

Executive Summary

Budget Presentation

The **Comprehensive Annual Budget Report** is intended to provide a comprehensive disclosure of all budgetary matters impacting the District's financial plan. It is prepared in accordance with the professional best practices provided by the Government Finance Officers Association (GFOA) and Association of School Business Officials International (ASBO) budget preparation award programs for the benefit of the citizens and other users of its financial information.

The District's budgeted financial information is prepared and maintained using the modified accrual basis of accounting for all governmental funds and the accrual basis of accounting for all proprietary funds. These bases conform with generally accepted accounting principles (GAAP). Unencumbered appropriations are not carried forward into subsequent fiscal periods.

The **Comprehensive Annual Budget Report** conforms to recommended practices put forth by the ASBO's Meritorious Budget Award (MBA) program while maintaining its practices acceptable to the GFOA's Distinguished Budget Presentation Award program. This report is organized into an introductory, organizational, financial, and informational sections. Please reference the table of contents for indexed location of financial information.

Financial Reporting Entity

The **Comprehensive Annual Budget Report** includes 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 is not reported as a component unit by any other governmental unit. The District's boundaries are contiguous with Clark County, Nevada and encompass 8,012 square miles of the southern tip of the State.

Comprehensive educational services are provided to all resident students in grades kindergarten through twelfth. The District operates 357 schools and will serve an estimated 322,902 students during 2015-16.

Major Goals and Objectives

The District maintains its commitment to the vision set forth by the Board even through economic recessions and funding difficulties. That vision directs the superintendent to ensure: "All students progress in school and graduate prepared to succeed and contribute in a diverse global society." To achieve this vision, the Board sets forth four specific goals. These goals, also called "Ends," define expectations for students and are illustrated below:

1. Students meet State and federal guidelines as well as appropriate benchmarks for academic proficiency in all areas and all grade levels.
2. Students meet State and District guidelines in art, career and technical education, physical education and lifelong wellness.
3. Students demonstrate personal and workplace skills.
4. Students demonstrate positive character skills.

Academic achievement objectives drive the budget framework and financial management in order to support the board vision for our stakeholders and community.



Budget Process

Budgeting in the District is on a July 1 through June 30 fiscal year basis and is a year-round process. The cycle begins in the fall of the prior school year and continues until a final budget is filed with the Nevada Department of Education and the Nevada Department of Taxation in the spring of the following year. After the Average Daily Enrollment (ADE) is calculated for the first quarter of the fiscal year, the District is required to adopt an amended final budget on or before January 1, reflecting any adjustments necessary as a result of the Average Daily Enrollment.

The process of budget formulation involves a number of participants. Work Stream Chiefs, after reviewing their various budget needs, submit their requests for staffing, supplies, and equipment to the Budget Department. These requests are then summarized by the Budget Department, whose responsibility is to prepare a tentative budget for consideration by the superintendent and presentation to the Board for approval.

An amended budget may be approved by the Board in any year in which the legislature increases (or decreases) the revenues of a local government, if the increase (or decrease) was not included or anticipated in the local government's final budget as adopted. The 2015-16 Amended Final Budget was adopted by the Board on June 29, 2015. This *2015-16 Comprehensive Annual Budget Report* reflects the adopted amended final budget.

After the Board approved the amended final budget, it became the responsibility of the Budget Department to implement and monitor the budget. A system of budget allotments is established for each departmental unit (reference unit budgets in the General Operating Budget section). Daily review of transaction data is available with user access through network connections, which reflect appropriation levels, encumbrances, and year-to-date expenditures. This reporting system also enables the Budget Department to monitor all of the District's budgets on a regular basis and provides the necessary controls.

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 between programs or function classifications require approval of the Board.



Budget Policies and Organization

Resource management is guided and constrained by Board policies. These policies, as they relate to budget and finance, are established through Board regulations 3110 and 3130. These Board regulations set forth the authority and expectations to manage District resources based on established guidelines.

Additional guidelines are provided through performance measurements set in the negative. These performance measurements, as they relate to budget and finance, are communicated through Executive Limitations (EL). Executive Limitations communicate expectations for management by limiting the abilities of management to harm the organization through strategic planning and/or day to day operational decision making.

The accounting and budgeting policies of the District conform to the accounting principles and budgeting best practices for local districts as prescribed by the Nevada Department of Education and generally accepted accounting principles.

Basis of budgeting refers to when revenues and expenditures or expenses are recognized in the accounts and reported on the financial statements. Basis of budgeting relates to the timing of the measurement made, regardless of the measurement focus applied.

Funds included in the preparation of the fiscal year 2015-16 budget are reflected on the following page titled District Funds.

Governmental Accounting - Funds Overview

The District maintains 22 governmental funds that are used to account for all tax funded activities, including federal and State aid. Through the *current financial resources measurement focus* the following funds classifications are used to group District activities:

General Fund - This major governmental fund is the District's operating fund and is used to account for all financial transactions and expenditures associated with the administration and daily operations of the schools except for federal and State grant-funded programs, school construction, debt service, food service operations, and interdepartmental services.

Special Revenue Funds - the District maintains one major governmental and six non-major governmental special revenue funds. These funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Service Funds - The District operates two major debt service funds that are used to account for the accumulation of resources for, and the payment of, general long term debt principal and interest.

Capital Projects Funds - the District maintains three major governmental and three non-major governmental capital projects funds to account for all resources used exclusively for acquiring and improving school sites, constructing and equipping new school facilities, and renovations.

Proprietary Funds - These funds account for the District's business-type activities. The economic resources measurement focus is proprietary in nature relying on the determination of operating income, changes in net position, financial position and cash flows. There are two types of proprietary funds: enterprise and internal service funds.

There are three distinctions between enterprise and internal service funds: first, a fundamental difference between the customers serviced; second, the extent to which expenses are recovered through charges and fees; and thirdly, the application of private sector reporting requirements. The District maintains one enterprise fund and two internal service funds that provide for food services, risk management services and graphic arts services.

Financial Plan

The District's financial plan is developed within projected available resources and is presented by budget units within each fund. Total resources for all funds of the District, including beginning balances and other financing sources, are \$4.2 billion. Expenditures total \$3.6 billion, with ending balances for all funds combined totaling \$361 million. The amount of ending balances primarily reflects the expectation

District Funds

General Funds

0100 ¹	General Fund
0140 ¹	Indirect Cost Fund
0160 ¹	Donations And Trusts Fund
0170 ¹	District Projects Fund

Special Revenue Funds

0200 ²	Class Size Reduction Fund
0220	Vegas PBS Fund
0230	Adult High School Diploma Program Fund
0250 ¹	Special Education Fund
0279	State Grants/Projects Fund
0280	Federal Projects Fund
0285	Medicaid Fund

Debt Service Funds

0400 ¹	Debt Service Fund
0401 ¹	Debt Service Revenue Bonds Fund

Capital Projects Funds

0308 ¹	Bond Fund - 1998 Building Program
0315 ¹	Bond Fund - 2015 Capital Program
0330	Building And Sites Fund
0335 ¹	AB 353 Fund - 1998 Building Program
0340	Governmental Services Tax Fund
0370	Capital Replacement Fund

Enterprise Fund

0600	Food Services Fund
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Internal Service Funds

0700	Insurance And Risk Management Fund
0710	Graphic Arts Production Fund

(1) Major funds in the government-wide financial statements.

(2) The Class Size Reduction Fund (0200) has been included in the General Operating Fund for this Comprehensive Annual Budget Report.

that the District will have balances in the Capital Projects (\$185 million) and Debt Service Funds (\$27 million) attributed to the final stages and wind down of the District's 1998 Capital Improvement Program. The General Fund is the largest fund, and together with the Special Education and Class Size Reduction Funds, provides for the General Operating Fund and includes the budgets necessary to provide for the basic instruction of students and the day-to-day operational activities of the school system.

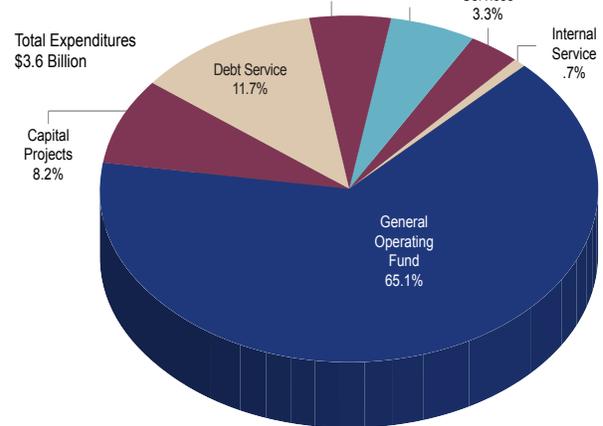
The amended final budget summary reflects a total decrease in ending fund balances of over \$176 million, or 32.8%. The General Operating Fund decrease of \$57 million, or 52.2%, is the result of a planned spend-down of the beginning fund balance's designation for future revenue shortfalls. The necessity for the spend-down is the impact of property tax collections resulting from an assessed valuation base that is projected to increase slightly but still significantly below 2008-09 amounts. The Capital Projects Funds decrease of \$117 million, or 38.7% is the spend-down of bond proceeds as the District completes its 1998 Capital Improvement Plan.

Districtwide Funds Analysis

Revenue Highlights: In addition to the discussion of the General Operating Fund revenues on page 14, all funds will experience slight increases in total revenues with the largest increase in the Special Revenue Fund. It is expected to increase over \$60 million from the increases in State funding.

Expenditure Highlights: Page 16 presents an overview of the General Operating Fund expenditures. Expenditures in the Capital Projects Funds will increase by over \$208 million from the new school construction to relieve crowded classrooms.

Expenditures - All Funds
Fiscal Year 2015-16
Amended Final Budget



Source: CCSD Budget Department

All District Funds - Amended Final Budget Summary

Statement of Revenues, Expenditures, and Changes in Fund Balance Fiscal Year 2015-16

Description	General Operating Funds	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Proprietary Funds ¹	Total All Funds
Revenues:						
Local sources	\$1,466,776,000	\$11,703,486	\$325,525,000	\$135,915,000	\$37,225,000	\$1,977,144,486
State sources	808,025,000	181,472,000			450,000	989,947,000
Federal sources	300,000	206,565,000		5,631,000	104,000,000	316,496,000
Total revenues	2,275,101,000	399,740,486	325,525,000	141,546,000	141,675,000	3,283,587,486
Expenditures:						
Salaries	1,449,688,519	222,764,152		9,355,000	32,391,143	1,714,198,814
Employee fringe benefits	620,249,984	79,402,824		3,383,500	12,548,379	715,584,687
Purchased services	93,074,165	36,871,701		247,314,000	12,873,170	390,133,036
Supplies	157,095,376	46,107,350		8,000,000	70,197,100	281,399,826
Property and equipment	39,033,750	4,200,000		28,600,000	100,000	71,933,750
Other expenditures	7,978,206	11,242,500		147,500	14,427,727	33,795,933
Depreciation					1,865,000	1,865,000
Debt service			426,533,532			426,533,532
Total expenditures	2,367,120,000	400,588,527	426,533,532	296,800,000	144,402,519	3,635,444,578
Excess (deficiency) of revenues over expenditures	(92,019,000)	(848,041)	(101,008,532)	(155,254,000)	(2,727,519)	(351,857,092)
Other sources (uses):						
Gain on disposal of assets	100,000					100,000
Sale of bonds	34,500,000					34,500,000
Proceeds of refunding bonds			238,695,000			238,695,000
Payment to escrow agent			(237,629,560)			(237,629,560)
Loan proceeds				140,000,000		140,000,000
Transfers from other funds	313,400,000		101,887,000	25,000,000		440,287,000
Transfers to other funds	(313,400,000)	-	-	(126,887,000)	-	(440,287,000)
Total sources (uses)	34,600,000	-	102,952,440	38,113,000	-	175,665,440
Fund balances, July 1	110,000,000	16,945,772	25,702,000	302,366,000	82,646,644	537,660,416
Fund balances, June 30	\$52,581,000	\$16,097,731	\$27,645,908	\$185,225,000	\$79,919,125	\$361,468,764
Percent increase (decrease)	(52.2%)	(5.0%)	7.6%	(38.7%)	(3.3%)	(32.8%)

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

Source: CCSD Budget Department

All District Funds - Amended Final Budget Analysis For Fiscal Years 2013-14 Through 2015-16

Description	Actual 2013-14	Estimated 2014-15	Amended Final Budget 2015-16	FY 2014-15 vs. FY 2015-16	
				\$ Change	% Change
Revenues:					
Local sources	\$1,777,948,030	\$1,871,442,956	\$1,977,144,486	\$105,701,530	5.6%
State sources	954,825,215	968,499,719	989,947,000	21,447,281	2.2
Federal sources	282,628,927	317,170,959	316,496,000	(674,959)	(0.2)
Total revenues	3,015,402,172	3,157,113,634	3,283,587,486	126,473,852	4.2
Expenditures:					
Salaries	1,542,643,973	1,611,989,449	1,714,198,814	102,209,365	6.3
Employee fringe benefits	611,620,143	639,204,786	715,584,687	76,379,901	11.9
Purchased services	142,620,084	154,104,610	390,133,036	236,028,426	153.2
Supplies	268,502,004	279,973,850	281,399,826	1,425,976	0.5
Property and equipment	32,490,506	38,716,000	71,933,750	33,217,750	85.8
Other expenditures	23,591,793	26,373,000	33,795,933	7,422,933	28.1
Depreciation	1,561,004	1,865,000	1,865,000	-	0.0
Debt service	492,217,158	455,875,000	426,533,532	(29,341,468)	(6.4)
Total expenditures	3,115,246,665	3,208,101,695	3,635,444,578	427,342,883	13.7
Excess (deficiency) of revenues over expenditures	(99,844,493)	(50,988,061)	(351,857,092)	(300,869,031)	(590.1)
Other financing sources (uses):					
Gain on disposal of assets		100,000	100,000	-	-
Sale of bonds	34,431,637		34,500,000	34,500,000	100
Proceeds of refunding bonds	325,043,523	436,207,000	238,695,000	(197,512,000)	(45.3)
Payment to escrow agent	(324,872,718)	(435,127,000)	(237,629,560)	197,497,440	(45.4)
Loan proceeds			140,000,000	140,000,000	100
Interfund transfers in	421,174,065	432,475,000	440,287,000	7,812,000	1.8
Interfund transfers (out)	(421,174,064)	(432,245,000)	(440,287,000)	(8,042,000)	1.9
Total other financing sources	34,602,443	1,410,000	175,665,440	174,255,440	123.6
Fund balances - July 1	652,480,527	587,238,477	537,660,416	(49,578,061)	(8.4)
Fund balances - June 30	\$587,238,477	\$537,660,416	\$361,468,764	\$(176,191,652)	(32.8)

Source: CCSD Budget and Accounting Departments

The General Operating Budget - General and Special Education Funds Combined

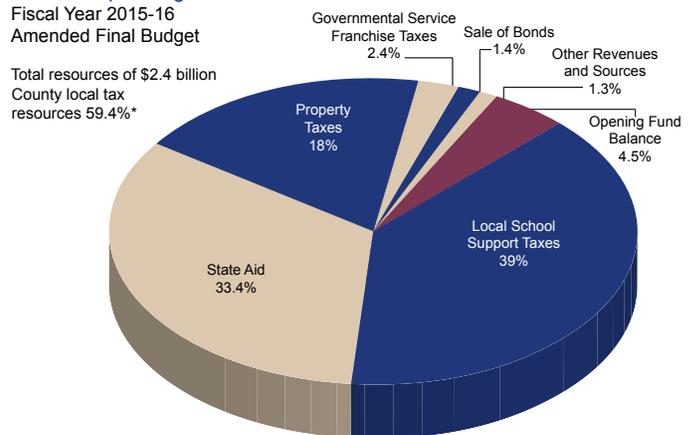
Revenues - During fiscal year 2015-16, it is anticipated that General Operating Fund revenues, excluding opening balances, will increase by 1.1% compared to last year's increase of 3.0%. The largest factor contributing to the net change in financial resources is the increase to the student weighted average enrollment, which is projected to grow by 4,000 to over 311,000.

Projected General Operating Fund resources of \$2.4 billion, including revenues, bond proceeds, and beginning balances, and expenditures of more than \$2.4 billion generally reflect the continuation of current service levels and implementation of budgetary reductions and cost saving measures within projected revenues and provide for a projected ending balance of \$52.6 million with no reserve for contingencies.

Local sources are projected to total \$1.5 billion, or 60.6% of the General Operating Fund, while State funding is projected to total \$808 million, or 33.4% of total revenues. Federal

General Operating Fund Resources

Fiscal Year 2015-16
Amended Final Budget



*County taxes include: Local School Support Taxes (Sales Tax), Property Taxes, Governmental Service Taxes, Franchise Taxes and other county taxes.

Source: CCSD Budget Department

General Operating Fund - History Of Resources

For Fiscal Years 2006-07 Through 2015-16

Year	County Taxes	% of Total	State Sources	% of Total	Federal Sources	% of Total	Other Sources	% of Total	Opening Balances	% of Total	Total Resources
2006-07	1,274,438,078	61.5	623,907,426	30.1	86,952	-	31,249,572	1.5	143,564,533	6.9	2,073,246,561
2007-08	1,304,601,148	57.9	744,247,587	33.0	547,130	-	49,088,717	2.2	155,623,283	6.9	2,254,107,865
2008-09	1,263,951,844	54.5	781,792,314	33.7	82,265,377 ²	3.6	28,162,582	1.2	163,474,529	7.0	2,319,646,646
2009-10	1,300,965,604	56.4	802,013,854	34.8	303,570	-	37,174,021	1.6	167,310,793	7.2	2,307,767,842
2010-11	1,206,926,415	54.0	797,169,570	35.6	337,954	-	88,290,574	3.9	145,055,694	6.5	2,237,780,207
2011-12	1,222,078,785	56.4	795,306,492	36.7	839,281	-	51,342,101	2.4	96,620,752	4.5	2,166,187,411
2012-13	1,238,522,974	57.1	802,484,056	37.0	374,155	-	49,660,847	2.3	76,982,721	3.6	2,168,024,753
2013-14	1,315,385,464	56.1	874,383,753	37.3	237,429	-	60,363,976	2.6	92,596,487	4.0	2,342,967,109
2014-15 ¹	1,381,637,431	57.4	867,343,000	36.1	300,000	-	36,100,000	1.5	119,902,569	5.0	2,405,283,000
2015-16 ¹	1,466,776,000	60.6	808,025,000	33.4	300,000	-	34,600,000 ³	1.4	110,000,000	4.6	2,419,701,000

¹ Projected amounts

² Includes \$82,239,829 from the American Recovery and Reinvestment Act

³ Includes \$34,500,000 in sale of medium-term bonds

Source: CCSD Budget and Accounting Departments

revenues from claims for Medicaid administration, Impact Aid, and the National Forest Service are estimated to total \$300 thousand. Other resource components of \$34.6 million are the sale of \$34.5 million in medium-term financing bonds and the projected beginning fund balance is \$110 million. The opening fund balance component reflects the General Fund's estimated 2014-15 ending fund balance and is subject to change based on the verification of the annual financial audit to be completed in October.

Expenditures - Expenditure appropriations are more than \$2.4 billion to fund the District's strategic priorities and reflect the intent to address and accomplish the Board's strategic imperatives directed at improving student achievement with a major focus on classroom instruction. Total expenditure allocations are projected to increase by almost \$49 million and will provide support and are aligned with budgetary priorities established by the Board of Trustees.

Tax Base and Rate Trends

The taxable assessed valuation is expected to increase slightly by \$6.4 billion, or 10.1%, to \$69.3 billion in the fiscal year 2016. General Operating Fund property tax collections are projected to grow by \$20 million to \$435 million and Debt Service Fund collections by \$18.8 million to \$760 million, while maintaining the prior year's total tax levy ratio of .013034.

Projections - Looking Forward

Distributive School Account (DSA) funding is a significant component (78.4%) of the General Operating Fund revenues and is mostly determined by the biennial Nevada State Legislature. Key funding elements involve LSST (sales) taxes and property tax collections based upon fluctuating local property valuations. It is highly likely that the revenue projections below could vary somewhat. Expenditures for salaries and benefits could also fluctuate based upon final agreements from the ongoing negotiations with each of the employee unions.

General Operating Fund - Projected Budgets

For Fiscal Years 2015-16 Through 2018-19

Description	2015-16 Budget	2016-17 Projected	2017-18 Projected	2018-19 Projected	Projected Growth Rate
Revenues	\$2,275,101,000	\$2,415,300,000	\$2,476,300,000	\$2,536,500,000	2.4%
Expenditures	2,367,120,000	2,405,000,000	2,460,000,000	2,520,000,000	2.4%
Deficiency of revenues over expenditures	(92,019,000)	10,300,000	16,300,000	16,500,000	
Other sources and (uses)	34,600,000	(9,800,000)	(9,800,000)	(9,800,000)	
Opening fund balance - July 1	110,000,000	52,581,000	53,081,000	59,581,000	
Ending fund balance - June 30	\$52,581,000	\$53,081,000	\$59,581,000	\$66,281,000	
Fund Balance:					
Nonspendable	\$5,000,000	\$3,500,000	\$3,000,000	\$3,000,000	
Restricted	10,000	10,000	10,000	150,000	
Assigned	9,732,000	10,000,000	9,000,000	7,000,000	
Unassigned	37,839,000	39,571,000	47,571,000	56,131,000	
Total Fund Balance	\$52,581,000	\$53,081,000	\$59,581,000	\$66,281,000	

General Operating Fund - Major Expenditure Areas For Fiscal Years 2011-12 Through 2015-16

Description	Actual 2011-12	Actual 2012-13	Actual 2013-14	Estimated Actual 2014-15	Amended Final Budget 2015-16	Percentage Change
Salaries and benefits:						
Licensed salaries	\$922,083,588	\$892,183,845	\$925,020,661	\$939,417,275	\$974,889,962	3.8%
Licensed benefits	335,619,054	349,344,190	370,024,376	381,447,279	417,107,175	9.3%
Total licensed staff	1,257,702,642	1,241,528,035	1,295,045,037	1,320,864,553	1,391,997,137	5.4%
Support salaries	331,940,950	309,169,598	319,898,195	332,597,941	343,932,680	3.4%
Support benefits	118,536,055	121,325,691	127,959,045	135,050,294	147,151,775	9.0%
Total support staff	450,477,005	430,495,289	447,857,240	467,648,234	491,084,455	5.0%
Administrative salaries	102,365,986	104,384,508	110,706,851	116,733,844	119,685,081	2.5%
Administrative benefits	37,931,537	40,967,117	44,282,660	47,399,391	51,207,325	8.0%
Total administrative staff	140,297,523	145,351,625	154,989,511	164,133,235	170,892,406	4.1%
Police salaries	11,667,097	10,719,320	10,768,288	10,924,941	11,180,796	2.3%
Police benefits	4,741,442	4,185,342	4,307,307	4,436,037	4,783,709	7.8%
Total police staff	16,408,539	14,904,662	15,075,596	15,360,978	15,964,505	3.9%
Total salaries and benefits	1,864,885,709	1,832,279,611	1,912,967,384	1,968,007,000	2,069,938,503	5.2%
Services and materials:						
Instructional materials	55,345,587	60,163,129	76,595,955	80,064,380	65,705,628	(17.9)%
Transportation	19,558,789	34,824,480	43,119,724	54,538,677	53,990,331	(1.0)%
Utilities, postage, property liability	77,798,990	83,154,100	84,618,104	82,765,950	85,563,233	3.4%
Other expenditures	69,365,034	60,189,830	74,921,562	69,256,993	91,922,305	32.7%
Total expenditures	\$2,086,954,109	\$2,070,611,150	\$2,192,222,729	\$2,254,633,000	\$2,367,120,000	5.0%
Expenditures per student	\$7,011	\$6,900	\$7,223	\$7,348	\$7,601	3.4%

Source: CCSD Budget and Accounting Departments

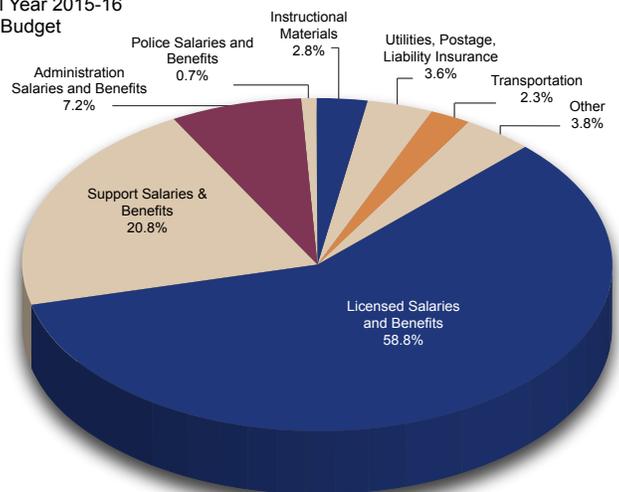
Future LSST and property tax collection projections are based upon a conservative vision for a local economy that has not reflected a measurable return to pre-2009 levels of growth. Expenditure projections were determined through a conservative historical trending that assumes no cost of living increases to employee salary schedules and contained expenditure appropriations to arrive at a nominal ending fund balance.

District Staffing and Resource Allocation

Over 90% of General Operating Fund positions are allocated at school site locations where it is deemed essential towards fulfillment of Board goals and objectives. District salaries and benefits represent 87.5% of total expenditures while purchased service expenditures have been constrained within the confines of the available financial resources that continually challenge the Board's ability to address new initiatives and realize its vision statement. While the State's DSA revenue source decreased, an increase in categorical funding for new programs from the 2015 legislative session along with an increase to the student enrollment, the District was able to increase staffing by over 606 positions.

General Operating Fund - Expenditures

Fiscal Year 2015-16
Final Budget



Based on total appropriations of \$2.366 billion.
Source: CCSD Budget Department

2015-16 District salaries and benefits equal 87.5% of total expenditures

Debt Service Funds

The Debt Service Funds budgeted revenues are projected to total \$325.5 million using a continued tax rate of 55.34 cents per \$100 of taxable property in Clark County. Statutory debt capacity is established by Nevada Statutes and is approved annually by the Board and filed with the Nevada Department of Taxation and the Clark County Debt Management Commission. The Statutory Debt Limitation Schedule shown in the Other Funds Section reveals that, notwithstanding the District's significant capital programs, outstanding debt is only 23.9% of statutory limits based upon the Department of Taxation's estimate of assessed valuation.

Balances in the District's Debt Service Funds are restricted by statute only for debt service and reflect the fluctuations in property valuations in Clark County during the past decade. These balances, being restricted from other use, provide both a margin of security for the District's school construction bonds and the opportunity to support substantial increases in bonded debt while maintaining stability in property tax rates.

Maintenance of the current property tax rate will be sufficient through fiscal 2016 to retire the existing bonded debt since the District issued previous bonds based upon the factors of growth in assessed valuation in addition to increases in student population. The Capital Improvement Program provided authority to issue general obligation bonds until June 2008 and will be repaid from a fixed tax rate of 55.34 cents per \$100 of net taxable property. School districts in the State receive operational funding on a per student basis, which recognizes growth in enrollment. This funding is the basis for offsetting costs (school site staffing, additional instructional materials, utilities, etc.) to the General Operating Fund associated with the acquisition of new school facilities.

Capital Projects Funds

The District has previously been ranked as one of the fastest growing school districts in the nation. Total enrollment increased by over 31,000 students since 2006, or an increase of over 10%. Prior growth in enrollment required the construction of 101 new, 13 replacement, and 6 phased replacement schools financed through the proactive Capital Improvement Program approved by voters in 1998. The

Summary of Debt Service

As of July 1, 2015

Fiscal Year	Principal	Interest	Total Requirements
2016	\$265,825,000	\$128,521,350	\$394,346,350
2017	279,230,000	110,756,490	389,986,490
2018	293,620,000	96,850,890	390,470,890
2019	290,055,000	82,495,040	372,550,040
2020	214,245,000	68,186,690	282,431,690
2021-25	939,155,000	191,107,051	1,130,262,051
2026-28	266,760,000	21,333,825	288,093,825
Totals	\$2,548,890,000	\$699,251,336	\$3,248,141,336

Source: Schedule of Debt Repayment as of 6/30/15

Capital Projects Funds budget includes revenues of \$282 million, including proceeds of \$140 million and an increase of the opening fund balance of \$13 million, to fund expenditure appropriations in the amount of \$297 million and transfers to other funds totaling \$127 million. This budget outlines the District's final stages for the capital improvements that are to be funded from the proceeds of the 1998 and 2015 bond program described in the Other Funds Section.

Capital Improvement Plan For Fiscal Year 2015-16

Descriptions	FY 2015-16
1998 Capital Improvement Program:	
New Construction:	
Replacement/Phased Replacement Schools	\$14,500,000
Additions to Existing Schools	32,500,000
Rehab/Modernization	48,000,000
Fund Total	95,000,000
2015 Capital Improvement Program	
Land Acquisition/Land Improvements:	30,000,000
New Construction:	
New Schools	27,840,000
Replacement Schools	9,380,000
Additions for Capacity	11,425,000
Rehab/Modernization	46,355,000
Fund Total	125,000,000
Building and Sites	
Land Acquisition:	-
Site Improvements:	1,000,000
Fund Total	1,000,000
Governmental Services Tax	
New Construction:	
Other Buildings	-
Rehab/Modernization:	43,300,000
Purchase Portable Classrooms	2,000,000
Relocate Portable Classrooms	5,500,000
Fund Total	50,800,000
Capital Replacement Fund	
Rehab/Modernization:	
Fund Total	25,000,000
Total All Capital Funds	\$ 296,800,000

Source: CCSD Facilities and Bond Financial Management



Other Funds

Special Revenue Funds, Internal Service Funds, and the Enterprise Fund comprise a small percentage of the total budget and are discussed in more detail in the Other Funds Section.



Fiscal Year 2015-16 Budget Development Considerations

Planning for the fiscal 2016 budget began in October 2014. Budget calendars shown in the Budget Policy Section reveal the input and discussion received from all levels of the District. In addition to input from District administrators, work sessions were conducted throughout the year with the Board of School Trustees and the public to determine priorities, strategic imperatives, and focus areas to operate within a balanced budget.

Benchmarks for contingency and General Fund ending balances are specified in Clark County School District Regulation 3110. Due to limited funding resources, and in order to achieve a balanced budget, the Board of School Trustees (since 2010) has been forced to temporarily suspend the regulation that seeks an unassigned ending fund balance that is equal to approximately 2% of revenues. The fiscal 2016 budget projects an unassigned ending fund balance of 1.75% of revenues with no reserve for contingencies. The desired plan is to annually increase the unassigned balance incrementally by .25% until the benchmark is reached in 2017.

Employee salary and fringe benefits represent over 88% of total expenditure appropriations and are projected to increase by almost \$32 million. No cost of living increases have been added to existing salary schedules for 2015-16. Employee group health insurance premiums are unchanged with no increases forecast. Should provider premiums increase subsequently, contract negotiations with employee association groups may be necessary to operate within a balanced budget.

Legislation was enacted in 2005 to provide partial abatement of ad valorem taxes to provide relief from escalating assessments resulting from previous increases to the market values of real property in Clark County. The cap limits each property's tax increase to no more than 3% above that assessed during the prior year on all single-family, owner-occupied residences. All other real property categories are limited to an increase in tax of no more than 8%. Assessed valuations in the County are anticipated to increase by 10.6%.

Economic Environment in Southern Nevada

Southern Nevada's commitment to diversification in the business sector and a favorable tax base has made it an ideal area for relocation and business expansion. Nevada does not impose corporate or personal income taxes, or inventory, special intangible, inheritance, estate, or gift taxes. Nevada continues to maintain one of the most beneficial tax structures for both personal as well as business growth. Las Vegas' offerings and infrastructure continue to affirm the desirability of living within this metropolitan area.

Situated in one of the nation's fastest growing areas, the District has been previously challenged by an associated growth in student enrollment. Over 25 years ago, the District was ranked by the Educational Research Service as the 18th largest school district in the country. The District currently ranks as the fifth largest. The projected enrollment count for 2015-16 is 322,902, as compared to 317,759 last year, or an increase of 1.0%. The population of Clark County increased by over 39,900 residents (1.9%) during 2014, with the current population estimated to be over 2,102,200.

Las Vegas joined the classification of "major city" only during the last fifteen years. As a result, there are fewer older neighborhoods than in most other major cities, and the popular concept of master planned communities has become more desirable in residential planning. These communities are planned with a variety of amenities, including parks, schools, churches, libraries, and shopping. Some of the nation's most successful master planned communities are located in southern Nevada.

Tourism and gaming jointly remain southern Nevada's largest industry and somewhat cushion the effects from the substantial decline in the new housing construction market. Las Vegas is home to the largest 15 hotels in the nation. With a room inventory of over 150,000, an occupancy rate that increased slightly during 2014 to 86.8%, and a visitor volume of over 41 million, southern Nevada received an economic impact benefit of over \$40 billion from the tourism industry.

Enrollment

During the past decade, the District has added more than 20,000 students creating a strain on facilities and service levels. Since 2012, the District has returned to being among the fastest growing school districts in the nation. The slow economic upturn should be a positive impact on the District's future funding resources. The upward enrollment trends demand that the District utilize flexible, realistic methods of projection.

It is anticipated that total enrollment will consistently increase on an annual basis over the foreseeable future. New strategic imperatives and academic initiatives are directed at retention and improving student achievement. The chart below reflects expectations and projections for going forward into subsequent school years:

District Organization Plan

The District has structured its central administrative services to provide more mission-driven guidance and support to direct more focus on improving student achievement into 16 performance zones. All schools in each of these zones were vertically aligned, forming a cluster around a high school feeder school pattern. Although they were clustered by academic performances, they tended to cluster geographically.

Summary Of District Enrollment

For Fiscal Years 2006-07 Through 2018-19

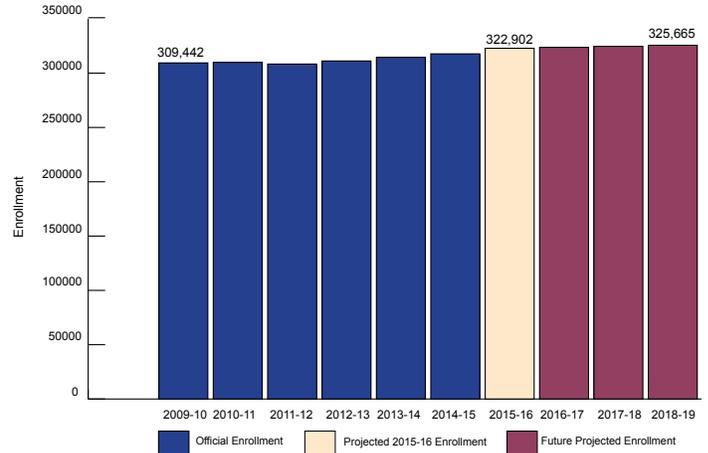
Year	4th Week Full Enrollment ¹	Percent Increase	Weighted Enrollment ²	Percent Increase
2006-07	302,547	3.85 %	292,489.6	3.85 %
2007-08	308,745	2.05 %	298,551.6	2.07 %
2008-09	311,221	0.80 %	300,817.0	0.76 %
2009-10	309,442	(0.57)%	299,058.6	(0.58)%
2010-11	309,899	0.15 %	299,325.2	0.09 %
2011-12	308,377	(0.49)%	297,659.2	(0.56)%
2012-13	311,218	0.92 %	300,081.8	0.81 %
2013-14	314,598	1.09 %	303,447.2	1.12 %
2014-15	317,759	1.00 %	306,831.8	1.12 %
2015-16 (Est)	322,902	1.62 %	311,441.6	1.50 %
2016-17 (Proj)	323,744	0.26 %	312,375.2	0.30 %
2017-18 (Proj)	324,665	0.28 %	313,386.7	0.32 %
2018-19 (Proj)	325,665	0.31 %	314,477.1	0.35 %

⁽¹⁾4th Week - This is the number of students enrolled on the Friday of the fourth week of school. This enrollment figure is unweighted and includes students from other districts receiving an education in the district as reported on the Amended Final Budget.

⁽²⁾4th Week Weighted - This is the number of students enrolled on the Friday of the fourth week of school with Kindergarten and Pre-K students counted as .6 per student. The weighted enrollment figure excludes students from other districts receiving an education in the district as reported on the Amended Final Budget.

Source: CCSD Demographics and Zoning

Official Enrollment And Projected Growth
Fiscal Years 2010-2019



Each performance zone includes an average between 10 and 27 schools. Where lower-performing schools faced greater challenges, fewer schools were included in the zone. Those schools receive more oversight and less autonomy. Benefits such as having the first opportunity to hire new talent or tap professional development funds are granted to schools in higher-need zones. Schools in a higher-performing zone receive less oversight and more autonomy.

Need for Future Classrooms

In November 1998, voters approved a freeze of property tax rates for long-term bonding for school construction. This approval enabled the District to issue general obligation bonds through 2008, which resulted in no increase to the existing property tax debt levy. In the 2015 Legislative Session, Senate Bills 119 (SB119) and 207 (SB207), authorized the District to begin to issue general obligation bonds until 2025, while maintaining the current tax levy of .5334. Funding for school construction is also provided from portions of the hotel room tax and the real property transfer tax. In fiscal 2016, a total of 22 elementary schools adopted a year-round school schedule to alleviate overcrowding. In the near future, it is anticipated that numerous schools will also be forced to address the impacts of enrollments in excess of their housing capacities.

The 1998 Capital Improvement Program provided proceeds of \$4.9 billion for:

- Construction of 101 new schools - 61 elementary, 22 middle, 16 high schools (including 5 career and technical academies), 1 alternative high school, and 1 special school - at a cost of \$2.919 billion
- Renovations to existing schools, including phased replacements, additions, modernizations, lifecycle replacement, and life and safety upgrades at a cost of \$1.311 billion
- Construction of 13 replacement schools, including 10 mandated by the Nevada Legislature, at a cost of \$404 million
- Land acquisition funding for future school sites in the amount of \$212 million
- Construction of two regional bus transportation centers at a cost of \$61 million



Student Achievement

The District is committed to its pursuit of the goal to focus on every student in every classroom, without exceptions, without excuses. This becomes more difficult given the reality that a significant segment of the student body brings with them a variety of challenges, including poverty and limited English language skills. During fiscal 2015, more than 61% of the District's enrollment (approximately 199,000 students) qualified for free or reduced-price meal and over 58,000 students come to school every day with little or no English skills.

The effects of these student demographics and continual limited funding issues currently facing the District are major factors in the explanation that SAT scores are slightly below those of students nationwide.

School Accountability

Nevada Revised Statutes require each school district to provide school accountability information to both residents of the district and to the State Board of Education by March

31 of each year. Due to the size of the District, much of this information is not repeated in this **Comprehensive Annual Budget Report**.

A four-page report is produced for each school and sent to parents of students within the school, as well as made available to the general public and the State Board of Education. These reports include the educational goals and objectives of each school and the progress towards meeting these goals. Statistical information is included such as test scores; drop-out/retention rates; enrollment distribution by programs such as special education, English language learners, gifted and talented, etc.; education level and experience of teachers; and expenditure per student comparisons. Information on parental involvement and "celebrations" recognized by the school in the past year are also included.

School accountability information may also be obtained by accessing the District's website at www.ccsd.net.

