

MEETING NOTICE AND AGENDA

COMMITTEE ON LOCAL GOVERNMENT FINANCE

Date and Time of Meeting: January 22, 2019, 8:30 a.m.

Place of Meeting: Nevada Department of Health and Human Services
4150 Technology Way
Room 303
Carson City, Nevada

Video Conference To: Rawson Neal Psychiatric Hospital
1650 Community College Dr.
Training Room B193
Las Vegas, Nevada 89146

This meeting will also be part of a teleconference. Please call the Department at (775) 684-2100 for the call-in number.

Action may be taken on the items indicated in **BOLD**:

1. ROLL CALL AND OPENING REMARKS

2. PUBLIC COMMENT (See Note 2)

In consideration of others, who may also wish to provide public comment, please avoid repetition and limit your comments to no more than five (5) minutes.

3. **FINANCIAL CONDITION REPORTS BY THE DEPARTMENT; CONSIDERATION AND POSSIBLE ADOPTION OF RECOMMENDATIONS AND ORDERS**

(a) **For Possible Action: Discussion and Consideration of Clark County School District Financial Condition:**

1. **Report by the School District and the Department on the following matters:**

- a) **FY 17/18 Audit Report & Findings**
- b) **FY 18/19 Cash Flow Projections**
- c) **Brief update on Potential Legislative issues**

(b) **For Possible Action: Discussion and Consideration of the City of North Las Vegas Financial Condition:**

1. **Report by the City of North Las Vegas and the Department on the following matters:**

- a) **FY 17/18 Audit Report,**
- b) **FY 18/19 Cash Flow Projections**
- c) **FTE Levels by Function and Department**

2. **Department Analysis and Discussion of Possible Removal from Fiscal Watch**

(c) **For Possible Action: Discussion and Consideration of Nye County Financial Condition:**

1. **Report by Nye County and the Department on the following matters:**

- a) **Update on progress FY 17/18 Audit**
- b) **Status on monthly expenditure report to Nye County Commission**
- c) **Status of Treasurer's Office monthly bank reconciliations**

2. **Department Analysis and Discussion of Possible Fiscal Watch Status**

4. **For Possible Action: Subcommittee Report Regarding NAC 354.660**

5. **For Possible Action: Discussion and Consideration of Proposed Guidance Letters Concerning**

(a) **Regarding NRS 354.624 Submittal of Audits, 354.626 Unlawful Expenditures, and NAC 354.410 Available Resources**

(b) **Addressing Concerns Regarding NAC 354.660**

6. BRIEFING TO AND FROM THE COMMITTEE ON LOCAL GOVERNMENT FINANCE AND LOCAL GOVERNMENT FINANCE STAFF

7. **REVIEW AND APPROVAL OF MINUTES**

(a) **For Possible Action: CLGF Committee Meeting – August 28, 2018**

(b) **For Possible Action: CLGF Subcommittee Meeting – October 16, 2018**

8. **FOR POSSIBLE ACTION: SCHEDULE DATE AND REVIEW AGENDA TOPICS FOR THE NEXT MEETING**

9. PUBLIC COMMENT (See Note 2)

In consideration of others, who may also wish to provide public comment, please avoid repetition and limit your comments to no more than five (5) minutes.

10. **FOR POSSIBLE ACTION: ADJOURNMENT**

NOTE 1: Items on this agenda may be taken in a different order than listed. Items may be combined for consideration by the Committee on Local Government Finance. Items may be pulled or removed from the agenda at any time.

NOTE 2: Public comment may be made on any issue and any discussion of those items; provided that comment will be limited to areas relevant to and within the authority of the Committee on Local Government Finance. No action will be taken on any items raised in the public comment period. At the discretion of the Chairman, public comment may be received prior to action on individual agenda items. Public Comment may not be limited based on viewpoint. Prior to the commencement and conclusion of a contested case or a quasi judicial proceeding that may affect the due process rights of an individual, the committee may refuse to consider public comment. See NRS 233B.126.

NOTE 3: We are pleased to make accommodations for members of the public who are disabled. Please notify the Department of Taxation in writing, at 1550 College Parkway, Carson City, Nevada, 89706 or call (775) 684-2180 prior to the meeting.

NOTE 4: Materials and files for items on this agenda are maintained in the offices of the Department of Taxation located in Carson City, Nevada. Requests for copies of materials and files for items on this agenda may be made to:

Jeff Mitchell, Deputy Executive Director
Department of Taxation
1550 College Parkway
Carson City, NV 89706

Persons who wish to continue to receive notice of meetings must renew the request every six months after the first request is made because "[a] request for notice lapses 6 months after it is made." NRS 241.020(3)(c).

Notice of this meeting was posted in the following Carson City, Nevada location: Department of Taxation 1550 College Parkway and Nevada State Library, 100 Stewart Street

Notice of this meeting was emailed for posting to the following locations: Department of Taxation, 4600 Kietzke Lane, Building L, Suite 235, Reno; Department of Taxation, 2550 Paseo Verde, Suite 180, Henderson; Department of Taxation, 555 E. Washington Street; Las Vegas; Clark County Office, 500 South Grand Central Parkway, Las Vegas. Notice of this meeting was also posted on the Internet through the Department of Taxation website at www.tax.nv.gov, and on the Department of Administration website at <https://notice.nv.gov/>.

CLARK COUNTY SCHOOL DISTRICT

MAJOR FUND - GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	BUDGETED AMOUNTS			VARIANCES	
	Original Budget	Final Budget	Actual	Original to Final Budget	Final Budget to Actual
REVENUES					
Local sources:					
Local school support tax	\$ 981,000,000	\$ 981,000,000	\$ 998,300,029	\$ -	\$ 17,300,029
Property taxes	455,654,000	454,890,000	465,877,789	(764,000)	10,987,789
Governmental services tax	66,100,000	65,900,000	67,296,796	(200,000)	1,396,796
Two percent franchise tax	3,000,000	3,270,000	4,685,819	270,000	1,415,819
E-rate reimbursements	2,500,000	3,000,000	1,591,254	500,000	(1,408,746)
Local government taxes	1,400,000	2,422,000	3,381,251	1,022,000	959,251
Tuition and summer school fees	3,195,000	3,345,000	3,279,204	150,000	(65,796)
Adult education	100,000	100,000	150,000	-	50,000
Athletic proceeds	1,300,000	1,300,000	1,129,785	-	(170,215)
Rental of facilities	1,600,000	1,600,000	1,653,213	-	53,213
Donations and grants	5,775,000	5,675,000	8,317,227	(100,000)	2,642,227
Other local sources	9,290,000	9,070,000	7,879,644	(220,000)	(1,190,356)
Investment income	1,408,000	1,408,000	2,854,360	-	1,446,360
Total local sources	1,532,322,000	1,532,980,000	1,566,396,371	658,000	33,416,371
State sources:					
State distributive fund	674,780,000	668,730,000	634,565,228	(6,050,000)	(34,164,772)
State special appropriations	-	-	2,150	-	2,150
Total state sources	674,780,000	668,730,000	634,567,378	(6,050,000)	(34,162,622)
Federal sources:					
Federal impact aid	100,000	100,000	66,035	-	(33,965)
Forest reserve	100,000	100,000	81,881	-	(18,119)
Administrative claiming	-	1,400,000	1,289,319	1,400,000	(110,681)
Total federal sources	200,000	1,600,000	1,437,235	1,400,000	(162,765)
Other sources:					
Sales of district property	-	1,000,000	1,241,700	1,000,000	241,700
TOTAL REVENUES	2,207,302,000	2,204,310,000	2,203,642,684	(2,992,000)	(667,316)
EXPENDITURES					
Current:					
REGULAR PROGRAMS					
Instruction:					
Salaries	668,881,622	674,227,985	673,350,329	5,346,363	877,656
Benefits	274,830,828	272,949,054	271,915,820	(1,881,774)	1,033,234
Purchased services	7,035,852	6,922,467	6,880,293	(113,385)	42,174
Supplies	57,093,416	63,622,977	47,648,878	6,529,561	15,974,099
Property	791,000	3,766,146	2,886,054	2,975,146	880,092
Other	545,500	2,721,813	2,533,049	2,176,313	188,764
Total instruction	1,009,178,218	1,024,210,442	1,005,214,423	15,032,224	18,996,019
Support services:					
Student transportation					
Purchased services	374,666	1,679,995	1,660,939	1,305,329	19,056
Supplies	-	7,883	6,662	7,883	1,221
Other	-	4,413	3,929	4,413	484
Total student transportation	374,666	1,692,291	1,671,530	1,317,625	20,761

(Continued)

CLARK COUNTY SCHOOL DISTRICT
 MAJOR FUND - GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	BUDGETED AMOUNTS			VARIANCES POSITIVE / (NEGATIVE)	
	Original Budget	Final Budget	Actual	Original to Final Budget	Final Budg to Actual
EXPENDITURES - Continued					
Other support services:					
Salaries	\$ 26,827,022	\$ 25,072,871	\$ 24,082,963	\$ (1,754,151)	\$ 989,908
Benefits	11,216,959	10,311,746	10,035,534	(905,213)	276,212
Purchased services	429,417	957,412	877,309	527,995	80,103
Supplies	2,897,243	2,477,872	1,819,983	(419,371)	657,889
Other	365,435	205,685	142,200	(159,750)	63,485
Total other support services	41,736,076	39,025,586	36,957,989	(2,710,490)	2,067,597
Total support services	42,110,742	40,717,877	38,629,519	(1,392,865)	2,088,358
TOTAL REGULAR PROGRAMS	1,051,288,960	1,064,928,319	1,043,843,942	13,639,359	21,084,377
SPECIAL PROGRAMS					
Instruction:					
Salaries	1,671,420	1,560,012	1,550,325	(111,408)	9,687
Benefits	707,677	624,954	614,941	(82,723)	10,013
Purchased services	26,500	26,500	1,226	-	25,274
Supplies	50,000	47,159	41,678	(2,841)	5,481
Total instruction	2,455,597	2,258,625	2,208,170	(196,972)	50,455
Support services:					
Other support services:					
Salaries	-	593,252	530,261	593,252	62,991
Benefits	-	233,906	192,060	233,906	41,846
Purchased services	131,450	202,532	58,470	71,082	144,062
Supplies	55,555	374,124	4,303	318,569	369,821
Total support services	187,005	1,403,814	785,094	1,216,809	618,720
TOTAL SPECIAL PROGRAMS	2,642,602	3,662,439	2,993,264	1,019,837	669,175
GIFTED AND TALENTED PROGRAMS					
Instruction:					
Salaries	9,180,609	7,180,609	6,476,141	(2,000,000)	704,468
Benefits	3,714,427	2,710,427	2,542,649	(1,004,000)	167,778
Purchased services	-	2,000	344	2,000	1,656
Supplies	19,000	33,945	33,157	14,945	788
Other	-	5,000	3,192	5,000	1,808
Total instruction	12,914,036	9,931,981	9,055,483	(2,982,055)	876,498
Support services:					
Other support services:					
Salaries	294,219	304,866	234,368	10,647	70,498
Benefits	84,042	87,754	83,549	3,712	4,205
Purchased services	32,000	24,661	8,864	(7,339)	15,797
Supplies	35,425	36,725	18,195	1,300	18,530
Other	-	500	387	500	113
Total support services	445,686	454,506	345,363	8,820	109,143
TOTAL GIFTED AND TALENTED PROGRAMS	13,359,722	10,386,487	9,400,846	(2,973,235)	985,641

(Continued)

CLARK COUNTY SCHOOL DISTRICT
 MAJOR FUND - GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	BUDGETED AMOUNTS		Actual	VARIANCES POSITIVE / (NEGATIVE)	
	Original Budget	Final Budget		Original to Final Budget	Final Budget to Actual
EXPENDITURES - Continued					
VOCATIONAL PROGRAMS					
Instruction:					
Salaries	\$ 3,755,311	\$ 2,278,120	\$ 2,022,535	\$ (1,477,191)	\$ 255,585
Benefits	1,493,832	669,952	502,646	(823,880)	167,306
Purchased services	81,565	332,363	257,688	250,798	74,675
Supplies	2,213,589	2,622,146	1,868,912	408,557	753,234
Property	141,152	142,300	7,847	1,148	134,453
Other	-	250,316	216,027	250,316	34,289
Total instruction	7,685,449	6,295,197	4,875,655	(1,390,252)	1,419,542
Support services:					
Student transportation:					
Purchased services	3,000	119,994	26,407	116,994	93,587
Other support services:					
Salaries	721,357	790,414	779,460	69,057	10,954
Benefits	294,069	264,052	263,432	(30,017)	620
Purchased services	151,172	273,023	272,111	121,851	912
Supplies	427,897	430,526	426,675	2,629	3,851
Other	255,000	100,000	94,492	(155,000)	5,508
Total other support services	1,849,495	1,858,015	1,836,170	8,520	21,845
Total support services	1,852,495	1,978,009	1,862,577	125,514	115,432
TOTAL VOCATIONAL PROGRAMS	9,537,944	8,273,206	6,738,232	(1,264,738)	1,534,974
OTHER INSTRUCTIONAL PROGRAMS					
School co-curricular activities:					
Instruction:					
Salaries	2,585,398	2,410,398	1,638,917	(175,000)	771,481
Benefits	978,309	928,309	635,211	(50,000)	293,098
Purchased services	2,969,170	3,981,110	3,929,579	1,011,940	51,531
Supplies	3,298,450	2,145,713	1,972,020	(1,152,737)	173,693
Property	-	60,000	58,667	60,000	1,333
Other	146,085	247,034	245,674	100,949	1,360
Total instruction	9,977,412	9,772,564	8,480,068	(204,848)	1,292,496
Support services:					
Student transportation:					
Purchased services	1,930,770	1,785,105	951,618	(145,665)	833,487
Other support services:					
Salaries	3,782,778	3,413,589	3,221,071	(369,189)	192,518
Benefits	962,556	967,346	909,696	4,790	57,650
Purchased services	190,116	203,591	200,266	13,475	3,325
Supplies	337,761	214,375	196,849	(123,386)	17,526
Other	81,200	81,017	73,120	(183)	7,897
Total other support services	5,354,411	4,879,918	4,601,002	(474,493)	278,916
Total support services	7,285,181	6,665,023	5,552,620	(620,158)	1,112,403
Total school co-curricular activities	17,262,593	16,437,587	14,032,688	(825,006)	2,404,899

(Continued)

CLARK COUNTY SCHOOL DISTRICT

MAJOR FUND - GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	BUDGETED AMOUNTS			VARIANCES	
	Original Budget	Final Budget	Actual	Original to Final Budget	Final Budget to Actual
EXPENDITURES - Continued					
Summer school:					
Instruction:					
Salaries	\$ 1,844,941	\$ 1,411,941	\$ 1,092,808	\$ (433,000)	\$ 319,133
Benefits	47,184	47,010	28,739	(174)	18,271
Purchased services	10,000	-	-	(10,000)	-
Supplies	111,000	38,715	8,541	(72,285)	30,174
Other	5,000	40,500	40,347	35,500	153
Total instruction	2,018,125	1,538,166	1,170,435	(479,959)	367,731
Support services:					
Other support services:					
Salaries	293,343	293,343	217,939	-	75,404
Benefits	6,895	6,895	5,824	-	1,071
Purchased services	4,500	-	-	(4,500)	-
Other	50,000	-	-	(50,000)	-
Total support services	354,738	300,238	223,763	(54,500)	76,475
Total summer school	2,372,863	1,838,404	1,394,198	(534,459)	444,206
English language learners:					
Instruction:					
Salaries	1,869,814	703,502	488,180	(1,166,312)	215,322
Benefits	767,964	401,521	200,373	(366,443)	201,148
Purchased services	-	13,387	10,455	13,387	2,932
Supplies	219,680	89,779	88,323	(129,901)	1,456
Other	-	8,568	5,668	8,568	2,900
Total instruction	2,857,458	1,216,757	792,999	(1,640,701)	423,758
Support services:					
Student transportation:					
Purchased services	-	840	840	840	-
Other support services:					
Salaries	5,594,235	5,008,420	4,354,127	(585,815)	654,293
Benefits	2,425,877	2,065,327	1,769,125	(360,550)	296,202
Purchased services	1,908,076	1,851,860	1,647,337	(56,216)	204,523
Supplies	262,775	200,591	95,966	(62,184)	104,625
Other	10,589	10,589	2,129	-	8,460
Total other support services	10,201,552	9,136,787	7,868,684	(1,064,765)	1,268,103
Total support services	10,201,552	9,137,627	7,869,524	(1,063,925)	1,268,103
Total english language learners	13,059,010	10,354,384	8,662,523	(2,704,626)	1,691,861
Alternative education:					
Instruction:					
Salaries	8,014,754	8,997,618	8,801,923	982,864	195,695
Benefits	2,863,986	3,189,216	3,090,552	325,230	98,664
Purchased services	18,500	68,500	55,253	50,000	13,247
Supplies	1,796,525	1,166,331	363,237	(630,194)	803,094
Property	-	20,000	16,653	20,000	3,347
Other	3,000	23,000	9,347	20,000	13,653

(Continued)

CLARK COUNTY SCHOOL DISTRICT
 MAJOR FUND - GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	BUDGETED AMOUNTS			VARIANCES	
	Original Budget	Final Budget	Actual	Original to Final Budget	Final Budget to Actual
EXPENDITURES - Continued					
Total instruction	\$ 12,696,765	\$ 13,464,665	\$ 12,336,965	\$ 767,900	\$ 1,127,700
Support services:					
Student transportation:					
Purchased services	-	4,500	920	4,500	3,580
Other support services:					
Salaries	5,482,731	5,126,273	4,959,904	(356,458)	166,369
Benefits	2,336,798	2,232,714	2,029,808	(104,084)	202,906
Purchased services	143,675	13,869	9,719	(129,806)	4,150
Supplies	43,720	10,000	5,543	(33,720)	4,457
Other	28,832	-	-	(28,832)	-
Total other support services	8,035,756	7,382,856	7,004,974	(652,900)	377,882
Total support services	8,035,756	7,387,356	7,005,894	(648,400)	381,462
Total alternative education	20,732,521	20,852,021	19,342,859	119,500	1,509,162
TOTAL OTHER INSTRUCTIONAL PROGRAMS	53,426,987	49,482,396	43,432,268	(3,944,591)	6,050,128
ADULT EDUCATION PROGRAMS					
Instruction:					
Salaries	136,953	-	-	(136,953)	-
Benefits	60,966	-	-	(60,966)	-
Purchased services	-	30,000	29,560	30,000	440
Supplies	-	29,550	27,040	29,550	2,510
Total instruction	197,919	59,550	56,600	(138,369)	2,950
Support services:					
Other support services:					
Salaries	120,975	131,005	46,062	10,030	84,943
Benefits	37,226	144,900	13,909	107,674	130,991
Purchased services	-	120,000	31,147	120,000	88,853
Supplies	75,000	-	-	(75,000)	-
Total support services	233,201	395,905	91,118	162,704	304,787
TOTAL ADULT EDUCATION PROGRAMS	431,120	455,455	147,718	24,335	307,737
UNDISTRIBUTED EXPENDITURES					
Support services:					
Student support:					
Salaries	60,283,633	57,125,834	56,967,267	(3,157,799)	158,567
Benefits	25,429,359	24,319,894	24,271,033	(1,109,465)	48,861
Purchased services	78,275	31,377	21,790	(46,898)	9,587
Supplies	491,766	558,771	248,697	67,005	310,074
Property	10,000	10,000	5,591	-	4,409
Other	12,600	14,198	14,152	1,598	46
Total student support	86,305,633	82,060,074	81,528,530	(4,245,559)	531,544
Instructional staff support:					
Salaries	13,274,533	23,578,661	23,249,866	10,304,128	328,795
Benefits	6,918,311	9,677,255	9,569,541	2,758,944	107,714

(Continued)

CLARK COUNTY SCHOOL DISTRICT
 MAJOR FUND - GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

EXPENDITURES - Continued	BUDGETED AMOUNTS			VARIANCES POSITIVE / (NEGATIVE)	
	Original Budget	Final Budget	Actual	Original to Final Budget	Final Budget to Actual
Purchased services	\$ 6,703,393	\$ 5,080,595	\$ 4,948,692	\$ (1,622,798)	\$ 131,903
Supplies	6,538,181	6,704,300	6,652,000	166,119	52,300
Property	10,000	100,000	96,697	90,000	3,303
Other	588,629	228,594	158,315	(360,035)	70,279
Total instructional staff support	34,033,047	45,369,405	44,675,111	11,336,358	694,294
General administration:					
Salaries	10,857,496	10,522,963	9,666,086	(334,533)	856,877
Benefits	4,244,479	4,109,782	3,537,595	(134,697)	572,187
Purchased services	11,538,224	13,976,474	15,493,020	2,438,250	(1,516,546)
Supplies	1,259,785	817,054	327,944	(442,731)	489,110
Other	172,876	171,000	142,911	(1,876)	28,089
Total general administration	28,072,860	29,597,273	29,167,556	1,524,413	429,717
School administration:					
Salaries	137,210,724	147,249,323	146,449,797	10,038,599	799,526
Benefits	61,926,778	60,177,681	60,011,782	(1,749,097)	165,899
Purchased services	1,268,229	1,162,277	1,094,481	(105,952)	67,796
Supplies	-	605,107	505,207	605,107	99,900
Other	-	5,549	4,702	5,549	847
Total school administration	200,405,731	209,199,937	208,065,969	8,794,206	1,133,968
Central services					
Salaries	33,083,923	31,238,642	31,024,992	(1,845,281)	213,650
Benefits	13,741,339	13,541,346	13,420,183	(199,993)	121,163
Purchased services	13,107,928	9,140,719	9,123,101	(3,967,209)	17,618
Supplies	3,208,001	1,133,861	1,063,121	(2,074,140)	70,740
Property	250,000	709,986	679,487	459,986	30,499
Other	147,805	393,694	301,475	245,889	92,219
Total central services	63,538,996	56,158,248	55,612,359	(7,380,748)	545,889
Operation and maintenance of plant services.					
Salaries	117,096,878	111,925,911	111,232,344	(5,170,967)	693,567
Benefits	55,364,926	51,473,730	51,187,965	(3,891,196)	285,765
Purchased services	35,715,980	35,812,964	35,731,424	96,984	81,540
Supplies	61,879,323	63,699,577	63,639,638	1,820,254	59,939
Property	298,750	548,750	530,131	250,000	18,619
Other	252,550	143,050	133,428	(109,500)	9,622
Total operation and maintenance of plant services	270,608,407	263,603,982	262,454,930	(7,004,425)	1,149,052
Student transportation:					
Salaries	32,286,536	27,190,892	26,999,702	(5,095,644)	191,190
Benefits	17,108,750	14,540,406	14,467,389	(2,568,344)	73,017
Purchased services	2,408,600	1,477,101	1,075,055	(931,499)	402,046
Supplies	1,503,200	5,674,621	5,468,717	4,171,421	205,904
Property	61,025,000	53,985,755	47,813,913	(7,039,245)	6,171,842
Other	26,300	22,715	21,822	(3,585)	893
Total student transportation	114,358,386	102,891,490	95,846,598	(11,466,896)	7,044,892

(Continued)

CLARK COUNTY SCHOOL DISTRICT
 MAJOR FUND - GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	BUDGETED AMOUNTS		Actual	VARIANCES POSITIVE / (NEGATIVE)	
	Original Budget	Final Budget		Original to Final Budget	Final Budget to Actual
EXPENDITURES - Continued					
Capital outlay:					
Facilities acquisition and construction services:					
Site improvements					
Purchased services	\$ -	\$ 205,295	\$ 201,355	\$ 205,295	\$ 3,940
Building improvements:					
Purchased services	800,000	2,529,942	2,500,252	1,729,942	29,690
Supplies	-	506	459	506	47
Other	-	500	270	500	230
Total building improvements	800,000	2,530,948	2,500,981	1,730,948	29,967
Total facilities acquisition and construction services	800,000	2,736,243	2,702,336	1,936,243	33,907
TOTAL UNDISTRIBUTED EXPENDITURES	798,123,060	791,616,652	780,053,389	(6,506,408)	11,563,263
TOTAL EXPENDITURES	1,928,810,395	1,928,804,954	1,886,609,659	(5,441)	42,195,295
EXCESS OF REVENUES OVER EXPENDITURES	278,491,605	275,505,046	317,033,025	(2,986,559)	41,527,979
OTHER FINANCING SOURCES (USES)					
Transfers out	(343,374,605)	(321,550,541)	(319,203,117)	21,824,064	2,347,424
General obligation bonds issued	32,000,000	23,945,000	23,945,000	(8,055,000)	-
Premiums on general obligation bonds	-	2,739,000	2,738,996	2,739,000	(4)
TOTAL OTHER FINANCING SOURCES (USES)	(311,374,605)	(294,866,541)	(292,519,121)	16,508,064	2,347,420
NET CHANGE IN FUND BALANCE	(32,883,000)	(19,361,495)	24,513,904	13,521,505	43,875,399
FUND BALANCE, JULY 1	80,000,000	42,315,495	42,315,495	(37,684,505)	-
FUND BALANCE, JUNE 30	\$ 47,117,000	\$ 22,954,000	\$ 66,829,399	\$ (24,163,000)	\$ 43,875,399

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

CLARK COUNTY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 - CHANGES IN LONG-TERM LIABILITIES (continued)

	Beginning Balance June 30, 2017	Additions	Reductions	Ending Balance June 30, 2018	Due Within One Year
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 1,798,485,000	\$ 515,730,000	\$ (346,185,000)	\$ 1,968,030,000	\$ 226,045,000
General obligation revenue bonds	639,635,000	-	(60,670,000)	578,965,000	62,955,000
Less: issuance discounts	(4,467,553)	-	656,150	(3,811,403)	-
Plus: issuance premiums	318,581,356	63,900,989	(49,378,815)	333,103,530	-
Total bonds payable	2,752,233,803	579,630,989	(455,577,665)	2,876,287,127	289,000,000
Compensated absences	61,061,847	34,341,732	(33,136,546)	62,267,033	33,136,546
Other long term liabilities	25,457,631	4,854,477	-	30,312,108	-
Governmental activity long-term liabilities	\$ 2,838,753,281	\$ 618,827,198	\$ (488,714,211)	\$ 2,968,866,268	\$ 322,136,546
Business-type Activities:					
Compensated absences	\$ 1,140,251	\$ 312,565	\$ (345,568)	\$ 1,107,248	\$ 345,568

Internal service funds predominantly serve the governmental funds. Accordingly, their long-term liabilities are included as part of the above totals for governmental activities. At year end, \$361,479 of internal service funds compensated absences are included in the above amounts. In governmental activities, compensated absences are generally liquidated by a combination of the major and nonmajor governmental funds with the majority liquidated from the General Fund.

NOTE 11 - COMPLIANCE AND ACCOUNTABILITY

Per NRS 354.626, the District is required to report and explain expenditures that exceeded budgeted appropriations at the function level for the General Fund, Special Revenue, and Capital Project Funds. The sum of operating and non-operating expenses in the Enterprise and Internal Service Funds may not exceed total appropriations. As of June 30, 2018, the District reported the following expenditures over appropriations:

The District's non-major Special Revenue Fund – Class Size Reduction Fund reflects a budgeted expenditure overage of \$3,010,141 due to the increase in the funds received from the State which enabled additional teachers to be placed in positions to reduce class sizes in grades 1 through 3. The funds were received after the submission of the Amended Final Budget.

The District's non-major Special Revenue Fund – State Grants Fund reflects a budgeted expenditure overage of more than \$16,461,481 due to additional grant awards received which include Victory Schools, New Teacher Incentives, the Human Resource Management System, NV Ready 21, and college and career readiness. The increase in grant awards enabled the District to carry out programs based on these specific grant requirements, which were in excess of what was submitted in the Amended Final Budget.

The District's non-major Capital Projects Fund – Building and Sites Fund reflects a budgeted expense overage of \$365,438 due to unanticipated utility costs identified in an audit by the City of Las Vegas for projects completed in prior years.

NOTE 12 - DEFINED BENEFIT PENSION PLAN

All half-time or greater District employees are covered by the State of Nevada Public Employees Retirement System (the Plan), a cost sharing multiple-employer defined benefit plan of the public employee retirement system. The covered payroll for employees participating in the Plan for the year ended June 30, 2018 was \$1,594,833,675 and the District's total payroll was \$1,733,991,125. All full-time District employees are mandated by state law to participate in the Plan. Vested members

BOARD OF SCHOOL TRUSTEES

Deanna L. Wright, President
Carolyn Edwards, Vice President
Lola Brooks, Clerk
Linda P. Cavazos, Member
Kevin L. Child, Member
Chris Garvey, Member
Dr. Linda E. Young, Member

Jesús F. Jara Ed.D., Superintendent

November 9, 2018

Ms. Kelly Langley, Supervisor
Local Government Finance
State of Nevada Department of Taxation
1550 East College Parkway, Suite 115
Carson City, NV 89706

Dear Ms. Langley:

Pursuant to Nevada Revised Statute (NRS) 354.6245, the Clark County School District is required to provide to the Department of Taxation a proposed plan of corrective action for any violations of NRS as noted in its current financial audit. This letter serves as the corrective action plan for the items noted in the Auditor's Comments on Page 223 of the fiscal year 2018 Comprehensive Annual Financial Report (CAFR) and disclosed by the District in Note 11 on Page 69 of the CAFR.

In fiscal year 2018, the District noted three violations of NRS 354.626, the District is required to report and explain expenditures that exceeded budgeted appropriations at the function level for the General Fund, Special Revenue Fund, and Capital Project Fund. The sum of operating and non-operating expenses in the Enterprise and Internal Service Funds may not exceed total appropriations. As of June 30, 2018, the District reported the following expenditures over appropriations:

- Special Revenue Fund (non-major) – Class Size Reduction (CSR) Fund reflects a budgeted expenditure overage of \$3,010,141 due to the increase in the funds received from the State which enabled additional teachers to be placed in positions to reduce class sizes in grades 1 through 3. The funds were received after the submission of the Amended Final Budget.

The District will continue to work with the Nevada Department of Education (NDOE) to produce an improved projection. Furthermore, starting in fiscal year 2019, the NDOE will disburse all of the CSR funding prior to the submission of the District's Amended Final Budget. This process change will greatly improve the District's CSR projection.

- Special Revenue Fund (non-major) – State Grants Fund reflects a budgeted expenditure overage of more than \$16,461,481 due to additional grant awards received which include Victory Schools, New Teacher Incentives, the Human Resource Management System, NV Ready 21, and college and career readiness. The increase in grant awards enabled the District to carry out programs based on these specific grant requirements, which were in excess of what was submitted in the Amended Final Budget.

State grant revenue was greater than projected. The District will continue to work with the State on receiving updated grant award information to improve the budget process.

Kelly Langley
Page 2
November 9, 2018

- Capital Projects Fund (non-major) – Building and Sites Fund reflects a budgeted expense overage of \$365,438 due to unanticipated utility costs identified in an audit by the City of Las Vegas for projects completed in prior years.

The District will work to ensure the sewer connection fees are paid in full at the end of each project or incorporate the outstanding invoice(s) in the following year's budget.

If you have any questions regarding the information found in the CAFR, please do not hesitate to contact me by telephone at (702) 799-5452, Extension 5237 or by e-mail at barthd@nv.ccsd.net.

Sincerely,



Diane Bartholomew
Deputy Chief Financial Officer

CLARK COUNTY SCHOOL DISTRICT
Cash and Investments by Fund
Fiscal Years 2018 - 2019 YTD

FUND	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
General Operating												
2018-2019 (FY 2019)	60,407,629.50	131,758,882.40	187,102,636.28	178,550,903.29	309,886,508.99	-	-	-	-	-	-	-
2017-2018 (FY 2018)	73,913,419.81	56,774,831.11	147,124,281.57	113,422,105.56	153,928,535.43	189,276,754.48	142,348,181.78	179,561,540.01	191,544,218.78	184,969,974.53	208,421,919.76	165,372,111.00
Class Size Reduction ¹												
2018-2019 (FY 2019)	9,986,862.37	27,007,248.73	17,385,726.76	7,844,228.68	26,897,206.68	-	-	-	-	-	-	-
2017-2018 (FY 2018)	7,085,658.40	(231,914.63)	21,375,481.63	43,057,808.50	36,977,500.76	30,845,541.82	24,706,747.80	44,589,989.40	34,944,072.22	10,127,916.04	29,883,219.18	19,711,745.65
NV Ed Funding Plan - SB 178												
2018-2019 (FY 2019)	30,796,639.18	28,684,581.32	26,165,687.85	23,700,168.50	21,324,327.13	-	-	-	-	-	-	-
2017-2018 (FY 2018)	34,178,400.00	34,178,400.00	33,608,269.15	33,228,146.66	31,094,879.27	28,128,845.45	26,026,711.63	23,673,191.30	20,742,827.37	14,096,147.69	10,974,232.40	5,323,116.88
Vegas PBS												
2018-2019 (FY 2019)	1,544,379.15	1,807,485.26	1,729,325.31	1,475,395.91	317,392.57	-	-	-	-	-	-	-
2017-2018 (FY 2018)	2,076,562.32	1,973,414.16	1,795,137.49	1,717,951.07	439,579.81	1,246,276.30	1,375,040.91	1,100,162.15	1,477,440.34	1,977,249.60	2,004,467.01	1,809,890.09
Adult HS Diploma ²												
2018-2019 (FY 2019)	44,013.18	278,340.58	(650,545.92)	(1,649,559.73)	(1,870,535.85)	-	-	-	-	-	-	-
2017-2018 (FY 2018)	1,965,374.08	974,650.45	11,243.80	(1,020,540.87)	(918,498.14)	(887,826.35)	(1,032,266.56)	(1,522,943.31)	(876,423.85)	(835,594.75)	(766,820.91)	-
State Grants ²												
2018-2019 (FY 2019)	(435,357.69)	(1,127,890.60)	(3,276,104.89)	(15,238,549.58)	(23,070,406.34)	-	-	-	-	-	-	-
2017-2018 (FY 2018)	(11,553,046.12)	1,390,327.73	(4,054,054.92)	(7,205,193.73)	(10,654,833.35)	(14,355,987.00)	(9,262,907.13)	(10,478,540.23)	(9,533,614.18)	(8,420,339.03)	(16,079,736.25)	-
Federal Grants ²												
2018-2019 (FY 2019)	(6,043,344.07)	(16,206,876.78)	(33,447,635.20)	(48,612,842.44)	(46,830,341.01)	-	-	-	-	-	-	-
2017-2018 (FY 2018)	3,362,694.06	(34,381,936.75)	(34,362,356.95)	(39,712,129.08)	(46,022,336.96)	(52,570,697.20)	(16,498,440.41)	(23,333,837.78)	(15,751,731.74)	(20,429,868.89)	(19,505,774.47)	-
Medicaid - General												
2018-2019 (FY 2019)	10,956,091.38	10,703,453.47	9,748,497.14	9,324,460.89	10,780,858.48	-	-	-	-	-	-	-
2017-2018 (FY 2018)	13,216,341.10	13,138,429.56	12,801,576.65	12,787,959.74	11,851,946.17	10,753,353.46	12,088,394.66	12,710,433.39	12,071,201.96	11,096,386.42	10,477,087.86	11,628,147.25
Bond												
2018-2019 (FY 2019)	558,799,831.59	529,488,448.48	514,266,558.57	493,685,328.47	684,956,401.85	-	-	-	-	-	-	-
2017-2018 (FY 2018)	483,496,020.25	473,735,462.21	452,765,051.49	434,127,356.62	411,882,474.67	614,874,498.75	585,263,466.00	563,144,274.30	529,719,366.78	446,551,082.25	405,561,642.11	591,655,775.86
Building & Sites												
2018-2019 (FY 2019)	10,580,579.14	10,545,021.56	10,550,074.72	11,267,017.08	11,227,236.20	-	-	-	-	-	-	-
2017-2018 (FY 2018)	11,784,794.63	11,756,314.23	11,681,322.66	11,603,565.00	11,592,665.00	11,586,705.62	11,530,329.62	11,520,055.45	11,529,473.17	11,498,988.50	11,468,164.36	11,492,112.03
GST - Rehab and Modernization												
2018-2019 (FY 2019)	79,746,160.43	77,804,054.44	77,425,359.89	78,827,724.34	78,892,314.95	-	-	-	-	-	-	-
2017-2018 (FY 2018)	60,698,883.58	60,252,990.74	61,956,430.60	63,836,142.56	65,913,380.32	67,822,501.49	69,629,280.39	71,778,071.70	72,222,172.00	74,118,624.71	75,237,532.10	79,219,147.77
Capital Replacement												
2018-2019 (FY 2019)	159,326.74	159,326.74	159,326.74	159,326.74	159,326.74	-	-	-	-	-	-	-
2017-2018 (FY 2018)	1,291,272.04	1,644,901.78	1,607,612.88	1,234,845.86	1,234,845.86	1,233,300.85	814,332.12	810,983.96	810,983.96	810,983.96	810,983.96	810,983.96
Debt Service												
2018-2019 (FY 2019)	83,526,774.21	98,806,264.21	206,480,814.20	244,261,313.73	306,161,231.01	-	-	-	-	-	-	-
2017-2018 (FY 2018)	55,945,794.62	61,171,295.90	151,397,211.61	170,114,505.77	236,674,628.88	206,776,139.31	231,883,535.52	285,938,163.38	304,308,000.83	419,423,855.44	433,019,691.44	73,874,390.43
Food Service												
2018-2019 (FY 2019)	86,200,674.42	80,973,860.37	71,802,884.49	69,587,647.50	70,151,237.66	-	-	-	-	-	-	-
2017-2018 (FY 2018)	68,654,291.24	67,048,839.77	54,922,330.62	43,398,442.24	34,193,073.26	45,009,768.74	60,069,656.68	51,351,404.76	62,353,329.20	65,931,551.03	70,098,685.63	78,592,843.19
Insurance and Risk Management												
2018-2019 (FY 2019)	40,897,588.48	42,041,951.56	44,179,520.29	42,514,044.41	43,285,736.38	-	-	-	-	-	-	-
2017-2018 (FY 2018)	34,707,014.34	35,492,833.26	36,181,818.61	37,100,537.06	37,096,271.20	36,682,281.44	37,283,547.81	38,037,566.56	39,109,938.47	39,455,423.36	40,041,956.00	40,444,390.44
Graphics Arts Production												
2018-2019 (FY 2019)	2,011,436.99	2,007,386.49	2,043,432.63	2,120,491.09	2,054,138.28	-	-	-	-	-	-	-
2017-2018 (FY 2018)	1,842,256.95	1,846,084.67	1,826,749.64	1,929,619.36	1,957,423.58	1,909,039.80	1,856,380.49	1,875,710.97	1,826,157.48	1,840,350.43	1,949,816.99	2,052,052.42
Total Cash and Investments												
2018-2019 (FY 2019)	969,179,285.00	1,024,731,538.23	1,131,665,558.86	1,097,817,098.88	1,494,322,633.72	-	-	-	-	-	-	-
2017-2018 (FY 2018)	842,665,731.30	786,764,924.19	950,638,106.53	919,621,122.32	977,241,535.76	1,178,330,496.96	1,178,081,991.31	1,250,756,226.01	1,256,497,412.79	1,252,212,731.29	1,263,597,067.17	1,081,986,706.97

¹ Negative cash balance due to receipt of first quarter payment in September.

² Due to Federal regulation CFR 200.305, grant funds sometimes have a negative cash balance as a result of the reimbursement method.

CLARK COUNTY SCHOOL DISTRICT
Cash Flow Projections - General Operating Fund
Fiscal Year 2019

		PROJECTED JULY	ACTUAL JULY	VARIANCE JULY	PROJECTED AUGUST	ACTUAL AUGUST	VARIANCE AUGUST	PROJECTED SEPTEMBER	ACTUAL SEPTEMBER
Beginning Cash and Investment Balance		\$ 165,372,111.00	\$ 165,372,111.00	\$ -	\$ 104,473,219.07	\$ 60,407,629.50	\$ (44,065,589.57)	\$ 36,964,355.50	\$ 131,758,882.40
RECEIPTS/DEPOSITS									
Distributive School Account (DSA)	^{1,2,7}	\$ 53,306,333.33	\$ -	\$ (53,306,333.33)	\$ 32,473,500.00	\$ 103,783,893.90	\$ 71,310,393.90	\$ 53,306,333.33	\$ 32,417,409.14
Local School Support Tax (LSST)		85,622,191.00	86,519,493.83	897,302.83	86,857,520.00	89,205,235.20	2,347,715.20	84,875,000.00	85,062,322.07
Taxes - Property, Franchise, and other	⁶	2,646,056.30	1,187,538.04	(1,458,518.26)	9,760,857.54	10,788,972.73	1,028,115.19	118,293,213.73	135,262,554.33
Government Services Tax		5,813,236.88	5,813,236.88	-	5,554,596.45	5,930,288.45	375,692.00	5,559,151.71	5,982,939.46
Due from other Funds (State, Federal, Adult Ed)	³	-	-	-	-	39,115,268.08	39,115,268.08	-	-
District Deposits		1,650,948.00	2,891,722.23	1,240,774.23	1,359,364.00	7,718,794.82	6,359,430.82	1,974,408.59	3,127,673.27
Other Financing Sources: Bond Proceeds		-	-	-	-	-	-	-	-
Total Receipts/Deposits		\$ 149,038,764.51	\$ 96,411,989.98	\$ (52,626,775.53)	\$ 136,005,837.99	\$ 256,542,453.18	\$ 120,536,615.19	\$ 264,008,108.36	\$ 261,852,898.27
EXPENDITURES/PAYMENTS									
Salaries and Tax Deposits	⁴	\$ 109,371,446.35	\$ 106,553,431.41	\$ (2,818,014.94)	\$ 128,706,795.87	\$ 125,120,985.51	\$ (3,585,810.36)	\$ 119,957,982.33	\$ 118,248,961.45
Wires: Public Employees Retirement System (PERS)	⁴	26,884,933.58	27,113,987.95	229,054.37	33,069,516.90	31,175,883.75	(1,893,633.15)	34,220,983.92	30,971,333.45
Accounts Payable Disbursements (services, supplies, property, and other)	^{5,8}	73,681,276.51	67,709,052.12	(5,972,224.39)	41,738,387.79	28,894,331.02	(12,844,056.77)	58,251,753.13	57,288,849.49
Total Disbursements		\$ 209,937,656.44	\$ 201,376,471.48	\$ (8,561,184.96)	\$ 203,514,701.56	\$ 185,191,200.28	\$ (18,323,500.28)	\$ 212,430,720.38	\$ 206,509,144.39
Net Change		\$ (60,898,891.93)	\$ (104,964,481.50)	\$ (44,065,590.57)	\$ (67,508,863.57)	\$ 71,351,252.90	\$ 138,860,115.47	\$ 51,577,387.98	\$ 55,343,753.88
Ending Cash and Investment Balance		\$ 104,473,219.07	\$ 60,407,629.50	\$ (44,065,590.57)	\$ 36,964,355.50	\$ 131,758,882.40	\$ 94,794,525.90	\$ 88,541,743.48	\$ 187,102,636.28

¹ DSA 1st quarter payment #1 expected on July 31, 2018 but received on August 1, 2018. DSA 1st quarter payment #2 expected September 4, 2018 but received August 31, 2018.

² State of Nevada delayed payment of Special Ed funding of \$32,417,409 until September that was expected in August.

³ Reversal of FY18 journal entry which eliminates the due to/due from between the general fund and grant funds.

⁴ Increased salary projections for teacher abritration settlement and contract agreements with CCASAP, ESEA and PAA.

⁵ Projected August accounts payable payment of \$14.8 million was not due until after Labor Day.

⁶ County tax revenues were collected earlier than expected and projections have been updated to reflect increases in assessed values.

⁷ Special Ed 2nd quarter payment expected October 31, 2018 but was received November 5, 2018.

⁸ Teachers Health Trust payment of \$10.8 million was paid on November 30th instead of December 1st as in the prior year.

CLARK COUNTY SCHOOL DISTRICT
Cash Flow Projections - General Operating Fund
Fiscal Year 2019

		VARIANCE SEPTEMBER	PROJECTED OCTOBER	ACTUAL OCTOBER	VARIANCE OCTOBER	PROJECTED NOVEMBER	ACTUAL NOVEMBER	VARIANCE NOVEMBER	PROJECTED DECEMBER
Beginning Cash and Investment Balance		\$ 94,794,526.90	\$ 88,541,743.48	\$ 187,102,636.28	\$ 98,560,892.80	\$ 111,682,078.80	\$ 178,550,903.29	\$ 66,868,824.49	\$ 245,123,255.22
<u>RECEIPTS/DEPOSITS</u>									
Distributive School Account (DSA)	1,2,7	\$ (20,888,924.19)	\$ 85,779,833.33	\$ 51,916,233.72	\$ (33,863,599.61)	\$ 125,734,836.87	\$ 127,775,156.86	\$ 2,040,319.99	\$ 48,146,630.80
Local School Support Tax (LSST)		187,322.07	84,310,879.18	81,938,742.34	(2,372,136.84)	82,532,318.25	86,710,349.93	4,178,031.68	84,617,599.43
Taxes - Property, Franchise, and other	6	16,969,340.60	38,037,768.61	39,688,411.67	1,650,643.06	74,124,552.04	71,498,485.47	(2,626,066.57)	14,025,662.88
Government Services Tax		423,787.75	5,864,284.11	6,071,785.71	207,501.60	5,449,357.06	5,900,260.92	450,903.86	5,330,590.56
Due from other Funds (State, Federal, Adult Ed)	3	-	-	-	-	-	-	-	-
District Deposits		1,153,264.68	1,766,291.25	2,217,431.14	451,139.89	2,267,990.20	2,959,528.35	691,538.15	2,985,894.60
Other Financing Sources: Bond Proceeds		-	-	-	-	36,770,203.19	36,770,203.19	-	-
Total Receipts/Deposits		\$ (2,155,209.09)	\$ 215,759,056.47	\$ 181,832,604.58	\$ (33,926,451.89)	\$ 326,879,257.61	\$ 331,613,984.72	\$ 4,734,727.11	\$ 155,106,378.27
<u>EXPENDITURES/PAYMENTS</u>									
Salaries and Tax Deposits	4	\$ (1,709,020.88)	\$ 126,127,065.86	\$ 122,365,146.73	\$ (3,761,919.13)	\$ 124,393,069.90	\$ 119,930,691.50	\$ (4,462,378.40)	\$ 138,286,756.88
Wires: Public Employees Retirement System (PERS)	4	(3,249,650.47)	32,396,384.83	31,477,545.14	(918,839.69)	32,595,224.88	30,907,970.33	(1,687,254.55)	32,319,246.96
Accounts Payable Disbursements (services, supplies, property, and other)	5,8	(962,903.64)	34,095,270.46	36,541,645.70	2,446,375.24	36,449,786.41	\$49,439,717.19	12,989,930.78	42,599,690.71
Total Disbursements		\$ (5,921,574.99)	\$ 192,618,721.15	\$ 190,384,337.57	\$ (2,234,383.58)	\$ 193,438,081.19	\$ 200,278,379.02	\$ 6,840,297.83	\$ 213,205,694.55
Net Change		\$ 3,766,365.90	\$ 23,140,335.32	\$ (8,551,732.99)	\$ (31,692,068.31)	\$ 133,441,176.42	\$ 131,335,605.70	\$ (2,105,570.72)	\$ (58,099,316.28)
Ending Cash and Investment Balance		\$ 98,560,892.80	\$ 111,682,078.80	\$ 178,550,903.29	\$ 66,868,824.49	\$ 245,123,255.22	\$ 309,886,508.99	\$ 64,763,253.77	\$ 187,023,938.94

CLARK COUNTY SCHOOL DISTRICT
Cash Flow Projections - General Operating Fund
Fiscal Year 2019

		PROJECTED JANUARY	PROJECTED FEBRUARY	PROJECTED MARCH	PROJECTED APRIL	PROJECTED MAY	PROJECTED JUNE	PROJECTED TOTAL
Beginning Cash and Investment Balance		\$ 187,023,938.94	\$ 133,769,262.07	\$ 165,504,500.99	\$ 167,793,466.12	\$ 178,950,925.50	\$ 127,981,688.32	
<u>RECEIPTS/DEPOSITS</u>								
Distributive School Account (DSA)	1,2,7	\$ 32,417,409.14	\$ 50,082,610.36	\$ 103,897,219.67	\$ 32,417,409.14	\$ 50,417,193.69	\$ 102,595,746.61	\$ 770,575,056.27
Local School Support Tax (LSST)		85,190,342.86	91,552,945.82	80,753,812.17	80,948,241.08	90,682,527.65	81,394,737.45	1,019,338,114.89
Taxes - Property, Franchise, and other	6	33,045,243.24	73,922,596.68	20,319,161.77	80,790,170.68	8,562,362.44	4,444,094.53	477,971,740.42
Government Services Tax		5,997,290.59	5,918,509.88	5,237,242.40	6,490,419.56	5,840,922.12	5,826,151.35	68,881,752.66
Due from other Funds (State, Federal, Adult Ed)	3	-	-	-	-	-	(3,729,053.70)	(3,729,053.70)
District Deposits		1,369,268.91	1,702,815.74	1,425,071.82	1,479,026.16	3,569,178.13	3,448,102.36	24,998,359.75
Other Financing Sources: Bond Proceeds		-	-	-	-	-	-	36,770,203.19
Total Receipts/Deposits		\$ 158,019,554.73	\$ 223,179,478.47	\$ 211,632,507.82	\$ 202,125,266.62	\$ 159,072,184.03	\$ 193,979,778.60	\$ 2,394,806,173.48
<u>EXPENDITURES/PAYMENTS</u>								
Salaries and Tax Deposits	4	\$ 137,739,810.69	\$ 122,812,536.63	\$ 123,681,239.37	\$ 120,155,154.43	\$ 122,868,678.28	\$ 129,696,576.68	\$ 1,503,797,113.27
Wires: Public Employees Retirement System (PERS)	4	35,102,773.94	31,390,925.55	31,666,207.30	30,847,698.51	31,591,173.77	31,984,370.97	384,069,441.11
Accounts Payable Disbursements (services, supplies, property, and other)	5,8	38,431,646.97	37,240,777.38	53,996,096.02	39,964,954.30	55,581,570.16	58,438,180.11	570,469,389.96
Total Disbursements		\$ 211,274,231.60	\$ 191,444,239.55	\$ 209,343,542.69	\$ 190,967,807.24	\$ 210,041,422.21	\$ 220,119,127.77	\$ 2,458,335,944.34
Net Change		\$ (53,254,676.87)	\$ 31,735,238.92	\$ 2,288,965.13	\$ 11,157,459.38	\$ (50,969,238.18)	\$ (26,139,349.16)	\$ (63,529,770.86)
Ending Cash and Investment Balance		\$ 133,769,262.07	\$ 165,504,500.99	\$ 167,793,466.12	\$ 178,950,925.50	\$ 127,981,688.32	\$ 101,842,339.16	

CLARK COUNTY SCHOOL DISTRICT
Cash Flow Projections - All Funds
Fiscal Year 2019

		PROJECTED JULY	ACTUAL JULY	VARIANCE JULY	PROJECTED AUGUST	ACTUAL AUGUST	VARIANCE AUGUST	PROJECTED SEPTEMBER	ACTUAL SEPTEMBER
Beginning Cash and Investment Balance		\$ 1,081,986,706.97	\$ 1,081,986,706.97	\$ -	\$ 1,031,289,867.59	\$ 969,179,285.00	\$ (62,110,582.59)	\$ 955,050,887.59	\$ 1,024,731,538.23
RECEIPTS/DEPOSITS									
Distributive School Account (DSA)	^{1,2,8}	\$ 53,306,333.33	\$ -	\$ (53,306,333.33)	\$ 32,473,500.00	\$ 103,783,893.90	\$ 71,310,393.90	\$ 53,306,333.33	\$ 32,417,409.14
Class Size Reduction	³	-	-	-	-	26,966,799.18	26,966,799.18	28,707,779.00	-
Local School Support Tax (LSST)		85,622,191.00	86,519,493.83	897,302.83	86,857,520.00	89,205,235.20	2,347,715.20	84,875,000.00	85,062,322.00
Taxes - Property, room and real property transfer	⁴	13,236,380.78	13,409,871.99	173,491.21	21,930,000.00	30,789,812.62	8,859,812.62	224,910,000.00	245,613,418.31
State, Federal and Government Service Tax	^{5,9,10}	77,142,857.14	68,053,612.83	(9,089,244.31)	62,000,000.00	60,025,641.00	(1,974,359.00)	22,000,000.00	15,829,156.86
District deposits		6,570,294.27	4,883,061.82	(1,687,232.45)	2,500,000.00	7,396,049.44	4,896,049.44	5,500,000.00	7,427,568.61
Other Financing Sources: Bond Proceeds		-	-	-	-	-	-	-	-
Total Receipts/Deposits		\$ 235,878,056.52	\$ 172,866,040.47	\$ (63,012,016.05)	\$ 205,761,020.00	\$ 318,167,431.34	\$ 112,406,411.34	\$ 419,299,112.33	\$ 386,349,874.92
EXPENDITURES/PAYMENTS									
Salaries and tax deposits	⁶	\$ 135,363,035.03	\$ 129,263,719.17	\$ (6,099,315.86)	\$ 150,500,000.00	\$ 147,635,688.92	\$ (2,864,311.08)	\$ 144,000,000.00	\$ 142,639,349.21
Wires: Public Employees Retirement System (PERS) and other miscellaneous	⁶	37,397,264.16	37,397,264.16	-	33,500,000.00	32,101,781.39	(1,398,218.61)	36,900,000.00	36,873,092.14
Accounts Payable Disbursements (services, supplies, property, and other)	⁷	113,814,596.71	119,012,479.11	5,197,882.40	98,000,000.00	82,877,707.80	(15,122,292.20)	85,000,000.00	99,903,412.94
Debt service payments		-	-	-	-	-	-	-	-
Total Disbursements		\$ 286,574,895.90	\$ 285,673,462.44	\$ (901,433.46)	\$ 282,000,000.00	\$ 262,615,178.11	\$ (19,384,821.89)	\$ 265,900,000.00	\$ 279,415,854.29
Net Change		\$ (50,696,839.38)	\$ (112,807,421.97)	\$ (62,110,582.59)	\$ (76,238,980.00)	\$ 55,552,253.23	\$ 131,791,233.23	\$ 153,399,112.33	\$ 106,934,020.63
Ending Cash and Investment Balance		\$ 1,031,289,867.59	\$ 969,179,285.00	\$ (62,110,582.59)	\$ 955,050,887.59	\$ 1,024,731,538.23	\$ 69,680,650.64	\$ 1,108,449,999.92	\$ 1,131,665,558.86

¹ DSA 1st quarter payment #1 expected on July 31, 2018 but received on August 1, 2018. DSA 1st quarter payment #2 expected September 4, 2018 but received August 31, 2018.

² State of Nevada delayed payment of Special Ed funding of \$32,417,409 until September that was expected in August.

³ CSR 1st quarter payment expected in September was received August 31, 2018 and 2nd quarter payment expected in October was received November 2, 2018.

⁴ County tax revenues were collected earlier than expected and projections have been updated to reflect increases in assessed values.

⁵ Decrease in revenue due to timing of state and federal grants receivables.

⁶ Increased salary projections for teacher arbitration settlement and contract agreements with CCASAP, ESEA and PAA.

⁷ Projected August accounts payable payment of \$14.8 million was not due until after Labor Day.

⁸ Special Ed 2nd quarter payment expected October 31, 2018 but was received November 5, 2018.

⁹ October projection included state funding for full day kindergarten. Beginning in FY19, the State included FDK funding in the DSA calculation.

¹⁰ State wires received in November were expected in December for \$12 million - National School Lunch Program and \$15 million - Title I.

CLARK COUNTY SCHOOL DISTRICT
Cash Flow Projections - All Funds
Fiscal Year 2019

		VARIANCE SEPTEMBER	PROJECTED OCTOBER	ACTUAL OCTOBER	VARIANCE OCTOBER	PROJECTED NOVEMBER	ACTUAL NOVEMBER	VARIANCE NOVEMBER	PROJECTED DECEMBER
Beginning Cash and Investment Balance		\$ 69,680,650.64	\$ 1,108,449,999.92	\$ 1,131,665,558.86	\$ 23,215,558.94	\$ 1,151,831,692.91	\$ 1,097,817,098.88	\$ (54,014,594.03)	\$ 1,489,424,806.64
RECEIPTS/DEPOSITS									
Distributive School Account (DSA)	^{1,2,8}	\$ (20,888,924.19)	\$ 85,779,833.33	\$ 51,916,233.72	\$ (33,863,599.61)	\$ 125,734,836.87	\$ 127,775,156.86	\$ 2,040,319.99	\$ 48,146,630.80
Class Size Reduction	³	(28,707,779.00)	28,707,779.00	-	(28,707,779.00)	-	28,645,731.95	28,645,731.95	-
Local School Support Tax (LSST)		187,322.00	84,310,879.18	81,938,742.34	(2,372,136.84)	82,532,318.25	86,710,349.93	4,178,031.68	84,617,599.43
Taxes - Property, room and real property transfer	⁴	20,703,418.31	76,610,878.36	80,874,236.35	4,263,357.99	139,379,158.79	135,705,068.55	(3,674,090.24)	37,803,473.69
State, Federal and Government Service Tax	^{5,9,10}	(6,170,843.14)	32,000,000.00	18,960,719.00	(13,039,281.00)	20,000,000.00	40,062,490.97	20,062,490.97	41,000,000.00
District deposits		1,927,568.61	6,500,000.00	4,957,682.01	(1,542,317.99)	4,000,000.00	6,815,917.20	2,815,917.20	9,500,000.00
Other Financing Sources: Bond Proceeds		-	2,350,000.00	2,350,000.00	-	252,563,418.49	252,563,418.49	-	-
Total Receipts/Deposits		\$ (32,949,237.41)	\$ 316,259,369.87	\$ 240,997,613.42	\$ (75,261,756.45)	\$ 624,209,732.40	\$ 678,278,133.95	\$ 54,068,401.55	\$ 221,067,703.93
EXPENDITURES/PAYMENTS									
Salaries and tax deposits	⁶	\$ (1,360,650.79)	\$ 151,377,676.88	\$ 148,689,778.88	\$ (2,687,898.00)	\$ 149,371,961.88	\$ 146,404,753.98	\$ (2,967,207.90)	\$ 164,893,101.50
Wires: Public Employees Retirement System (PERS) and other miscellaneous	⁶	(26,907.86)	37,500,000.00	37,153,195.31	(346,804.69)	39,154,656.80	37,334,267.12	(1,820,389.68)	39,158,319.27
Accounts Payable Disbursements (services, supplies, property, and other)	⁷	14,903,412.94	84,000,000.00	89,003,099.21	5,003,099.21	98,090,000.00	98,033,578.01	(56,421.99)	57,000,000.00
Debt service payments		-	-	-	-	-	-	-	64,336,369.00
Total Disbursements		\$ 13,515,854.29	\$ 272,877,676.88	\$ 274,846,073.40	\$ 1,968,396.52	\$ 286,616,618.68	\$ 281,772,599.11	\$ (4,844,019.57)	\$ 325,387,789.77
Net Change		\$ (46,465,091.70)	\$ 43,381,692.99	\$ (33,848,459.98)	\$ (77,230,152.97)	\$ 337,593,113.72	\$ 396,505,534.84	\$ 58,912,421.12	\$ (104,320,085.84)
Ending Cash and Investment Balance		\$ 23,215,558.94	\$ 1,151,831,692.91	\$ 1,097,817,098.88	\$ (54,014,594.03)	\$ 1,489,424,806.64	\$ 1,494,322,633.72	\$ 4,897,827.08	\$ 1,385,104,720.80

CLARK COUNTY SCHOOL DISTRICT
Cash Flow Projections - All Funds
Fiscal Year 2019

		PROJECTED JANUARY	PROJECTED FEBRUARY	PROJECTED MARCH	PROJECTED APRIL	PROJECTED MAY	PROJECTED JUNE	PROJECTED TOTAL
Beginning Cash and Investment Balance		\$ 1,385,104,720.80	\$ 1,373,524,428.48	\$ 1,434,704,712.34	\$ 1,428,410,063.83	\$ 1,465,652,413.84	\$ 1,363,254,214.82	
<u>RECEIPTS/DEPOSITS</u>								
Distributive School Account (DSA)	^{1,2,8}	\$ 32,417,409.14	\$ 50,082,610.36	\$ 103,897,219.67	\$ 32,417,409.14	\$ 50,417,193.69	\$ 102,595,746.61	\$ 770,575,056.27
Class Size Reduction	³	-	28,707,799.00	-	-	-	28,707,799.00	114,831,156.00
Local School Support Tax (LSST)		85,190,342.86	91,552,945.82	80,753,812.17	80,948,241.08	90,682,527.65	81,394,737.45	1,019,338,114.89
Taxes - Property, room and real property transfer	⁴	70,381,820.66	139,077,700.01	46,453,797.89	151,924,260.93	28,217,698.14	20,838,109.80	970,763,279.04
State, Federal and Government Service Tax	^{5,9,10}	90,000,000.00	20,000,000.00	61,000,000.00	46,000,000.00	41,000,000.00	59,000,000.00	571,142,857.14
District deposits		8,000,000.00	6,000,000.00	5,000,000.00	4,500,000.00	8,000,000.00	4,000,000.00	70,070,294.27
Other Financing Sources: Bond Proceeds		-	-	-	-	-	200,000,000.00	454,913,418.49
Total Receipts/Deposits		\$ 285,989,572.66	\$ 335,421,055.19	\$ 297,104,829.72	\$ 315,789,911.15	\$ 218,317,419.48	\$ 496,536,392.86	\$ 3,971,634,176.10
<u>EXPENDITURES/PAYMENTS</u>								
Salaries and tax deposits	⁶	\$ 165,405,854.01	\$ 148,997,481.39	\$ 150,664,172.02	\$ 147,388,374.49	\$ 147,429,124.05	\$ 159,665,953.59	\$ 1,815,056,734.83
Wires: Public Employees Retirement System (PERS) and other miscellaneous	⁶	38,164,010.96	42,243,289.94	38,235,306.22	38,659,186.65	38,170,433.45	37,735,797.94	456,818,265.39
Accounts Payable Disbursements (services, supplies, property, and other)	⁷	94,000,000.00	83,000,000.00	114,500,000.00	92,500,000.00	135,116,061.00	99,226,429.90	1,154,247,087.61
Debt service payments		-	-	-	-	-	348,769,782.00	413,106,151.00
Total Disbursements		\$ 297,569,864.97	\$ 274,240,771.33	\$ 303,399,478.24	\$ 278,547,561.14	\$ 320,715,618.50	\$ 645,397,963.43	\$ 3,839,228,238.83
Net Change		\$ (11,580,292.31)	\$ 61,180,283.86	\$ (6,294,648.52)	\$ 37,242,350.01	\$ (102,398,199.02)	\$ (148,861,570.57)	\$ 132,405,937.27
Ending Cash and Investment Balance		\$ 1,373,524,428.48	\$ 1,434,704,712.34	\$ 1,428,410,063.83	\$ 1,465,652,413.84	\$ 1,363,254,214.82	\$ 1,214,392,644.25	

CITY OF NORTH LAS VEGAS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2018

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Property taxes	\$ 8,428,094	\$ 8,730,000	\$ 8,785,445	\$ 55,445
Franchise fees	20,387,250	21,443,611	21,958,914	515,303
Licenses and permits	16,219,000	19,305,906	21,190,601	1,884,695
Charges for services	5,528,825	10,556,825	12,400,697	1,843,872
Intergovernmental consolidated taxes	54,705,350	55,735,350	56,239,648	504,298
Intergovernmental	4,116,662	4,113,162	4,176,507	63,345
Fines and forfeitures	3,665,500	3,665,500	4,036,364	370,864
Contributions	100	100		(100)
Rents and royalties	450,000	700,000	806,588	106,588
Investment income	730,000	1,000,000	2,475,418	1,475,418
Miscellaneous	245,510	851,750	1,489,084	637,334
Total revenues	114,476,291	126,102,204	133,559,266	7,457,062
EXPENDITURES				
General government				
Legislative				
Salaries and wages	392,366	392,366	403,445	(11,079)
Employee benefits	327,631	327,631	276,184	51,447
Services and supplies	133,109	133,109	26,791	106,318
Total legislative	853,106	853,106	706,420	146,686
Executive				
Salaries and wages	708,407	681,528	589,625	91,903
Employee benefits	452,770	430,802	407,688	23,114
Services and supplies	399,852	399,852	216,911	182,941
Total executive	1,561,029	1,512,182	1,214,224	297,958
City attorney				
Salaries and wages	1,334,074	1,328,444	1,277,567	50,877
Employee benefits	800,585	794,044	761,199	32,845
Services and supplies	391,098	407,598	229,050	178,548
Total city attorney	2,525,757	2,530,086	2,267,816	262,270
City clerk				
Salaries and wages	340,340	340,340	316,200	24,140
Employee benefits	200,459	200,459	184,604	15,855
Services and supplies	144,755	144,755	142,300	2,455
Total city clerk	685,554	685,554	643,104	42,450
Finance				
Salaries and wages	2,088,678	2,063,500	1,767,705	295,795
Employee benefits	1,275,363	1,254,168	1,074,252	179,916
Services and supplies	496,837	496,837	378,843	117,994
Total finance	3,860,878	3,814,505	3,220,800	593,705
Planning				
Salaries and wages	752,600	752,600	746,867	5,733
Employee benefits	403,569	403,569	396,856	6,713
Services and supplies	156,494	156,494	135,708	20,786
Total planning	1,312,663	1,312,663	1,279,431	33,232

(Continued)

CITY OF NORTH LAS VEGAS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2018

	Original Budget	Final Budget	Actual	Variance
Other				
Salaries and wages	3,429,951	3,747,854	3,224,971	522,883
Employee benefits	1,795,076	879,355	4,263,472	(3,384,117)
Services and supplies	6,853,108	5,853,975	4,185,050	1,668,925
Capital outlay	115,000	115,000	70,522	44,478
Total other	<u>12,193,135</u>	<u>10,596,184</u>	<u>11,744,015</u>	<u>(1,147,831)</u>
Total general government	<u>22,992,122</u>	<u>21,304,280</u>	<u>21,075,810</u>	<u>228,470</u>
Judicial				
Municipal court				
Salaries and wages	2,392,350	2,308,950	1,986,735	322,215
Employee benefits	1,377,809	1,342,650	1,150,318	192,332
Services and supplies	535,264	535,264	424,989	110,275
Total municipal court	<u>4,305,423</u>	<u>4,186,864</u>	<u>3,562,042</u>	<u>624,822</u>
Marshals				
Salaries and wages	268,766	265,688	248,535	17,153
Employee benefits	225,055	213,280	181,177	32,103
Services and supplies	83,165	83,165	50,411	32,754
Total marshals	<u>576,986</u>	<u>562,133</u>	<u>480,123</u>	<u>82,010</u>
Total judicial	<u>4,882,409</u>	<u>4,748,997</u>	<u>4,042,165</u>	<u>706,832</u>
Public safety				
Police				
Salaries and wages	16,550,891	16,517,502	16,172,009	345,493
Employee benefits	11,865,483	11,841,446	12,268,437	(426,991)
Services and supplies	12,988,458	13,068,364	13,981,435	(913,071)
Capital outlay	1,537,242	1,537,242	447,134	1,090,108
Total police	<u>42,942,074</u>	<u>42,964,554</u>	<u>42,869,015</u>	<u>95,539</u>
Corrections				
Salaries and wages	1,314,616	1,259,010	1,065,886	193,124
Employee benefits	1,153,195	1,111,106	1,234,293	(123,187)
Services and supplies	127,471	127,471	106,550	20,921
Total corrections	<u>2,595,282</u>	<u>2,497,587</u>	<u>2,406,729</u>	<u>90,858</u>
Protective services				
Salaries and wages	2,199,894	2,281,896	2,163,581	118,315
Employee benefits	1,189,015	1,069,533	1,047,279	22,254
Services and supplies	1,315,530	1,278,148	1,188,022	90,126
Total protective services	<u>4,704,439</u>	<u>4,629,577</u>	<u>4,398,882</u>	<u>230,695</u>
Fire				
Salaries and wages	18,677,366	18,640,158	18,422,293	217,865
Employee benefits	12,745,772	12,715,953	11,788,143	927,810
Services and supplies	3,662,592	3,653,219	4,629,230	(976,011)
Total fire	<u>35,085,730</u>	<u>35,009,330</u>	<u>34,839,666</u>	<u>169,664</u>
Other				
Services and supplies			200,000	(200,000)
Total public safety	<u>85,327,525</u>	<u>85,101,048</u>	<u>84,714,292</u>	<u>386,756</u>

(Continued)

CITY OF NORTH LAS VEGAS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2018

	Original Budget	Final Budget	Actual	Variance
Public works				
Administration				
Salaries and wages	312,106	262,913	187,363	75,550
Employee benefits	178,777	146,667	123,048	23,619
Services and supplies	25,477	25,477	14,442	11,035
Total administration	<u>516,360</u>	<u>435,057</u>	<u>324,853</u>	<u>110,204</u>
Flood control				
Salaries and wages	496,646	496,646	475,761	20,885
Employee benefits	254,470	254,470	232,060	22,410
Services and supplies	44,651	44,651	(441,771)	486,422
Total flood control	<u>795,767</u>	<u>795,767</u>	<u>266,050</u>	<u>529,717</u>
Engineering				
Salaries and wages	581,543	560,717	693,878	(133,161)
Employee benefits	360,772	346,103	403,875	(57,772)
Services and supplies	372,398	364,898	282,411	82,487
Capital outlay	55,000	80,000	53,157	26,843
Total engineering	<u>1,369,713</u>	<u>1,351,718</u>	<u>1,433,321</u>	<u>(81,603)</u>
Real property				
Salaries and wages	172,000	172,000	113,829	58,171
Employee benefits	99,640	99,640	67,270	32,370
Services and supplies	34,230	34,230	15,190	19,040
Total real property	<u>305,870</u>	<u>305,870</u>	<u>196,289</u>	<u>109,581</u>
Survey				
Services and supplies			3,814	(3,814)
Other				
Services and supplies			600,000	(600,000)
Total public works	<u>2,987,710</u>	<u>2,888,412</u>	<u>2,824,327</u>	<u>64,085</u>
Culture and recreation				
Administration				
Salaries and wages	206,979	186,719	143,248	43,471
Employee benefits	115,419	103,150	80,630	22,520
Services and supplies	17,333	17,333	10,970	6,363
Total administration	<u>339,731</u>	<u>307,202</u>	<u>234,848</u>	<u>72,354</u>
Participant recreation				
Salaries and wages	844,818	803,697	753,305	50,392
Employee benefits	335,368	309,123	285,270	23,853
Services and supplies	865,863	865,863	682,156	183,707
Total participant recreation	<u>2,046,049</u>	<u>1,978,683</u>	<u>1,720,731</u>	<u>257,952</u>
Parks and grounds				
Salaries and wages	1,006,788	986,597	995,827	(9,230)
Employee benefits	534,421	520,041	480,808	39,233
Services and supplies	4,681,580	4,693,699	4,931,665	(237,966)
Total parks and grounds	<u>6,222,789</u>	<u>6,200,337</u>	<u>6,408,300</u>	<u>(207,963)</u>
Total culture and recreation	<u>8,608,569</u>	<u>8,486,222</u>	<u>8,363,879</u>	<u>122,343</u>
Community support				

(Continued)

CITY OF NORTH LAS VEGAS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2018

	Original Budget	Final Budget	Actual	Variance
Housing and neighborhood services				
Salaries and wages	607,350	579,801	455,004	124,797
Employee benefits	344,413	326,711	247,747	78,964
Services and supplies	338,627	427,627	296,625	131,002
Total housing and neighborhood services	<u>1,290,390</u>	<u>1,334,139</u>	<u>999,376</u>	<u>334,763</u>
Economic development				
Salaries and wages	215,113	193,463	168,959	24,504
Employee benefits	132,075	116,872	102,650	14,222
Services and supplies	249,028	249,028	48,429	200,599
Total economic development	<u>596,216</u>	<u>559,363</u>	<u>320,038</u>	<u>239,325</u>
Other				
Services and supplies			500,000	(500,000)
Total community support	<u>1,886,606</u>	<u>1,893,502</u>	<u>1,819,414</u>	<u>74,088</u>
Total expenditures	<u>126,684,941</u>	<u>124,422,461</u>	<u>122,839,887</u>	<u>1,582,574</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(12,208,650)</u>	<u>1,679,743</u>	<u>10,719,379</u>	<u>9,039,636</u>
OTHER FINANCING SOURCES (USES)				
Contingencies	(500,000)	(120,094)		120,094
Proceeds from capital asset disposal	25,000	31,518	59,947	28,429
Transfers in	23,060,285	5,106,500	5,165,537	59,037
Transfers out	(9,925,664)	(10,235,037)	(10,235,037)	
Total other financing sources (uses)	<u>12,659,621</u>	<u>(5,217,113)</u>	<u>(5,009,553)</u>	<u>207,560</u>
CHANGE IN FUND BALANCE	450,971	(3,537,370)	5,709,826	9,247,196
FUND BALANCE, BEGINNING OF YEAR	<u>17,275,461</u>	<u>14,379,914</u>	<u>14,379,914</u>	
FUND BALANCE, END OF YEAR	<u>\$ 17,726,432</u>	<u>\$ 10,842,544</u>	<u>\$ 20,089,740</u>	<u>\$ 9,247,196</u>

CITY OF NORTH LAS VEGAS

MAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2018

Enterprise funds are used to account for activities for which a user fee is charged for goods or services.

Wastewater Utility

Accounts for the collection from the residents of the City and the transmission of sewage through the system infrastructure for treatment and release into Lake Mead.

Water Utility

Accounts for the delivery of water services through the system infrastructure to the residents of the City and other service areas.

CITY OF NORTH LAS VEGAS

WASTEWATER UTILITY ENTERPRISE FUND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Utility fees	\$ 43,050,000	\$ 43,050,000	\$ 45,082,953	\$ 2,032,953
Construction fees	265,000	265,000	498,392	233,392
Connection fees	2,020,000	2,020,000	3,430,497	1,410,497
Fines and forfeitures	900,000	900,000	902,830	2,830
Miscellaneous	19,323,000	430,000	480,089	50,089
Total operating revenues	<u>65,558,000</u>	<u>46,665,000</u>	<u>50,394,761</u>	<u>3,729,761</u>
OPERATING EXPENSES				
Salaries and wages	4,349,716	4,457,091	3,638,325	818,766
Employee benefits	2,263,765	2,307,140	2,012,497	294,643
Services and supplies	13,895,970	14,747,128	11,422,383	3,324,745
Depreciation and amortization	13,849,000	13,849,000	15,220,267	(1,371,267)
Total operating expenses	<u>34,358,451</u>	<u>35,360,359</u>	<u>32,293,472</u>	<u>3,066,887</u>
Operating income	<u>31,199,549</u>	<u>11,304,641</u>	<u>18,101,289</u>	<u>6,796,648</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income			24,477	24,477
Gain (loss) on capital asset disposition			65,135	65,135
Interest and fiscal charges	(14,678,683)	(14,559,283)	(14,186,618)	372,665
Intergovernmental	3,050,000	3,050,000	3,036,285	(13,715)
Total nonoperating revenues (expenses)	<u>(11,628,683)</u>	<u>(11,509,283)</u>	<u>(11,060,721)</u>	<u>448,562</u>
Income before capital contributions and transfers	<u>19,570,866</u>	<u>(204,642)</u>	<u>7,040,568</u>	<u>7,245,210</u>
CAPITAL CONTRIBUTIONS				
Capital contributions	<u>3,500,000</u>	<u>3,500,000</u>	<u>5,736,821</u>	<u>2,236,821</u>
TRANSFERS				
Transfers in	15,847,500	20,423,119	20,423,119	
Transfers out	(20,954,000)	(25,529,619)	(25,529,619)	
Total transfers	<u>(5,106,500)</u>	<u>(5,106,500)</u>	<u>(5,106,500)</u>	
CHANGE IN NET POSITION	<u>\$ 17,964,366</u>	<u>\$ (1,811,142)</u>	<u>7,670,889</u>	<u>\$ 9,482,031</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			153,672,747	
Adjustment			(578,585)	
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED			<u>153,094,162</u>	
NET POSITION, END OF YEAR			<u>\$ 160,765,051</u>	

CITY OF NORTH LAS VEGAS

WATER UTILITY ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Utility fees	\$ 54,075,000	\$ 54,075,000	\$ 58,220,011	\$ 4,145,011
Construction fees	275,000	275,000	1,510,236	1,235,236
Connection fees	600,000	600,000	3,386,885	2,786,885
Other charges for services	1,820,000	1,820,000	2,242,569	422,569
Fines and forfeitures	2,100,000	2,100,000	2,209,583	109,583
Miscellaneous	760,000	760,000	919,417	159,417
Total operating revenues	<u>59,630,000</u>	<u>59,630,000</u>	<u>68,488,701</u>	<u>8,858,701</u>
OPERATING EXPENSES				
Salaries and wages	7,237,942	7,301,323	6,374,545	926,778
Employee benefits	3,827,815	3,855,640	3,474,791	380,849
Services and supplies	28,728,703	31,069,888	27,342,152	3,727,736
Depreciation and amortization	5,324,000	5,324,000	5,786,873	(462,873)
Total operating expenses	<u>45,118,460</u>	<u>47,550,851</u>	<u>42,978,361</u>	<u>4,572,490</u>
Operating income	<u>14,511,540</u>	<u>12,079,149</u>	<u>25,510,340</u>	<u>13,431,191</u>
NONOPERATING REVENUES (EXPENSES)				
Gain (loss) on capital asset disposition			4,300	4,300
Interest and fiscal charges	(143,400)	(143,400)	(165,079)	(21,679)
Total nonoperating revenues (expenses)	<u>(143,400)</u>	<u>(143,400)</u>	<u>(160,779)</u>	<u>(17,379)</u>
Income before capital contributions and transfers	<u>14,368,140</u>	<u>11,935,749</u>	<u>25,349,561</u>	<u>13,413,812</u>
CAPITAL CONTRIBUTIONS				
Capital contributions			1,540,037	1,540,037
TRANSFERS				
Transfers in	10,221,500	32,727,127	32,729,915	2,788
Transfers out	(28,175,285)	(32,727,127)	(32,727,127)	
Total transfers	<u>(17,953,785)</u>	<u></u>	<u>2,788</u>	<u>2,788</u>
CHANGE IN NET POSITION	<u>\$ (3,585,645)</u>	<u>\$ 11,935,749</u>	<u>26,892,386</u>	<u>\$ 14,956,637</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			134,477,960	
Adjustment			(1,005,358)	
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED			<u>133,472,602</u>	
NET POSITION, END OF YEAR			<u>\$ 160,364,988</u>	

<u>Department</u>	<u>Finding/Corrective Action</u>
Finance	<p><u>Finding 2017 – 001:</u> Insufficient staffing to monitor compliance with policies and procedures, prepare timely, and accurate account reconciliations, record recurring month-end adjustments, and prepare reliable interim financial information. In addition, there is little cross-training of accounting and finance department personnel, nor is it very practical given the limited number of qualified individuals.</p> <p><u>Corrective Action:</u> Lack of staffing and employment turnover in the finance department over the last five years has been, and continues to be, a major struggle. This is also the case with the accountants and financial analysts in other departments within the City and was encountered specifically when the Accounts Receivable Specialist retired at the end of January 2018 and the position remained vacant for approximately four months, causing significant delays in reconciliation of accounts receivable. Management has implemented the following to assist with this issue in the future 1) vacant positions are no longer required to remain vacant until such time that the vacancy savings has been achieved. With advance permission, critical positions such as the one mentioned in the recommendation are now being allowed to be backfilled prior to the vacancy to allow training and continuity during and after the transition and 2) a recently hired fiscal tech is cross-training with the accounts receivable specialist to avoid a future issue and 3) an additional analyst position that is an internal transfer within the organization due to an existing retirement will assist with revenue/receivable accounting in addition to other responsibilities.</p>
Finance	<p><u>Finding 2017 – 003:</u> Monthly, quarterly and annual closing schedules are not used as designed or do not adequately address items that are key components to financial reporting, including lists of standard journal entries and reconciliations.</p> <p><u>Corrective Action:</u> Lack of staffing and employment turnover in the finance department over the last six years has been, and continues to be, a major struggle. The City is in the process of hiring two analyst positions (one that was approved in the 2019 budget and another position that is an internal transfer within the organization due to an existing retirement) to assist with debt accounting, revenue/receivable accounting, and SID. The additional staff should provide much needed additional capacity to be able to utilize existing tools including closing schedules and checklists for monthly, quarterly, annually, etc., and interim financial reports. However, due to on-ongoing staffing shortages and staff turnover, staff are typically several months behind in fully closing each month and completing the reconciliation processes.</p>

Neighborhood Services	<p><u>Finding 2017 – 004:</u> During the reconciliation of the SEFA to the general ledger, it was noted that \$420,742 of fiscal year 2016 federal grant revenues were improperly recorded in the current year. In addition, \$909,481 of fiscal year 2016 federal grant expenditures were improperly excluded in 2016 and are reported in the current year SEFA. Furthermore, an additional \$10,429 of fiscal year 2017 federal grant expenditures were improperly excluded from the current year SEFA.</p> <p><u>Corrective Action:</u> New procedures for correcting this were put into place mid-year during fiscal 2017. The newly hired accountant, August 2017, is qualified and motivated. Significant progress has been made from the previous fiscal year and related fiscal impact significantly reduced from the previous fiscal year. Staff will continue to work to improve overall lines of communication between finance staff and other departments with grant responsibilities. Additionally, management will consider implementing a procedure in which all grant reimbursement requests throughout the City will be reviewed and signed off on by the financial team prior to submission to the reporting agency to ensure accuracy and proper accounting.</p>
Finance	<p><u>Finding 2017 – 005:</u> Per examination of the Purchasing Policy in effect during the period under audit, it was noted that the current Purchasing Policy does not include policies and procedures to address standards of conduct in governing the performance of their employees engaged in the award and administration of contracts. The Policy also does not address performing an analysis of lease and purchase alternatives. In addition, it was noted that the Policy does not specifically state that recipients should avoid purchasing unnecessary items.</p> <p><u>Corrective Action:</u> Management informed us that the City does have a Code of Conduct policy separate from the procurement policy that has been in place since 2000 which speaks to ethics of employees regarding being free from influence regarding special terms or price concessions, acceptance of gifts, affiliations with other businesses in conflict with City transactions, acceptance of bribes, kickbacks, etc., and conflicts of interest in business relationships and the lead page on the City procurement page includes a link to SAM.gov with a note to check. The proper standards are being followed as have been in past years. A new purchasing policy was implemented on August 2, 2018, however, the policy was not in effect during fiscal year 2018.</p>

Neighborhood Services	<p><u>Finding 2017 – 006:</u> Per examination of 21 program income receipts received by the City, it was noted that 14 of the receipts were not submitted to the County within 30 days.</p> <p><u>Corrective Action:</u> A grant accountant was hired in August 2017 to bolster the skill level of the team and significant progress has been made from the previous fiscal year. City staff will continue to work closely with the County regarding the difficulties encountered in identifying program income received related to the HOME project and will request written extensions if research time is needed to determine the proper application of each receipt. Training and communication between the finance team and the individuals who have direct program responsibility will continue. Quarterly reconciliations will be completed and submitted to the finance department. Additionally, management will consider implementing a procedure in which all grant reimbursement requests throughout the City will be reviewed and signed off on by the financial team prior to submission to the reporting agency to ensure accuracy and proper accounting.</p>
Finance	<p><u>Finding 2018 – 001:</u> Insufficient staffing to monitor compliance with policies and procedures, prepare timely, and accurate account reconciliations, record recurring month-end adjustments, and prepare reliable interim financial information. In addition, there is little cross-training of accounting and finance department personnel, nor is it very practical given the limited number of qualified individuals.</p> <p><u>Corrective Action:</u> Lack of staffing and employment turnover in the finance department over the last six years has been, and continues to be, a major struggle. This is also the case with the accountants and financial analysts in other departments throughout the City. A new finance director was hired during the second half of fiscal year 2018, however, the director only remained with the City through the end of the fiscal year. The retiring accounting manager was approved and provided training to the newly hired accounting manager in the spring of 2018 to assist with the transition and transfer of internal knowledge. As noted in the recommendation, the finance department hired an additional purchasing-reconciliation financial analyst position, however, not until early August 2018. The benefits of this additional position should be felt during fiscal year 2019. Additionally, a management level position was internally transferred into the purchasing/administrative services area in November 2018 to assist with the oversight and the enforcement of the revised purchasing policy and a Finance Director will be hired in the near future.</p>

Finance	<p><u>Finding 2018 – 002:</u> Construction in progress is not adequately monitored to timely place assets in service when substantially complete.</p> <p><u>Corrective Action:</u> In the fiscal 2017 audit it was noted that depreciation was understated due to assets being placed in service incorrectly using the date on the notice of completion date corresponding to the City Council agenda item rather than upon substantial completion of the project. This issue was corrected as noted in the management response 2017-002 and the adjusting journal entry was recorded at the financial statement level for fiscal 2017. However, the detailed fixed asset correction for the fiscal 2017 adjustment was not entered into the fixed asset system until after the audit was completed. When this was done, staff determined that an asset that had been in the system for several years was “corrupted” causing the asset to over depreciate in the current fiscal year as well as in prior years. Staff made the correction to the asset but did not take the next step to review and determine if any other assets had a similar problem. This resulted in four additional assets being identified by the audit team with a current year over depreciated amount of \$1 million and prior years over depreciated in the amount of \$3.2 million. The second issue identified during the 2018 audit is also different from the prior year comment as it dates back to fiscal year 2010 in which approximately 90 assets totaling \$100 million of construction in progress during that fiscal year were not transferred into service resulting in a \$16.8 million understatement of depreciation over a seven year period as well as a current year understatement impact of \$3.5 million. Management has implemented the following to address and correct the identified issues 1) monthly reporting/communication between the Public Works construction team and the Finance team for all open projects and those that are substantially complete 2) review of SIRE agenda items monthly for complete projects. Management will implement the following to address the remaining issues including 1) export of monthly depreciation report into excel and recalculation of monthly depreciation with any variances resolved and corrected 2) review and random testing of asset depreciation for reasonableness and accuracy 3) quarterly comparison of depreciation amounts and oversight of monthly fixed asset accounting process and 4) quarterly reconciliation of assets and construction in progress.</p>
Finance	<p><u>Finding 2018 – 003:</u> Monthly, quarterly and annual closing schedules are not used as designed or do not adequately address items that are key components to financial reporting, including lists of standard journal entries and reconciliations.</p> <p><u>Corrective Action:</u> Lack of staffing and employment turnover in the finance department over the last six years has been, and continues to be, a major struggle. The City is in the process of hiring two analyst positions (one that was approved in the 2019 budget and another position that is an internal transfer within the organization due to an existing retirement) to assist with debt accounting, revenue/receivable accounting, and SID. The additional staff should provide much needed additional capacity to be able to utilize existing tools including closing schedules and checklists for monthly, quarterly, annually, etc., and interim financial reports. However, due to on-ongoing staffing shortages and staff turnover, staff are typically several months behind in fully closing each month and completing reconciliations.</p>

Finance	<p><u>Finding 2018 – 004:</u> Per examination of the Purchasing Policy in effect during the period under audit, it was noted that the current Purchasing Policy does not include policies and procedures to address standards of conduct in governing the performance of their employees engaged in the award and administration of contracts. The Policy also does not address performing an analysis of lease and purchase alternatives. In addition, it was noted that the Policy does not specifically state that recipients should avoid purchasing unnecessary items.</p> <p><u>Corrective Action:</u> Management informed us that the City does have a Code of Conduct policy, separate from the procurement policy that has been in place since 2000 which speaks to ethics of employees regarding being free from influence regarding special terms or price concessions, acceptance of gifts, affiliations with other businesses in conflict with City transactions, acceptance of bribes, kickbacks, etc., and conflicts of interest in business relationships. Additionally, the City has included on the lead page of the City’s procurement page includes a link to SAM.gov with a note to check purchases against the SAM website. The proper standards are being followed as have been in past years. Additionally a new purchasing policy was implemented on August 2, 2018 in which these items are specifically addressed in the following sections Section 2.2 mentions to comply with the legal and ethical requirements of NRS 281A.400 Ethics in Government as well as page 12 Section F says “Ensure all non-collusion rules are followed during the entire procurement process, ensuring City employees involved in the process don’t have any direct or indirect interest in any firm or business that does business or solicits business from the City”, and Section 2.2 policy states “To provide City departments with the required goods, equipment, and services at the time and place needed and in the proper quantity and quality.” The City will add language within the policy to address guidelines for performing an analysis of lease and purchase alternatives and language to more clearly state to avoid purchasing unnecessary items.</p>
Neighborhood Services	<p><u>Finding 2018 – 005:</u> Per examination of 22 program income receipts received by the City, it was noted that 8 of the receipts were not submitted to the County within 30 days.</p> <p><u>Corrective Action:</u> City staff will continue to work closely with the County regarding the difficulties encountered in identifying program income received related to the HOME project and will request written extensions if research time is needed to determine the proper application of each receipt. A grant accountant was hired in August 2017 to bolster the skill level of the team and significant progress has been made from the previous fiscal year. Training and communication between the finance team and the individuals who have direct program responsibility will continue. Quarterly reconciliations will be completed and submitted to the finance department. Additionally, management will consider implementing a procedure in which all grant reimbursement requests throughout the City will be reviewed and signed off on by the financial team prior to submission to the reporting agency to ensure accuracy and proper accounting.</p>

<p>Neighborhood Services/Economic Development</p>	<p><u>Finding 2018 – 006:</u> It was noted that the City did not perform a suspension and debarment check on one of the ten vendors selected for testing.</p> <p><u>Corrective Action:</u> The suspension and debarment check was completed after staff had already done business with the vendor. Management informed us that the process has previously been put in place in which the City includes on the lead page of the City’s procurement page a link to SAM.gov with a note to check all purchases against the SAM website. Additional training will be provided by the purchasing team to purchasing liaisons in all departments to ensure compliance of expenditures with purchasing policies and management will consider implementing a process by which any individual with purchasing responsibilities and their direct supervisor will sign a document indicating understanding and responsibility to ensure all purchases are made to vendors that are not suspended or debarred.</p>
<p>Finance</p>	<p><u>Finding 2018 – 007:</u> During the reconciliation of the SEFA to the general ledger, it was noted that \$6,425 of fiscal year 2018 federal grant expenditures were improperly excluded from the current year SEFA. Additionally, it was noted that \$17,991 of prior year federal grant revenues were improperly recorded in the current year.</p> <p><u>Corrective Action:</u> Management informed us that this particular issue was tied to a lack of communication between the finance department and the area responsible for direct grant administering in that in late fiscal year 2017 costs were approved to be reimbursed by the Bureau of Land Management rather than the general fund and the adjustment inadvertently wasn’t made. Staff will continue to work to improve lines of communication between finance staff and other departments. Additionally, management will consider implementing a procedure in which all grant reimbursement requests throughout the City will be reviewed and signed off on by the financial team prior to submission to the reporting agency to ensure accuracy and proper accounting.</p>

**CITY OF NORTH LAS VEGAS
10 YEAR BUDGETED FTE HISTORY**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Gen Gov	276.9	257.4	202.3	155.1	128.1	124.6	116.3	119.2	123.1	128.4	145.9
Judicial	97.5	97.5	98.5	79.5	67.5	67.5	63.0	50.0	51.0	44.0	43.0
Public Safety	1,266.5	1,258.0	1,211.0	1,012.5	721.0	709.0	688.5	726.5	777.5	699.5	705.0
Public Works	166.0	147.5	100.5	78.5	49.5	48.0	47.3	46.0	52.0	55.3	62.8
Cul & Rec	260.1	259.4	212.4	158.3	134.3	136.7	137.0	137.5	151.1	153.6	154.6
Comm Supt	43.7	39.7	30.8	26.0	23.4	22.4	20.2	25.3	18.1	21.2	21.7
Utilities	145.5	134.5	147.5	148.0	125.0	137.5	129.7	145.5	135.4	139.2	141.7
	<u>2,256.2</u>	<u>2,194.0</u>	<u>2,003.0</u>	<u>1,657.9</u>	<u>1,248.8</u>	<u>1,245.7</u>	<u>1,202.0</u>	<u>1,250.0</u>	<u>1,308.2</u>	<u>1,241.2</u>	<u>1,274.7</u>
Net Chg per year		(62.2)	(191.0)	(345.1)	(409.1)	(3.1)	(43.7)	48.0	58.2	(67.0)	33.5
10 Year Staffing impact										(1,015.0)	
S&B SAVINGS REALIZED	4,292,363	5,888,428	5,346,163	4,421,466	7,534,899	9,661,202	1,216,846	10,404,797	16,807,954	13,597,234	
AVE. S&B	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	
Budgeted Unfilled Est. FTE's	42.92	58.88	53.46	44.21	75.35	96.61	12.17	104.05	168.08	135.97	

FTE Source: CNLV Stateforms on file with Dept. of Taxation.

5 Year Forecast

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	2018 Estimated Actuals	2019 Tentative Budget	2020 Projected	2021 Projected	2022 Projected	Yr over Yr % Change
Revenues						
Property Taxes	8,730,000	9,489,000	10,228,093	10,524,997	10,933,272	3.88%
License & Permits	40,749,517	42,168,032	43,627,904	44,753,309	45,204,851	1.01%
Intergovernmental	4,163,162	4,056,430	4,027,857	3,999,841	3,972,366	-0.69%
Intergovernmental - CTX	55,735,350	57,703,085	59,804,534	61,999,361	64,287,137	3.69%
Charges for Services	10,506,825	6,769,371	7,274,787	7,407,240	7,542,926	1.83%
Fines & Forfeitures	3,665,500	3,575,500	3,610,719	3,646,826	3,683,294	1.00%
Miscellaneous	2,200,000	1,945,210	1,950,000	1,950,000	1,950,000	0.00%
Other Sources	25,000	-	-	-	-	
Transfers In (Utilities)	5,106,500 ¹	13,844,391 ²	22,400,000 ⁵	21,600,000 ⁸	20,800,000 ¹⁰	-3.70%
Total Revenues	130,881,854	139,551,019	152,923,895	155,881,573	158,373,845 ¹¹	1.60%
Expenditures by Object						
Total - Salaries	53,356,630	57,296,601 ³	59,755,618	61,908,244	64,138,668	3.60%
Total - Benefits	35,112,576	37,434,783	39,697,284	40,825,575	41,995,070	2.86%
Total - Supplies & Services	28,290,689	34,585,881	35,363,408	36,125,326	36,911,065	2.18%
Total - Cap Outlay	1,732,242	92,500	3,055,484 ⁶	2,605,519	2,260,720	-13.23%
Total - Contingency	420,094	500,000	500,000	500,000	500,000	0.00%
Total - Transfers Out	9,935,037	9,515,425	12,106,452	12,169,755	11,446,584	-5.94%
Capacity to hire			1,600,000 ⁷	1,600,000 ⁹	1,600,000	0.00%
Total Expenditures	128,847,268	139,425,190	152,078,247	155,734,420	158,852,106 ¹²	2.00%
Over/(Under) Expenditures	2,034,586	125,829 ⁴	845,649	147,154	(478,261) ¹³	
Unreserved Beg. Fund Balance	14,379,914	16,414,500	16,540,329	17,385,978	17,533,131	
	14,379,914	16,414,500	16,540,329	17,385,978	17,533,131	
Estimated Ending Fund Balance	16,414,500	16,540,329	17,385,978	17,533,131	17,054,870	
	12.74%	11.86%	11.43%	11.26%	10.74%	

Notes:

- 1) One time reduction \$18M.
- 2) Begin Utility Transfer reduction plan July 1, 2018. \$24M cap less 3.3% (\$800,000), less \$9M one time.
- 3) Includes funding for "Invest/Reinvest" staffing strategy.
- 4) Maintains a balanced budget.
- 5) Second yr Utility transfer reduction of 3.3%.
- 6) All prior bond proceeds exhausted, General Fund now must support more capital projects.
- 7) Maintains new hires from 2019 and continues to increase staffing, (invest/reinvest).
- 8) Maintains 3.3% reduction to Utility Transfer.
- 9) Can only maintain hires from prior year, can no longer support increase in staffing.
- 10) Maintains 3.3% reduction to Utility Transfer.
- 11) Does not identify new funding sources.
- 12) Continues to hold expenditures to moderate growth.
- 13) Reserves needed to fund operations.



BRIAN SANDOVAL
Governor
JAMES DEVOLLD
Chair, Nevada Tax Commission
WILLIAM D. ANDERSON
Executive Director

STATE OF NEVADA
DEPARTMENT OF TAXATION

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2550 Paseo Verde Parkway, Suite 180
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Phone: (702) 486-2300
Fax: (702) 486-3377

November 30, 2018

Nye County
Savannah Rucker, Controller
2101 E. Calvada Blvd, Suite 200
Pahrump, NV 89048

Re: Request for Extension on Annual Audit Report

Dear Ms. Rucker

The Department of Taxation is in receipt of your request for an extension of the filing requirements for the annual audit report. It is the Department's policy to grant extensions only where unforeseen and uncontrollable conditions exist, and where due care and adequate planning by both the entity and the auditor make the four-month statutory audit preparation period insufficient.

Pursuant to your letter dated November 28, 2018 and the Department's policy on granting extensions, Nye County is hereby granted an extension until December 31, 2018 for the submission to its governing body the audit report for the fiscal year ending June 30, 2018.

The extension is contingent on the submission of two copies of the audit report to the Department of Taxation no later than January 15, 2019.

If you should have any questions, do not hesitate to call me at (775) 684-2027. My e-mail address is barragan@tax.state.nv.us.

Sincerely,

Evelyn P. Barragan
Local Government Finance, Budget Analyst
Department of Taxation

Cc: Daniel C. McArthur, LTD



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DEPARTMENT OF TAXATION

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December 28, 2018

Nye County
Savannah Rucker, Controller
2101 E. Calvada Blvd, Suite 200
Pahrump, NV 89048

Re: Request for Extension on Annual Audit Report

Dear Ms. Rucker

The Department of Taxation is in receipt of your request for an extension of the filing requirements for the annual audit report. It is the Department's policy to grant extensions only where unforeseen and uncontrollable conditions exist, and where due care and adequate planning by both the entity and the auditor make the four-month statutory audit preparation period insufficient.

Pursuant to your letter dated December 28, 2018 and the Department's policy on granting extensions, Nye County is hereby granted an extension until January 31, 2019 for the submission to its governing body the audit report for the fiscal year ending June 30, 2018.

The extension is contingent on the submission of two copies of the audit report to the Department of Taxation no later than February 28, 2019.

If you should have any questions, do not hesitate to call me at (775) 684-2027. My e-mail address is barragan@tax.state.nv.us.

Sincerely,

Evelyn P. Barragan
Local Government Finance, Budget Analyst
Department of Taxation

Cc: Daniel C. McArthur, LTD

Nye County Timeline Fiscal Watch History 2016-Current

Date	Letter/Item	
2/1/2016	Placed on FISCAL WATCH by CLGF	<div>CLGF & Staff</div> <div>Nye County</div> <div>Auditor</div>
12/29/2017	Kim Lara, Chief Deputy Treasurer Resigns & Retires	
1/3/2018	Richard Billman, Treasurer Resigns	
1/24/2018	Pam Webster Appointed Interim Treasurer	
4/3/2018	Final CLGF appearance	
4/25/2018	Released from Fiscal Watch by Executive Director of Tax as requested by CLGF	
10/2/2018	Jennifer Perry Appointed Interim Treasurer	
	Auditor unable to complete FY18 Audit – Missing Monthly Bank Reconciliations (12/18-6/18) <ul style="list-style-type: none"> Bank Reconciliations, Treasurer's Report, Investment Allocations not completed in timely fashion Monthly approval of Expenditure Reports not reviewed or approved by County Commissioners 	
10/2/2018		
11/30/2018	Request 1 st Extension for FY2018 CAFR (County & Other Local Governments)	
12/20/2018	Request Treasurer/Controller/Commissioner to Appear at CLGF	
12/28/2018	Request 2 nd Extension for FY2018 CAFR (County & Other Local Governments)	
1/7/2019	John Prudhont, Appointed Treasurer, Nye County	
1/22/2019	Appearance at CLGF for FY2018 Audit Concerns	
	Below screenshot of Nye County Audit Reports Received to date:	

FISCAL YEAR 2018-19	
	Date Received
NYE	
NYE COUNTY	
NYE COUNTY SCHOOLS	11/30/2018
AMARGOSA VALLEY	
BEATTY	
GABBS	
MANHATTAN	
PAHRUMP	
ROUND MOUNTAIN	
TONOPAH	
AMARGOSA VALLEY LIBRARY DISTRICT	
BEATTY GID	
BEATTY LIBRARY	
BEATTY WATER & SANITATION	1/12/2019
NORTHERN NYE COUNTY HOSPITAL	
NYE COUNTY WATER DISTRICT	
PAHRUMP COMMUNITY LIBRARY	
PAHRUMP SWIMMING POOL	
SMOKY VALLEY LIBRARY	
TONOPAH LIBRARY	

Nye County Audit Finding History 2011 - 2017

FY	Finding #	Treasures Office Finding
2011	2011-01	Bank & investment reconciliation not timely.
2011	2011-06	Revenue apportionment issues.
2012	2012-01	Bank & investment reconciliation not timely.
2012	2012-04	Revenue apportionment issues.
2012	2012-06	Improper allocation of property tax.
2012	2012-09	Apportionment of investment income.
2013	2013-01	Bank & investment reconciliation not timely.
2013	2013-03	Revenue apportionment issues.
2013	2013-05	Improper allocation of property tax.
2013	2013-08	Apportionment of investment income.
2014	2014-01	Bank & investment reconciliation not timely.
2014	2014-03	Revenue apportionment issues.
2014	2014-04	Apportionment of investment income.
2015	2015-01	Bank reconciliation not timely.
2015	2015-02	Apportionment of investment income.
2016	None	None
2017	2017-01	Pooled cash and investment reconciliation issues.
2017	2017-02	Cross training staff, employee succession planning.

DRAFT
Minutes of the Meeting
COMMITTEE ON LOCAL GOVERNMENT FINANCE
August 28, 2018, 9:00 a.m.

The meeting was held at the Legislative Counsel Bureau, 401 S. Carson St, Room 2135, Carson City, Nevada, and video-conferenced to the Legislative Counsel Bureau, Grant Sawyer State Office Building, 555 E Washington Ave, Room 4412, Las Vegas, Nevada. This meeting was also part of a teleconference.

COMMITTEE MEMBERS PRESENT:

Marvin Leavitt, Chairman
Marty Johnson
Beth Kohn-Cole
Jessica Colvin
Mary Walker
Jeff Cronk
Tom Ciesynski
Jim McIntosh
Christine Vuletich
Gina Rackley
Paul Johnson

MEMBERS OF THE PUBLIC PRESENT:

Name	Representing
Nikki Thorn	City of N. Las Vegas
Debbie Barton	City of N. Las Vegas
Ryann Juden	City of N. Las Vegas
Darren Adair	City of N. Las Vegas
Jason Goudie	Clark County School District
Mona Lisa Samuelson	Marijuana Patients
Michael Pelham	Nevada Taxpayers Association

COUNSEL TO COMMITTEE

Peter Keegan

DEPT OF TAXATION STAFF PRESENT:

Bill Anderson
Jeff Mitchell
Kelly Langley
Penny Hampton
Erik Rowley
Keri Gransbery
Evelyn Barragan
Chali Spurlock
Hector Sepulveda

ITEM 1. ROLL CALL AND OPENING REMARKS

Chairman Leavitt called the meeting to order at 9:01 a.m. Member McIntosh arrived shortly after roll call, all other members were present.

Chairman Leavitt introduced the new members, Gina Rackley and Paul Johnson. He also commented that Jeff Zander retired and thanked him for his service to the Committee.

William Anderson, Executive Director of the Department of Taxation (Department), updated the Committee on marijuana revenue, noting the Department is having preliminary discussions on the transfers to local governments for their efforts in enforcing marijuana provisions. He gave a brief update on the AT&T refunds to be issued to local governments.

Chairman Leavitt inquired about sales tax. Mr. Anderson replied that they are seeing relatively more activity from nontraditional sectors and seeing solid growth in ecommerce.

Kelly Langley introduced the Department staff. Chairman Leavitt commented that the Committee appreciates all the work the Department does.

ITEM 2. PUBLIC COMMENT

Mona Lisa Samuelson, introduced herself as Nevada's first medical marijuana patient advocate, community activist, and lobbyist. She stressed the need for legislative protections and understanding for medical marijuana patients.

ITEM 3. FINANCIAL CONDITION REPORTS BY THE DEPARTMENT; CONSIDERATION AND POSSIBLE ADOPTION OF RECOMMENDATIONS AND ORDERS

(a) For Possible Action: Discussion and Consideration of the City of North Las Vegas Financial Condition:

1. Report by the City of North Las Vegas on the following matters:

**a) Status of the FY 17/18 Audit, Final Expectations on Revenue and Expenditures,
Cash Flow Analysis for the City of North Las Vegas**
b) Status Update on Contract Negotiations

Ryann Juden and Darren Adair appeared on behalf of the City of North Las Vegas. Kelly Langley appeared on behalf of the Department.

Mr. Juden noted most of the presentation would be done by Mr. Adair. Mr. Adair explained they would have liked to present a presentation they did to the Committee; however, the rating is just barely coming out. He explained the city's ratings have increased, and they are looking at refinancing existing bonds that will provide additional cash flow in the future.

He also commented on the FY17/18 Audit. FY18 highlights show expected growth. He complemented his staff on their efforts. The FY19 budget highlights support their invest/reinvest strategy which allows for new staff as well as reinvesting in current staff.

Mr. Adair added he would provide the presentation after the meeting to Kelly Langley at the Department for the Committee's review. He explained using the invest/reinvest approach on contract negotiations has been helpful working as a guideline going into them. They expect growth in property tax, and anticipate outperforming this budget as they have done the last five years. Projections reflect their goal, staying around the 12% range. Nearly their entire ending fund balance (EFB) is in the unassigned category.

Mr. Juden reiterated they are proceeding with the invest/reinvest strategy. They recognized a need to start growing their employee base. They have agreements with two of their four bargaining groups and expect to finish with their police unions soon. They are happy with the responsible growth they are seeing. He commented on the infrastructure and land improvements around the speedway.

Mr. Adair explained the cash flow projections through May, 2018. They are excited about the City's opportunities with higher ratings and are seeing growth and recovery throughout the valley.

Member Ciesynski asked if the bargaining arrangements are multiple years or one. Mr. Juden replied that they have worked to get them on the same cycle. They are all 2 year agreements.

Member Walker questioned how they are weaning away from the utility fund. Mr. Adair replied that they are committed to the minimum reductions and will exceed where possible.

Chairman Leavitt stated he had discussions with Ms. Langley and they believe they should consider removing North Las Vegas from fiscal watch. He wants an Audit report before the next meeting, and cash flow projections through June 30, 2019 a week prior to the next meeting. He would also like employee levels, by function and department, that show where they are and where they project to be next year. If those are provided, they would consider recommending their removal from fiscal watch. There will still be other obligations, but meeting every time could discontinue. He asked the committee if that sounds reasonable, they agreed.

Ms. Colvin would also like to know their plan for FY18 budgetary savings, and what the plan is for those savings in FY19. Chairman Leavitt agreed. Member McIntosh expressed his agreement also.

Ms. Langley clarified that the AT&T refund is for Washoe County only and will not affect Clark County or North Las Vegas. She also noted the cash flow was for FY17/18. She stated even though Chairman Leavitt requested it a week before the next meeting, she would like to have FY18/19 cash flow as soon as possible per their agreement. She requested assistance on that.

Chairman Leavitt asked Mr. Adair if he will be able to provide the information requested. Mr. Adair confirmed, adding they have been focused on running the City, not cash flows and have had to prioritize with their limited resources.

Member Walker congratulated North Las Vegas for coming a long way.

For Possible Action: Discussion and Consideration of Clark County School District Financial Condition:

1. Report by the School District on the following matters:

- a) Status Update on Contract Negotiations and Litigation and Appeal**
- b) Status of the FY17/18 Audit, Final Expectations on Revenue, Expenditures,
Ending Fund Balance and Cash Flow Analysis for the Clark County School District**
- c) Brief update on Arbitration and Potential Legislative issues**

Member Kohn-Cole recused herself from this matter.

Jason Goudie appeared on behalf of Clark County School District. Kelly Langley appeared on behalf of the Department.

Mr. Goudie advised the committee they did not move forward with collecting taxes early, as it would have been of minimal benefit. He discussed their contract negotiations. Two groups have come to an agreement, and three are outstanding. The arbitration group for support professionals ruled in their favor, and they are still working with the remaining groups. He reviewed their expectations and expenditures, noting they are lower than their amended final budget.

Mr. Goudie noted they will be bringing a BDR on EFB to the legislature. He is grateful Ms. Langley and Mr. Anderson at the Department helped walk him through it. The change in legislation will clarify and add specific wording to protect the 8.3%. They are also seeking additional funding from the legislature.

Chairman Leavitt asked if they were in compliance with AB469. Mr. Goudie explained they created a task force that issued them a letter citing the areas they believed they were not in compliance with. They went through it, developed a plan and timeline, which has been accepted by the Board and the Department of Education.

Member Ciesynski asked for a FY19 cash flow projection. Mr. Goudie noted it was provided to Ms. Langley.

Member Walker questioned if they are going from .6% to 1.75%, Mr. Goudie confirmed. She commented that was a good move and asked about future plans to increase it. He explained the limitations on property taxes which haven't grown as much as the general economy. He and the Board are concerned if they are at 3 or 4 percent they will lose it in arbitration. They are trying to enhance the laws before increasing those balances that haven't been well protected in the past.

Member Marty Johnson commented that the cash flow received was for all funds FY19. He asked if they can do one that breaks it up so they can identify what is in the general fund. Mr. Goudie stated this is consistent with the prior year; they have not built a cash flow projection by fund. They break it up on an actual basis because they create financial statements on a monthly basis. As stated last time, they have one bank account and have not performed an analysis that way in the past.

Chairman Leavitt believes they need to make adjustments on how they handle these funds so they can have cash projections by fund, stating they could be in an illegal situation and not realize it. He doesn't know what they need to do, or what adjustments they need to make with their system, but it needs to be made. He clarified agreement with the committee. He explained they could be borrowing funds from funds that can't be borrowed from and not know it.

Member Walker supported that giving an example from when she became Carson City Finance Director. They had a negative balance general fund, so they were taking money from a sewer and water fund. In NRS 354 it states that you can't have negative cash balances in their funds. To be in compliance with the law, they need to break it down so they can see that they do not have negatives.

Member McIntosh asked about the teacher contracts and the impact in the years 2020 and 2021. Mr. Goudie noted they are seeking additional funding from the legislature and are working diligently with the remaining groups. They have been building their relationship with them to help with negotiations, but do not have estimates. Member McIntosh also asked if the money for the CCEA is money they already have projections for, Mr. Goudie confirmed it was.

Ms. Langley asked Mr. Goudie where they would see AB469 in the budget. Mr. Goudie noted it does not have payments associated with it. He clarified 85% of unrestricted funds have to be allocated to schools. He added the state, legislative advisory groups, and the district discussed what allocation meant. He discussed the service level agreements created and how the money will be transferred.

Member Ciesynski asked about the new superintendent for the school district and his understanding of the Committee. Mr. Goudie explained Dr. Jesus Jara's experience and that they have spent a number of hours discussing the financial situation. Dr. Jara has listened and brought ideas. Mr. Goudie believes he will be beneficial to the district.

Chairman Leavitt warned Mr. Goudie that he better hope nothing happens with such a low ending fund balance (EFB), or they will be in deep trouble.

Mr. Goudie appreciates the advice. He noted that they are trying to protect the EFB and that there is no chance they will violate law as they do not budget on an individual basis. On an actual basis, money is not spent outside the fund itself. They have controls to ensure compliance with law. The general fund never goes negative on the actual. He added they can put something together on the recommendation of the Committee, but he wants to be clear, on the record, that the systems are in place that there isn't a potential for violation of law because of how they budget in the future.

Chairman Leavitt noted if they are certain on an actual budget, and spend the money currently, then they should be able to do a projection. He requested they do a projection so the Committee can see where they are, adding that the Committee is concerned and does not want them to violate statutes.

ITEM 4. For Possible Action: Discussion and Consideration of Establishing a Subcommittee to Address Concerns Regarding NAC 354.660

Jason Goudie appeared on behalf of Clark County School District. Kelly Langley appeared on behalf of the Department.

Chairman Leavitt clarified Item 4 pertains to the EFB at the request of the Clark County School District. He asked Mr. Goudie if he still wanted this.

Ms. Langley replied that they still want a subcommittee to do the NAC. It currently states budgeted and they want to add actual. They want a temporary regulation in place while working on the BDR.

Chairman Leavitt again asked Mr. Goudie if he was still interested in having a subcommittee discuss this. Mr. Goudie confirmed. He believes the regulation change can be more successful and even if the BDR is successful, they still want the NAC to have the same language, and they want the NAC to mirror the NRS and would like to establish a clearer explanation of EFB.

Chairman Leavitt agreed to establish a subcommittee. He appointed Member Walker as chair. He requested Members Ciesynski and Cronk to serve as well. Member Kohn-Cole requested to be on the subcommittee.

Member Kohn-Cole questioned changing an NAC that changes the concept of an NRS. Chairman Leavitt noted he would think that would be one of the considerations of the subcommittee.

Member McIntosh also asked to be on the subcommittee. Chairman Leavitt agreed.

Member Walker noted the NAC has been in effect for 30 plus years. She gave some history on the statute adding that it was a hard battle. The original bill had school districts in it, but it was requested that the school districts be excluded from the 25%, noting it was politics. She warned that there is a lot of precedent and is concerned about a bill draft being presented to a democratically controlled legislation, warning they could end up with zero. She explained SB469 changed the 25% to 16.6%, the bill passed democratic legislation but was vetoed by the governor, it is one of the first items the 2019 legislators will be looking at.

When the 25% rule passed, CLGF changed the NAC. The NAC went to the then democratically controlled legislation and failed. The legislators have determined they are not interested in changing the NAC. She recommends a clarifying letter from the Department, approved by this Committee on how this affects the NAC but warns not to change NAC or NRS because they can lose what they have. She would be happy to join the subcommittee.

Chairman Leavitt noted her suggestions should be brought up in the subcommittee.

Member Paul Johnson suggested including an unassigned fund balance to the statutes.

ITEM 5. BRIEFING TO AND FROM THE COMMITTEE ON LOCAL GOVERNMENT FINANCE AND LOCAL GOVERNMENT FINANCE STAFF

Chairman Leavitt again commended the Departments Staff for the service they provide to local governments as well as the materials for the Committee meetings.

ITEM 6. REVIEW AND APPROVAL OF MINUTES

For Possible Action: CLGF Committee Meeting – April 25, 2018

Member Kohn-Cole motioned to approve, Member Ciesynski seconded. Members Rackley and Paul Johnson abstained from voting. All other members were in favor.

ITEM 7. FOR POSSIBLE ACTION: SCHEDULE DATE AND REVIEW AGENDA TOPICS FOR THE NEXT MEETING

Chairman Leavitt requested a report from the subcommittee and wants North Las Vegas and Clark County School District to appear. He suggests the next meeting be after the audited report from North Las Vegas is received.

ITEM 8. PUBLIC COMMENT

Mona Lisa Samuelson reiterated that medical marijuana patients need legislative protection.

ITEM 9. FOR POSSIBLE ACTION: ADJOURNMENT

Meeting adjourned at 10:27 a.m.

DRAFT

DRAFT
Minutes of the Meeting
SUB COMMITTEE ON LOCAL GOVERNMENT FINANCE
October 16, 2018, 1:00 p.m.

The meeting was held at the Department of Taxation, 1550 College Parkway, Large Conference Room, Carson City, Nevada. This meeting was also part of a teleconference.

SUBCOMMITTEE MEMBERS PRESENT:

Mary Walker, Chairman
Beth Kohn-Cole
Tom Ciesynski
Jeff Cronk
Jim McIntosh

COUNSEL TO COMMITTEE

Peter Keegan

DEPT OF TAXATION STAFF PRESENT:

Jeff Mitchell
Kelly Langley
Keri Gransbery
Penny Hampton
Erik Rowley
Evelyn Barragan
Chali Spurlock

MEMBERS OF THE PUBLIC PRESENT:

Name

Representing

Rick McCann	NV Assoc of Public Safety Officers
Todd Ingalsbee	PFFN
Rusty McAllister	AFL – CIO
Marlene Lockard	SEIU Nevada
John Vellardita	Clark County Education Association
Jason Goudie	Clark County School District
Diane Bartholomew	Clark County School District
Sherry Whiteman	Storey County School District

ITEM 1. ROLL CALL AND OPENING REMARKS

Chairman Walker called the meeting to order at 1:02 p.m. Member McIntosh arrived shortly after roll call, all other members were present.

ITEM 2. PUBLIC COMMENT

There was no public comment

ITEM 3. DISCUSSION AND CONSIDERATION OF POTENTIAL CHANGES TO NAC 354.660

Chairman Walker noted some changes proposed by Jason Goudie, with the Clark County School District, have already been codified. SB168 passed in 2016, CLGF then approved changes to the NAC which the legislative commission approved in September of 2017. She explained that State Departments usually don't pass regulations this close to a legislative session. She explained the emergency regulation process and how the regulation would be temporary. Peter Keegan, with the Attorney General's Office confirmed.

Chairman Walker asked Mr. Goudie how he would like to proceed. Mr. Goudie replied that the new changes to the NAC helped, but do not address budgeted amount. They do not believe an emergency regulation is needed, and are requesting a guidance letter from the Department of Taxation (Department) explaining NAC 354.660.

Member Kohn-Cole stressed that a guidance memo should not say anything different than the NAC. There are decisions regarding this NAC and the word "budgeted". If it is budgeted, it is protected. Kelly Langley, with the Department, clarified that budgeted would include any future augmentations on that budget. Member Kohn-Cole and Chairman Walker agreed.

Chairman Walker agreed that a guidance memo has to be in compliance with the law. She asked for comments on an emergency regulation, or if they are looking towards a guidance letter.

Member Ciesynski requested clarification on the emergency regulation process. Mr. Keegan explained. Member Ciesynski also asked for a definition of emergency. Mr. Keegan clarified by reading from NRS 233B.0613.

Member McIntosh asked how many times the Committee has provided guidance letters. Chairman Walker replied that it was just done several months ago regarding audit points.

Member Cronk asked Mr. Goudie if the School District thinks the arbitrator didn't take the ending fund balance (EFB) into consideration. Mr. Goudie responded that the arbitrator acknowledged the NAC, but recognized there were still funds available in the EFB.

Member Ciesynski expressed concern that the NAC does not protect the 8.3%. Chairman Walker explained she has never had an arbitrator go against EFB and believes the new NAC that separates out school district is clearer. A letter of clarification would be better, as this is not an emergency.

Mr. Keegan explained the word emergency is not defined in NRS 233B.0613 and is largely under the governors office's discretion how that is interpreted.

Member Kohn-Cole stressed that they need to be very clear between budgeted EFB and not the actual EFB when referring to fund balance. Chairman Walker agreed, noting augmentations are included. Member Kohn-Cole added there is a statutory ruling for augmenting.

Ms. Langley clarified that school districts have an automatic augmentation in December which allows them to bring in EFB from the prior year. She also noted although the NAC recommends 8.3% be protected in the budget process, the Department looks for an EFB of at least 4%. If they fall below, they have to provide an explanation, and would like that emphasized in the guidance letter. Clark County School District trustees authorized them to go to 2%. Chairman Walker commented that she believes 4% is law.

Member Ciesynski asked that the 4% be included in the guidance letter, Chairman Walker agreed, noting they can quote the regulation. He added it is important for the public to know that bond companies look at fund balance, ratings are determined based on that balance. Clark and Washoe counties have seen impacts from that.

Member Cronk asked for clarification on the differences between actual and EFB, and questioned what Clark County School Districts budgeted EFB was. Mr. Goudie responded that the budgeted was slightly higher than what they ended up having in their EFB, but did not have the figure with him.

Member Ciesynski noted if they were below 8.3% it would be a moot point. He doesn't believe the statute or NRS is understood. An arbitrator or fact finder is supposed to make the determination based on all available revenues. In the NAC and NRS it talks about fund balance. He believes there is some confusion and thinks they should provide clarification to include what that section means as it pertains to arbitration. Chairman Walker suggested if a letter is done, maybe they should give an example of a calculation to help explain it.

Member Kohn-Cole explained if you go into arbitration and they budget 2% fund balance, the entire EFB is automatically unavailable for negotiations.

Member Cronk noted he thinks it is vague and interpreted differently. He would like to see clarification. Arbitrators look at the ability to pay over revenues and expenditures that create fund balance. Chairman Walker and Member Kohn-Cole disagreed, noting this deals with budgeted fund balance only, which is a known factor.

Chairman Walker explained it is how much of the fund balance is or is not available for use as a resource. Member Kohn-Cole added an over budgeted amount is available, fund balance is not. Chairman Walker clarified it is the one time cash in the bank. They all agreed it needs to be clarified.

Chairman Walker further added that this law does not protect revenues and expenditures; it protects the fund balance from any payments. She went over augmentations, noting as the budget is changed this calculation would change with it.

Member Kohn-Cole stressed if you want to protect it, budget it.

Member Ciesynski asked if the 8.3% budgeted would be assigned or unassigned. Chairman Walker explained the law does not specify that and why schools have 8.3% and local governments are given 25%. If schools have a shortfall the government guarantees them and pays per pupil. Local Governments, cities, and counties do not have a bail out option.

Ms. Langley added that net proceeds is specific for school districts, and they do not budget for that.

Member Ciesynski noted that bail out is not a guarantee for the schools.

Member Walker asked if there was a general consensus to do the guidance letter.

Member Cronk questioned what kind of authority the guidance letter would have and if it would stand until changed. Member Walker explained it would come from the Department of Taxation and that it

would stand. Ms. Langley added that if it is important enough, a regulation change can be made in the future if needed.

Member Ciesynski motioned that the Department write a guidance letter regarding NAC 354.660 as discussed, shared with the subcommittee members, and once there is consensus, to bring it back to the Committee for potential action.

Member Kohn-Cole asked if there would be another subcommittee meeting. Member Walker doesn't believe it is necessary.

Mr. Keegan pointed out that there is a motion on the table for a second meeting to review the guidance letter.

Member Cronk seconded the motion.

Member Kohn-Cole thinks it is important to review and give feedback. Mr. Keegan noted they need to come to a consensus on the guidance letter and present it to the Committee following Open Meeting Laws. He also noted they cannot get on a group email and go back and forth.

Member Walker asked if she and Member Kohn-Cole could work on the guidance letter with the Department and have another meeting if they do not come to a consensus, if they do, it will go to the full committee.

Member Ciesynski noted as long as what they are writing is what was discussed.

Mr. Goudie asked what exactly they are clarifying. Chairman Walker responded it would basically be an example of the calculation and they will put in the 4% as a reminder.

Member Ciesynski asked what calculation. Member Kohn-Cole and Chairman Walker agreed to one of each.

Ms. Langley suggested that there needs to be an example of a special revenue fund of a school district, as stated.

Member Cronk asked if they were going to dive into GASB 54, and Chairman Walker replied no as the law is silent on that.

Member Ciesynski wanted to be sure Mr. Goudie was comfortable with this. Mr. Goudie noted he would like to see it and be able to ask questions. Chairman Walker noted there wouldn't be a problem with that.

Mr. Keegan again stated that the motion was for another meeting. Member Ciesynski stated he meant a discussion, and another meeting only if necessary.

Chairman Walker announced the motion was on the table. All members voted in support of Member Ciesynski's motion; the Department will draft a guidance letter as discussed.

ITEM 4. FOR POSSIBLE ACTION: SCHEDULE DATE AND REVIEW AGENDA TOPICS FOR THE NEXT MEETING

Chairman Walker explained if they come to a consensus it will go before CLGF, if not, the subcommittee will have another meeting. Member Ciesynski asked for a copy of the draft before the next committee meeting. Chairman Walker and Mr. Keegan replied that it would be a violation of the open meeting law. Mr. Keegan added that materials can be sent in advance of the CLGF meeting, but commenting is not encouraged.

ITEM 8. PUBLIC COMMENT

There was no public comment

ITEM 9. FOR POSSIBLE ACTION: ADJOURNMENT

Meeting was adjourned at 1:46 pm.