



# Financial Section

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## Financial Section

### District Funds - Summary

The presentation of all District funds gives a unique perspective into the cumulative financial position of the school district. The All District Funds Final Budget Summary illustrates the District-wide budgeted revenues, appropriations, and changes in fund balance for the fiscal year 2018-19. The District's budgeted change in ending fund balance for all funds represents a 24.5% decrease due to continued appropriations related to the 2015 Capital Improvement plan. The percentage decrease illustration on page Fin-4 details the change from estimated ending fund balances for fiscal year 2017-18 and budgeted ending fund balances for fiscal year 2018-19.



### All District Funds - Final Budget Summary

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

#### Fiscal Year 2018-19

Description	General Operating Funds	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Proprietary Funds <sup>1</sup>	Total All Funds
<b>Revenues:</b>						
Local sources	\$1,587,588,000	\$11,219,182	\$370,025,000	\$169,096,600	\$39,765,000	\$2,177,693,782
State sources	769,620,000	285,308,096	-	-	475,000	1,055,403,096
Federal sources	1,600,000	204,054,510	-	5,650,000	136,047,519	347,352,029
<b>Total revenues</b>	<b>2,358,808,000</b>	<b>500,581,788</b>	<b>370,025,000</b>	<b>174,746,600</b>	<b>176,287,519</b>	<b>3,580,448,907</b>
<b>Expenditures:</b>						
Salaries	1,476,242,941	270,496,551	-	14,640,500	34,419,588	1,795,799,580
Employee fringe benefits	639,856,135	117,365,725	-	5,791,500	12,666,420	775,679,780
Purchased services	89,922,281	49,307,128	-	626,613,000	11,615,200	777,457,609
Supplies	144,490,710	54,352,924	-	45,020,000	101,455,750	345,319,384
Property and equipment	57,105,813	1,632,884	-	25,000,000	-	83,738,697
Other expenditures	3,971,431	11,741,585	-	735,000	20,164,100	36,612,116
Depreciation	-	-	-	-	1,825,000	1,825,000
Debt service	-	-	423,543,865	-	-	423,543,865
<b>Total expenditures</b>	<b>2,411,589,311</b>	<b>504,896,797</b>	<b>423,543,865</b>	<b>717,800,000</b>	<b>182,146,058</b>	<b>4,239,976,031</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(52,781,311)</b>	<b>(4,315,009)</b>	<b>(53,518,865)</b>	<b>(543,053,400)</b>	<b>(5,858,539)</b>	<b>(659,527,124)</b>
<b>Other sources (uses):</b>						
Gain on disposal of assets	-	-	-	-	-	-
Sale of bonds	36,975,000	-	-	400,000,000	-	436,975,000
Proceeds of refunding bonds	-	-	-	-	-	-
Payment to escrow agent	-	-	-	-	-	-
Loan proceeds	-	-	-	-	-	-
Transfers from other funds	332,944,295	-	94,415,915	-	-	427,360,210
Transfers to other funds	(332,944,295)	-	-	(94,415,915)	-	(427,360,210)
<b>Total other sources (uses)</b>	<b>36,975,000</b>	<b>-</b>	<b>94,415,915</b>	<b>305,584,085</b>	<b>-</b>	<b>436,975,000</b>
<b>Fund balances, July 1</b>	<b>61,335,311</b>	<b>12,184,032</b>	<b>71,489,675</b>	<b>702,687,331</b>	<b>62,287,765</b>	<b>909,984,114</b>
<b>Fund balances, June 30</b>	<b>\$45,529,000</b>	<b>\$7,869,023</b>	<b>\$112,386,725</b>	<b>\$465,218,016</b>	<b>\$56,429,226</b>	<b>\$687,431,990</b>
<b>Percent increase (decrease)</b>	<b>(25.8%)</b>	<b>(35.4%)</b>	<b>57.2%</b>	<b>(33.8%)</b>	<b>(9.4%)</b>	<b>(24.5%)</b>

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

Source: CCSD Budget Department

## All District Funds - Final Budget Analysis For Fiscal Years 2016-17 through 2018-19

Description	Actual 2016-17	Estimated 2017-18	Final Budget 2018-19	FY 2017-18 vs. FY 2018-19 \$ Change	% Change
<b>Revenues:</b>					
Local sources	\$2,028,042,850	\$2,110,384,685	\$2,177,693,782	\$67,309,097	3.2%
State sources	1,002,357,004	1,024,665,685	1,055,403,096	30,737,411	3.0%
Federal sources	316,094,995	339,842,275	347,352,029	7,509,754	2.2%
<b>Total revenues</b>	<b>3,346,494,849</b>	<b>3,474,892,645</b>	<b>3,580,448,907</b>	<b>105,556,262</b>	<b>3.0%</b>
<b>Expenditures:</b>					
Salaries	1,733,616,684	1,749,157,844	1,795,799,580	(46,641,736)	(2.7%)
Employee fringe benefits	711,811,443	728,804,389	775,679,780	(46,875,391)	(6.4%)
Purchased services	464,784,103	459,725,455	777,457,609	(317,732,154)	(69.1%)
Supplies	296,122,699	291,857,871	345,319,384	(53,461,513)	(18.3%)
Property and equipment	15,538,425	43,875,577	83,738,697	(39,863,120)	(90.9%)
Other expenditures	41,758,548	39,575,581	36,612,116	2,963,465	7.5%
Depreciation	1,663,980	2,205,000	1,825,000	380,000	17.2%
Debt service	423,493,571	431,645,538	423,543,865	8,101,673	1.9%
<b>Total expenditures</b>	<b>3,688,789,453</b>	<b>3,746,847,255</b>	<b>4,239,976,031</b>	<b>(493,128,776)</b>	<b>(13.2%)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(342,294,604)</b>	<b>(271,954,610)</b>	<b>(659,527,124)</b>	<b>(387,572,514)</b>	<b>(142.5%)</b>
<b>Other financing sources (uses):</b>					
Gain on disposal of assets	-	1,085,778	-	(1,085,778)	(100.0%)
Sale of bonds	239,600,937	453,770,437	436,975,000	(16,795,437)	(3.7%)
Proceeds of refunding bonds	713,305,918	102,838,989	-	(102,838,989)	(100.0%)
Payment to escrow agent	(710,193,736)	(102,558,924)	-	102,558,924	(100.0%)
Loan proceeds	-	-	-	-	-
Prior period restatement (GASB 68)	-	-	-	-	-
Interfund transfers in	443,003,166	420,026,994	427,360,210	7,333,216	1.7%
Interfund transfers (out)	(443,003,166)	(420,026,994)	(427,360,210)	(7,333,216)	(1.7%)
<b>Total other financing sources</b>	<b>242,713,119</b>	<b>455,136,280</b>	<b>436,975,000</b>	<b>(18,161,280)</b>	<b>(4.0%)</b>
<b>Fund balances - July 1</b>	<b>826,383,930</b>	<b>726,802,445</b>	<b>909,984,115</b>	<b>183,181,670</b>	<b>25.2%</b>
<b>Fund balances - June 30</b>	<b>\$726,802,444</b>	<b>\$909,984,115</b>	<b>\$687,431,991</b>	<b>(\$222,552,124)</b>	<b>(24.5%)</b>

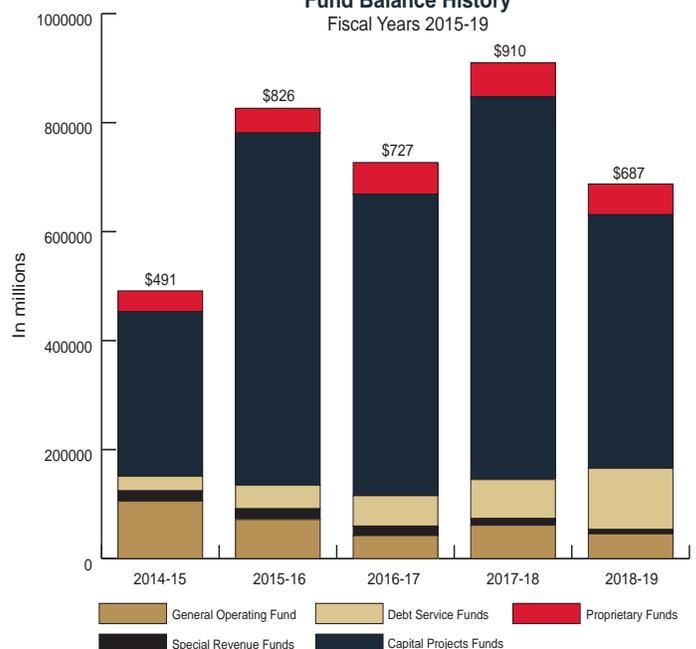
Source: CCSD Budget and Accounting Departments

### District Funds - Ending Fund Balances

Measuring the fiscal solvency of a governmental entity can be performed using several methods. Analyzing the ending fund balance over multiple years produces a measurement that more likely reflects an entity's financial condition. Although scrutiny and the interpretation of financial condition may be construed differently for each user of the financial statement, financial condition is relative to local board policies, the economic vitality of the local taxpayer base, and crucial funding support from the Nevada Legislature. The District's Funds - Summary of Ending Fund Balances illustrates the District's reserves in conjunction with Board of Trustees policies over multiple fiscal years.

The District effectively employs a "balanced budget" methodology in preparing its annual budget. The District's definition of a "balanced budget" constitutes the measurement of total appropriations not exceeding total resources, including beginning fund balance. The result of that measurement must achieve a desired ending fund balance that satisfies Board policies and legal requirements.

Fund Balance History  
Fiscal Years 2015-19



Source: CCSD Budget and Accounting Departments

## All District Funds - Summary of Fund Balances For Fiscal Years 2014-15 through 2018-19

Funds	Actual	Actual	Actual	Estimated	Final Budget	FY 2017-18 vs. 2018-19	
	2014-15	2015-16	2016-17	2017-18	2018-19	\$ Change	% Change
General Operating Fund	\$105,624,469	\$71,835,199	\$42,315,495	\$61,335,311	\$45,529,000	(\$15,806,311)	(25.8%)
Special Revenue Funds	18,708,088	19,549,145	17,355,030	12,184,032	7,869,023	(4,315,009)	(35.4%)
Debt Service Funds	26,838,866	43,426,485	55,863,430	71,489,675	112,386,725	40,897,050	57.2%
Capital Projects Funds	301,822,562	646,261,265 <sup>3</sup>	553,469,407	702,687,332	465,218,017	(237,469,315)	(33.8%)
Proprietary Funds <sup>1</sup>	38,248,610 <sup>2</sup>	45,311,836	57,799,082	62,287,765	56,429,226	(5,858,539)	(9.4%)
<b>Total</b>	<b>\$491,242,595</b>	<b>\$826,383,930</b>	<b>\$726,802,444</b>	<b>\$909,984,115</b>	<b>\$687,431,991</b>	<b>(\$222,552,124)</b>	<b>(24.5%)</b>

(1) Proprietary Funds ending fund balances are reflected as cumulative unrestricted net position.  
(2) Proprietary funds 2014-15 ending balances reflect impact of GASB 68 (pension costs)  
(3) Capital Project Funds 2015-16 estimated ending balances reflect bond issuance of approximately \$350 million

Source: CCSD Budget and Accounting Departments

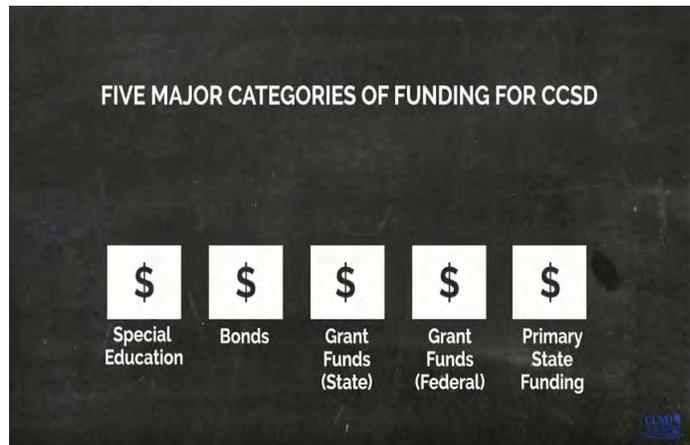
The decline in the General Operating Fund balance of over 25.8% is primarily due from the addition of four new elementary schools and increased staffing costs across all four collective bargaining groups. For future years, it is essential that State funding resources must increase to avoid continued deterioration of financial resources and that the District continuously review its expenditures. For the fiscal year 2019 Final Budget, the General Operating Fund comprises 6.62% of the total ending fund balances.

Bonds issued to fund program facilities increased the reserves in the Debt Service Fund, which totals 16.4% of all ending fund balances. Facility construction and its related debt service represent a substantial portion of the District's ending fund balance, 84.0%. The reasons detailing the decreases in the ending fund balances of the General Operating Fund and the Special Revenue Funds are described in the General Operating Fund and the Federal Projects Funds subsections of this Financial Section.

In 2015 the District developed the 2015 Capital Improvement Plan; this plan outlines the capital improvement work over the next ten years. The improvements are currently underway and to fund the capital plan the District has issued several bonds, thus causing the Capital Projects Funds ending fund balances to comprise 67.7% of the District's Ending Fund Balances.

### District Funds - Projected Revenues Summary

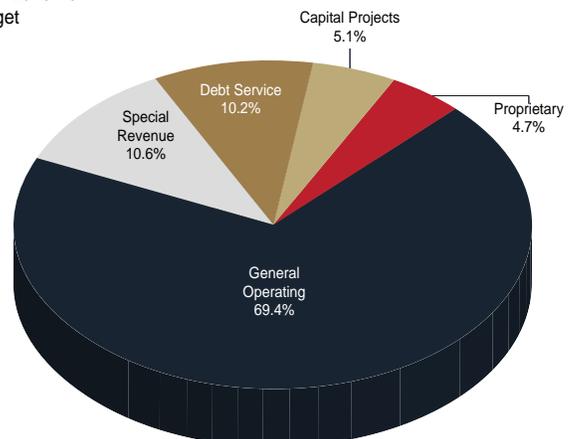
The District's sources of revenue for all funds originate from a wide range of categories. The District Funds - Summary of Revenues and Other Sources illustrates the five-year history of total revenues. The General Operating Fund revenue has increased by 11.5% between fiscal years 2014-15 and 2018-19. Special Revenue Funds is projected to increase 8.1% over fiscal year 2018 because of an increase in State grant funding. Debt service fund revenue reflects a 5.8% increase over prior year due to the continued improvement in taxable assessed valuation of Clark County. An increase of \$67.3 million in local revenue sources and an increase of \$30.7 million in State revenue sources comprise most of the increase in the District's "All Funds" total revenues of \$105.6 million.



Of the \$3.6 billion in anticipated revenues, the General Operating Fund will represent 65.9%, Special Revenues 14.0%, Debt Service 10.3%, Capital Projects 4.9%, and Proprietary Funds 4.9%. Total projected resources for the 2018-19 fiscal year for all funds will be over \$4.9 billion with the inclusion of beginning fund balances and other financing sources.

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

All Funds - Revenue Summary  
Fiscal Year 2018-19  
Final Budget



Source: CCSD Budget Department

## All District Funds - Summary of Revenues For Fiscal Years 2014-15 through 2018-19

Funds	Actual 2014-15	Actual 2015-16	Actual 2016-17	Estimated 2017-18	Final Budget 2018-19	FY 2017-18 vs. 2018-19 \$ Change	% Change
General Operating Fund	\$2,114,818,164	\$2,141,910,929	\$2,193,655,324	\$ 2,322,392,190	\$2,358,808,000	\$36,415,810	1.6%
Special Revenue Funds	411,804,770	428,895,513	487,945,584	463,031,455	500,581,788	37,550,333	8.1%
Debt Service Funds	308,792,309	324,560,516	334,358,576	349,825,000	370,025,000	20,200,000	5.8%
Capital Projects Funds	136,410,368	152,770,586	162,960,832	168,669,000	174,746,600	6,077,600	3.6%
Proprietary Funds	138,911,707	156,660,622	165,574,533	170,975,000	176,287,519	5,312,519	3.1%
<b>Total</b>	<b>\$3,110,737,318</b>	<b>\$3,204,798,166</b>	<b>\$3,346,494,849</b>	<b>\$3,474,892,645</b>	<b>\$3,580,448,907</b>	<b>\$105,556,262</b>	<b>3.0%</b>

Source: CCSD Budget and Accounting Departments

### District Funds - Projected Expenditures Summary

Through the District's budgeting cycle, cost centers engage in technical analysis to evaluate the specific needs of the District. The allocation of appropriations is carefully designed to meet designated requirements, including personnel, supplies, utilities, transportation, and property. Each of the District's funds serves a specific purpose to account for and record financial activity relative to the needs of the District. Appropriations within those funds define the constraints of those expenditures to maintain fiscal accountability and solvency.

As in previous years, the District continues to face many challenges in serving the diverse needs of the students in Clark County. Projected enrollment should increase by 2,264 or 0.7% students while expenditures are expected to increase by more than 3.5% in the General Operating Fund, primarily caused by the addition of four new elementary schools and increased staffing costs over all four collective bargaining groups. The following summary on page Fin-7 highlights the District's major challenges for appropriating budgets for fiscal 2018 and beyond.

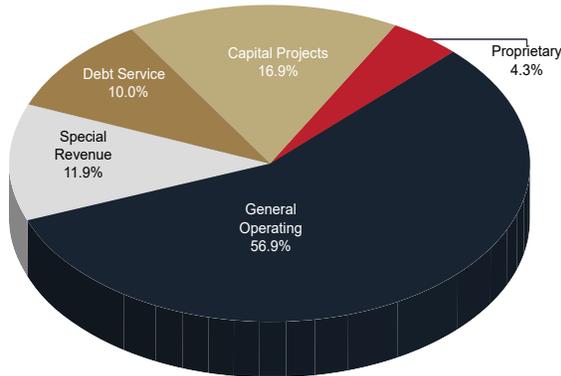
Of the 2018-19 Final Budget total appropriated expenditures, the General Operating Fund represents 56.9% of the total. Capital Projects and Debt Service Funds combine to represent 26.9% of total appropriations. Total expenditures will be \$4.2 billion in 2018-19, or an increase of 13.2% versus the estimated expenditures for 2017-18.

### 2018-19 Appropriation Challenges:

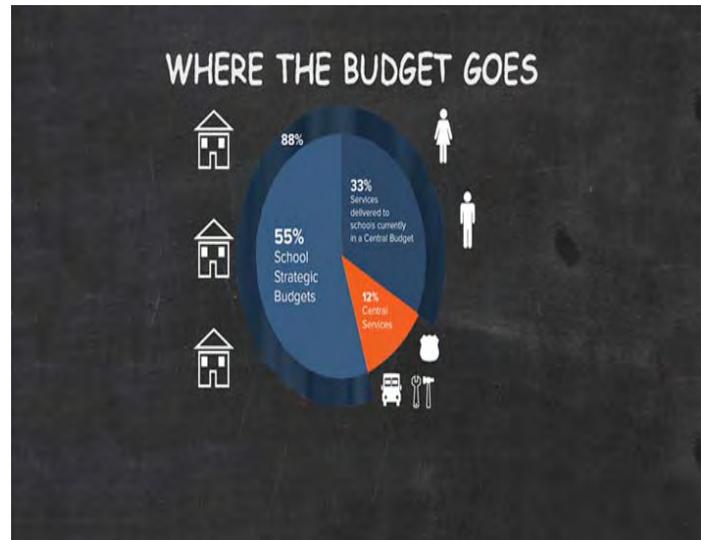
- Finding sufficient resources to implement the necessary instructional initiative changes that will provide the structure to improve student achievement and focus on "every student in every classroom, without exceptions, without excuses."
- Student enrollment will increase by 2,264 students with additional classroom space scheduled for construction in fiscal year 2019 to house this increase in enrollment. Further unpleasant measures such as rezoning attendance boundaries, adding more portable classrooms, or eliminating and/or relocating select programs will be considered.
- Audited ending fund balances – Actual beginning balances are unknown and not available until the issuance of the Comprehensive Annual Financial Report in October of each year.
- Recruiting and retaining qualified personnel and maintaining competitive employee compensation salaries and benefits in spite of inevitable program and staffing reductions within a financial resource structure that continues to be unpredictable and unstable.
- Satisfying the requirement of Regulation 3110 to maintain "an unassigned ending fund balance of not less than 2% of total General Fund revenue for each fiscal year" which has not occurred since 2009
- Assembly Bill 469, provides for the reorganization of large school districts in the State of Nevada. The bill applies to Clark County School District and brings many challenges in regards to transferring centralized operations to each school precinct with a goal of providing 85% of the unrestricted budget to the school precincts by 2018-19.



All Funds - Expenditure Summary  
Fiscal Year 2018-19  
Final Budget



Source: CCSD Budget Department



All District Funds - Summary of Expenditures  
For Fiscal Years 2014-15 through 2018-19

Funds	Actual	Actual	Actual	Estimated	Final Budget	FY 2017-18 vs. 2018-19	
	2014-15	2015-16	2016-17	2017-18	2018-19	\$ Change	% Change
General Operating Fund	\$2,163,171,891	\$2,209,613,427	\$2,225,972,907	\$2,331,142,148	\$2,411,589,311	\$80,447,163	3.5 %
Special Revenue Funds	374,644,118	433,871,509	519,454,362	468,202,453	504,896,797	36,694,344	7.8%
Debt Service Funds	444,887,499	411,502,262	423,493,571	431,645,538	423,543,865	(8,101,673)	(1.9%)
Capital Projects Funds	41,191,916	88,078,990	364,781,326	349,370,799	717,800,000	368,429,201	105.5%
Proprietary Funds <sup>1</sup>	133,957,270	149,597,396	155,087,287	166,486,317	182,146,058	15,659,741	9.4%
<b>Total</b>	<b>\$3,157,852,694</b>	<b>\$3,292,663,584</b>	<b>\$3,746,847,255</b>	<b>\$3,746,847,255</b>	<b>\$4,239,976,031</b>	<b>\$493,128,776</b>	<b>13.2%</b>

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

Source: CCSD Budget and Accounting Departments

Financial Section

POST EMPLOYMENT HEALTHCARE PLAN

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

**Funding Policy.** NRS 287.046 establishes the subsidies to be contributed toward the premium costs of the eligible retired district employees. Plan members receiving benefits have their monthly contributions deducted from their pension checks based on the health plan chosen by the retiree as reduced by the amount of the subsidy. Retirees qualify for a subsidy of (\$338) at five years of service and \$169 at 20 years of service with incremental increases for each year of service between. The contribution requirements of plan members and the District are established and amended by the PEBP board of trustees. As a participating employer, the District is billed for the subsidy on a monthly basis and is legally required under NRS 287.023 to provide for it.

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



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