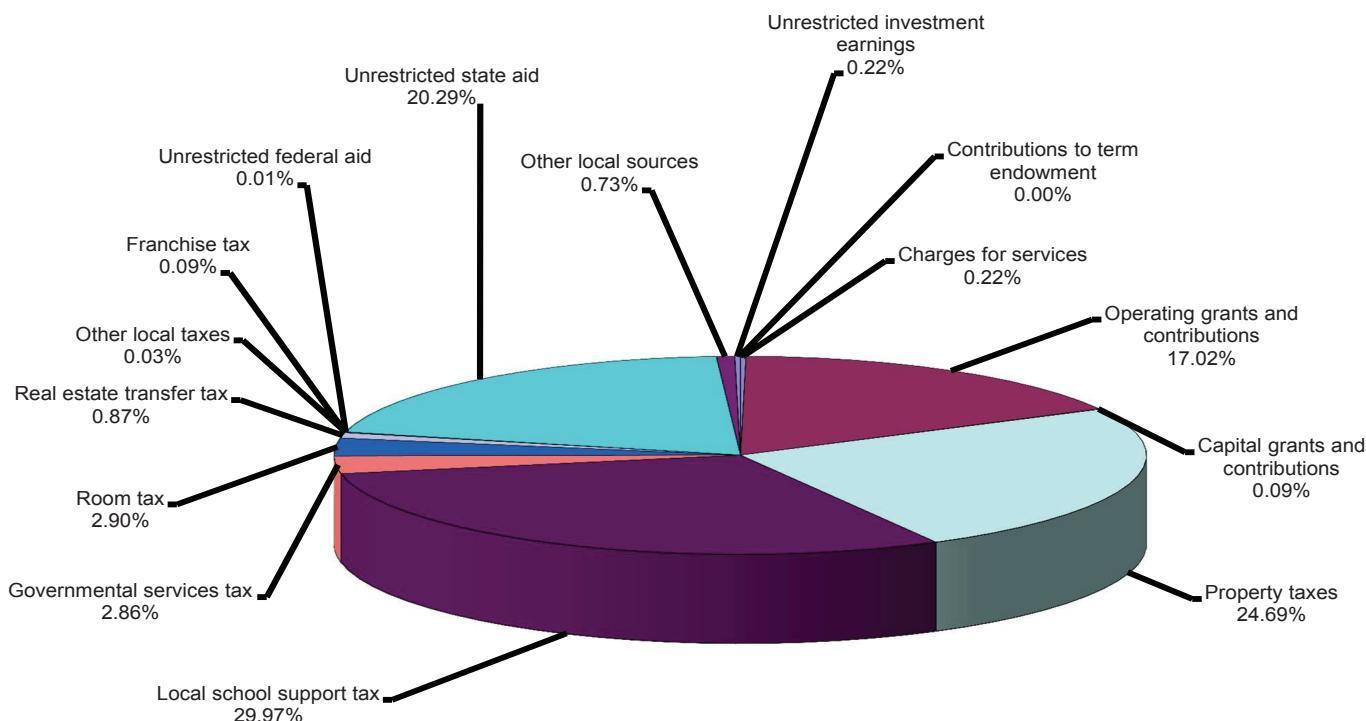
Revenues

- The largest general revenues received by the District include local school support tax in the amount of \$914,035,783, aggregated property taxes in the amount of \$753,241,257, and unrestricted state aid in the amount of \$618,990,946. These revenues represent 29.97, 24.69, and 20.29%, respectively, of total governmental revenues for the current fiscal year.
- This year's unrestricted state aid in the General Fund decreased by 6.16% 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 which is apportioned through components of both sales and property taxes. The amount received per pupil for fiscal year 2016 was \$5,512, down from the prior year's amount of \$5,527. The state is required to provide funding to meet the residual amount that is not collected through these taxes. Under the provision of this plan, the State formula is adjusted by the change in local sales tax and property tax revenues, which corresponds to an increase or decrease in the State's obligation. This year the impact of local taxes decreased total state aid by approximately \$40 million.
- 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 seven years. It currently increased 3.74% or \$32,979,579 over the prior year, with collections totaling \$914,035,783, due in part to the Sales and Use tax rate increase on January 1, 2016 from 8.10% to 8.15%.
- LSST and property tax collection are part of the Nevada Plan for school funding. When LSST and property tax decreases, the state is required to make up the difference to meet its basic support obligation. However, when LSST and property tax are 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.
- As the Clark County economy continues to recover, many other revenue collections have experienced improvements over the previous year. In fiscal year 2016, the real estate transfer tax, a tax collected on transfers of real property, has experienced an increase of \$4,375,713 or 19.76% due to the positive change in the housing market over the last several years. The room tax, a tax associated with hotel lodging and deposited into the Bond Fund, experienced an increase of \$7,287,325 or 8.96% over the previous year. The real estate transfer tax, along with the property tax and room tax are the main components of repaying outstanding bond obligations. Although property taxes have shown improvement in recent years, the years during the recession had placed a strain on servicing future debt obligations and on future bonding capacity.
- In fiscal 2016, governmental services tax revenue increased \$7,077,678 or 8.81%. 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.
- Franchise tax revenue increased significantly by \$1,074,649 or 60.32% due to an overall increase in tax receipts this year that resulted primarily from higher net profits reported in 2016 by one of the public utilities, NV Energy.
- An increase in other local taxes of \$630,284 or 318.99% was due to an increase in the City of Henderson Redevelopment Agency activity.
- The District has also seen an increase in its unrestricted investment earnings as fund balance begins to rise and with it, a corresponding increase in coupon interest income. Overall investment earnings have increased \$2,756,035 or 68.64% from fiscal year 2015.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

- This year charges for services revenue decreased by \$379,192 or 5.46% due to the decrease in tuition for extended day kindergarten as more Full-day Kindergarten funding was provided by the state.
- Due to new funding in state grants for Victory Schools, New Teacher Incentives, and Nevada Ready 21 from the Nevada Department of Education, revenues increased \$21,209,894 or 4.26% from the prior year for operating grants and contributions.
- Capital grants and contributions decreased \$1,004,547 or 26.17% compared to last fiscal year due to a slow-down in additional portables needed at Zoom Schools.

Governmental Activities – Revenue Sources**



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

Governmental Activities - Change in Revenues

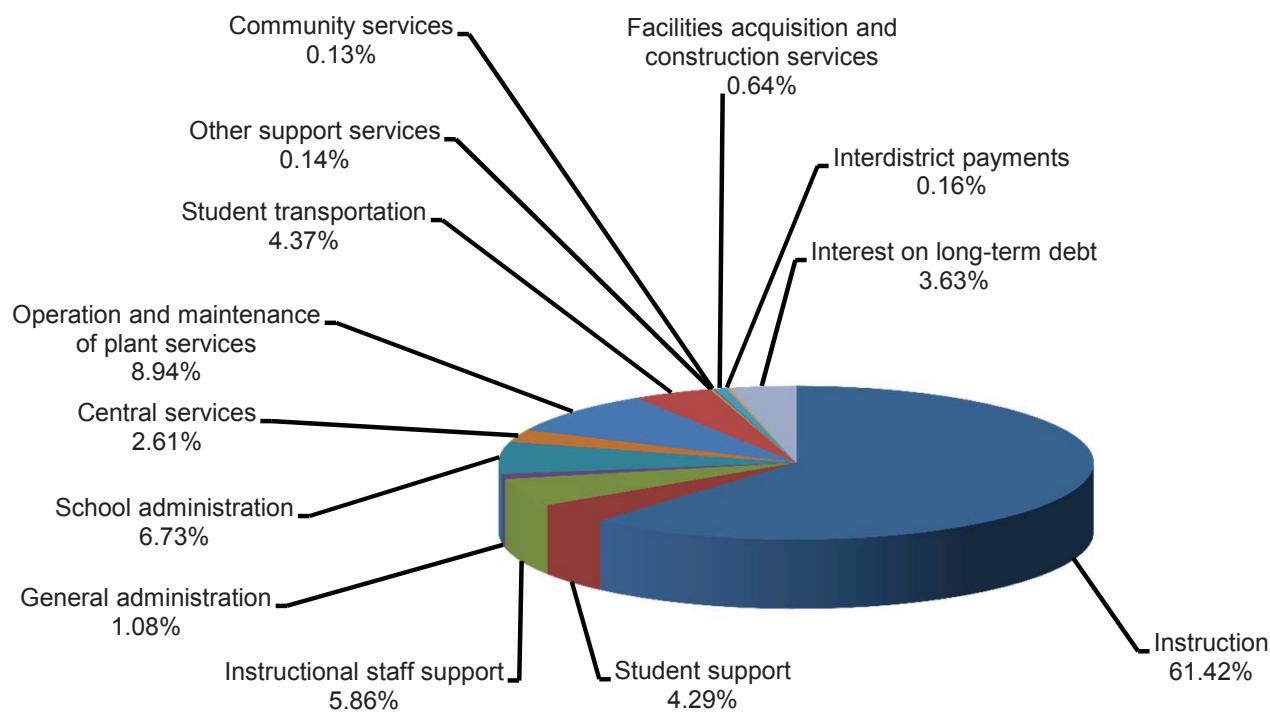
Revenues	2016	2015	Inc / (Dec) from 2015	% Inc / (Dec) from 2015
Charges for services	\$ 6,570,208	\$ 6,949,400	\$ (379,192)	-5.46%
Operating grants and contributions	519,270,295	498,060,401	21,209,894	4.26%
Capital grants and contributions	2,833,763	3,838,310	(1,004,547)	-26.17%
Property taxes	753,241,257	717,405,247	35,836,010	5.00%
Local school support tax	914,035,783	881,056,204	32,979,579	3.74%
Governmental services tax	87,376,152	80,298,474	7,077,678	8.81%
Room tax	88,585,165	81,297,840	7,287,325	8.96%
Real estate transfer tax	26,522,633	22,146,920	4,375,713	19.76%
Franchise tax	2,856,294	1,781,645	1,074,649	60.32%
Other local taxes	827,875	197,590	630,285	318.99%
Unrestricted federal aid	157,399	340,659	(183,260)	-53.80%
Unrestricted state aid	618,990,946	659,619,067	(40,628,121)	-6.16%
Other local sources	22,228,873	18,779,550	3,449,323	18.37%
Unrestricted investment earnings	6,771,186	4,015,151	2,756,035	68.64%
Contributions to term endowment	31,250	21,719	9,531	43.88%
Total revenues	<u>\$ 3,050,299,079</u>	<u>\$ 2,975,808,177</u>	<u>\$ 74,490,902</u>	<u>2.50%</u>

Expenses

- Instruction related expenses represent 61.42% of total governmental expenses. They consist of regular, special, gifted and talented, vocational, other instruction, and adult program expenses, with 94.09% of these dollars spent on regular and special education.
- Instruction related expenses reported an increase of \$47,420,772 or 2.75% from the previous fiscal year. Included in these expenses are enrollment growth related staffing positions of licensed personnel and teachers, English Language Learners (ELL) initiatives, and increases to the licensed personnel salary schedule.
- Operation and maintenance of plant services account for the next highest expenses comprising approximately 8.94% of total expenses. These expenses include utility and maintenance costs intended to provide upkeep for the District's schools and administrative facilities. The decrease of \$8,837,500 or 3.32% was due to fewer utilities being paid out of the General Fund. The Food Service Fund started assuming the cost for certain utilities (electricity and disposal services) for the food service buildings in fiscal year 2016.
- General administration expenses grew by \$5,612,883 or 22.04%. There was an increase in legal fees and property/liability insurance premiums in the current year.
- The school administration function includes an increase of \$1,682,164 or 0.88%. These are due to additional secretary and clerical staff needed for Victory schools and the PERS rate increase of 2.25% in 2016.
- Instructional staff support expenses increased this year by \$5,617,484 or 3.44% due to additional computer technicians needed for Phase 3 of the Technology Integration Support Model Project, and a need for additional extra duty licensed personnel for testing and assessments for the English Language Learner initiative.
- Due to the growing need for bus drivers to accommodate the student enrollment growth, student transportation expenses rose by \$1,431,739 or 1.15%.
- Facilities acquisition and construction services increased by \$11,355,266 or 160.18% as the District began to incur expenses with the building of the new schools set to open in the 2017-2018 school year, as well as continuing to make improvements to existing schools.
- Community services expenses grew by \$1,185,798 or 47.67%, as a result of new funding for Victory schools and additional family assistants and licensed facilitators at Family Engagement Centers for the Title I grant.
- Interdistrict payments increased by \$1,511,659 or 50.45% due to additional funding for underperforming charter schools and enrollment growth.
- Interest on long term debt decreased by \$18,980,113 or 15.38% due to a decrease of interest payments in the Debt Service Fund resulting from the issuance of three advance bond refundings.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Governmental Activities – Expenses by Function



Governmental Activities – Change in Expenses by Function

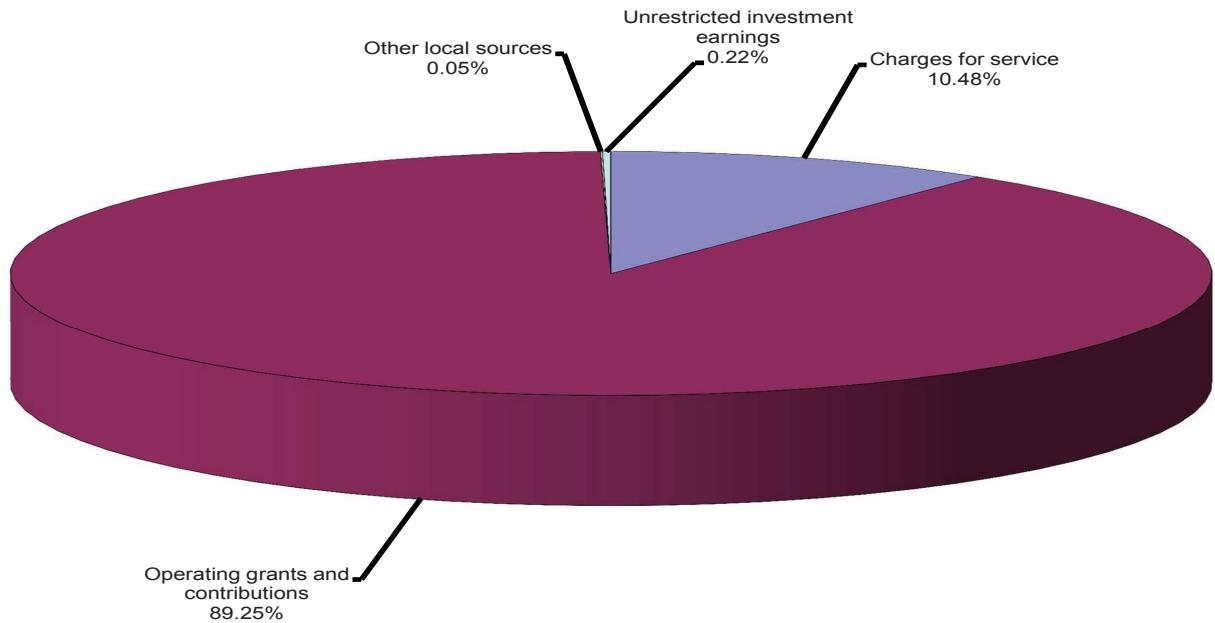
Expenses	2016	2015	Inc / (Dec) from 2015	% Inc / (Dec) from 2015
Instruction	\$ 1,768,705,059	\$ 1,721,284,287	\$ 47,420,772	2.75%
Student support	123,547,179	120,371,299	3,175,880	2.64%
Instructional staff support	168,889,359	163,271,875	5,617,484	3.44%
General administration	31,075,034	25,462,151	5,612,883	22.04%
School administration	193,749,822	192,067,658	1,682,164	0.88%
Central services	75,245,559	78,312,962	(3,067,403)	-3.92%
Operation and maintenance of plant services	257,486,489	266,323,989	(8,837,500)	-3.32%
Student transportation	125,820,167	124,388,428	1,431,739	1.15%
Other support services	4,084,062	4,214,011	(129,949)	-3.08%
Community services	3,673,538	2,487,740	1,185,798	47.67%
Facilities acquisition and construction services	18,444,458	7,089,192	11,355,266	160.18%
Interdistrict payments	4,508,299	2,996,640	1,511,659	50.45%
Interest on long-term debt	104,392,993	123,373,106	(18,980,113)	-15.38%
Total expenses	<u><u>\$ 2,879,622,018</u></u>	<u><u>\$ 2,831,643,338</u></u>	<u><u>\$ 47,978,680</u></u>	<u><u>1.69%</u></u>

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 \$9,593,314 which includes the effect of GASB Statement No. 68 that required the District to recognize our proportionate share of the Nevada PERS pension liability.

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 10.48% and federal subsidies accounting for 89.25%. 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



Business-type Activities - Change in Revenues

Revenues	2016	2015	Increase / (Decrease) from 2015	% Increase / (Decrease) from 2015
Charges for service	\$ 13,562,578	\$ 15,248,543	\$ (1,685,965)	-11.06%
Operating grants and contributions	115,528,972	102,805,262	12,723,710	12.38%
Other local sources	66,856	56,618	10,238	18.08%
Unrestricted investment earnings	289,572	223,300	66,272	29.68%
Total Revenues	<u>\$ 129,447,978</u>	<u>\$ 118,333,723</u>	<u>\$ 11,114,255</u>	<u>9.39%</u>

Revenues generated from charges for services declined in fiscal year 2016, due to a drop in a la carte sales, from \$5 million to \$4.3 million. Federal proceeds increased in 2016 due to an additional 3.4 million breakfast meals served, resulting in an additional \$7.7 million in proceeds. With the signing into law of Senate Bill 503 on June 12, 2015, the Breakfast After the Bell program has made possible the increased access to breakfast so that students start the day well-nourished and ready to learn.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016****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 \$781 million, an increase of \$328 million from last year. This is mainly due to the Bond Fund proceeds from the issue of building bonds in 2016. 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 2,427. Of the total governmental fund balance, \$4,792,828 is classified as nonspendable and \$704,957,132 as restricted. Committed fund balance totaled \$14,925,669 which included amounts for PBS programming fees and Medicaid programs. The assigned fund balance totaling \$18,913,023 is for various initiatives throughout the District including instructional supply appropriations, school bus appropriations, school carryover, and categorical indirect costs. 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 \$37,483,441.

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 \$71,835,199; nonspendable portion totaled \$4,792,828 and the restricted portion was \$10,645,907. The unassigned portion which represents spendable resources was \$37,483,441, representing 52.18% of the total fund balance or 1.75% 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 2016 was \$323,882,982. This is an increase of 4.42% over 2015, as Special Education instruction costs increased due to the continued enrollment growth of students qualifying for special education services and the increase to the salary table for licensed personnel.

The District's Debt Service Fund reported an increase in fund balance by approximately \$16 million, from \$27 million in fiscal year 2015 to \$43 million in fiscal year 2016. This is a result of the increase in property tax revenue again this year and lower principal and interest payments due to District advance bond refundings.

The District's Bond Fund reported an increase in fund balance of \$346,563,397 due to the construction bonds authorized and issued in the amount of \$340 million and increases in the real estate transfer tax and room tax in 2016. The District received \$115 million in combined revenues from the room tax and real property transfer tax. These taxes are pledged to reduce specific general obligation debts as it comes due. Most of these pledged revenues are reported as a transfer out of the Bond Fund in the amount of \$99.7 million and are shown as transfer into the Debt Service Fund. See **Note 4**.

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 II, Full-day Kindergarten, Victory, Zoom, and IDEA grants, but did not receive the funding until after the end of the current fiscal year. As of June 30, 2016, the Federal Projects Fund and the State Grants Fund are reporting \$37 million and \$39 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 \$24,037,517 and \$11,667,998 in the State Grants Fund to recognize the payable; corresponding receivables are recorded in the General Fund.

BUDGETARY HIGHLIGHTS

The Original Budget was approved on May 20, 2015. Budgeted appropriations were developed with certain assumptions remaining unknown or not finalized, namely average daily enrollment and beginning fund balances. For this reason, the Original Budget was approved and submitted according to NRS 354.598 on or before June 8 to commence District operations for the fiscal year beginning July 1, 2015, pending final resolution of various revenue assumptions as more complete estimates became available.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

An amendment to the 2015-2016 Original Budget (Final Budget) was approved on December 10, 2015, following recognition of the first quarter average daily enrollment (ADE) providing a more precise 2nd, 3rd and 4th quarter projections and the audited June 30, 2015, ending fund balance. Total General Operating Fund resources decreased by \$2.9 million (0.13%) between adoption of the Original Budget in May 2015 and the Final Budget in December 2015.

The Final Budget reflects the District's best estimates and includes all transfers, additions, and deletions that have been approved through June 30, 2016, and more accurately denote total appropriation activity throughout the year.

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 appropriated in 2016-2017.

There were numerous variances between the original and final budgets in the General Operating Fund attributable largely to changes in educational priorities between adoption of the original and final budgets. Primarily due to Senate Bill 508 (SB 508), student enrollment count changed to the average daily enrollment reported quarterly. This change caused a decrease in projected unweighted enrollment of 2,221 students which necessitated reduced appropriations for support of instructional based services.

Revenues

Total General Operating Fund actual revenues came in slightly above budget by \$0.1 million. Of this amount, total local sources were \$19.0 million below plan. This was comprised of increases in ad valorem property taxes of \$5.8 million and other local sources of \$4.6 million offset by a deficit in local school support taxes (LSST) of \$29.9 million. Local sources of revenue in turn were offset with a \$19.1 million increase in state related revenue as part of the state educational aid guaranteed through a funding mechanism known as the Nevada Plan. Shortfalls in federal sources and proceeds from insurance comprise the remaining balance.

Expenditures

Overall General Operating Fund expenditures came in below budget by \$21.8 million which was a result of savings in utilities and supplies of \$8.8 million (primarily natural gas, diesel fuel, and textbooks); salaries and benefits of \$9.9 million; and \$3.1 million in other expenditures. The savings in salaries and benefits is due to the nationwide teacher shortage, as the District continued to struggle filling all licensed classroom positions. Since negotiations with the teachers' union were ongoing during the budget process, a new collective bargaining agreement had not been ratified. Since the approval of the Final Budget, the District has reached an agreement which eliminates the salary and benefits savings in the subsequent fiscal year.

Ending Fund Balance

The Board of School Trustees (the Board) adopted the Final Budget for 2015-2016 of the General Operating Fund in December 2015 that reflected total resources of \$2,282,000,000, including a projected ending fund balance of \$50.7 million. The actual fiscal year 2016 ending fund balance was \$71.8 million, a positive variance of \$21.1 million to the plan. Of this \$71.8 million ending fund balance: \$4.8 million is for nonspendable inventories; \$1.1 million is restricted for donations and the City of Henderson RDA, \$6.2 million is restricted for school technology, \$3.2 million is restricted for school bus appropriations; \$2.9 million is assigned to instructional supply appropriations, \$0.7 million is assigned to school bus appropriations, \$14.1 million is assigned to school carryover, and \$1.2 million is assigned to categorical indirect costs. The remaining balance of \$37.5 million is unassigned and reflects a \$5.8 million increase from 2015. Board Regulation 3110 requires that the unassigned fund balance be no less than 2.0% of total revenues. Since total actual revenues were \$2.1 billion, the unassigned fund balance of 1.75% required the Board to approve a regulation waiver. The Board approved this waiver on May 20, 2015. Regulation compliance would require another \$5.4 million to have been budgeted.

CAPITAL ASSETS AND LONG-TERM DEBT**Capital Assets**

At June 30, 2016, the District held approximately \$4.2 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 \$128 million or 2.93% from last year. The following tables reflect

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

additions and disposals of capital assets for governmental and business-type activities:

Governmental Activities Capital Assets:

	Balance June 30, 2015	Additions	Disposals	Balance June 30, 2016
Land	\$ 265,261,985	\$ 351,215	\$ -	\$ 265,613,200
Land Improvements	1,280,717,741	3,504,527	- -	1,284,222,268
Buildings	4,310,251,006	16,878,511	(1,041,456)	4,326,088,061
Building Improvements	905,920,883	11,794,724	- -	917,715,607
Equipment	558,221,662	42,656,817	(13,653,122)	587,225,357
Construction in Progress	29,739,520	76,499,519	(39,732,768)	66,506,271
Less: Accumulated Depreciation	<u>(2,981,967,080)</u>	<u>(239,601,968)</u>	<u>14,489,952</u>	<u>(3,207,079,096)</u>
Total Capital Assets, Net	<u><u>\$ 4,368,145,717</u></u>	<u><u>\$ (87,916,655)</u></u>	<u><u>\$ (39,937,394)</u></u>	<u><u>\$ 4,240,291,668</u></u>

The majority of the decrease in capital assets is due to the increase in depreciation expense. In fiscal year 2016, the District did not open any 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, 2015	Additions	Disposals	Balance June 30, 2016
Land Improvements	\$ 968,279	\$ -	\$ -	\$ 968,279
Buildings	1,737,413	- -	- -	1,737,413
Building Improvements	597,956	- -	- -	597,956
Equipment	21,443,019	713,490	(237,548)	21,918,961
Less: Accumulated Depreciation	<u>(12,044,899)</u>	<u>(1,528,177)</u>	<u>235,588</u>	<u>(13,337,488)</u>
Total Capital Assets, Net	<u><u>\$ 12,701,768</u></u>	<u><u>\$ (814,687)</u></u>	<u><u>\$ (1,960)</u></u>	<u><u>\$ 11,885,121</u></u>

Additional information on the District's capital assets can be found in note 5 on pages 58-59 of this report.

Long-term Debt

The District finalized one of the largest school construction programs in the United States, funded through the issuance of municipal bonds. Before bonds can be sold, the District provides information to various bond raters to obtain bond ratings for the proposed issue. Much of the information is focused 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-) and Moody's Investor Services (A1) all with a stable outlook rating at year end.

As of June 30, 2016 the District carried approximately \$2.8 billion in debt. The District has recently issued general obligation bonds to finance various projects including, but not limited to, constructing or purchasing new buildings, enlarging, remodeling or repairing existing buildings or grounds, acquiring sites for new buildings, and purchase necessary furniture and equipment for schools including equipment used for student transportation. The following table summarizes long-term debt activity over the past fiscal year (see following page):

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Long-term Debt Obligations:

Governmental Activities:	Balance June 30, 2015	Issuances	Retirements	Balance June 30, 2016
General Obligation Debt	\$ 2,548,890,000	\$ 848,725,000	\$ (806,810,000)	\$ 2,590,805,000
Less: Discounts	(5,779,856)	-	656,151	(5,123,705)
Plus: Premiums	168,649,237	150,984,070	(58,783,674)	260,849,633
General Obligation Debt, Net	\$ 2,711,759,381	\$ 999,709,070	\$ (864,937,523)	\$ 2,846,530,928

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, 2016 is \$10,658,287,985. 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 decreased this year with combined governmental and business-type activities reporting \$59,385,629 in compensated absences payable at June 30, 2016. This represents a 0.93% decrease over the previous year.

Additional information on the District's long-term debt can be found in notes 8 and 10 on pages 61-64 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. 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, 2016

	Governmental Activities	Business-type Activities	Total
ASSETS			
Pooled cash and investments	\$ 845,037,908	\$ 46,294,962	\$ 891,332,870
Accounts receivable	373,849,300	17,603,145	391,452,445
Interest receivable	1,315,127	-	1,315,127
Inventories	4,792,828	8,941,121	13,733,949
Prepays	2,394,276	-	2,394,276
Prepaid bond insurance premium costs	1,005,265	-	1,005,265
Capital assets - not being depreciated	332,119,471	-	332,119,471
Capital assets - net of accumulated depreciation	<u>3,908,172,197</u>	<u>11,885,121</u>	<u>3,920,057,318</u>
Total assets	<u>5,468,686,372</u>	<u>84,724,349</u>	<u>5,553,410,721</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refundings	19,896,584	-	19,896,584
Pension related - contributions	411,958,319	5,984,149	417,942,468
Pension related - difference between employer and proportionate share of contributions	<u>59,888,896</u>	<u>810,688</u>	<u>60,699,584</u>
Total deferred outflows of resources	<u>491,743,799</u>	<u>6,794,837</u>	<u>498,538,636</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
	<u>5,960,430,171</u>	<u>91,519,186</u>	<u>6,051,949,357</u>
LIABILITIES			
Accounts payable	87,742,418	635,190	88,377,608
Accrued salaries and benefits	273,786,755	892,939	274,679,694
Unearned revenues	10,744,338	1,163,596	11,907,934
Interest payable	5,147,707	-	5,147,707
Construction contracts and retention payable	7,232,381	-	7,232,381
Liability insurance claims payable	5,401,000	-	5,401,000
Workers' compensation claims payable	7,694,000	-	7,694,000
Other current liabilities	6,586,654	-	6,586,654
Long term liabilities:			
Portion due or payable within one year:			
General obligation bonds payable	293,180,000	-	293,180,000
Compensated absences payable	25,360,911	154,966	25,515,877
Portion due or payable after one year:			
General obligation bonds payable	2,553,350,928	-	2,553,350,928
Compensated absences payable	32,991,139	878,613	33,869,752
OPEB obligation	38,165,620	-	38,165,620
Net pension liability	2,753,996,662	40,016,859	2,794,013,521
Long term claims payable	<u>16,858,979</u>	<u>-</u>	<u>16,858,979</u>
Total Liabilities	<u>6,118,239,492</u>	<u>43,742,163</u>	<u>6,161,981,655</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related - difference between projected and actual experiences and investment earnings	<u>355,730,627</u>	<u>5,769,862</u>	<u>361,500,489</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
	<u>6,473,970,119</u>	<u>49,512,025</u>	<u>6,523,482,144</u>
NET POSITION			
Net investment in capital assets	1,810,729,482	11,885,121	1,822,614,603
Restricted for:			
Debt service	209,223,837	-	209,223,837
Capital projects	84,397,020	-	84,397,020
Other purposes	23,595,382	-	23,595,382
Unrestricted	<u>(2,641,485,669)</u>	<u>30,122,040</u>	<u>(2,611,363,629)</u>
TOTAL NET POSITION	<u>\$ (513,539,948)</u>	<u>\$ 42,007,161</u>	<u>\$ (471,532,787)</u>

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, 2016

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	
GOVERNMENTAL ACTIVITIES				
Instruction:				
Regular instruction	\$ (1,343,522,004)	\$ 3,417,108	\$ 305,980,779	
Special instruction	(320,630,236)	-	131,040,032	
Gifted and talented instruction	(11,807,328)	-	2,708,198	
Vocational instruction	(26,267,105)	-	9,237,360	
Other instruction	(60,563,479)	1,141,206	25,163,824	
Adult instruction	(5,914,907)	-	6,727,473	
Total instruction	<u>(1,768,705,059)</u>	<u>4,558,314</u>	<u>480,857,666</u>	
Support services:				
Student support	(123,547,179)	-	2,522,883	
Instructional staff support	(168,889,359)	1,747,233	25,186,974	
General administration	(31,075,034)	-	-	
School administration	(193,749,822)	-	-	
Central services	(75,245,559)	24,941	4,554,260	
Operation and maintenance of plant services	(257,486,489)	-	490,766	
Student transportation	(125,820,167)	239,720	1,448	
Other support services	(4,084,062)	-	-	
Community services	(3,673,538)	-	-	
Facilities acquisition and construction services ¹	(18,444,458)	-	-	
Interdistrict payments	(4,508,299)	-	-	
Interest on long-term debt	(104,392,993)	-	5,656,298	
Total support services	<u>(1,110,916,959)</u>	<u>2,011,894</u>	<u>38,412,629</u>	
TOTAL GOVERNMENTAL ACTIVITIES	<u>(2,879,622,018)</u>	<u>6,570,208</u>	<u>519,270,295</u>	
BUSINESS-TYPE ACTIVITIES				
Food service	<u>(119,854,664)</u>	<u>13,562,578</u>	<u>115,528,972</u>	
TOTAL SCHOOL DISTRICT	<u>\$ (2,999,476,682)</u>	<u>\$ 20,132,786</u>	<u>\$ 634,799,267</u>	

General revenues:

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
 Other local taxes
 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

¹This 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.

Net (Expenses) Revenues and Changes in Net Position				
Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
\$ -	\$ (1,034,124,117)	\$ -	\$ (1,034,124,117)	
-	(189,590,204)	-	(189,590,204)	
-	(9,099,130)	-	(9,099,130)	
-	(17,029,745)	-	(17,029,745)	
-	(34,258,449)	-	(34,258,449)	
<u>27,565</u>	<u>840,131</u>	<u>-</u>	<u>840,131</u>	
<u>27,565</u>	<u>(1,283,261,514)</u>	<u>-</u>	<u>(1,283,261,514)</u>	
-	(121,024,296)	-	(121,024,296)	
-	(141,955,152)	-	(141,955,152)	
-	(31,075,034)	-	(31,075,034)	
-	(193,749,822)	-	(193,749,822)	
-	(70,666,358)	-	(70,666,358)	
<u>5,500</u>	<u>(256,990,223)</u>	<u>-</u>	<u>(256,990,223)</u>	
-	(125,578,999)	-	(125,578,999)	
-	(4,084,062)	-	(4,084,062)	
-	(3,673,538)	-	(3,673,538)	
<u>2,800,698</u>	<u>(15,643,760)</u>	<u>-</u>	<u>(15,643,760)</u>	
-	(4,508,299)	-	(4,508,299)	
<u>-</u>	<u>(98,736,695)</u>	<u>-</u>	<u>(98,736,695)</u>	
<u>2,806,198</u>	<u>(1,067,686,238)</u>	<u>-</u>	<u>(1,067,686,238)</u>	
<u>2,833,763</u>	<u>(2,350,947,752)</u>	<u>-</u>	<u>(2,350,947,752)</u>	
<u>-</u>	<u>-</u>	<u>9,236,886</u>	<u>9,236,886</u>	
<u>\$ 2,833,763</u>	<u>\$ (2,350,947,752)</u>	<u>\$ 9,236,886</u>	<u>\$ (2,341,710,866)</u>	
430,192,398		-	430,192,398	
323,048,859		-	323,048,859	
914,035,783		-	914,035,783	
87,376,152		-	87,376,152	
88,585,165		-	88,585,165	
26,522,633		-	26,522,633	
2,856,294		-	2,856,294	
827,875		-	827,875	
157,399		-	157,399	
618,990,946		-	618,990,946	
22,228,873	66,856		22,295,729	
6,771,186	289,572		7,060,758	
<u>31,250</u>	<u>-</u>	<u>-</u>	<u>31,250</u>	
<u>2,521,624,813</u>	<u>356,428</u>	<u>-</u>	<u>2,521,981,241</u>	
170,677,061	9,593,314		180,270,375	
<u>(684,217,009)</u>	<u>32,413,847</u>	<u>-</u>	<u>(651,803,162)</u>	
<u>\$ (513,539,948)</u>	<u>\$ 42,007,161</u>	<u>-</u>	<u>\$ (471,532,787)</u>	

CLARK COUNTY SCHOOL DISTRICT
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2016

	MAJOR	
	General Fund	Special Education Fund
ASSETS		
Pooled cash and investments	\$ 43,113,646	\$ 47,304,933
Accounts receivable	261,285,680	19,788
Interest receivable	346,764	-
Due from other funds	35,705,515	-
Inventories	4,792,828	-
TOTAL ASSETS	\$ 345,244,433	\$ 47,324,721
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ 74,323,930	\$ 518,339
Intergovernmental accounts payable	-	-
Accrued salaries and benefits	176,573,487	46,806,382
Unearned revenue	960,839	-
Construction contracts and retentions payable	-	-
Due to other funds	-	-
Other current liabilities	6,586,654	-
Total liabilities	258,444,910	47,324,721
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - delinquent property taxes	6,604,519	-
Unavailable revenue - other	8,359,805	-
Total deferred inflows of resources	14,964,324	-
FUND BALANCES		
Nonspendable:		
Inventories	4,792,828	-
Restricted for:		
Donations	277,758	-
City of Henderson RDA	827,875	-
School technology	6,260,281	-
School bus appropriations	3,279,993	-
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 supply appropriations	2,857,836	-
School bus appropriations	715,897	-
School carryover	14,139,290	-
Categorical indirect costs	1,200,000	-
Unassigned:	37,483,441	-
Total fund balances	71,835,199	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 345,244,433	\$ 47,324,721

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

FUNDS		Other Governmental Funds	Total Governmental Funds
Debt Service Fund	Bond Fund		
\$ 40,356,808	\$ 571,892,243	\$ 104,261,466	\$ 806,929,096
7,906,464	20,376,393	84,046,155	373,634,480
162,963	764,547	-	1,274,274
-	-	-	35,705,515
-	-	-	4,792,828
\$ 48,426,235	\$ 593,033,183	\$ 188,307,621	\$ 1,222,336,193
\$ -	\$ 7,085,702	\$ 4,933,671	\$ 86,861,642
-	-	526,720	526,720
-	143,889	50,119,017	273,642,775
-	-	9,783,499	10,744,338
-	5,110,127	2,122,255	7,232,382
-	-	35,705,515	35,705,515
-	-	-	6,586,654
-	12,339,718	103,190,677	421,300,026
4,999,750	-	-	11,604,269
-	-	-	8,359,805
4,999,750	-	-	19,964,074
-	-	-	4,792,828
-	-	-	277,758
-	-	-	827,875
-	-	-	6,260,281
-	-	-	3,279,993
43,426,485	61,001,210	-	104,427,695
-	104,796,142	-	104,796,142
-	414,896,113	-	414,896,113
-	-	65,567,800	65,567,800
-	-	1,747,600	1,747,600
-	-	2,875,875	2,875,875
-	-	601,739	601,739
-	-	14,323,930	14,323,930
-	-	-	2,857,836
-	-	-	715,897
-	-	-	14,139,290
-	-	-	1,200,000
-	-	-	37,483,441
43,426,485	580,693,465	85,116,944	781,072,093
\$ 48,426,235	\$ 593,033,183	\$ 188,307,621	\$ 1,222,336,193

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CLARK COUNTY SCHOOL DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
JUNE 30, 2016

Total fund balances - governmental funds	\$ 781,072,093
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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. 4,239,937,897

Other long-term assets are not available to pay for current period expenditures and, therefore are unavailable in the funds. 19,964,074

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 statements because they are not due and payable in the current period, but they are presented as liabilities or deferred inflows of resources in the statement of net position. (2,926,919,899)

Assets, deferred outflows of resources, liabilities and deferred inflows of resources 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, deferred outflows of resources, liabilities and deferred inflows of resources in the statement of net position. 3,304,675

Some liabilities, including net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds. (2,746,792,210)

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions	470,620,325
Deferred inflows of resources related to pensions	<u>(354,726,903)</u>

Total net position - governmental activities	\$ (513,539,948)
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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, 2016

	MAJOR	
	General Fund	Special Education Fund
REVENUES		
Local sources	\$ 1,441,168,816	\$ 2,635
State sources	618,990,946	81,591,133
Federal sources	157,399	-
TOTAL REVENUES	2,060,317,161	81,593,768
EXPENDITURES		
Current:		
Instruction:		
Regular instruction	943,706,071	-
Special instruction	1,312,070	313,887,744
Gifted and talented instruction	9,712,396	9,077
Vocational instruction	5,410,343	-
Other instruction	24,291,072	-
Adult instruction	-	-
Support services:		
Student support	85,091,085	22,360,089
Instructional staff support	104,164,060	4,212,667
General administration	30,257,446	858,132
School administration	199,416,806	210,088
Central services	57,589,651	572,912
Operation and maintenance of plant services	262,342,578	133,219
Student transportation	80,842,722	61,891,497
Other support services	-	-
Community services	-	-
Interdistrict payments	-	1,341,325
Capital outlay:		
Facilities acquisition and construction services	377	-
Debt service:		
Principal	-	-
Interest	-	-
Purchased services	-	-
Bond issuance costs	-	-
TOTAL EXPENDITURES	1,804,136,677	405,476,750
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	256,180,484	(323,882,982)
OTHER FINANCING SOURCES (USES)		
Transfers in	-	323,882,982
Transfers out	(329,700,035)	-
General obligation bonds issued	33,470,000	-
Premiums on general obligation bonds	6,260,281	-
General obligation refunding bonds issued	-	-
Payment to refunded bond escrow agent	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(289,969,754)	323,882,982
NET CHANGE IN FUND BALANCES	(33,789,270)	-
FUND BALANCES, JULY 1	105,624,469	-
FUND BALANCES, JUNE 30	\$ 71,835,199	\$ -

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

FUNDS		Other Governmental Funds	Total Governmental Funds
Debt Service Fund	Bond Fund		
\$ 324,560,516	\$ 118,739,240	\$ 35,847,667	\$ 1,920,318,874
-	-	258,242,198	958,824,277
-	5,656,298	163,180,696	168,994,393
324,560,516	124,395,538	457,270,561	3,048,137,544
-	708,033	250,697,931	1,195,112,035
-	-	15,607,423	330,807,237
-	-	2,488,189	12,209,662
-	-	7,409,274	12,819,617
-	-	38,344,723	62,635,795
-	-	6,007,553	6,007,553
-	-	19,550,404	127,001,578
-	-	62,897,854	171,274,581
-	-	148,624	31,264,202
-	-	551,793	200,178,687
-	2,907,291	16,790,625	77,860,479
-	-	1,538,342	264,014,139
-	-	1,207,560	143,941,779
-	-	3,746,489	3,746,489
-	-	3,795,387	3,795,387
-	-	3,162,537	4,503,862
-	53,963,924	30,426,543	84,390,844
276,190,000	-	-	276,190,000
132,195,695	-	-	132,195,695
124,823	-	-	124,823
2,991,744	-	-	2,991,744
411,502,262	57,579,248	464,371,251	3,143,066,188
(86,941,746)	66,816,290	(7,100,690)	(94,928,644)
99,700,893	-	5,817,053	429,400,928
-	(99,700,893)	-	(429,400,928)
-	340,000,000	-	373,470,000
105,275,788	39,448,000	-	150,984,069
475,255,000	-	-	475,255,000
(576,702,316)	-	-	(576,702,316)
103,529,365	279,747,107	5,817,053	423,006,753
16,587,619	346,563,397	(1,283,637)	328,078,109
26,838,866	234,130,068	86,400,581	452,993,984
\$ 43,426,485	\$ 580,693,465	\$ 85,116,944	\$ 781,072,093

CLARK COUNTY SCHOOL DISTRICT
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Net change in fund balances - governmental funds	\$ 328,078,109
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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. (127,557,866)

Revenues 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. 2,118,883

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. (151,512,684)

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. (2,530,088)

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. 26,743,685

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. (200,536)

Governmental funds report District pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. 95,537,558

Change in net position of governmental activities	\$ <u>170,677,061</u>
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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, 2016

	BUDGETED AMOUNTS			VARIANCES POSITIVE / (NEGATIVE)	
	Original Budget	Final Budget	Actual	Original to Final Budget	Final Budget to Actual
REVENUES					
Local sources:					
Local school support tax	\$ 897,700,000	\$ 943,920,000	\$ 914,035,783	\$ 46,220,000	\$ (29,884,217)
Property taxes	435,000,000	425,000,000	430,830,444	(10,000,000)	5,830,444
Governmental services tax	56,785,000	59,150,000	59,507,639	2,365,000	357,639
Two percent franchise tax	3,000,000	3,000,000	2,856,294	-	(143,706)
E-rate reimbursements	3,000,000	4,000,000	2,965,561	1,000,000	(1,034,439)
Local government taxes	1,300,000	1,300,000	2,266,355	-	966,355
Tuition and summer school fees	7,755,000	4,995,000	5,310,723	(2,760,000)	315,723
Adult education	100,000	100,000	100,000	-	-
Athletic proceeds	1,200,000	1,200,000	1,234,544	-	34,544
Rental of facilities	2,300,000	2,300,000	1,600,885	-	(699,115)
Donations and grants	5,950,000	5,550,000	6,012,738	(400,000)	462,738
Other local sources	12,051,000	8,435,000	13,021,768	(3,616,000)	4,586,768
Investment income	1,485,000	1,255,000	1,426,082	(230,000)	171,082
Total local sources	<u>1,427,626,000</u>	<u>1,460,205,000</u>	<u>1,441,168,816</u>	<u>32,579,000</u>	<u>(19,036,184)</u>
State sources:					
State distributive fund	660,880,000	598,840,000	618,990,946	(62,040,000)	20,150,946
State special appropriations	45,000	1,045,000	-	1,000,000	(1,045,000)
Total state sources	<u>660,925,000</u>	<u>599,885,000</u>	<u>618,990,946</u>	<u>(61,040,000)</u>	<u>19,105,946</u>
Federal sources:					
Federal impact aid	200,000	200,000	71,349	-	(128,651)
Forest reserve	100,000	100,000	86,050	-	(13,950)
Total federal sources	<u>300,000</u>	<u>300,000</u>	<u>157,399</u>	<u>-</u>	<u>(142,601)</u>
Other sources:					
Proceeds from insurance	100,000	50,000	-	(50,000)	(50,000)
TOTAL REVENUES	<u>2,088,951,000</u>	<u>2,060,440,000</u>	<u>2,060,317,161</u>	<u>(28,511,000)</u>	<u>(122,839)</u>
EXPENDITURES					
Current:					
REGULAR PROGRAMS					
Instruction:					
Salaries	639,299,302	641,219,256	640,417,160	1,919,954	802,096
Benefits	258,932,114	254,999,885	254,693,089	(3,932,229)	306,796
Purchased services	5,174,407	8,857,949	9,415,317	3,683,542	(557,368)
Supplies	53,380,457	38,000,959	37,968,964	(15,379,498)	31,995
Property	3,650,000	697,480	556,347	(2,952,520)	141,133
Other	5,018,500	664,638	655,194	(4,353,862)	9,444
Total instruction	<u>965,454,780</u>	<u>944,440,167</u>	<u>943,706,071</u>	<u>(21,014,613)</u>	<u>734,096</u>
Support services:					
Student transportation:					
Purchased services	384,000	1,496,308	1,431,507	1,112,308	64,801
Supplies	-	6,015	4,406	6,015	1,609
Other	-	1,000	690	1,000	310

(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, 2016

	BUDGETED AMOUNTS			VARIANCES POSITIVE / (NEGATIVE)	
	Original Budget	Final Budget	Actual	Original to Final Budget	Final Budget to Actual
EXPENDITURES - Continued					
Total student transportation	\$ 384,000	\$ 1,503,323	\$ 1,436,603	\$ 1,119,323	\$ 66,720
Other support services:					
Salaries	26,004,656	24,952,582	23,596,433	(1,052,074)	1,356,149
Benefits	10,746,721	10,389,177	9,821,007	(357,544)	568,170
Purchased services	338,700	461,756	825,516	123,056	(363,760)
Supplies	2,877,275	3,211,793	1,793,475	334,518	1,418,318
Other	55,500	58,371	78,774	2,871	(20,403)
Total other support services	40,022,852	39,073,679	36,115,205	(949,173)	2,958,474
Total support services	40,406,852	40,577,002	37,551,808	170,150	3,025,194
TOTAL REGULAR PROGRAMS	1,005,861,632	985,017,169	981,257,879	(20,844,463)	3,759,290
SPECIAL PROGRAMS					
Instruction:					
Salaries	654,291	683,244	885,187	28,953	(201,943)
Benefits	258,736	271,291	380,224	12,555	(108,933)
Purchased services	26,500	26,500	7,896	-	18,604
Supplies	50,000	331,722	37,458	281,722	294,264
Other	-	1,500	1,305	1,500	195
Total instruction	989,527	1,314,257	1,312,070	324,730	2,187
Other support services:					
Salaries	-	9,000	21,495	9,000	(12,495)
Benefits	-	1,000	1,066	1,000	(66)
Purchased services	-	83,651	91,839	83,651	(8,188)
Supplies	65,000	303,514	131,271	238,514	172,243
Total support services	65,000	397,165	245,671	332,165	151,494
TOTAL SPECIAL PROGRAMS	1,054,527	1,711,422	1,557,741	656,895	153,681
GIFTED AND TALENTED PROGRAMS					
Instruction:					
Salaries	9,005,160	7,127,883	6,916,686	(1,877,277)	211,197
Benefits	3,615,197	3,111,698	2,795,710	(503,499)	315,988
Total instruction	12,620,357	10,239,581	9,712,396	(2,380,776)	527,185
Other support services:					
Salaries	232,296	227,700	171,610	(4,596)	56,090
Benefits	57,383	55,994	46,151	(1,389)	9,843
Purchased services	11,000	11,000	407	-	10,593
Supplies	19,000	19,000	18,316	-	684
Total support services	319,679	313,694	236,484	(5,985)	77,210
TOTAL GIFTED AND TALENTED PROGRAMS	12,940,036	10,553,275	9,948,880	(2,386,761)	604,395
VOCATIONAL PROGRAMS					
Instruction:					
Salaries	3,784,053	2,379,634	2,269,634	(1,404,419)	110,000

(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, 2016

	BUDGETED AMOUNTS			VARIANCES	
	Original Budget	Final Budget	Actual	Original to Final Budget	Final Budget to Actual
EXPENDITURES - Continued					
Benefits	\$ 1,491,347	\$ 707,866	\$ 510,489	\$ (783,481)	\$ 197,377
Purchased services	91,565	212,239	393,463	120,674	(181,224)
Supplies	1,358,400	2,988,954	1,960,133	1,630,554	1,028,821
Property	290,000	290,000	-	-	290,000
Other	-	360	276,624	360	(276,264)
Total instruction	<u>7,015,365</u>	<u>6,579,053</u>	<u>5,410,343</u>	<u>(436,312)</u>	<u>1,168,710</u>
Support services:					
Student transportation:					
Purchased services	3,000	56,415	30,833	53,415	25,582
Other support services:					
Salaries	633,104	633,104	650,098	-	(16,994)
Benefits	258,392	258,752	242,244	360	16,508
Purchased services	242,799	267,621	262,964	24,822	4,657
Supplies	76,135	110,082	117,119	33,947	(7,037)
Other	19,000	89,000	85,766	70,000	3,234
Total other support services	<u>1,229,430</u>	<u>1,358,559</u>	<u>1,358,191</u>	<u>129,129</u>	<u>368</u>
Total support services	<u>1,232,430</u>	<u>1,414,974</u>	<u>1,389,024</u>	<u>182,544</u>	<u>25,950</u>
TOTAL VOCATIONAL PROGRAMS	<u>8,247,795</u>	<u>7,994,027</u>	<u>6,799,367</u>	<u>(253,768)</u>	<u>1,194,660</u>
OTHER INSTRUCTIONAL PROGRAMS					
School co-curricular activities:					
Instruction:					
Salaries	2,468,116	2,428,979	1,665,681	(39,137)	763,298
Benefits	919,722	921,581	651,951	1,859	269,630
Purchased services	2,754,000	2,954,897	3,712,160	200,897	(757,263)
Supplies	3,238,500	3,414,354	1,867,477	175,854	1,546,877
Property	-	30,000	26,881	30,000	3,119
Other	146,085	150,755	171,125	4,670	(20,370)
Total instruction	<u>9,526,423</u>	<u>9,900,566</u>	<u>8,095,275</u>	<u>374,143</u>	<u>1,805,291</u>
Support services:					
Student transportation:					
Purchased services	1,939,570	1,807,234	1,695,860	(132,336)	111,374
Other support services:					
Salaries	2,006,438	2,022,405	1,894,457	15,967	127,948
Benefits	400,856	401,110	397,932	254	3,178
Purchased services	284,686	311,171	355,486	26,485	(44,315)
Supplies	188,583	200,740	210,955	12,157	(10,215)
Other	51,000	65,520	74,159	14,520	(8,639)
Total other support services	<u>2,931,563</u>	<u>3,000,946</u>	<u>2,932,989</u>	<u>69,383</u>	<u>67,957</u>
Total support services	<u>4,871,133</u>	<u>4,808,180</u>	<u>4,628,849</u>	<u>(62,953)</u>	<u>179,331</u>
Total school co-curricular activities	<u>14,397,556</u>	<u>14,708,746</u>	<u>12,724,124</u>	<u>311,190</u>	<u>1,984,622</u>

(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, 2016

	BUDGETED AMOUNTS			VARIANCES	
	Original Budget	Final Budget	Actual	Original to Final Budget	Final Budget to Actual
EXPENDITURES - Continued					
Summer school:					
Instruction:					
Salaries	\$ 1,844,441	\$ 1,764,269	\$ 1,469,320	\$ (80,172)	\$ 294,949
Benefits	44,479	44,479	32,191	-	12,288
Purchased services	10,000	-	-	(10,000)	-
Supplies	207,000	121,000	26,217	(86,000)	94,783
Other	5,000	5,000	4,488	-	512
Total instruction	2,110,920	1,934,748	1,532,216	(176,172)	402,532
Support services:					
Student transportation:					
Purchased services	130,000	30,789	600	(99,211)	30,189
Other support services:					
Salaries	377,084	377,084	321,313	-	55,771
Benefits	8,299	8,299	7,538	-	761
Purchased services	15,500	-	-	(15,500)	-
Supplies	-	12,157	-	12,157	12,157
Total other support services	400,883	397,540	328,851	(3,343)	68,689
Total support services	530,883	428,329	329,451	(102,554)	98,878
Total summer school	2,641,803	2,363,077	1,861,667	(278,726)	501,410
English language learners:					
Instruction:					
Salaries	1,107,166	1,101,618	492,951	(5,548)	608,667
Benefits	463,684	469,208	208,718	5,524	260,490
Purchased services	-	80,000	76,880	80,000	3,120
Supplies	219,680	139,680	137,468	(80,000)	2,212
Total instruction	1,790,530	1,790,506	916,017	(24)	874,489
Other support services:					
Salaries	4,357,292	4,324,854	4,400,271	(32,438)	(75,417)
Benefits	1,880,434	1,870,637	1,785,868	(9,797)	84,769
Purchased services	1,408,076	3,217,177	3,152,729	1,809,101	64,448
Supplies	229,218	229,718	229,894	500	(176)
Other	10,589	10,589	3,270	-	7,319
Total other support services	7,885,609	9,652,975	9,572,032	1,767,366	80,943
Total english language learners	9,676,139	11,443,481	10,488,049	1,767,342	955,432
Alternative education:					
Instruction:					
Salaries	10,631,611	9,903,496	9,681,321	(728,115)	222,175
Benefits	3,875,386	3,679,875	3,321,023	(195,511)	358,852
Purchased services	18,500	25,426	97,288	6,926	(71,862)
Supplies	2,181,649	715,416	611,640	(1,466,233)	103,776
Property	-	26,000	27,575	26,000	(1,575)
Other	3,000	3,000	8,717	-	(5,717)

(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, 2016

	BUDGETED AMOUNTS			VARIANCES	
	Original Budget	Final Budget	Actual	Positive / (Negative)	Final Budget to Actual
				Original to Final Budget	
EXPENDITURES - Continued					
Total instruction	\$ 16,710,146	\$ 14,353,213	\$ 13,747,564	\$ (2,356,933)	\$ 605,649
Support services:					
Student transportation:					
Purchased services	-	1,500	1,030	1,500	470
Other support services:					
Salaries	6,596,418	5,961,200	5,256,836	(635,218)	704,364
Benefits	2,809,092	2,573,163	2,190,800	(235,929)	382,363
Purchased services	22,811	2,176,521	1,866,708	2,153,710	309,813
Supplies	3,000	3,000	8,781	-	(5,781)
Other	-	5,000	4,975	5,000	25
Total other support services	9,431,321	10,718,884	9,328,100	1,287,563	1,390,784
Total support services	9,431,321	10,720,384	9,329,130	1,289,063	1,391,254
Total alternative education	26,141,467	25,073,597	23,076,694	(1,067,870)	1,996,903
TOTAL OTHER INSTRUCTIONAL PROGRAMS	52,856,965	53,588,901	48,150,534	731,936	5,438,367
ADULT EDUCATION PROGRAMS					
Instruction:					
Salaries	151,898	-	-	(151,898)	-
Benefits	65,271	-	-	(65,271)	-
Total instruction	217,169	-	-	(217,169)	-
Support services:					
Other support services:					
Salaries	133,000	305,531	83,304	172,531	222,227
Benefits	33,513	108,119	33,944	74,606	74,175
Purchased services	-	100,900	54,747	100,900	46,153
Supplies	75,000	295,493	76,524	220,493	218,969
Total support services	241,513	810,043	248,519	568,530	561,524
TOTAL ADULT EDUCATION PROGRAMS	458,682	810,043	248,519	351,361	561,524
UNDISTRIBUTED EXPENDITURES					
Support services:					
Student support:					
Salaries	53,432,567	61,110,820	57,152,041	7,678,253	3,958,779
Benefits	22,223,453	24,327,268	24,368,010	2,103,815	(40,742)
Purchased services	78,275	41,020	20,827	(37,255)	20,193
Supplies	644,077	564,057	236,821	(80,020)	327,236
Property	10,000	-	-	(10,000)	-
Other	12,600	12,600	6,771	-	5,829
Total student support	76,400,972	86,055,765	81,784,470	9,654,793	4,271,295
Instructional staff support:					
Salaries	24,402,347	28,419,937	27,535,753	4,017,590	884,184
Benefits	9,431,892	11,460,907	10,804,996	2,029,015	655,911

(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, 2016

	BUDGETED AMOUNTS			VARIANCES	
	Original Budget	Final Budget	Actual	Original to Final Budget	Final Budget to Actual
EXPENDITURES - Continued					
Purchased services	\$ 5,765,974	\$ 7,576,784	\$ 5,980,242	\$ 1,810,810	\$ 1,596,542
Supplies	9,679,469	10,822,828	10,029,873	1,143,359	792,955
Property	10,000	10,000	221,781	-	(211,781)
Other	<u>754,429</u>	<u>1,058,929</u>	<u>887,325</u>	<u>304,500</u>	<u>171,604</u>
Total instructional staff support	<u>50,044,111</u>	<u>59,349,385</u>	<u>55,459,970</u>	<u>9,305,274</u>	<u>3,889,415</u>
General administration:					
Salaries	11,242,084	11,386,108	10,471,084	144,024	915,024
Benefits	4,314,398	4,464,661	3,856,477	150,263	608,184
Purchased services	9,469,951	14,039,126	15,091,593	4,569,175	(1,052,467)
Supplies	1,665,885	1,107,696	619,115	(558,189)	488,581
Property	-	25,000	24,251	25,000	749
Other	<u>65,006</u>	<u>137,852</u>	<u>166,270</u>	<u>72,846</u>	<u>(28,418)</u>
Total general administration	<u>26,757,324</u>	<u>31,160,443</u>	<u>30,228,790</u>	<u>4,403,119</u>	<u>931,653</u>
School administration:					
Salaries	124,122,818	136,000,779	135,804,031	11,877,961	196,748
Benefits	57,246,151	57,844,903	57,770,262	598,752	74,641
Purchased services	1,245,000	1,232,100	697,487	(12,900)	534,613
Supplies	-	26,437	332,725	26,437	(306,288)
Other	<u>-</u>	<u>460</u>	<u>9,050</u>	<u>460</u>	<u>(8,590)</u>
Total school administration	<u>182,613,969</u>	<u>195,104,679</u>	<u>194,613,555</u>	<u>12,490,710</u>	<u>491,124</u>
Central services:					
Salaries	29,056,154	31,823,290	30,775,035	2,767,136	1,048,255
Benefits	10,650,042	13,387,683	13,228,285	2,737,641	159,398
Purchased services	12,369,707	11,225,485	10,349,868	(1,144,222)	875,617
Supplies	1,269,920	884,683	251,103	(385,237)	633,580
Property	250,000	250,000	398,041	-	(148,041)
Other	<u>134,865</u>	<u>173,748</u>	<u>481,789</u>	<u>38,883</u>	<u>(308,041)</u>
Total central services	<u>53,730,688</u>	<u>57,744,889</u>	<u>55,484,121</u>	<u>4,014,201</u>	<u>2,260,768</u>
Operation and maintenance of plant services:					
Salaries	109,442,033	112,011,590	111,051,817	2,569,557	959,773
Benefits	49,215,720	52,341,621	50,646,139	3,125,901	1,695,482
Purchased services	37,963,051	35,480,373	33,851,882	(2,482,678)	1,628,491
Supplies	66,879,538	65,117,651	63,834,640	(1,761,887)	1,283,011
Property	298,750	298,750	1,089,602	-	(790,852)
Other	<u>204,695</u>	<u>482,820</u>	<u>450,598</u>	<u>278,125</u>	<u>32,222</u>
Total operation and maintenance of plant services	<u>264,003,787</u>	<u>265,732,805</u>	<u>260,924,678</u>	<u>1,729,018</u>	<u>4,808,127</u>
Student transportation:					
Salaries	31,145,862	26,506,334	25,721,829	(4,639,528)	784,505
Benefits	15,886,906	15,693,767	13,418,058	(193,139)	2,275,709
Purchased services	1,851,000	1,723,837	1,006,985	(127,163)	716,852
Supplies	5,922,244	6,361,628	6,497,754	439,384	(136,126)
Property	<u>34,525,000</u>	<u>31,531,000</u>	<u>31,004,272</u>	<u>(2,994,000)</u>	<u>526,728</u>

(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, 2016

	BUDGETED AMOUNTS			VARIANCES POSITIVE / (NEGATIVE)	
	Original Budget	Final Budget	Actual	Original to Final Budget	Final Budget to Actual
EXPENDITURES - Continued					
Other	\$ 27,500	\$ 54,500	\$ 28,898	\$ 27,000	\$ 25,602
Total student transportation	89,358,512	81,871,066	77,677,796	(7,487,446)	4,193,270
Other support: Supplies	25,000	-	-	(25,000)	-
Capital outlay:					
Facilities acquisition and construction services:					
Building improvements:					
Purchased services	-	250,000	377	250,000	249,623
TOTAL UNDISTRIBUTED EXPENDITURES	742,934,363	777,269,032	756,173,757	34,334,669	21,095,275
TOTAL EXPENDITURES	1,824,354,000	1,836,943,869	1,804,136,677	12,589,869	32,807,192
EXCESS OF REVENUES OVER EXPENDITURES	264,597,000	223,496,131	256,180,484	(41,100,869)	32,684,353
OTHER FINANCING SOURCES (USES)					
Transfers out	(324,817,000)	(312,873,600)	(329,700,035)	11,943,400	(16,826,435)
General obligation bonds issued	34,500,000	34,500,000	33,470,000	-	(1,030,000)
Premiums on general obligation bonds	-	-	6,260,281	-	6,260,281
TOTAL OTHER FINANCING SOURCES (USES)	(290,317,000)	(278,373,600)	(289,969,754)	11,943,400	(11,596,154)
NET CHANGE IN FUND BALANCE	(25,720,000)	(54,877,469)	(33,789,270)	(29,157,469)	21,088,199
FUND BALANCE, JULY 1	80,000,000	105,624,469	105,624,469	25,624,469	-
FUND BALANCE, JUNE 30	\$ 54,280,000	\$ 50,747,000	\$ 71,835,199	\$ (3,533,000)	\$ 21,088,199

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, 2016

	BUDGETED AMOUNTS			VARIANCES	
	Original Budget	Final Budget	Actual	Positive / (Negative)	Original to Final Budget
REVENUES					
Local sources:					
Donations and grants	\$ -	\$ 10,000	\$ 2,635	\$ 10,000	\$ (7,365)
State sources:					
State distributive fund	81,670,000	81,600,000	81,591,133	(70,000)	(8,867)
TOTAL REVENUES	81,670,000	81,610,000	81,593,768	(60,000)	(16,232)
EXPENDITURES					
Current:					
SPECIAL PROGRAMS					
Instruction:					
Salaries	206,613,708	203,044,973	213,177,722	(3,568,735)	(10,132,749)
Benefits	88,291,066	92,750,084	95,329,167	4,459,018	(2,579,083)
Purchased services	2,166,100	2,830,490	2,659,803	664,390	170,687
Supplies	3,383,035	3,303,151	2,595,348	(79,884)	707,803
Other	26,000	19,863	125,704	(6,137)	(105,841)
Total instruction	300,479,909	301,948,561	313,887,744	1,468,652	(11,939,183)
Support services:					
Student transportation:					
Purchased services	2,510,000	1,266,182	1,047,926	(1,243,818)	218,256
Other support services:					
Salaries	18,453,839	17,819,792	17,909,385	(634,047)	(89,593)
Benefits	7,522,381	7,089,092	7,076,348	(433,289)	12,744
Purchased services	716,233	2,772,954	2,628,080	2,056,721	144,874
Supplies	457,309	488,961	435,072	31,652	53,889
Property	-	12,000	11,998	12,000	2
Other	6,832	14,571	14,519	7,739	52
Total other support services	27,156,594	28,197,370	28,075,402	1,040,776	121,968
Total support services	29,666,594	29,463,552	29,123,328	(203,042)	340,224
TOTAL SPECIAL PROGRAMS	330,146,503	331,412,113	343,011,072	1,265,610	(11,598,959)
GIFTED AND TALENTED PROGRAMS					
Instruction:					
Supplies	19,000	22,556	7,711	3,556	14,845
Other	-	2,608	1,366	2,608	1,242
Total instruction	19,000	25,164	9,077	6,164	16,087
Other support services:					
Salaries	50,690	50,690	52,074	-	(1,384)
Benefits	21,628	21,628	21,738	-	(110)
Purchased services	21,000	20,655	16,985	(345)	3,670
Supplies	16,425	20,765	17,423	4,340	3,342
Total support services	109,743	113,738	108,220	3,995	5,518
TOTAL GIFTED AND TALENTED PROGRAMS	128,743	138,902	117,297	10,159	21,605

(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, 2016

	BUDGETED AMOUNTS			VARIANCES	
	Original Budget	Final Budget	Actual	Positive / (Negative)	
EXPENDITURES - Continued				Original to Final Budget	Final Budget to Actual
UNDISTRIBUTED EXPENDITURES					
Support services:					
Student support:					
Salaries	\$ 112,986	\$ 112,986	\$ 48,426	\$ -	\$ 64,560
Benefits	59,401	59,401	26,265	-	33,136
Total student support	172,387	172,387	74,691	-	97,696
Operation and maintenance of plant services:					
Salaries	54,070	60,070	59,811	6,000	259
Benefits	28,969	28,969	28,984	-	(15)
Total operation and maintenance of plant services	83,039	89,039	88,795	6,000	244
Student transportation:					
Salaries	41,375,480	39,164,117	38,857,990	(2,211,363)	306,127
Benefits	19,063,058	17,650,839	17,500,214	(1,412,219)	150,625
Purchased services	55,000	171,941	166,732	116,941	5,209
Supplies	9,475,790	4,336,762	4,313,237	(5,139,028)	23,525
Other	-	5,500	5,397	5,500	103
Total student transportation	69,969,328	61,329,159	60,843,570	(8,640,169)	485,589
Interdistrict payments:					
Other	1,100,000	1,342,000	1,341,325	242,000	675
TOTAL UNDISTRIBUTED EXPENDITURES	71,324,754	62,932,585	62,348,381	(8,392,169)	584,204
TOTAL EXPENDITURES	401,600,000	394,483,600	405,476,750	(7,116,400)	(10,993,150)
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(319,930,000)	(312,873,600)	(323,882,982)	(7,056,400)	(11,009,382)
OTHER FINANCING SOURCES					
Transfers in	319,930,000	312,873,600	323,882,982	7,056,400	11,009,382
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, 2016

	MAJOR FUND		
	Business-type Activities	Governmental Activities	Internal Service Funds
	Food Service Enterprise Fund		
ASSETS			
Current assets:			
Pooled cash and investments	\$ 46,294,962	\$ 29,782,813	
Accounts receivable	17,603,145	214,820	
Interest receivable	-	40,853	
Inventories	8,941,121	-	
Prepaids	-	2,394,276	
Total current assets	<u>72,839,228</u>	<u>32,432,762</u>	
Noncurrent assets:			
Restricted pooled cash and investments:			
Certificate of deposit for self-insurance	-	8,326,000	
Capital assets - net of accumulated depreciation	11,885,121	<u>353,771</u>	
Total noncurrent assets	<u>11,885,121</u>	<u>8,679,771</u>	
Total assets	<u>84,724,349</u>	<u>41,112,533</u>	
DEFERRED OUTFLOW OF RESOURCES			
Pension related - contributions	5,984,149	1,077,464	
Pension related - difference between employer and proportionate share of contributions	<u>810,688</u>	<u>149,426</u>	
Total deferred outflows of resources	<u>6,794,837</u>	<u>1,226,890</u>	
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	91,519,186	42,339,423	
LIABILITIES			
Current liabilities:			
Accounts payable	635,190	354,055	
Accrued salaries and benefits	892,939	143,981	
Unearned revenues	1,163,596	-	
Liability insurance claims payable	-	5,401,000	
Workers compensation claims payable	-	7,694,000	
Compensated absences liability	154,966	269,469	
Total current liabilities	<u>2,846,691</u>	<u>13,862,505</u>	
Noncurrent liabilities:			
Compensated absences liability	878,613	105,088	
Net pension liability	40,016,859	7,204,452	
Long term claims payable	-	16,858,979	
Total noncurrent liabilities	<u>40,895,472</u>	<u>24,168,519</u>	
Total liabilities	<u>43,742,163</u>	<u>38,031,024</u>	
DEFERRED INFLOW OF RESOURCES			
Pension related - difference between projected and actual experiences and investment earnings	<u>5,769,862</u>	<u>1,003,724</u>	
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	49,512,025	39,034,748	
NET POSITION			
Net investment in capital assets	11,885,121	353,771	
Restricted for certificate of deposit for self-insurance	-	8,326,000	
Unrestricted	30,122,040	(5,375,096)	
TOTAL NET POSITION	\$ 42,007,161	\$ 3,304,675	

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, 2016

	<u>MAJOR FUND</u>	
	<u>Business-type Activities</u>	<u>Governmental Activities</u>
	<u>Food Service</u>	<u>Internal Service Funds</u>
	<u>Enterprise Fund</u>	
OPERATING REVENUES:		
Charges for sales and services:		
Daily food sales	\$ 13,344,006	\$ -
Catering sales	218,572	-
Graphic production sales	-	2,291,468
Insurance premiums	-	23,710,720
Subrogation claims	-	894,166
Other revenue	66,856	75,058
TOTAL OPERATING REVENUES	<u>13,629,434</u>	<u>26,971,412</u>
OPERATING EXPENSES:		
Salaries	28,235,493	2,647,708
Benefits	9,798,298	642,200
Purchased services	5,892,938	5,405,178
Food and supplies	71,402,083	969,902
Insurance claims	-	19,914,139
Depreciation	1,528,177	161,115
Other expenses	2,995,716	4,449
TOTAL OPERATING EXPENSES	<u>119,852,705</u>	<u>29,744,691</u>
OPERATING (LOSS)	<u>(106,223,271)</u>	<u>(2,773,279)</u>
NON-OPERATING REVENUES (EXPENSES):		
Federal subsidies	105,780,345	-
Commodity revenue	8,493,879	-
State matching funds	1,254,748	-
Net loss on disposal of assets	(1,959)	(4,087)
Investment income	289,572	247,278
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>115,816,585</u>	<u>243,191</u>
CHANGE IN NET POSITION	9,593,314	(2,530,088)
NET POSITION, JULY 1	<u>32,413,847</u>	<u>5,834,763</u>
NET POSITION, JUNE 30	<u>\$ 42,007,161</u>	<u>\$ 3,304,675</u>

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, 2016

	MAJOR FUND		
	Business-type Activities	Governmental Activities	Internal Service Funds
	Food Service Enterprise Fund		
Cash flows from operating activities:			
Cash received from customers	\$ 13,445,644	\$ 25,787,366	
Cash received from other operating sources	218,572	894,166	
Cash paid for services and supplies	(69,402,558)	(6,407,727)	
Cash paid for other operating uses	(2,995,234)	(17,650,587)	
Cash paid to employees	(39,183,399)	1,267,758	
Cash from other sources	66,856	75,058	
Net cash provided by/(used in) operating activities	<u>(97,850,119)</u>	<u>3,966,034</u>	
Cash flows from capital and related financing activities:			
Purchase of equipment	<u>(713,490)</u>	<u>(69,556)</u>	
Cash flows from noncapital financing activities:			
Federal reimbursements	112,375,121	-	
State matching funds	1,254,748	-	
Net cash provided by noncapital financing activities	<u>113,629,869</u>	<u>-</u>	
Cash flows from investing activities:			
Investment income	289,572	219,886	
Sale of restricted investments	-	7,738,000	
Purchase of restricted investments	-	(8,326,000)	
Net cash provided by/(used in) investing activities	<u>289,572</u>	<u>(368,114)</u>	
Net increase in cash and cash equivalents	15,355,832	3,528,364	
Cash and cash equivalents, July 1	30,939,130	26,254,449	
Cash and cash equivalents, June 30	46,294,962	29,782,813	
Restricted investments	-	8,326,000	
Cash, cash equivalents, and restricted investments	<u>\$ 46,294,962</u>	<u>\$ 38,108,813</u>	
Reconciliation of operating loss to net cash provided by/(used in) operating activities:			
Operating loss	\$ (106,223,271)	\$ (2,773,279)	
Adjustments to reconcile operating loss to net cash provided by/(used in) operating activities:			
Depreciation	1,528,177	161,115	
Commodity inventory used	8,493,879	-	
Change in assets, deferred outflows, liabilities and deferred inflows:			
(Increase)/decrease in accounts receivable	33,187	(214,820)	
Decrease in inventories	415,821	-	
(Increase) in prepaids	-	(16,280)	
(Increase) in pension contributions	(527,206)	(98,977)	
(Increase) in employer and proportionate share of contributions	(481,701)	(90,435)	
(Decrease) in accounts payable	(1,016,754)	(16,367)	
Increase in unearned revenues	68,451	-	
Increase in workers compensation claims payable	-	422,000	
Increase in liability insurance claims payable	-	1,846,000	
(Decrease) in liability for compensated absences	(59,027)	(113,895)	
Increase/(decrease) in accrued salaries and benefits	138,642	(21,033)	
Increase in net pension liability	3,442,276	646,251	
Increase in long term claims payable	-	4,923,368	
(Decrease) in pension investment earnings	(4,796,146)	(900,427)	
Increase in pension experiences	1,133,553	212,813	
Total adjustments	<u>8,373,152</u>	<u>6,739,313</u>	
Net cash provided by/(used in) operating activities	<u>\$ (97,850,119)</u>	<u>\$ 3,966,034</u>	
Noncash capital and financing activities:			
Commodity revenue ¹	\$ 8,493,879	\$ -	

¹The District received the equivalent of \$ 8,493,879 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, 2016

**STUDENT ACTIVITY
AGENCY FUND**

ASSETS

Cash in bank	\$	<u>27,332,032</u>
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LIABILITIES

Due to student groups	\$	<u>27,332,032</u>
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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, 2016****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 East Flamingo Road
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 fund: the Special Education 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 program revenues are reported instead as general revenues. This statement provides a net cost or net revenue of specific

CLARK COUNTY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 Enterprise 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, 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 revenue, local school support tax, ad valorem tax, real estate transfer tax, room tax, 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 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 Distributive School Account (DSA) payments, donations, and 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.

CLARK COUNTY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 tax and room tax.

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 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 (see following page):

CLARK COUNTY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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) Not sooner than the third Monday in May and not later than the last day 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 average daily enrollment of pupils reported for the preceding quarter.
3. NRS 354.598005 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 also 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 Funds, and Capital Projects Funds, as described on pages 52-53, 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**.

In fiscal year 2016, the District implemented GASB Statement No. 72, *Fair Value Measurement and Application*, to categorize its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- Level 1 inputs are quoted prices in active markets for identical assets;

CLARK COUNTY SCHOOL DISTRICT**NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016****NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

- Level 2 inputs are significant other observable inputs;
- Level 3 inputs are significant unobservable inputs.

The District has reviewed their investments and determined all investments are either Level 1 or 2 inputs and measured at their fair value levels as of June 30, 2016.

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.

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, 2016, as well as those taxes assessed but not yet received. The Clark County Treasurer, based on the assessed valuation on January 1 of each year, levies taxes on real property. A lien is placed on the property subject to the payment of taxes on July 1 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. The Nevada legislature also passed a property tax abatement law in 2005 that generally caps increases in property taxes received from any owner-occupied residential property to three percent per year, and eight percent per year for all other property.

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

CLARK COUNTY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 asset life are not capitalized.

Capital assets are 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

DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES

Deferred outflow of resources represents a consumption of net position that applies to a future period so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred loss on refundings are unamortized balances resulting from advance bond refundings. The pension contributions resulted from the District pension related contributions subsequent to the measurement date, but before the end of the fiscal year, and changes in proportion since the prior measurement date.

Deferred inflow of resources represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The difference between projected and actual experience and investment earnings are related to the calculation of net pension liability. The governmental funds report unavailable revenue from two sources: delinquent property taxes and E-rate discounts. Property tax revenues are considered "delinquent" when the due date of an assessment has passed and any statutory appeal rights have expired. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

ACCRUED SALARIES AND BENEFITS

District salaries earned but not paid by June 30, 2016, 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.

CLARK COUNTY SCHOOL DISTRICT**NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016****NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

In 2015, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The effect of these standards required governments calculate and report the costs and obligations associated with pensions in their basic financial statements. Employers are required to recognize pension amounts for all benefits provided through the plan which include the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense.

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, pension expense, information about the net position of the State of Nevada Public Employees Retirement System (PERS), the fiduciary, and additions to/deductions from PERS's net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms.

COMPENSATED ABSENCES AND ACCUMULATED SICK LEAVE

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 School Trustees. The Board must take formal action, by adoption of a resolution prior to the end of the reporting period, in order to establish an ending fund balance commitment for any specific purpose. A resolution by the Board 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 nor 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 May 20, 2015, the Board approved a waiver to reduce the projected balance requirement for 2015-2016 to 1.75% of total revenues.

CLARK COUNTY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 on the previous page.

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.

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.

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, Public Education Foundation donations, City of Henderson RDA, and funds from the medium-term bonds for school technology 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.

Negative Net Position

In 2015, GASB Statement No. 68 was implemented requiring employers to record their proportionate share of the fiduciary net pension liability on their financial statements. The effect of this standard in 2016 resulted in a negative net position on the District's Statement of Net Position. Contributions are paid into PERS on behalf of the District's employees, and pursuant to statute, there is no obligation on the part of the employer to pay for their proportionate share of the unfunded liability.

This standard applies to both the government-wide and proprietary fund statements, including the Food Service, Insurance & Risk Management, and Graphic Arts Production Funds. The impact of recording the net pension liability includes the likelihood of negative net position, which is the case for this fiscal year with the government-wide statement.

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

CLARK COUNTY SCHOOL DISTRICT**NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016****NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

financial statements and schedules, provided as supplementary information, 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 nonvocational workers.

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. This program also includes English for speakers of other languages (English Language Learners/Limited English Proficient/English-as-a-Second-Language) and alternative and at risk education programs.

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, and have accepted

CLARK COUNTY SCHOOL DISTRICT**NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016****NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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 include 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.

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 entities such as private schools.

CLARK COUNTY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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 not due and payable in the current period, but they are presented as liabilities or deferred inflows of resources in the statement of net position.” The details of this \$2,926,919,899 difference are as follows:

Bonds payable	\$ 2,590,805,000
Bond discounts (net of amortization)	(5,123,705)
Prepaid bond insurance premium costs (net of amortization)	(1,005,265)
Deferred loss on refundings (net of amortization)	(19,896,584)
Bond premiums (net of amortization)	260,849,633
Interest payable	5,147,707
Compensated absences	57,977,493
OPEB obligation	38,165,620
Net adjustment to decrease fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 2,926,919,899</u>

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. The details of this difference are as follows:

Capital Assets - Governmental Funds	\$ 4,240,291,668
Less: Capital Assets - Internal Service Funds	(353,771)
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 4,239,937,897</u>

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 \$127,557,866 difference are as follows:

Capital outlay	\$ 111,882,987
Depreciation expense	(239,440,853)
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u>\$(127,557,866)</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.

CLARK COUNTY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

This amount is the net effect of these differences in the treatment of long-term debt and related items." The details of this \$151,512,684 difference are as follows:

Debt issued or incurred:	
Issuance of general obligation debt	\$(848,725,000)
Plus: Bond premiums	(150,984,070)
General obligation debt principal payments	276,190,000
Payment to escrow agent for refunding	572,006,386
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u><u>\$(151,512,684)</u></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 \$26,743,685 difference are as follows:

Change in accrued interest	\$ 4,716,308
Amortization of deferred gain/loss on refunding	(4,766,138)
Amortization of issuance costs	(105,302)
Amortization of bond discounts	(656,151)
Amortization of bond premiums	28,508,684
Change in compensated absences	384,059
Change in OPEB obligation	(1,337,775)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u><u>\$ 26,743,685</u></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, 2016, 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, 2016, the District had the total amounts reported as pooled cash and investments:

Combined Pooled Cash and Investments

Pooled Cash	\$ (6,086,506)
Non-negotiable Certificate of Deposit	8,326,000
Student Activity Agency Fund	27,332,032
Pooled Investments	784,268,775
Money Market Mutual Fund	102,548,549
Vegas PBS Endowment	<u>2,276,052</u>
Total Pooled Cash and Investments	<u><u>\$ 918,664,902</u></u>

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 balance listed above for this fund is a consolidation of individual bank account balances held at schools across the District as of June 30, 2016.

CLARK COUNTY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 3 - DEPOSITS AND INVESTMENTS (continued)

As of June 30, 2016, the District had the following investments (*numbers stated in thousands*):

General Pooled Investments:	Fair Value	Investment Maturities (In Years)					Interest Rec.	Total Value
		Less Than 1	1-5	6-10	More than 10			
U.S. Treasury Notes	\$ 90,714	\$ 20,059	\$ 70,655	\$ -	\$ -	\$ 139	\$ 90,853	
U.S. Agencies	175,400	104,993	70,406	-	-	207	175,607	
Commercial Paper	9,996	9,996	-	-	-	-	9,996	
NVEST Program:								
U.S. Treasury Notes	50,655	16,620	34,035	-	-	65	50,720	
U.S. Agencies	11,947	3,897	8,050	-	-	2	11,949	
Collateralized Mortgage Obligations	15,308	-	8,067	7,010	230	55	15,363	
Federal National Mtg Assn Pool	-	-	-	-	-	1	1	
Asset Backed Securities	18,978	80	18,898	-	-	40	19,018	
Subtotal Gen. Pooled Investments	<u>372,998</u>	<u>155,645</u>	<u>210,111</u>	<u>7,010</u>	<u>230</u>	<u>509</u>	<u>373,507</u>	
Bond Proceed Investments:								
U.S. Treasury Notes	125,107	125,107	-	-	-	359	125,466	
U.S. Agencies	275,702	275,702	-	-	-	401	276,103	
Commercial Paper	10,462	10,462	-	-	-	-	10,462	
Subtotal Bond Proceed Investments	<u>411,271</u>	<u>411,271</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>760</u>	<u>412,031</u>	
Total Securities Held	<u><u>\$ 784,269</u></u>	<u><u>\$ 566,916</u></u>	<u><u>\$ 210,111</u></u>	<u><u>\$ 7,010</u></u>	<u><u>\$ 230</u></u>	<u><u>\$ 1,269</u></u>	<u><u>\$ 785,538</u></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 0.74 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 \$30 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.

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 Investors 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 Investors Service, and Fitch Investors Service, respectively. The investment program through the State of Nevada, NVEST, is not rated by any investment service.

CLARK COUNTY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 3 - DEPOSITS AND INVESTMENTS (continued)

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, 2016, more than 5% of the District's investments are in Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, and Federal National Mortgage Association. These investments are 25%, 17%, and 8%, respectively, of the District's total investments.

The District implemented GASB Statement No. 72, *Fair Value Measurement and Application*, in 2016 to categorize its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of June 30, 2016:

- U.S. Treasury securities of \$266 million are valued using quoted market prices (Level 1)
- Agency securities of \$463 million are valued using matrix pricing model (Level 2)
- Commercial paper of \$20 million are valued using matrix pricing model (Level 2)
- Asset-backed securities of \$19 million are valued using matrix pricing model (Level 2)
- Collateral mortgage-backed securities of \$15 million are valued using matrix pricing model (Level 2)

The District does not have recurring fair value measurement as of June 30, 2016, that is valued using significant unobservable inputs (Level 3).

NOTE 4 - INTERFUND BALANCES AND TRANSFERS

Interfund Balances:

The "due to/due from other funds" balance in the General Fund of \$35,705,515 was offset against the amounts reported in the Federal Projects Fund of \$24,037,517 and the State Grants Fund of \$11,667,998. 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, 2016, are as follows (see following page):

CLARK COUNTY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 4 - INTERFUND BALANCES AND TRANSFERS (continued)

Transfers Out:	Transfers In:			
	Special		Nonmajor Governmental Funds	
	Education Fund	Debt Service		Totals
General Fund	\$ 323,882,982	\$ -	\$ 5,817,053	\$ 329,700,035
Bond Fund	-	\$ 99,700,893	-	\$ 99,700,893
Total	<u>\$ 323,882,982</u>	<u>\$ 99,700,893</u>	<u>\$ 5,817,053</u>	<u>\$ 429,400,928</u>

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

\$323,882,982 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 Special Education Fund to offset special education expenditures.

The Bond Fund transferred a total of \$99,700,893 during fiscal year 2016 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**.

\$5,817,053 was transferred from the General Fund to the State Grants Fund to help cover costs for full-day kindergarten.

NOTE 5 - CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2016, follows:

Governmental Activities:

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
Capital assets, not being depreciated:				
Land	\$ 265,261,985	\$ 351,215	\$ -	\$ 265,613,200
Construction in progress	<u>29,739,520</u>	<u>76,499,519</u>	<u>(39,732,768)</u>	<u>66,506,271</u>
Total capital assets, not being depreciated	<u>295,001,505</u>	<u>76,850,734</u>	<u>(39,732,768)</u>	<u>332,119,471</u>
Capital assets, being depreciated:				
Buildings	4,310,251,006	16,878,511	(1,041,456)	4,326,088,061
Building improvements	905,920,883	11,794,724	-	917,715,607
Land improvements	1,280,717,741	3,504,527	-	1,284,222,268
Equipment	558,221,662	42,656,817	(13,653,122)	587,225,357
Total capital assets being depreciated	<u>7,055,111,292</u>	<u>74,834,579</u>	<u>(14,694,578)</u>	<u>7,115,251,293</u>
Less accumulated depreciation for:				
Buildings	(1,253,427,823)	(104,651,065)	1,006,350	(1,357,072,538)
Building improvements	(610,280,592)	(42,534,132)	-	(652,814,724)
Land improvements	(717,708,168)	(58,431,921)	-	(776,140,089)
Equipment	(400,550,497)	(33,984,850)	13,483,602	(421,051,745)
Total accumulated depreciation	<u>(2,981,967,080)</u>	<u>(239,601,968)</u>	<u>14,489,952</u>	<u>(3,207,079,096)</u>
Total capital assets being depreciated, net	<u>4,073,144,212</u>	<u>(164,767,389)</u>	<u>(204,626)</u>	<u>3,908,172,197</u>
Governmental activities capital assets, net	<u>\$ 4,368,145,717</u>	<u>\$ (87,916,655)</u>	<u>\$ (39,937,394)</u>	<u>\$ 4,240,291,668</u>

CLARK COUNTY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 5 - CAPITAL ASSETS (continued)
Business-type activities:

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
Capital assets, being depreciated:				
Buildings	\$ 1,737,413	\$ -	\$ -	\$ 1,737,413
Building improvements	597,956	-	-	597,956
Land improvements	968,279	-	-	968,279
Equipment	<u>21,443,019</u>	<u>713,490</u>	<u>(237,548)</u>	<u>21,918,961</u>
Total capital assets being depreciated	<u>24,746,667</u>	<u>713,490</u>	<u>(237,548)</u>	<u>25,222,609</u>
Less accumulated depreciation for:				
Buildings	(108,753)	(57,913)	-	(166,666)
Building improvements	(36,359)	(29,904)	-	(66,263)
Land improvements	(42,404)	(48,421)	-	(90,825)
Equipment	<u>(11,857,383)</u>	<u>(1,391,939)</u>	<u>235,588</u>	<u>(13,013,734)</u>
Total accumulated depreciation	<u>(12,044,899)</u>	<u>(1,528,177)</u>	<u>235,588</u>	<u>(13,337,488)</u>
Business-type activities capital assets, net	<u>\$ 12,701,768</u>	<u>\$ (814,687)</u>	<u>\$ (1,960)</u>	<u>\$ 11,885,121</u>

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

Governmental Activities:

Instruction:	
Regular instruction	\$ 193,805,039
Special instruction	439,982
Gifted and talented	511
Vocational instruction	14,495,955
Other instruction	76,022
Adult instruction	39,325
Support services:	
Student support	626,865
Instructional staff support	4,197,746
General administration	718,278
School administration	70,877
Central services	1,140,358
Operation and maintenance of plant services	3,165,411
Student transportation	16,984,122
Other support services	483,545
Facilities acquisition and construction services	<u>3,357,932</u>
	<u>\$ 239,601,968</u>

CLARK COUNTY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 6 - ACCOUNTS RECEIVABLE

Receivables as of June 30, 2016, for the government's individual major funds and nonmajor funds in the aggregate are as follows:

	General Fund	Special Education Fund	Debt Service Fund	Bond Fund	Nonmajor and Other Funds	Total
<u>Local Sources:</u>						
Property and Transfer Taxes	\$ 10,368,550	\$ -	\$ 7,840,101	\$ 4,764,350	\$ -	\$ 22,973,001
Room Taxes	-	-	-	15,612,043	-	15,612,043
Governmental Services Tax	5,192,024	-	-	-	2,431,536	7,623,560
Local School Support Tax	159,066,439	-	-	-	-	159,066,439
Other Local Sources	2,240,605	-	66,363	-	-	2,306,968
<u>State Sources:</u>						
Grants	-	-	-	-	39,049,960	39,049,960
Distributive School Account	75,646,623	-	-	-	-	75,646,623
Class Size Reduction	-	-	-	-	1,101,200	1,101,200
<u>Federal Sources:</u>						
Grants	-	-	-	-	37,057,234	37,057,234
Medicaid	-	-	-	-	3,232,940	3,232,940
<u>Other Sources:</u>						
E-rate Reimbursement	8,359,805	-	-	-	-	8,359,805
Miscellaneous	411,634	19,788	-	-	1,173,285	1,604,707
Total Receivables	<u>\$ 261,285,680</u>	<u>\$ 19,788</u>	<u>\$ 7,906,464</u>	<u>\$ 20,376,393</u>	<u>\$ 84,046,155</u>	<u>\$ 373,634,480</u>

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, 2016, are as follows:

	General Fund	Nonmajor and Other Funds	Total
Summer School	\$ 884,556	\$ -	\$ 884,556
State Grants	-	9,773,323	9,773,323
Miscellaneous	76,283	10,176	86,459
Total	<u>\$ 960,839</u>	<u>\$ 9,783,499</u>	<u>\$ 10,744,338</u>

In the General Fund, summer school unearned revenue represents monies collected for summer school tuition in advance of the fiscal year 2017 summer school program. The miscellaneous unearned revenues consist of \$76,283 for facility usage revenue which was received in advance and \$10,176 for underwriting revenue received in advance for fiscal year 2017.

Nonmajor and other funds include state grants in the amount of \$9,773,323, which is state grant revenue received in advance of expenditures.

CLARK COUNTY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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, 2016, are as follows:

General Obligation Bonds Schedule:

Series	Purpose	Date Issued	Date of Final Maturity	Interest	Original Issue	Balance June 30, 2016	Principal Due Within One Year	Interest Due Within One Year
2006B	Building	12/19/06	06/15/26	3.00% - 5.00%	\$ 450,000,000	\$ 263,180,000	\$ 23,570,000	\$ 10,281,725
2007A	Refunding	03/01/07	06/15/25	4.00% - 5.00%	473,045,000	292,895,000	26,980,000	14,081,350
2007C	Building	12/11/07	06/15/21	5.00%	400,000,000	110,255,000	20,245,000	5,512,750
2008A	Building	06/03/08	06/15/22	5.00%	675,000,000	170,105,000	25,010,000	8,505,250
2010D	Building (QSCB)	07/08/10	06/15/20	5.51%	6,245,000	6,245,000	-	344,100
2012A	Refunding	10/04/12	06/15/21	5.00%	159,425,000	112,575,000	-	5,628,750
2013A	Vehicles & Equip	07/31/13	06/15/23	3.00% - 4.00%	32,855,000	21,175,000	4,160,000	726,825
2013B	Refunding	07/31/13	06/15/19	3.00% - 5.00%	95,870,000	53,555,000	24,255,000	2,677,750
2014A	Refunding	04/29/14	06/15/20	5.00% - 5.50%	131,175,000	78,690,000	31,305,000	4,091,025
2015A	Refunding	03/18/15	06/15/19	5.00%	257,445,000	214,760,000	71,105,000	10,738,000
2015C	Building/Refunding	11/23/15	06/15/35	4.00% - 5.00%	338,445,000	338,445,000	4,675,000	16,296,250
2016A	Refunding	06/16/16	06/15/25	5.00%	186,035,000	186,035,000	-	9,275,912
2016C	Vehicles & Equip	06/16/16	06/15/26	3.00% - 5.00%	33,470,000	33,470,000	2,735,000	1,586,281
						\$ 1,881,385,000	\$ 234,040,000	\$ 89,745,968

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 2016, the District received \$115,107,798 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, 2016 are as follows:

General Obligation Revenue Bonds Schedule:

Series	Purpose	Date Issued	Date of Final Maturity	Interest	Original Issue	Balance June 30, 2016	Principal Due Within One Year	Interest Due Within One Year
2006 C	Building	12/19/06	06/15/26	3.50% - 5.00%	\$ 125,000,000	\$ 64,110,000	\$ 6,550,000	\$ 2,781,150
2007 B	Building	12/11/07	06/15/22	5.00%	250,000,000	84,560,000	12,650,000	4,228,000
2010A	Building (QSCB)	07/08/10	06/15/24	4.74% - 5.51%	104,000,000	103,900,000	-	5,724,890
2011B	Refunding	03/22/11	06/15/19	5.00%	29,420,000	11,125,000	-	556,250
2014B	Refunding	04/29/14	06/15/20	5.00% - 5.50%	62,200,000	51,095,000	16,385,000	2,636,675
2015B	Refunding	03/18/15	06/15/22	5.00%	129,080,000	114,220,000	17,015,000	5,711,000
2015D	Building	11/23/15	06/15/35	4.00% - 5.00%	200,000,000	189,635,000	6,440,000	8,622,700
2016B	Refunding	06/16/16	06/15/27	3.00% - 5.00%	90,775,000	90,775,000	100,000	4,524,148
						\$ 709,420,000	\$ 59,140,000	\$ 34,784,813

CLARK COUNTY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 8 - GENERAL OBLIGATION BONDS PAYABLE (continued)

At year end, pledged future revenues totaled \$939,360,409, 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
2017	\$ 293,180,000	\$ 124,530,781	\$ 417,710,781
2018	307,925,000	110,138,390	418,063,390
2019	304,980,000	95,095,390	400,075,390
2020	229,845,000	80,040,790	309,885,790
2021	225,465,000	68,551,940	294,016,940
2022 - 26	912,225,000	193,526,534	1,105,751,534
2027 - 31	221,560,000	40,477,700	262,037,700
2032 - 35	95,625,000	9,776,400	105,401,400
Totals	\$ 2,590,805,000	\$ 722,137,925	\$ 3,312,942,925

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 2016 assessed valuation of \$71,055,253,233 the applicable debt limit is \$10,658,287,985 leaving the legal debt margin at \$8,067,482,985, notwithstanding the statutory tax rate limitation explained in **Note 1**. The District is in compliance with Chapter 387.400 as of June 30, 2016.

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 needed in the interim years. In the 2015 legislative session, Senate Bill 207 was passed which allows an extension of bond rollover funds from property taxes for districts to keep pace with the need for new schools and major repairs on existing schools. The bill gives school boards the authority to continue issuing construction bonds for 10 years beyond the time period approved by voters, although districts would not be allowed to raise property tax rates to pay debt service on the bonds. As of June 30, 2016, there is \$160 million in authorized unissued debt.

Refunded Debt:

In November 2015, the District issued \$198,445,000 of general obligation (limited tax) Series 2015C refunding bonds (this issue also included \$140,000,000 of general obligation (limited tax) building 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 2015C refunding of bonds originally issued in 2007 and 2008 the District was able to reduce the cost of future debt service by approximately \$26 million, which equates to a net present value savings of 10.601 percent and an economic gain of \$21,036,209.

CLARK COUNTY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 8 - GENERAL OBLIGATION BONDS PAYABLE (continued)

In June 2016, the District issued \$186,035,000 of general obligation (limited tax) Series 2016A refunding bonds. With this Series 2016A refunding of bonds originally issued in 2006 and 2007, the District was able to reduce the cost of future debt service by approximately \$36 million, which equates to a net present value savings of 17.318 percent and an economic gain of \$32,217,495.

Also in June 2016, the District issued \$90,775,000 of general obligation (additionally secured by pledged revenues) Series 2016B refunding bonds. With this Series 2016B refunding of bonds originally issued in 2006 and 2007, the District was able to reduce the cost of future debt service by approximately \$22 million, which equates to a net present value savings of 21.504 percent and an economic gain of \$19,520,431.

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, 2016, the outstanding principal on the following bonds is considered defeased:

CCSD School Improvement & Building Bonds	Defeased Principal
Series 2006B: Dated December 19, 2006	\$ 28,110,000
Series 2006C: Dated December 19, 2006	16,810,000
Series 2007B: Dated December 11, 2007	89,500,000
Series 2007C: Dated December 11, 2007	168,240,000
Series 2008A: Dated June 3, 2008	227,960,000
Total	\$ 530,620,000

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, 2016 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, 2016, the amount required to fund this account was \$104,427,695; which was fully funded by the District in the Debt Service Fund restricted amount of \$43,426,485 and the Bond Fund restricted amount of \$61,001,210.

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 \$2,485,184 for the year ending June 30, 2016. The future minimum lease payments for this lease are as follows (see following page):

CLARK COUNTY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 9 - LEASES (continued)

Year Ending, June 30	Amount
2017	\$ 2,403,120
2018	2,403,120
2019	2,403,120
2020	2,403,120
2021	2,403,120
2022 - 2024	7,209,360
Total	\$ 19,224,960

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 \$1,355,992 which includes a monthly fee paid to the District by Sprint Nextel.

NOTE 10 - CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year-ended June 30, 2016 was as follows:

	Beginning Balance June 30, 2015	Additions	Reductions	Ending Balance June 30, 2016	Due Within One Year
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 1,964,995,000	\$ 557,950,000	\$ (641,560,000)	\$ 1,881,385,000	\$ 234,040,000
General obligation revenue bonds	583,895,000	290,775,000	(165,250,000)	709,420,000	59,140,000
Less: issuance discounts	(5,779,856)	-	656,151	(5,123,705)	-
Plus: issuance premiums	168,649,237	150,984,070	(58,783,674)	260,849,633	-
Total bonds payable	2,711,759,381	999,709,070	(864,937,523)	2,846,530,928	293,180,000
Compensated absences	58,850,004	25,613,773	(26,111,727)	58,352,050	25,360,911
Other long term liabilities	11,935,611	4,923,368	-	16,858,979	-
Governmental activity long-term liabilities	\$ 2,782,544,996	\$ 1,030,246,211	\$ (891,049,250)	\$ 2,921,741,957	\$ 318,540,911
Business-type Activities:					
Compensated absences	\$ 1,092,606	\$ 278,748	\$ (337,775)	\$ 1,033,579	\$ 154,966

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, \$374,557 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, 2016, the District reported the following expenditures over appropriations:

The District's major Special Education Fund total expenditures exceeded appropriation by almost \$11 million as licensed

CLARK COUNTY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 11 - COMPLIANCE AND ACCOUNTABILITY (continued)

personnel salaries and subsequent benefits increased as a result of the increase of special need students and the salary table increase for licensed personnel in fiscal year 2016.

The District's Internal Service Fund – Insurance and Risk Management Fund reflects a budgeted expense overage of \$5.8 million due to the increase in the actuarial requirement for liability and property claims that were not included in the budget.

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, 2016 was \$1,489,469,168 and the District's total payroll was \$1,654,056,357. 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:

Eligibility for Regular Members:

Years of Service	Hired <u>Prior to 7/01/01</u>		Hired <u>Between 7/01/01-12/31/09</u>		Hired <u>After 1/01/2010</u>	
	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 <u>Prior to 7/01/01</u>		Hired <u>Between 7/01/01-12/31/09</u>		Hired <u>After 1/01/2010</u>	
	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 28.00% in 2015-16 for unified, licensed, and support employees and 40.50% for police employees of gross compensation and amounted to \$417,942,468, 24.59% of the \$1,699,497,791 total paid by all employees and employers into the Plan for the year ended June 30, 2016. The District's contributions to PERS for the years ended June 30, 2015, 2014, and 2013 were \$376,340,869, \$364,569,644, and \$327,548,750, respectively, equal to the required contributions for each year, at the actuarially determined statutory

CLARK COUNTY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 12 - DEFINED BENEFIT PENSION PLAN (continued)

rates of 25.75, 25.75, and 23.75%, respectively, for unified, licensed and support employees and 40.50, 40.50, and 39.75%, respectively, for police employees.

At June 30, 2016, the District reported a liability of \$2,794,013,521 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015 and was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the level percentage-of-payroll contribution rates required to fund the Retirement System on an actuarial reserve basis. At June 30, 2016, the District's proportionate share of the net pension liability was 24.38177%.

For the year ended June 30, 2016, the District recognized pension income of \$96,997,556. At June 30, 2016 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 210,158,186
Net difference between projected and actual earnings on pension plan investments	- -	151,342,303
Changes in proportion and differences between District contributions and proportionate share of contributions	60,699,584	-
District contributions subsequent to the measurement date	417,942,468	-
Total	\$ 478,642,052	\$ 361,500,489

The amount of \$417,942,468 was reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the pension expense in the year ended June 30, 2017. Other amounts reported as deferred outflows/(inflows) of resources related to pensions will be recognized in pension expense as follows:

<u>Reporting period ended June 30:</u>	
2017	\$ (100,511,542)
2018	(100,511,542)
2019	(100,511,542)
2020	31,939,490
2021	(24,404,195)
Thereafter	(6,801,574)

CLARK COUNTY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 12 - DEFINED BENEFIT PENSION PLAN (continued)

Actuarial assumptions. The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	3.50%
Payroll Growth	5.00%, including inflation
Investment return	8.00%
Productivity pay increase	0.75%
Projected salary increases	Regular: 4.60% to 9.75%, depending on service Police/Fire: 5.25% to 14.50%, depending on service Rates include inflation and productivity increases
Consumer Price Index	3.50%
Other assumptions	Same as those used in the June 30, 2015 funding Actuarial valuation

Mortality Rates – For non-disabled male regular members it is the RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA. For non-disabled female regular members it is the RP-2000 Combined Healthy Mortality Table, projected to 2013 with Scale AA, set back one year. For all non-disabled police/fire members it is the RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA, set forward one year.

The mortality table used in the actuarial valuation to project mortality rates for all disabled regular members and all disabled police/fire members is the RP-2000 Disabled Retiree Mortality Table projected to 2013 with Scale AA, set forward three years.

The actuarial assumptions and methods used in the June 30, 2015 actuarial valuation were adopted by the Public Employees' Retirement Board and were based on the results of the experience review completed in 2013.

The PERS Board evaluates and establishes expected real rates of return (expected returns, net of pension plan investment expenses and inflation) for each asset class. The PERS Board reviews these capital market expectations annually. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Geometric Expected Real Rate of Return*
Domestic equity	42%	5.50%
International equity	18%	5.75%
Domestic Fixed Income	30%	0.25%
Private Markets	10%	6.80%

* As of June 30, 2015, PERS' long-term inflation assumption was 3.5%

Discount rate. The discount rate used to measure the total pension liability was 8.00% as of June 30, 2015 and June 30, 2014. The projection of cash flows used to determine the discount rate assumed that employees and employer contributions will be made at the rate specified in statute.

Based on that assumption, the pension plan's fiduciary net position at June 30, 2015, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2015 and June 30, 2014.

CLARK COUNTY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 12 - DEFINED BENEFIT PENSION PLAN (continued)

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 8.00%, as well as what it would be using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

	1% Decrease in Discount Rate (7.00%)	Discount Rate (8.00%)	1% Increase in Discount Rate (9.00%)
Net Pension Liability	\$ 4,257,517,104	\$ 2,794,013,521	\$ 1,577,008,090

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

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 and terrorism, 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.
8. Pollution Liability – Environmental, with retention of \$50,000.

The District purchases commercial insurance for occurrences in excess of the foregoing retention levels. The District's insurance program is evaluated annually, utilizing industry and claims data to ensure the coverage limits remain adequate. New policies are purchased as new loss exposures are identified. Retention levels are also reviewed annually to ensure that self-funded claim payments remain at a reasonable amount. The District remains adequately covered for losses and no settlements exceeded insurance coverage in the past fifteen 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

CLARK COUNTY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 13 - RISK MANAGEMENT (continued)

reserve for incurred losses. The estimates of the liability insurance claims payable of \$14,532,679 and the worker's compensation claims payable of \$15,421,300 at June 30, 2016, 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 as claims payables and other long term liabilities.

The actuarial study, which is prepared annually, calculates the estimated future losses for the District. The current amount reflected represents the amount due in fiscal year 2016-2017.

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 2016	Fiscal 2015
Beginning Balance - July 1, 2015 and 2014	\$ 22,762,611	\$ 20,901,159
Claims Incurred	11,878,658	8,041,054
Changes in Estimates for Claims of the Prior Periods	7,191,368	1,495,251
Claims Paid	(11,878,658)	(7,674,853)
Ending Balance - June 30, 2016 and 2015	<u>\$ 29,953,979</u>	<u>\$ 22,762,611</u>
Short term portion	13,095,000	10,827,000
Long term portion	16,858,979	11,935,611

The unassigned fund balance in the Insurance and Risk Management Fund is negative due to the effect of GASB Statement No. 68 which required the District to record its proportionate share of the unfunded liability.

NOTE 14 - ENCUMBRANCES AND COMMITMENTS

In November 2015, 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, \$8,326,000, 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.

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:

Major Funds	Restricted Fund Balance	Assigned Fund Balance
General Fund	\$ 3,279,993	\$ 3,573,733
Bond Fund	122,911,461	-
Nonmajor Funds		
Aggregate nonmajor funds	12,386,900	-
	<u>\$ 138,578,354</u>	<u>\$ 3,573,733</u>

CLARK COUNTY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 14 - COMMITMENTS AND CONTINGENCIES (continued)

Total encumbrances for general fund and capital projects as of June 30, 2016 were \$142,152,087. In the General Fund, the total encumbrance balance is \$6,853,726 of which; \$3,279,993 was restricted and \$715,897 was assigned to the purchase of new buses and \$2,857,836 was assigned to the maintenance and upkeep of various school buildings and grounds.

As of June 30, 2016, funds remain from the 1998 voter-approved bond program and the 2015 bond program for the construction of new and replacement schools. The following schedule outlines the programmed construction commitments as of June 30, 2016. The total restricted amount of \$414,896,113 is construction contracts from the 1998 voter-approved bond program and the 2015 bond program which is shown as a restriction for capital projects in the Bond Fund.

1998 & 2015 CAPITAL IMPROVEMENT PLAN PROGRAMS			
School	Capital Project	1998 CIP PLAN	2015 CIP PLAN
ELEMENTARY SCHOOLS			
Rex Bell ES	Replacement School	\$ -	\$ 37,205,666
Patricia Bendorf ES	HVAC Upgrade (Pending Close-Out Issues)	10,419	-
Grant Bowler ES	HVAC Upgrade (Pending Close-Out Issues)	7,566	-
Walter Bracken ES	LAN Upgrade, Expand ER/TR Rooms, Replace Security Camera System	17,087	-
Roger Bryan ES	Replace Cooling Tower	307,140	-
Arturo Cambiero ES	Replace Boilers, Replace Chillers, Replace Cooling Tower, Replace HVAC Controls, Replace Roof	2,765,000	-
Roberta Cartwright ES	Replace Boilers, Replace Chillers, Replace Cooling Tower, Replace HVAC Controls, Replace Roof	2,765,000	-
Manuel Cortez ES	Replace Cooling Tower	60,745	-
Dorothy Eisenberg ES	LAN Upgrade	64,087	-
Wing & Lily Fong ES	HVAC Upgrade (Pending Close-Out Issues)	25,102	-
Daniel Goldfarb ES	Replace Cooling Tower	57,847	-
Doris Hancock ES	LAN Upgrade, Classroom Technology, Expand ER/TR Rooms, Replace Intrusion Alarm System, Replace Clock/Intercom System, Replace Security Camera System	51,422	-
Keith & Karen Hayes ES	Replace Cooling Tower	72,875	-
Helen Herr ES	HVAC Upgrade (Pending Close-Out Issues)	29,891	-
Halle Hewetson ES	LAN Upgrade, Classroom Technology, Expand ER/TR Rooms, Replace Intrusion Alarm System, Replace Security Camera System	1,890,637	-
Charlotte Hill ES	HVAC Upgrade (Pending Close-Out Issues)	10,735	-
Marc Kahre ES	HVAC Upgrade (Pending Close-Out Issues)	134,000	-
Edythe & Lloyd Katz ES	HVAC Upgrade (Pending Close-Out Issues)	28,556	-
Lorna Kesterson ES	Replace Cooling Tower	70,464	-
Frank Lamping ES	Replace Cooling Tower	261,390	-
Lincoln ES	Replacement School	-	\$ 37,540,818
Mary & Zel Lowman ES	HVAC Upgrade (Pending Close-Out Issues)	12,479	-
Robert Lunt ES	HVAC Upgrade (Pending Close-Out Issues)	55,678	-
Nate Mack ES	HVAC Upgrade (Pending Close-Out Issues)	52,553	-
Reynaldo Martinez ES	Replace Cooling Tower	45,141	-
Ernest May ES	HVAC Upgrade (Pending Close-Out Issues)	15,841	-
Quannah McCall ES	Replace Cooling Tower	10,896	-
Andrew Mitchell ES	HVAC Upgrade (Pending Close-Out Issues)	76,139	-
William Moore ES	Replace Cooling Tower	59,453	-
Ulis Newton ES	HVAC Upgrade (Pending Close-Out Issues)	12,062	-

CLARK COUNTY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 14 - COMMITMENTS AND CONTINGENCIES (continued)

1998 & 2015 CAPITAL IMPROVEMENT PLAN PROGRAMS			
School	Capital Project	1998 CIP PLAN	2015 CIP PLAN
ELEMENTARY SCHOOLS, CONT.			
Paradise ES	Replace Cooling Tower	\$ 262,841	\$ -
Ute Perkins ES	HVAC Upgrade (Pending Close-Out Issues)	8,601	-
Bertha Ronzone ES	Classroom Addition	255,000	-
Jim Thorpe ES	HVAC Upgrade (Pending Close-Out Issues)	55,411	-
Howard Wasden ES	LAN Upgrade, Classroom Technology, Expand ER/TR Rooms, Replace Fire Alarm, Replace Clock/Intercom System, Replace Security System, Install Security at School Entrance	5,611	-
West Prep ES	Construct West Prep K-5 Addition, Connectivity to Existing Building and Replace Tennis Courts	20,520,132	-
Gwendolyn Woolley ES	HVAC Upgrade (Pending Close-Out Issues)	29,012	-
Elaine Wynn ES	HVAC Upgrade (Pending Close-Out Issues)	14,734	-
Elaine Wynn ES	Classroom Addition	179,550	-
MIDDLE SCHOOLS			
J. Harold Brinley MS	LAN Upgrade, Classroom Technology, Expand ER/TR Rooms	\$ 160	\$ -
J. Harold Brinley MS	Replace Cooling Tower	22,203	-
Kenny Guinn MS	LAN Upgrade, Classroom Technology, Expand ER/TR Rooms (CMAR Package awarded to Core Construction 01/09/2014), Electrical Upgrades (Required for Technology Upgrade)	4,622	-
K. O. Knudson MS	LAN Upgrade, Classroom Technology, Expand ER/TR Rooms, Replace Fire Alarm, Replace Clock/Intercom System, Electrical Upgrades, Replace Intrusion Alarm System, Replace Security Camera System, Replace 2 Cooling Towers	845,033	-
Dell Robison MS	Replace Cooling Tower	37,400	-
Sandy Valley M/HS	Replace Temporary Gymnasium With New Gymnasium. Phase I of Phased Replacement.	4,812,932	-
Grant Sawyer MS	Replace HVAC System, Replace Fire Alarm, Replace Boilers	1,960,646	-
HIGH SCHOOLS			
Boulder City HS	Phase II of Phased Replacement (Classrooms & Admin)	\$ 13,400,000	\$ -
Clark HS	Emergency Replacement of Underground Piping for Fire Lane	255,000	-
Indian Springs MS/HS	Replace Security Camera System, Intercom/Clock System, Intrusion Alarm & Fire Alarm	239,878	-
LVAISPA	Low Voltage Upgrade	82,430	-
Rancho HS	Cooling Tower Replacement	12,390	-
Virgin Valley HS	Construct Gymnasium Addition	8,100,000	-
Virgin Valley HS	Bleachers Upgrade at Football Field	750,000	-
Virgin Valley HS	Concession Stand Upgrades to Ball Fields	150,000	-
NEW SCHOOLS FOR CAPACITY			
E. Galleria & Dave Wood Circle	Construct New Elementary School	\$ -	\$ 34,016,644
Chartan & Pioneer	Construct New Elementary School	-	36,638,936
Arville & Mesa Verde	Construct New Elementary School	-	34,659,675

CLARK COUNTY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 14 - COMMITMENTS AND CONTINGENCIES (continued)

1998 & 2015 CAPITAL IMPROVEMENT PLAN PROGRAMS			
School	Capital Project	1998 CIP PLAN	2015 CIP PLAN
NEW SCHOOLS FOR CAPACITY, CONT.			
Lamb & Kell Lane	Construct New Elementary School	\$ -	\$ 32,017,433
Antelope Ridge Drive	Construct New Elementary School	-	36,524,645
Maule & Grand Canyon	Construct New Elementary School	-	31,985,328
Dean Martin & I-15	Construct New Elementary School	-	12,051,300
Ford & Riley	Construct New Elementary School	-	12,028,800
Beltrada & Via Italia	Construct New Elementary School	-	12,060,000
Chapata & Casady Hollow	Construct New Elementary School	-	12,060,000
Farm & Jensen	Construct New Elementary School	-	12,031,555
Spencer & Pyle	Construct New Elementary School	-	12,060,000
OTHER			
Administrative		\$ 269,595	\$ 623,142
Land Acquisition	Maule & Grand Canyon	-	148,785
FUNDED PROJECTS IN PROGRESS TOTALS		\$ 61,243,386	\$ 353,652,727

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, 2016, are being assigned to carry over into 2017 for instructional supply appropriations, school bus appropriations, school carryover, 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.
- *City of Henderson RDA* – to restrict funds for redevelopment projects.
- *School technology* – to restrict funds for the acquisition of transportation and technology equipment.
- *School bus appropriations* – to restrict funds to cover commitments related to unfilled contracts for new buses.

Assigned to:

- *Instructional supply appropriations* – 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.

CLARK COUNTY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

- *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, including vacation accruals, from federal programs.

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.

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 (\$323) at five years of service and \$161 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 2016, the District contributed \$9,532,841 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 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 PEBP providing a service related contribution to a HRA equal to a base amount of \$12 per month per year of service (maximum of \$240 per month). Prior to this plan year, the base amount was \$11.

The Unfunded Actuarial Accrued Liability (UAAL) decreased by about 13.4% or \$ 22.8 million from the last valuation performed for fiscal year 2015, due in large part to reflecting updated actual experience data for fiscal year 2016.

In fiscal year 2016, the District's annual OPEB cost (expense) was \$10,870,616 for the PEBP. The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 and the preceding two years is as follows (see following page):

CLARK COUNTY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 16 - POST EMPLOYMENT HEALTHCARE PLAN (continued)

Fiscal Year Ended	Annual OPEB Cost (Projected Unit Credit Cost Method)	% of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2014	\$ 12,506,571	86%	\$ 34,470,928
6/30/2015	\$ 12,123,991	81%	\$ 36,827,845
6/30/2016	\$ 10,870,616	88%	\$ 38,165,620

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 PEBP:

	Fiscal 2016	Fiscal 2015	Fiscal 2014
Annual Required Contribution	\$ 12,520,386	\$ 13,468,127	\$ 13,781,443
Interest on net OPEB obligation	1,473,114	1,378,837	1,307,786
Adjustment to annual required contribution	(3,122,884)	(2,722,973)	(2,582,658)
Annual OPEB cost (expense)	10,870,616	12,123,991	12,506,571
Contributions made	(9,532,841)	(9,767,074)	(10,730,287)
Increase/(Decrease) in net OPEB obligation	1,337,775	2,356,917	1,776,284
Net OPEB obligation - beginning of the year	36,827,845	34,470,928	32,694,644
Net OPEB obligation - end of the year	<u>\$ 38,165,620</u>	<u>\$ 36,827,845</u>	<u>\$ 34,470,928</u>

Funded Status and Funding Progress. The District's most recent actuarial valuation was as of July 1, 2015 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 \$147,651,619 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. PEBP 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.

In the July 1, 2015 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 7% is used initially, reduced by decrements to an ultimate rate of 5% in 2023. 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, over time 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 dollar on an open basis over a period of approximately 16 years.

CLARK COUNTY SCHOOL DISTRICT**NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016****NOTE 17 - DONOR RESTRICTED ENDOWMENTS**

In 2016, Vegas PBS received an additional \$31,250 in donations to their term endowment bringing the total reserve balance to \$1,747,600. 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, 2016, there was \$720,115 of net appreciation recognized on these investments.

NOTE 18 - SUBSEQUENT EVENTS

On September 9, 2016, a plan to reorganize the Clark County School District (Nevada Assembly Bill No. 394) was approved by the Legislative Commission and adopted into the Nevada Administrative Code (NAC388G). The District will use the 2016-2017 school year to plan for the new regulation, with full implementation to be completed by the 2017-2018 school year. Please visit <http://ab394.ccsd.net> for additional information.