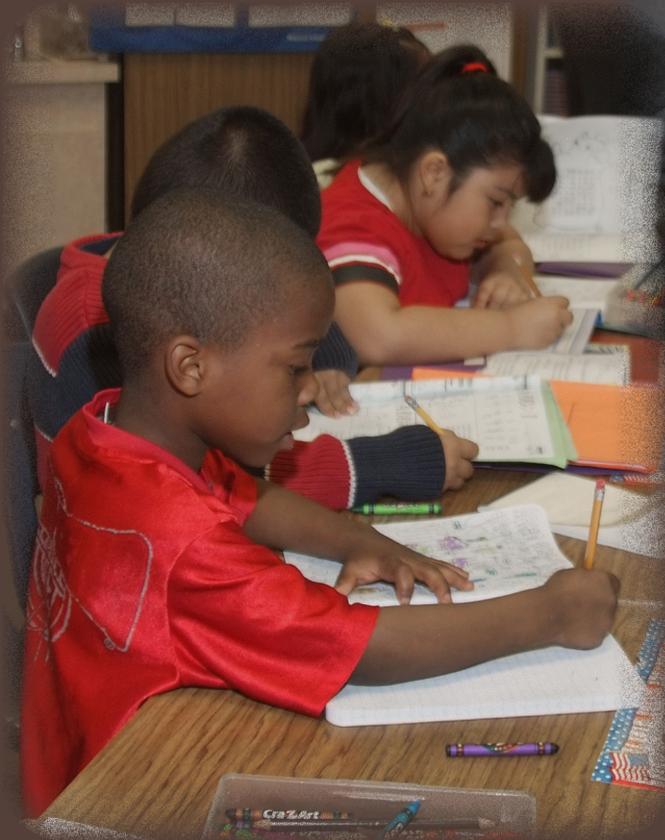


POPULAR ANNUAL FINANCIAL REPORT

CCSD 
CLARK COUNTY
SCHOOL DISTRICT

POPULAR ANNUAL
For Fiscal Year
FINANCIAL REPORT Ended June 30, 2012



All students will graduate from high school having the knowledge, skills, attitudes, and values necessary to achieve academically, prosper economically, and contribute in a diverse global society.

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MESSAGE FROM THE SUPERINTENDENT

October 12, 2012

To the Citizens and Taxpayers of Clark County:

I am pleased to present the Clark County School District's (CCSD) 2011-12 Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2012 which demonstrates CCSD's prudent fiscal and instructional policies in the face of economic challenge.

As I stated in my preliminary reforms report, *A Look Ahead Phase I*, presented to the School Board of Trustees over a year ago, all of our efforts have one purpose; **it is to ensure all students are ready by exit**. State test scores for CCSD students are upwardly trending in nearly every grade and subject as **we move from being the fastest growing school district to the fastest improving**. An increase in the number of students that graduated in 2012 through the "Reclaim Your Future" initiative proves that "Ready By Exit" is already a success.

In addition to these achievements, the District has been reorganized into performance zones **creating a flatter, more responsive organization with a focus on achievement**. We have transitioned into the Common Core Standards to ensure our students have a thorough understanding of grade appropriate concepts. Under my direction, CCSD also adopted a new method for tracking student achievement known as the Growth Model. This model will track the educational growth of students and schools including the change in their individual achievement and their aggregate school achievement on a year-over-year basis. Growth will be measured as a component of the School Performance Framework (SPF), assigning a 1-5 star rating to each school. In the initial year of the new rating system, **nearly one-third of CCSD schools earned a 4-star or 5-star rating**.

Implementing these reforms will ensure that all students are ready by exit; however, as we recover from the most challenging economic climate since the Great Depression, **adequate funding for public schools is in jeopardy**. In the current biennium, the state's Economic Forum only projected modest growth state-wide, while locally, property taxes and other revenues continue their decline. Combine this with the loss of one-time federal American Recovery and Reinvestment Act (ARRA) stimulus funding and it is apparent that CCSD has complex funding issues while facing further economic headwinds.

Since 2007, **CCSD has cut its budget over \$500 million dollars**. Over this period, central administrative offices have incurred over 30% reductions in their budgets, class sizes in grades one through three have increased by two students, and the District has been required to transfer over \$65 million from capital funds to subsidize operations. Additionally, employee groups were asked to share in the sacrifice and have accepted pay freezes and pay reductions. The Administrator, Support, and Police employee groups agreed to continue those freezes into fiscal year 2013, while the Licensed group continue to fight a pay freeze through the arbitration process.

In response to revenue reductions at both the state and local levels and in addition to recognizing the State's fiscal distress, two rating agencies downgraded the District's credit rating in 2011. The District now holds an Aa3 rating with Moody's, but they have upgraded us to a stable outlook as of May 2012. The District's bond rating also has recently been downgraded to an A+ rating with Fitch, and an AA- rating with Standard & Poor's. It should be noted that **strong financial management during this economic crises has continually been highlighted as a credit strength** in their reports.

Four years ago, the Clark County School District concluded one of the largest growth spurts ever experienced by a single school district and is returning to flat-to-declining student growth, losing over 1,500 students in 2012 compared to the previous year. During its growth period, as assisted by a voter approved 10-year bond program initiated in 1998, the District was able to construct or replace over 120 world class school facilities by issuing over \$4.9 billion of general obligation debt. **With the end of the bond program, capital funds are now strapped** and preventative maintenance or needed modernization are deferred to the future where they will be much more costly.

Despite all of this, CCSD continues to ensure that it spends carefully and wisely. In addition to instructional reforms, CCSD consulted with an operational efficiency firm, Gibson Consulting, to provide a top to bottom review of District operational processes. In the current fiscal year, **the District has only just begun implementing many of the recommendations which will provide current and future savings**. These savings will help as the District has been forced to balance its budget using short-term measures including reducing its fund balance retention requirement and using capital funding to offset operational losses.

(continued on page 5)

(continued from page 4)

Regardless of the financial outlook, ***I am continually optimistic about the exceptional progress we are making in improving student achievement*** across Clark County. Hopefully this document provides to you, financial and academic information in a clear, concise and understandable manner that represents we are doing more with less, but not expecting any less when it comes to our student's success.



Dwight D. Jones
Superintendent of Schools



School Board of Trustees



Bottom Left: Dr. René Cantú Jr., Dr. Linda E. Young, Deanna L. Wright
Top Left: Lorraine Alderman, Erin E. Cranor, Chris Garvey, Carolyn Edwards

A MESSAGE FROM THE CHIEF FINANCIAL OFFICER

The Clark County School District Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2012 is intended to clearly communicate in an open and transparent manner, our financial operations in an easy to understand format.

The PAFR summarizes the financial and operating results reported in our Comprehensive Annual Financial Report (CAFR). The CAFR is prepared in conformance with Generally Accepted Accounting Principles (GAAP). It includes audited financial statements, disclosures, opinions of our independent external auditors, and other detailed financial information. The independent audit of the CAFR was performed by Kafoury, Armstrong and Co, CPA's in accordance with auditing standards generally accepted in the United States of America. A copy of the CAFR is available from the Finance Division and is posted on our website at www.ccsd.net.

The PAFR is prepared on a non-GAAP basis and is unaudited. This report does not include information on all District funds, full disclosure of all material events, or notes to the financial statements.

CCSD wishes to thank all of the stakeholders who assist in providing quality education to our students especially the School Board of Trustees for their progressive direction and management.



Jeff Weiler
Chief Financial Officer



CCSD AT A GLANCE

Students

Total: 308,377

Student Enrollment

Elementary: 146,548

Middle: 71,831

Senior High: 87,264

Special: 625

Adult: 2,109

Schools

Total: 357

Elementary schools: 217

Middle schools: 59

Senior High schools: 49

Special schools: 8

Alternative schools/programs: 24

Students Receiving Special Services

English Language Learner Program: 54,398

Free/Reduced Lunch Program: 177,132

Special Education Program: 33,129

Transportation

1,547 buses

111,504 students eligible to ride, including special education

20.8 million miles traveled last school year (2010-2011)

Employees by Function

Instruction: 23,545

Student support: 1,560

Instruction staff support: 1,169

General administration: 128

School administration: 3,031

Central services: 830

Operation/maintenance

plant services: 2,630

Student transportation: 1,741

Community services: 20

Food services: 2,397

Facilities acquisition and

construction services: 177

General Operating Fund Budget

Operating Budget: \$2,090 Billion

General Operating Fund 2012 Resources

(dollars in thousands)

Local sources: \$1,249,368

State sources: \$688,533

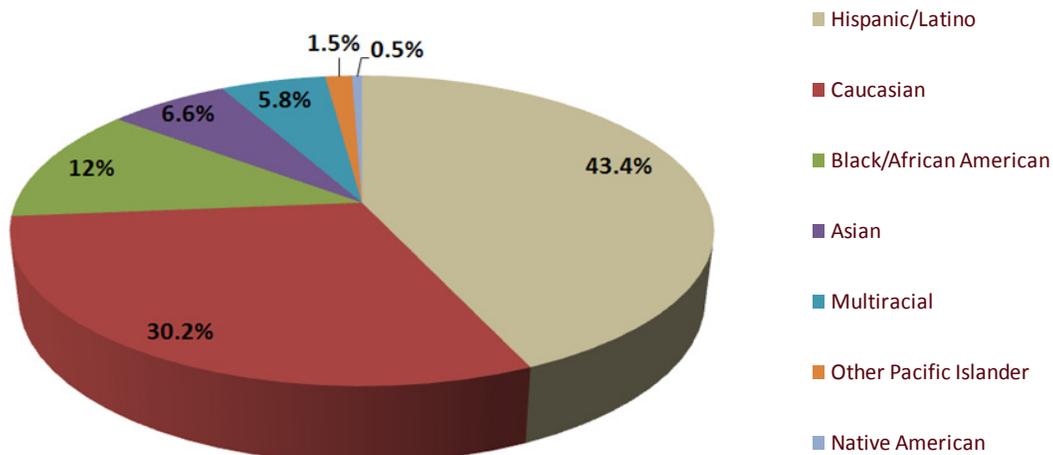
Federal sources: \$839

Other sources: \$253

Opening Fund Balance: \$96,621

Ending Fund Balance: \$76,983

Student Racial Breakdown



DISTRICT PROFILE

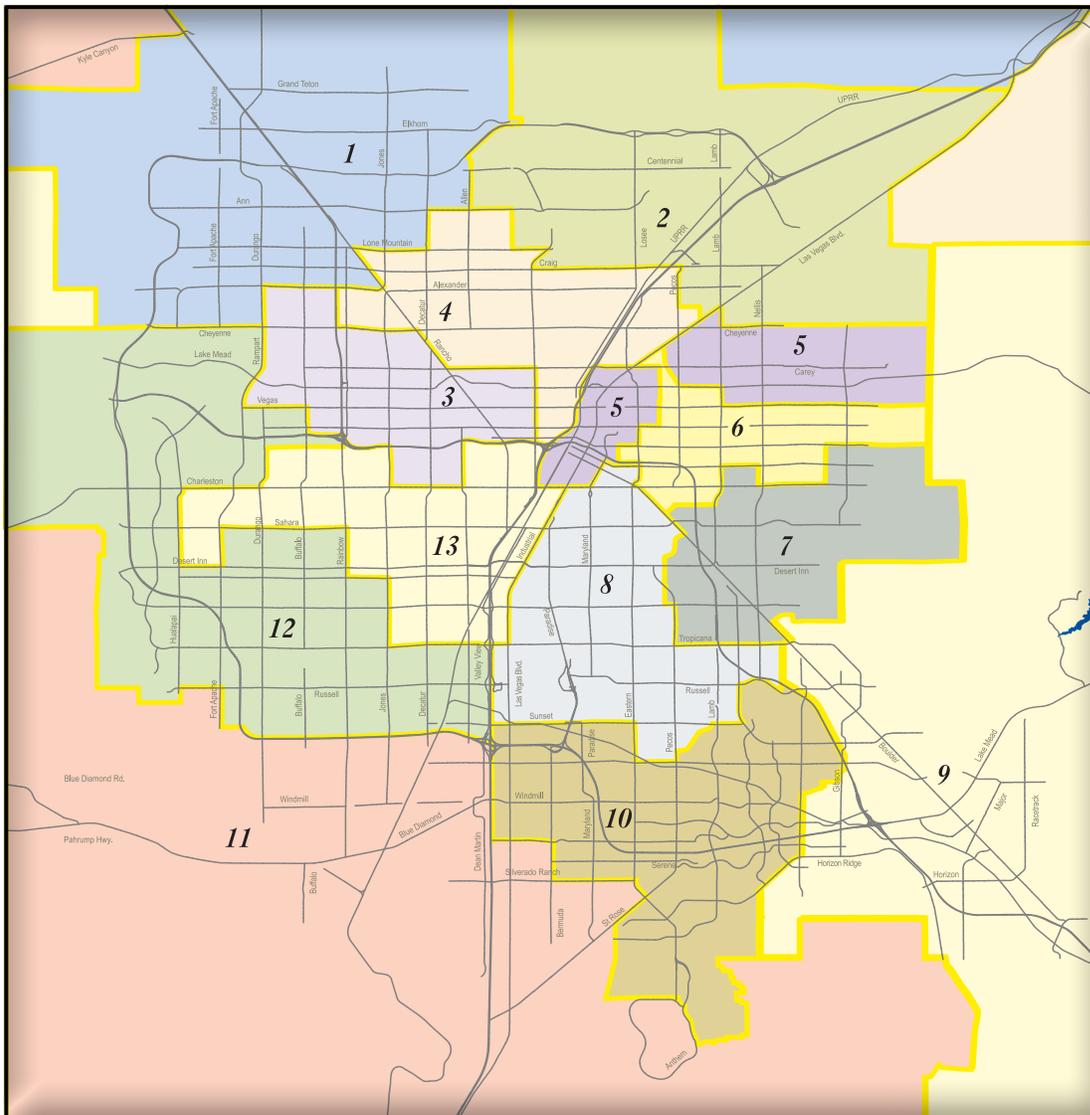
HISTORY AND POPULATION

The Clark County School District is a political subdivision of the State of Nevada; created through legislation in 1956 which consolidated school districts by county. As such, CCSD boundaries are coterminous with Clark County, encompassing approximately 7,891 square miles in the southernmost section of Nevada with a population of just over 1.9 million. The largest cities served by the District include Las Vegas, Henderson, and North Las Vegas, however, it also includes rural areas such as Indian Springs, Searchlight, and Laughlin. The District operates 357 schools and as the fifth largest school District in the nation has a current enrollment of 308,377 students. CCSD is governed by an elected seven member board of School Trustees representing various

districts within Clark County. The Board appoints and employs a Superintendent of Schools who is responsible for the day to day operations of the District. Internally the District is aligned into 3 Area Service Centers and 13 performance zones made up of 20 – 30 schools embedded in each area.

With a high quality of life, low cost of living, and relatively mild weather, Clark County still remains a top choice for relocation; Clark County's overall population decreased slightly in 2011, totaling just under 2 million inhabitants. The County decreased in size by approximately 69,728 people from 2011 to 2012, a 3.4% decrease.

Clark County School District Performance Zones



While in past years Clark County had maintained an unemployment rate lower than the national average, making it a desirable relocation destination, Las Vegas was reporting an unemployment rate of 12% as recently as June 2012 much higher than the national rate of 8.2% in June 2012.

Although student enrollment has recently slowed, many schools continue to struggle with overcrowding as the population within the county redistributes itself. In addition, as part of budget reductions, the District eliminated year-round schools which increased the number of students in a school at one time.

| Fiscal Year | Population ¹ | Number of Schools | School Enrollment ² | Unemployment Rate ³ |
|-------------|-------------------------|-------------------|--------------------------------|--------------------------------|
| 2003 | 1,589,733 | 272 | 255,328 | 5.60% |
| 2004 | 1,641,529 | 296 | 268,357 | 4.40% |
| 2005 | 1,715,337 | 311 | 280,795 | 4.00% |
| 2006 | 1,815,700 | 317 | 291,329 | 4.30% |
| 2007 | 1,912,654 | 326 | 302,547 | 4.70% |
| 2008 | 1,996,542 | 341 | 308,745 | 5.80% |
| 2009 | 1,986,146 | 347 | 311,221 | 6.60% |
| 2010 | 2,006,347 | 352 | 309,442 | 13.90% |
| 2011 | 2,036,358 | 357 | 309,899 | 13.20% |
| 2012 | 1,966,630 | 357 | 308,377 | 12.00% |

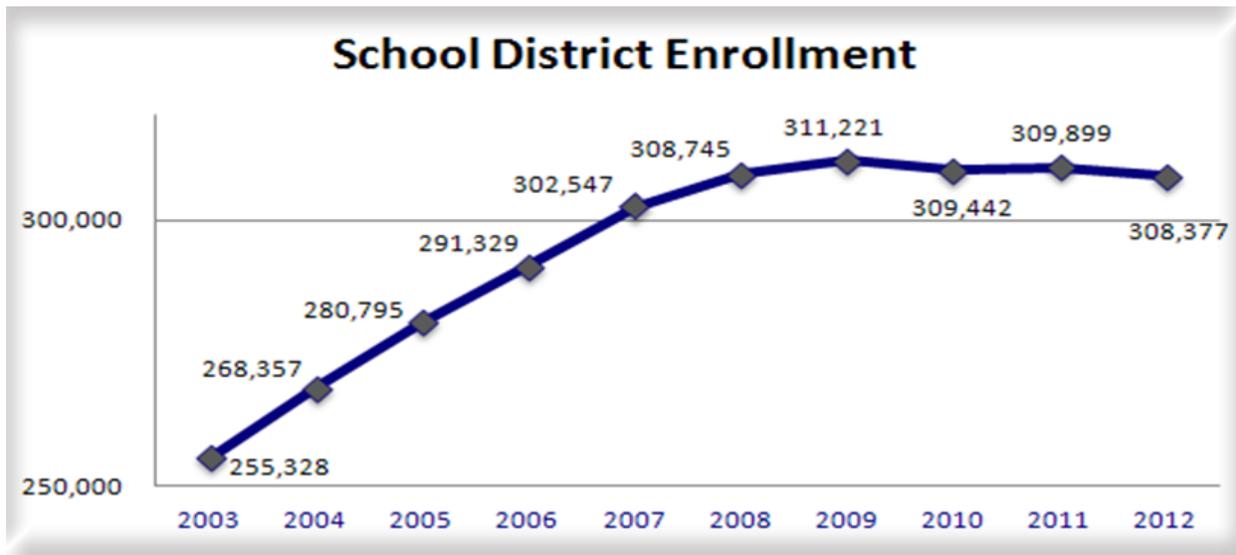
Sources: ¹ Southern Nevada Consensus Population Estimate, July 2011
² Clark County School District (4th Week) - Public School Enrollment Only
³ Nevada Department of Employment Security

SCHOOLS AND ENROLLMENT

In 2011-12 school year, District enrollment had a slight decrease of 0.5%. The accompanying charts provide a ten year history of enrollment.

Overall enrollment had at one time been projected to exceed 330,000 students by 2013; however, with slower population growth and the lagging economy, enrollment figures are expected to remain relatively flat with minor deviations up or down.

The total number of schools currently in operation is 357. Because of the continuous construction of new buildings over the life of the previous bond program, 97 of the District's 357 schools have been built in the last 10 years. This makes the average age of a school building just 23 years old.



FINANCE INITIATIVES

OPERATIONAL EFFICIENCY STUDY

The District commissioned a thorough operational efficiency study of the District's non-instructional support units in 2011. Gibson Consulting was hired and performed the study over a six month period. The entire report can be found online at www.ccsd.net. Out of the report came several noted cost-saving recommendations that require future implementation. While still under review, some initial proposals will go into effect in fiscal year 2013.

PERFORMANCE MEASURES / TRANSPARENCY

As part of the Gibson Operational Efficiency Study of the Clark County School District, Gibson recommended the District align its strategic planning with the budget cycle and to report performance measures for operational departments and District programs. To comply, the District has initiated several web-based initiatives using data visualizations to relay key performance indicators (KPI) in an understandable format. In addition to this, the District will soon implement a budget visualization on its website (shown above) to provide easy access and a simple-to-navigate screen allowing end-users to "drill-down" into various departments and accounts within the budget.

BALANCED BUDGET

The Revised Amended Final Budget for fiscal year 2012 was approved by the Board of School Trustees on December 7, 2011. This balanced General Operating Funds budget reflected total resources of \$2.09 billion including the use of general fund balance reserves. The main driver in the loss of fund balance was largely driven by lower revenues and required employee salary

PROFESSIONAL FINANCIAL AWARDS

The Government Finance Officer's Association has awarded CCSD with the Certificate of Achievement for Excellence in Financial Reporting each year since 1985 for its CAFR. As of the current year, the District began receiving the Association of School Business Officials (ASBO) Certificate of Excellence in Financial Reporting. Both awards are prestigious national awards recognizing conformance with the highest standards for preparation of state and local government financial reports.

Departmental Analysis Report
Department: Operations

| Fund Description | Appropriation |
|---|----------------------|
| Academic Support & Community Svc Center | \$339,736 |
| Police Services | \$21,512,306 |
| Community and Government Relations | \$301,181 |
| Assoc Supint. Comm Relations | \$309,932 |
| Partnership Program | \$814,906 |
| District Expenditure | \$29,708,514 |
| General Maintenance | \$42,679,775 |
| Administrative Management | \$1,793,627 |
| Facilities Administration | \$77,068,086 |
| Plant Operations | \$88,757,998 |
| Chief Financial Officer | \$559,069 |
| Real Property Management | \$457,674 |
| Budget & Accounting | \$7,116,649 |
| Demographics, Zoning & GIS | \$1,331,868 |
| Purchasing | \$10,165,389 |
| Transportation | \$105,589,478 |
| TOTAL | \$457,137,474 |

| Type | G/L Description | Appropriation | FTE |
|-------------------|----------------------|-------------------------|----------------|
| Salaries: Admin | Coordinator | 452,363 | 5.00 |
| Salaries: Admin | Director | 206,300 | 2.00 |
| Salaries: Admin | Assistant Director | 102,307 | 1.00 |
| Salaries: Support | Bus Drivers | 32,818,855 | 733.60 |
| Salaries: Support | Transportation Aides | 6,116,480 | 170.00 |
| Salaries: Support | Mechanics | 4,005,055 | 71.00 |
| Salaries: Support | Sec & Clerical | 2,070,813 | 54.92 |
| Salaries: Support | Trans Oper Assistant | 2,008,940 | 46.08 |
| Salaries: Support | Support - Overtime | 1,655,000 | - |
| Salaries: Support | Trans Field Invest | 1,074,533 | 19.48 |
| Salaries: Support | Transp Opertms Mgr | 1,021,765 | 14.00 |
| Salaries: Support | Grg Mgr/Mech Sup-Bus | 699,619 | 10.00 |
| TOTALS | | \$105,589,478.00 | 1221.24 |

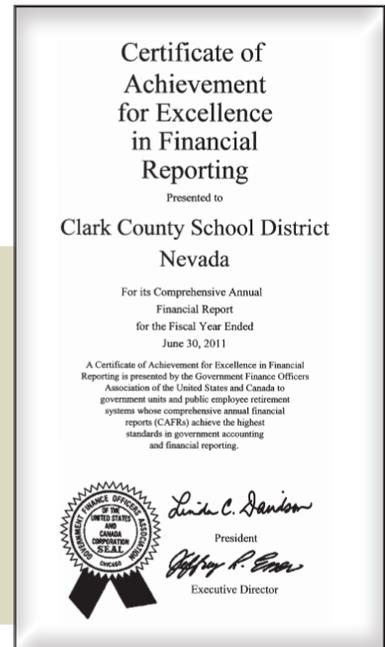
| Type | Appropriation | FTE |
|--------------------|---------------|----------|
| Salaries: Admin | \$760,970 | 8.00 |
| Salaries: Licensed | - | - |
| Salaries: Support | 56,324,733 | 1,213.24 |
| Benefits | 27,700,537 | |
| Services | 1,896,000 | |
| Supplies | 18,879,738 | |
| Other | 27,500 | |

Type Appropriations

increment increases. The budget was balanced mainly through cost cutting measures in administrative functions, transportation, and salary concessions from employee groups.

CAPITAL IMPROVEMENT/ PAYGO PROGRAM

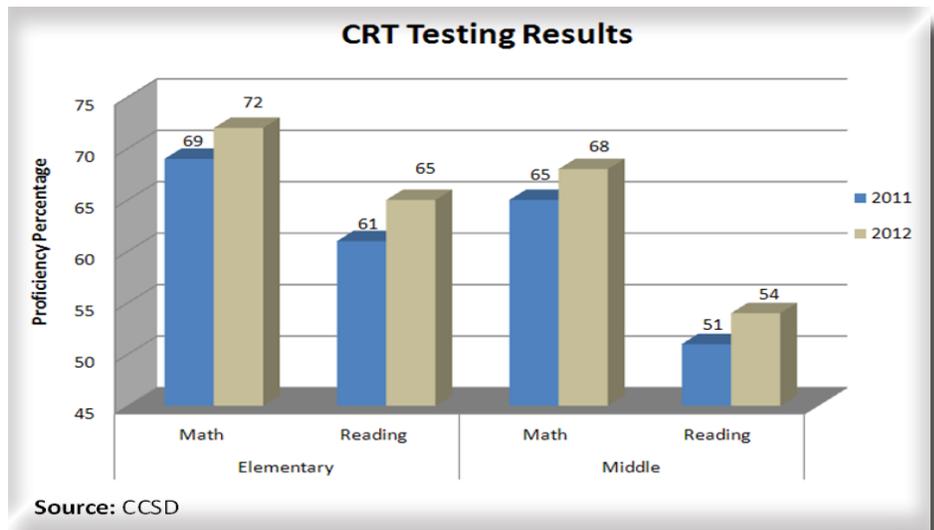
The District's 1998 bond program ended four years ago, but the funding lives on. While the District no longer has authority to borrow under the program, it continues to receive the \$.5534 per \$100 in assessed valuation to service debt from the program. The bond program funded by debt issuance has \$241 million projects in progress. The Board approved a ballot question to put before voters in November 2012 for a property tax increase to be used as a pay-as-you-go supplemental plan for the next six years, until a new bond program can be implemented.



EDUCATIONAL ACHIEVEMENTS

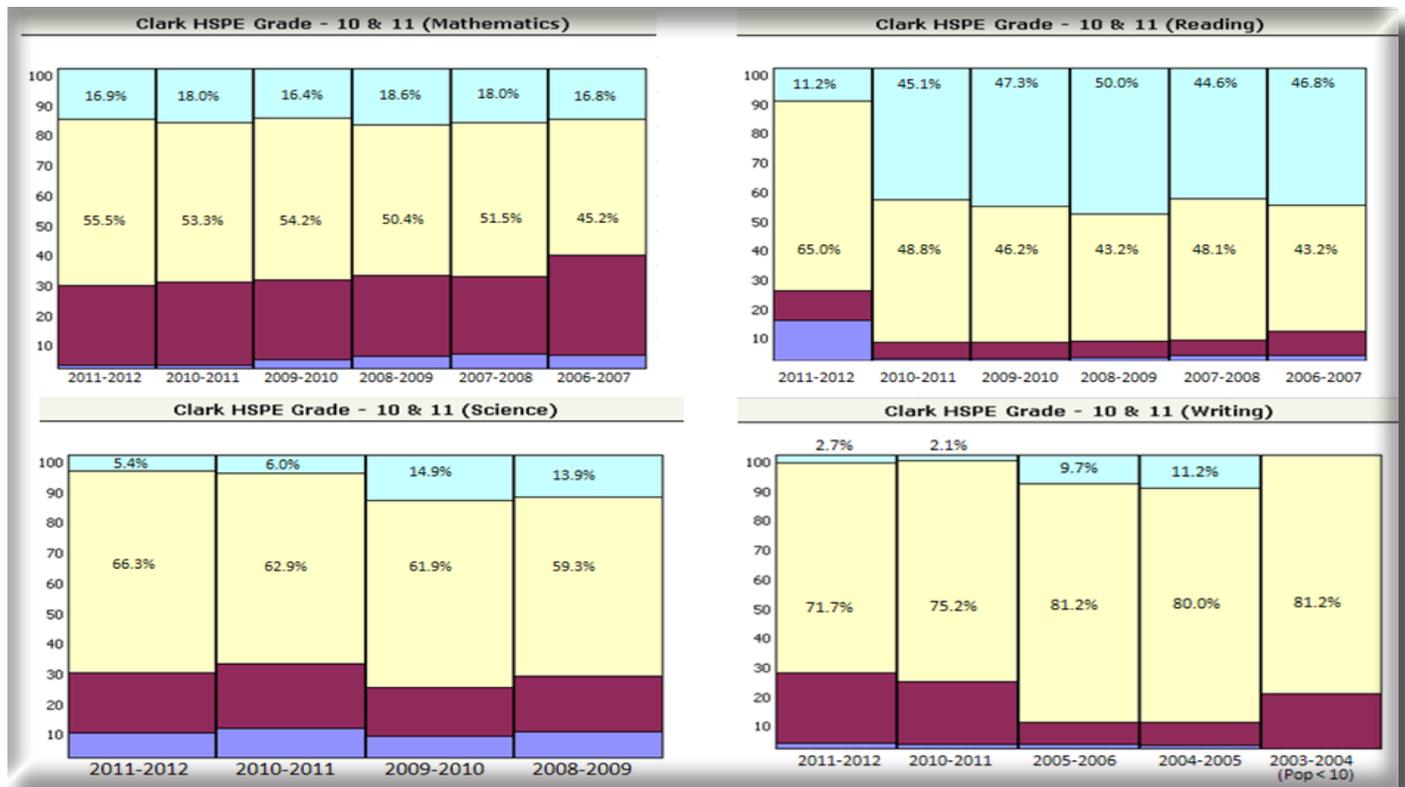
CRT TESTING

Students in the District showed improvements in reading and mathematics on the Criterion Reference Test (CRT). Every student in grades three through eight are required to take the state mandated test each year. District students in every grade level showed improvement over the previous year and excelled on exams that were tougher than previous years.



NEVADA HIGH SCHOOL PROFICIENCY EXAM

In order to receive a standard high school diploma, students must pass all portions of the Nevada High School Proficiency Examination (HSPE) and meet all other district and state requirements. The HSPE is aligned to Nevada State Content Standards adopted by the State Board of Education. The HSPE contains sections for reading, mathematics, science, and writing. Beginning with the class of 2010, students must also pass the HSPE in science.



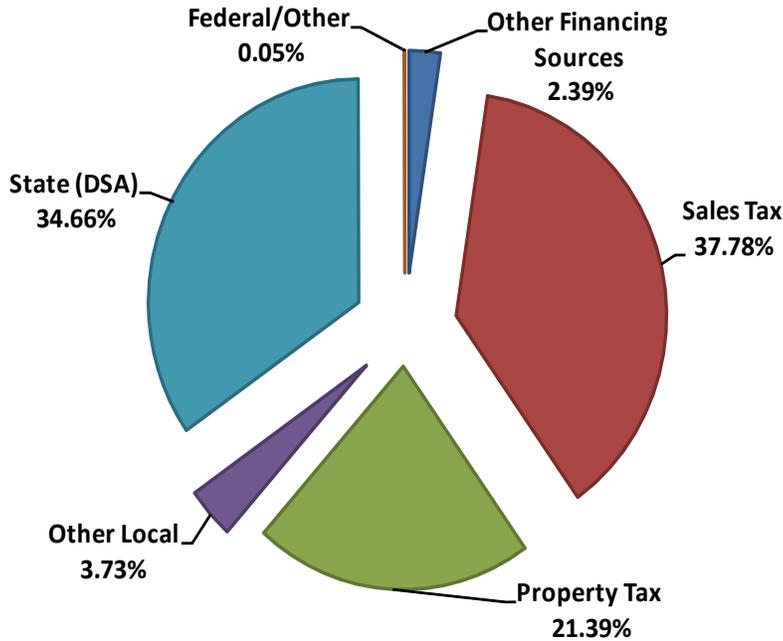
Source: Nevada Annual Reports of Accountability

■ 1-Emergent/Developing ■ 3-Meets Standard
■ 2-Approaches Standard ■ 4-Exceeds Standard

FUNDING EDUCATION

CCSD is funded through a combination of local, state, federal, and other sources. CCSD uses fund accounting to ensure and to demonstrate compliance with government accounting and legal requirements.

The General Fund combined with the Special Education Fund is known as the General Operating Fund. Although, they are required to be reported separately for external purposes, they are generally combined for budgeting and funding purposes.



General Operating Fund
 (includes Special Education Fund)
Total Resources \$ 1,986,493,587

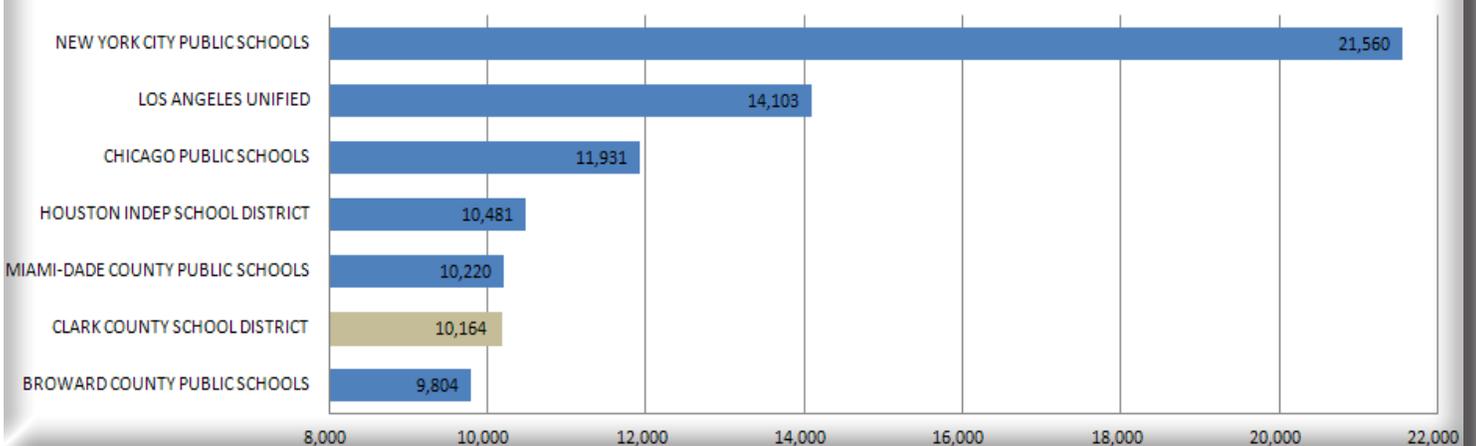
THE NEVADA PLAN AND THE DSA

School Districts in Nevada have their funding determined largely by the state through a funding program known as the Nevada Plan. School districts receive a basic support guarantee of funding (weighted student enrollment x basic support per pupil) through a component of the sales tax, 1/3 of the operating property tax rate, and the residual amount through state funding known as the Distributive School Account (DSA).

BUDGET REDUCTIONS

With soft revenues projected, additional budget cuts were required for fiscal year 2012. Cuts included instructional supplies and textbooks reductions, 20% administrative department cuts, and reductions in staffing combined with negotiated employee salary/benefit concessions. Transportation budgets were decreased due to the implementation of a plan to stagger bell times allowing the District to provide student transportation with fewer school buses.

Per Pupil Funding



Revenue Amount per Student—Largest school Districts in the nation
 Source: National Center for Education Statistics, 2008-2009
 Note: Amounts include funding for capital and debt

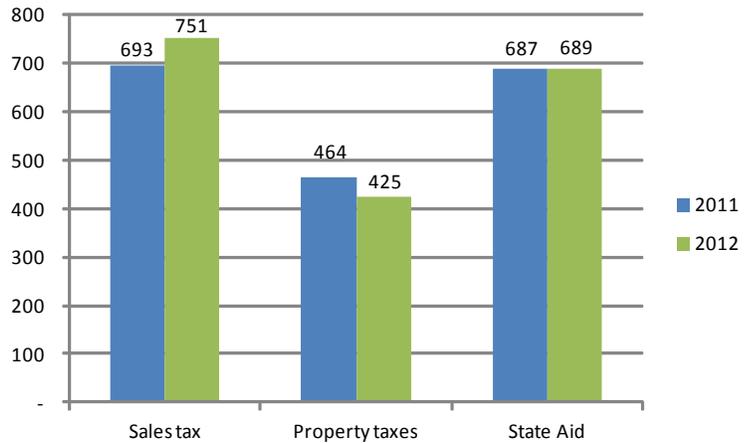
RESOURCES

GENERAL OPERATING FUND

(includes Special Education Fund)

- The three largest revenue sources in the General Fund are Sales Tax, Property Tax, and State Aid, known as the DSA.
- Sales tax INCREASED by \$58 million as the tourism industry rebounds. Increases in sales tax are offset by decreases in state funding.
- Property taxes DECREASED by \$39 million as property values continue to decline.
- Overall DSA (state) funding INCREASED by \$2 million as per-pupil funding increased for the fiscal year.

Select General Operating Fund Revenue Sources

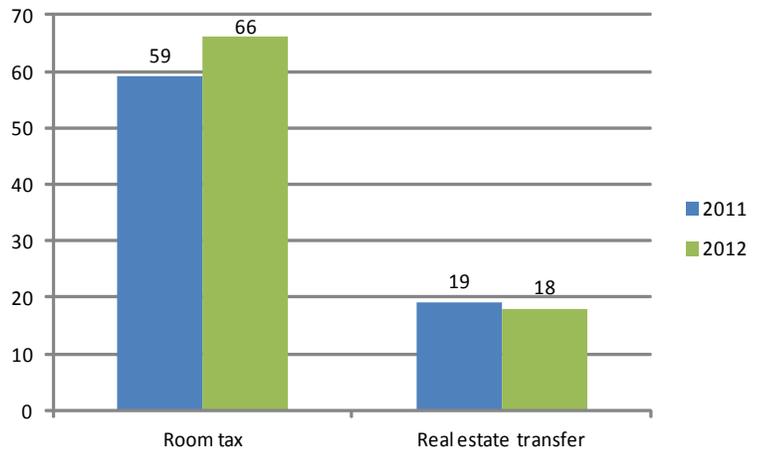


Note: Dollars in millions

BOND FUND

- The two major revenue sources in the Bond Fund are the Room Tax and the Real Estate Transfer Tax
- The Room Tax INCREASED by approximately \$7 million from the previous year reflecting higher visitor volume and increased room rates.
- The Real Estate Transfer Tax DECREASED as transfers or sales of properties have declined or flat-lined.
- Both of these revenues are pledged to service capital-related debt through transfers to the Debt Service Fund.

Select Bond Fund Revenue Sources

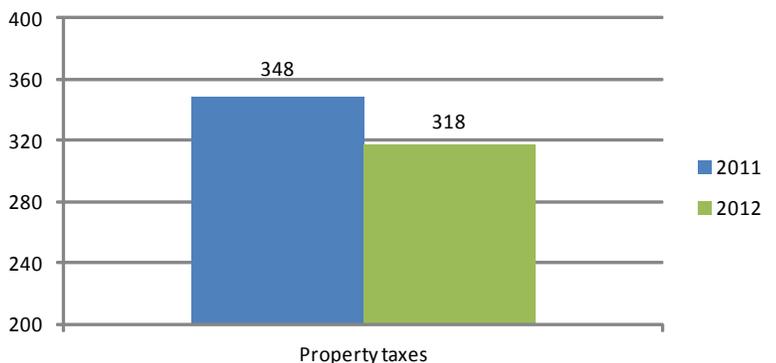


Note: Dollars in millions

DEBT SERVICE FUND

- The main revenue source in the Debt Service fund is Property Tax
- The District receives \$.5534 for every \$100 in assessed valuation through property tax collections for capital-related debt service.
- Property tax DECREASED approximately \$30 million from the previous year as property values continue their decline.

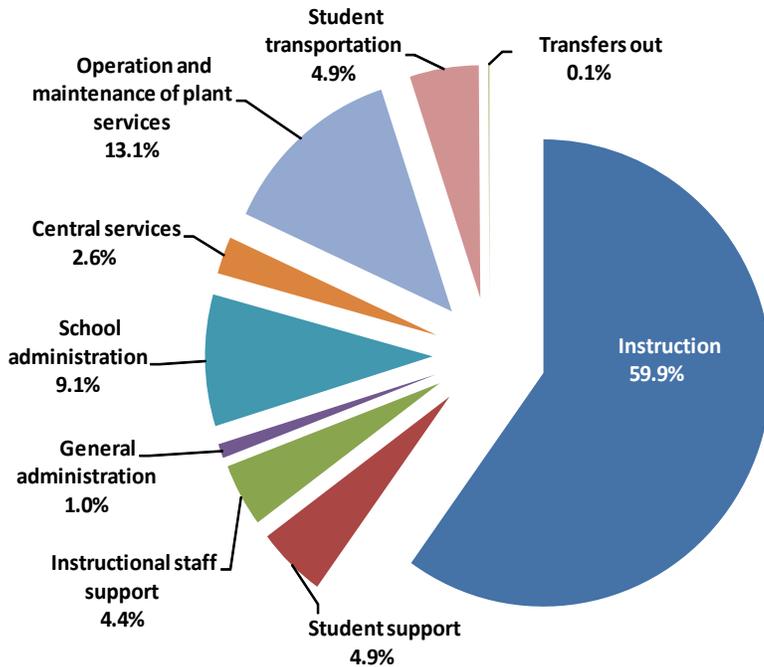
Select Debt Service Fund Revenue Sources



Note: Dollars in millions

EXPENDITURES

Where the money goes



General Operating Fund
Total Expenditures / Transfers \$ 2,006,131,618

DEFINITIONS

- **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 supplement teaching.
- **Staff support** includes activities associated with assisting the instructional staff with the content and process of providing learning experiences for students.
- **General administration** includes activities concerned with establishing and administering policy in connection with operating the District.
- **School administration** includes activities concerned with overall administrative responsibility for a school. This includes principals, assistants, and clerical staff involved in the supervision of operations at a school.
- **Central services** includes activities that support administrative and instructional functions such as accounting, budgeting, human resources, planning and information technology.
- **Operation and maintenance of plant services** includes activities concerned with keeping the physical schools and associated administrative buildings open, comfortable, and safe for use. Utilities, maintenance, grounds, custodial and security services are included here.
- **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.
- **Transfers out** is conveying financial resources from one fund to another.

| GENERAL OPERATING FUND EXPENDITURES (dollars in thousands) | FY 12 | FY 11 | % Increase/ (Decrease) from FY 11 |
|---|---------------------|---------------------|---|
| Instruction | \$ 1,201,146 | \$ 1,235,435 | -2.78% |
| Student support | 98,715 | 95,587 | 3.27% |
| Instructional staff support | 88,108 | 97,363 | -9.51% |
| General administration | 19,889 | 22,822 | -12.85% |
| School administration | 182,631 | 177,462 | 2.91% |
| Central services | 52,051 | 55,394 | -6.03% |
| Operation and maint. of plant services | 262,668 | 264,219 | -0.59% |
| Student transportation | 98,674 | 100,759 | -2.07% |
| Facilities acq. and construction services | | 21 | -100.00% |
| Expenditures | 2,003,882 | 2,049,062 | -2.20% |
| Other financing uses Transfers Out | 2,251 | - | 100.00% |
| TOTAL EXPENDITURES/ OTHER FINANCING USES | \$ 2,006,133 | \$ 2,049,062 | -2.10% |

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Government-wide financial statements include the Statement of Net Assets and the Statement of Activities which provide a broad, long-term overview of CCSD's finance. These financial statements report information on the District similar to private sector accounting with all governmental funds consolidated as Governmental Activities and the District's Food Service Enterprise Fund as a Business-type Activity.

The Statement of Net Assets (below) provides information on all of CCSD's assets and liabilities, with the difference between the two reported as net assets. Increases or decreases in net assets serves as a useful indicator of whether the financial position of the District is improving or deteriorating.

- **The District's governmental activities net assets DECREASED by approximately \$18 million.**
- **Decreases were mainly due to reductions in property tax revenues and federal funding reflected in reductions in cash and investments (current assets).**
- **Business-type activities (Food Service) net assets INCREASED by approximately \$8 million.**
- **Growth was due to increased participation by students partially related to increases in the free and reduced population and programs such as universal breakfast.**

Statement of Net Assets

(dollars in millions)

| | Governmental Activities | | Business-type Activities | | Total | |
|--|----------------------------|-----------------|-----------------------------|--------------|-----------------|-----------------|
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| Current Assets | \$ 1,201 | \$ 1,509 | \$ 42 | \$ 34 | \$ 1,243 | \$ 1,543 |
| Non-Current Assets | 4,840 | 4,889 | 10 | 10 | 4,850 | 4,899 |
| Total assets | <u>6,041</u> | <u>6,398</u> | <u>52</u> | <u>44</u> | <u>6,093</u> | <u>6,442</u> |
| Current Liabilities | 392 | 728 | 2 | 2 | 394 | 730 |
| Non-Current Liabilities | 3,760 | 3,763 | 1 | 1 | 3,761 | 3,764 |
| Total liabilities | <u>4,152</u> | <u>4,491</u> | <u>3</u> | <u>3</u> | <u>4,155</u> | <u>4,494</u> |
| Net Assets: | | | | | | |
| Invested in capital assets, net of related debt | 1,364 | 1,208 | 10 | 10 | 1,374 | 1,218 |
| Restricted | 504 | 579 | - | - | 504 | 579 |
| Unrestricted | 21 | 120 | 39 | 31 | 60 | 151 |
| Total net assets | <u>\$ 1,889</u> | <u>\$ 1,907</u> | <u>\$ 49</u> | <u>\$ 41</u> | <u>\$ 1,938</u> | <u>\$ 1,948</u> |

DEBT

BOND RATINGS

A bond or credit rating is a rating given to the debt obligations of the District as assigned by nationally-recognized statistical rating organizations. The letter designation represents the quality of the bonds; the higher the rating, the less risk a potential investor assumes. The District received two downgrades as it prepared to refund debt in the next fiscal year. While the District remains on “negative” outlook with S&P, both Moody’s and Fitch have revised their outlook to “stable”.

| Risk | Moody’s | S&P | Fitch |
|--------------------|---------|------|-------|
| Highest Quality | Aaa | AAA | AAA |
| High Quality | Aa1 | AA+ | AA+ |
| | Aa2 | AA | AA |
| | Aa3 | AA- | AA- |
| Upper Medium Grade | A1 | A+ | A+ |
| | A2 | A | A |
| | A3 | A- | A- |
| Medium Grade | Baa1 | BBB+ | BBB+ |
| | Baa2 | BBB | BBB |
| | Baa3 | BBB- | BBB- |

DEBT SERVICE

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. The Debt Service Fund services all of the bonds payable. The District also issues general obligation debt that is additionally secured by a pledge of pro-

ceeds 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. Following are the annual requirements to pay all general obligation bonds outstanding at year-end.

| Fiscal Year | Principal | Interest | Total Requirements |
|-------------|-----------|----------|--------------------|
| 2013 | \$ 321 | \$ 174 | \$ 495 |
| 2014 | 336 | 158 | 494 |
| 2015 | 343 | 141 | 484 |
| 2016 | 314 | 124 | 438 |
| 2017 | 281 | 108 | 389 |
| 2018-22 | 1,160 | 348 | 1,508 |
| 2023-27 | 757 | 106 | 863 |
| 2028 | 43 | 2 | 45 |
| Totals | \$ 3,555 | \$ 1,161 | \$ 4,716 |

CAPITAL PROJECTS

| SCHOOL NAME OR PROJECT | TOTAL PROGRAMMED |
|---|-----------------------|
| NEW /REPLACEMENT SCHOOLS | 46,396,730 |
| MODERNIZATION OF EXISTING SCHOOLS | |
| PORTABLE CLASSROOMS | 533,746 |
| FURNITURE AND EQUIPMENT REPLACEMENT | 4,200,000 |
| ELEMENTARY SCHOOLS: | |
| 1998 Capital Improvement Plan | 45,588,319 |
| 2010 Interim Capital Improvement Plan | 22,693,266 |
| MIDDLE SCHOOLS | |
| 1998 Capital Improvement Plan | 4,990,011 |
| 2010 Interim Capital Improvement Plan | 6,806,938 |
| HIGH SCHOOLS | |
| 1998 Capital Improvement Plan | 19,023,667 |
| 2010 Interim Capital Improvement Plan | 13,960,243 |
| VARIOUS SCHOOL SITES | |
| 1998 Capital Improvement Plan | 3,050,000 |
| 2010 Interim Capital Improvement Plan | 1,564,115 |
| MODERNIZATION CONTINGENCY BALANCE | 23,179,000 |
| LAND ACQUISITION | 23,340,513 |
| BUS SATELLITE (NW) | 11,246,553 |
| ADMINISTRATIVE EXPENSE | |
| 1998 Capital Improvement Plan | 13,926,796 |
| 2010 Interim Capital Improvement Plan | 1,361,316 |
| TOTAL CAPITAL PROJECTS IN-PROGRESS | \$ 241,861,213 |

1998 / 2010 CAPITAL IMPROVEMENT PLAN

As of June 30, 2012, funds remain from the 1998 voter-approved bond program and the 2010 interim capital improvement plan (issued through qualified school construction bonds).

The schedule to the left outlines programmed construction commitments as of June 30, 2012.

Below is a breakdown by program.

Programmed/Commitments (in thousands)

| | |
|--|------------------|
| 1998 Capital Imp. Plan | \$195,475 |
| 2010 Interim Capital Imp. Plan | \$ 46,386 |
| TOTAL Capital Project Commitments | \$241,861 |

2012 "PAY-AS-YOU-GO" CAPITAL IMPROVEMENT PLAN BALLOT QUESTION

With funding for capital projects drying up and without any additional capacity or authority to bond against future property tax revenues, on November 6, 2012 Clark County voters will be asked to approve a ballot question for a school improvement capital levy tied to the property tax.

The proposed "Pay-As-You-Go" Plan (PAYGO) would provide essential school renovations and repairs for failing systems, including HVAC, electrical systems, networking and other major needs at 42 existing schools, replace two schools and build two schools for areas experiencing excessive overcrowding.

43,000+ students directly benefit
100's of major projects
40 or more existing schools
21¢ property tax increase
\$6 /mo./home with assessed valuation of **\$100k**
6 year duration
0 use for other purposes
0 continuance without future voter approval

Projects would be funded by a 21¢ increase on property tax for up to six years, costing \$6.19 a month for the average homeowner with an assessed valuation of \$100,000. The plan provides a Pay-As-You-Go (PAYGO), fiscally-responsible way to finance school construction projects. Projects would be completed as revenues are accumulated, meaning no borrowing and no payment of interest. This additional capital funding would terminate in 2018 acting as a "bridge" until the District would have the capacity and further voter approval to bond against property tax revenues.



ACADEMIC PROGRAMS

COMMON CORE STANDARDS

Common Core Standards were adopted by the State of Nevada Department of Education in October 2010 and the District has begun the transition away from the Nevada State Content Standards to the new model. Currently 45 states, including Nevada, have adopted the curriculum standards that will help ensure that students understand grade-appropriate concepts in literacy and mathematics. The standards will make student achievement consistent and comparable from state to state.

THE GROWTH MODEL

The Nevada Growth Model provides a percentile comparative to measure how much students have improved in academic performance over time, rather than simply whether he or she passed a test. It answers the question, "How much progress in statewide assessments did a student or group of students make in one year, as compared to their academic peers across the state?" Examining student academic growth will help districts and schools to better plan learning experiences to help more students achieve higher levels of academic performance.

SCHOOL PERFORMANCE FRAMEWORK (SPF)

The SPF provides an overall score and performance level for every school. Because an excellent school is more than just a test score, other performance indicators are taken into account. Once an overall score is calculated for a school, the school re-



School Performance Framework Designations



Source: CCSD

Note: Some special schools and alternative schools are currently not included in the rankings

ceives a mark that falls into one of five categories. They are: 5 stars, 4 stars, 3 stars, 2 stars, and 1 star. Elementary, middle, and high schools are held to the same standard, in terms of how many points are needed to earn each category designation, but are evaluated using different criteria. The SPF will help schools improve so that all students are "Ready By Exit". The end result is to build aligned systems that help the District reach its goal of all students being "Ready By Exit" for college, career, or the military without the need for remediation.

Schools that earn 5 stars are provided autonomy by the District

Schools that earn 1 star will receive differentiated support

HIGH SCHOOL GRADUATION INITIATIVE

HSGI, a dropout prevention and re-entry program focused on providing ongoing support for students at-risk of dropping out and their families, serves sixteen schools and their largest feeder middle school. The high schools were selected based on their dropout rate in comparison to the state average.

HSGI is made up of two main components. Youth Experiencing Success (YES) is a program for students who have factors that put them at risk of dropping out including truancy, credit deficiencies, and low grade point average. The second component is the Back on Track re-entry program, which targets students who have already dropped out of school. Social workers provide support for students and their families.



As a means of helping students overcome obstacles, develop resiliency and acquire other needed skills, the school social workers facilitate support groups. Using curricular materials such as WhyTry and 7 Habits of Highly Successful Teens, social workers bring small groups of students together on a weekly basis. These groups provide an opportunity for students to discuss issues and problems and offer strategies to handle and solve them.

TRUANCY DIVERSION PROGRAM

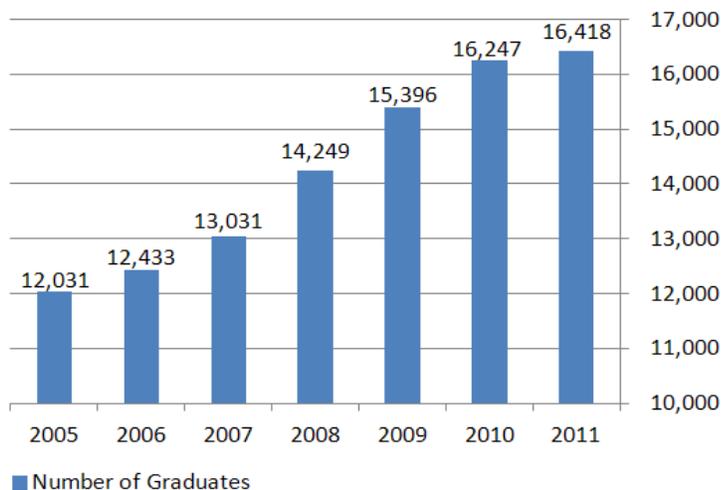
A collaborative effort between CCSD and the Eighth District Judicial Court, is aimed at decreasing absenteeism and providing support to students at-risk of dropping out of school. Judges volunteer their time to conduct weekly “court” sessions at the schools. Students at risk of dropping out attend the court sessions during which the judge reviews attendance, grades, and teacher progress notes. Judges utilize a point system to reward students for their achievements. Students who reach 100 points and show improvement in grades and attendance are honored with a “graduation” ceremony at the end of the session.



Clark County School District provides a location within the school to hold court sessions, incentives and rewards, field trips including transportation and admission fees, summer school tuition for students in the program, brochures in English and Spanish, general supplies, books for students and parents, and extra-duty pay for after school tutoring. Schools provide snacks for tutoring and for court sessions. School social workers sit in on court sessions at each school at least one time per month to provide support to families during court sessions (for less involved cases) or on a referral basis.

The Court provides Judges for each school, including a robe and name plaque. In addition, a coordinator is provided to oversee the program. Four family advocates serve in eleven of the fifteen schools. The court has a relationship with K-Mart, where purchases such as personal items and food, can be made.

Graduation Rates



Source: Nevada Annual Reports of Accountability
 Note: 2012 is still in the process of being collected.



IN THE NEWS

58 local students are semifinalists in National Merit Scholarship Program

As reported by the Las Vegas Review-Journal, 58 local seniors are semifinalists in the National Merit Scholarship competition, placing them among the smartest one percent of America's high school students based on their PSAT scores. This is up from the 46 semifinalists in Clark County last year, according to the R-J.

300+ teachers take part in "respectful culture" conference

More than 300 teachers took part in the 2012 Cross-Cultural Institute Conference at the Texas Station on June 21 and 22, 2012, hosted by CCSD's Equity and Diversity Education department. The theme of "Creating a Respectful Culture" featured an anti-bullying message showcasing "Toe Tag Monologues," a theatrical production presenting real life and death situations that children face, such as drug abuse, teen pregnancy, drunk driving, gang violence, teen suicide and bullying.

Nevada receives grant to develop system for measuring student achievement

Nevada Department of Education was awarded a \$4 million grant from the Institute of Education Sciences to develop a system to measure individual student achievement over time. According to the Nevada New Bureau, Nevada is one of two dozen states to receive funding for the statewide Longitudinal Data Systems.

CCSD celebrates student achievement, holds inaugural summer commencement

The Clark County School District (CCSD) today held its first summer commencement ceremony at the Las Vegas Academy of International Studies, Performing and Visual Arts.



The ceremony celebrated the accomplishments of students who possessed the determination to complete the necessary credit requirements and remaining Nevada High School Proficiency Exams during the summer to earn high school diplomas. This effort continues the District's goal to increase student achievement and is one more step in the transformation of CCSD going from the fastest growing to the fastest improving school district.

In June, the District announced that a summer graduation would be held to honor the students who stayed the course and refused to give up. Due to the efforts of students, parents, teachers, staff, the community and the success of the District's intervention efforts, approximately 230 students walked across the stage. Another 84 students earned their diplomas over the summer and opted to participate in their school's June commencement ceremony.

GLOSSARY OF TERMS

Assets - Resources with present service capacity that the government presently controls.

Budget - A plan of financial operation embodying an estimate of proposed expenditures for a given period or purpose and the proposed means of financing them.

Bond - A written promise, generally under seal, to pay a specified sum of money, called the face value, at a fixed time in the future, called the date of maturity, and carrying interest at a fixed rate, usually payable periodically. The difference between a note and a bond is that the latter usually runs for a longer period of time and requires a greater legal formality.

Capital outlays - Expenditures which result in the acquisition of or addition to fixed assets.

Expenditures - This includes total charges incurred, whether paid or unpaid, for current expense, capital outlay, and debt service.

Fiscal Year - A twelve-month period of time to which the annual budget applies and at the end of which a local education agency determines its financial position and the results of its operations. The District's fiscal year runs from July 1 through June 30.

Function - As applied to expenditures, this term references the accumulation of costs associated with a type of service or activity such as Instruction, School Administration, Plant Maintenance, and Operation. The District adheres to Nevada Revised Statutes for the coding of all expenditures. This coding is consistent nationally and enables comparisons of expenditure categories of school districts throughout the nation.

Fund - A fiscal and accounting entity which is comprised of a self-balancing set of accounts which reflect all assets, liabilities, equity, revenues and expenditures (or expenses) necessary to disclose financial position and the results of operations. Funds are established as individual entities in order to segregate financial records for purposes of legal compliance, different natures of the activities performed, measurement of different objectives, and to facilitate management control.

Fund Accounting - Accounting whereby nonprofit organizations and organizations in the public sector are measured by accountability instead of profitability. These organizations have a need for special reporting to financial statements users that show how money is spent, rather than how much profit was earned.

Fund Balance - Net position of a government fund (difference between assets, liabilities, deferred outflows of resources, and deferred inflows of resources).

Fund Financial Statements - Basic financial statements presented for funds, in contrast to government-wide financial statements.

Governmental funds - Funds generally used to account for tax-supported activities. These include the general fund, special revenue funds, debt service funds and capital projects funds.

Government-wide financial statements - Financial statements that incorporate all of a government's governmental and business-type activities, as well as its nonfiduciary component units.

Liabilities - Present obligations to sacrifice resources that the government has little or no discretion to avoid.

Long-Term Debt - Debt with a maturity of more than one year after the date of issuance.

Program - The definition of an effort to accomplish a specific objective or objectives consistent with funds or resources available. Budgets and actual revenue and expenditure records may be maintained per program.

Revenues - Additions to the assets of a fund during a fiscal period that are available to finance the fund's expenditures during the fiscal year.

Taxes - Compulsory charges levied by a governmental unit for the purpose of financing services performed for the common benefit.

