

PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 11, 2019

**NEW ISSUE
BOOK-ENTRY ONLY**

**RATINGS: S&P: "AA"
Moody's: "Aa2"
See "RATINGS"**

In the opinion of Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the 2019 Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the 2019 Bonds (the "Tax Code"), and interest on the 2019 Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code. See "TAX MATTERS."

\$34,245,000*
CITY OF LAS VEGAS, NEVADA
GENERAL OBLIGATION (LIMITED TAX)
BUILDING BONDS
(ADDITIONALLY SECURED BY PLEDGED REVENUES)
SERIES 2019A

\$6,295,000*
CITY OF LAS VEGAS, NEVADA
GENERAL OBLIGATION (LIMITED TAX)
MEDIUM-TERM BONDS
SERIES 2019B

Dated: Date of Delivery

Due: February 1, as shown herein

The 2019A Bonds and the 2019B Bonds (collectively, the "2019 Bonds") are issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. The 2019 Bonds initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), securities depository for the 2019 Bonds. Purchases of the 2019 Bonds are to be made in book-entry form only. Purchasers will not receive certificates representing their beneficial ownership interest in the 2019 Bonds. See "THE 2019 BONDS – Book-Entry Only System." The 2019 Bonds bear interest at the rates set forth herein, payable on August 1, 2019, and semiannually thereafter on February 1 and August 1 of each year, to and including the maturity dates shown herein (unless the 2019 Bonds are redeemed earlier) to the registered owners of the 2019 Bonds (initially Cede & Co.). The principal of the 2019 Bonds will be payable upon presentation and surrender at the principal operations office of The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, or its successor as the paying agent for the 2019 Bonds. See "THE 2019 BONDS."

The maturity schedules for the 2019 Bonds appear on the inside cover page of this Official Statement.

The 2019A Bonds are subject to optional redemption prior to maturity as described in "THE 2019 BONDS – Redemption Provisions." At the option of the winning bidder, certain of the 2019A Bonds also may be subject to mandatory sinking fund redemption. The 2019B Bonds are not subject to optional redemption prior to maturity.

Proceeds of the 2019A Bonds will be used to (i) acquire, construct, improve and equip building projects in the City, including a municipal court, and (ii) pay the costs of issuing the 2019A Bonds. Proceeds of the 2019B Bonds will be used to (i) acquire, construct, improve and equip building projects in the City, including a building for the Strong Start Academy for early childhood education services, and (ii) pay the costs of issuing the 2019B Bonds. See "SOURCES AND USES OF FUNDS."

The 2019 Bonds constitute direct and general obligations of the City and the full faith and credit of the City is pledged for the payment of principal and interest thereon, subject to the limitations imposed by the constitution and laws of the State of Nevada (including limitations on the City's operating levies with respect to the 2019B Bonds). See "SECURITY FOR THE 2019A BONDS – General Obligations" and "SECURITY FOR THE 2019B BONDS – General Obligations."

The 2019A Bonds are additionally secured by a lien on certain consolidated tax revenues (the "2019A Pledged Revenues"), as more fully described herein. The City has already issued bonds and may issue additional bonds secured by the 2019A Pledged Revenues with the lien priorities described herein. See "SECURITY FOR THE 2019A BONDS – 2019A Pledged Revenues." The 2019A Pledged Revenues do not secure the payment of the 2019B Bonds.

This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

The 2019 Bonds are offered when, as, and if issued and accepted by the initial purchaser, subject to the approval of legality of the 2019 Bonds by Sherman & Howard L.L.C., Las Vegas, Nevada, Bond Counsel, and the satisfaction of certain other conditions. Sherman & Howard L.L.C. also has acted as special counsel to the City in connection with the preparation of this Official Statement. Certain legal matters will be passed upon for the City by the City Attorney. Zions Public Finance, Las Vegas, Nevada, is acting as Municipal Advisor to the City. It is expected that the 2019 Bonds will be available for delivery through the facilities of DTC, on or about February __, 2019.

Official Statement dated January __, 2019.

* Preliminary, subject to change.

MATURITY SCHEDULE
(CUSIP® 6-digit issuer number: _____)

\$34,245,000*
CITY OF LAS VEGAS, NEVADA
GENERAL OBLIGATION (LIMITED TAX)
BUILDING BONDS
(ADDITIONALLY SECURED BY PLEDGED REVENUES)
SERIES 2019A

Maturing (February 1)	Principal Amount*	Interest Rate	Yield	CUSIP® Issue No.	Maturing (February 1)	Principal Amount*	Interest Rate	Yield	CUSIP® Issue No.
2022	\$1,230,000				2031	\$1,885,000			
2023	1,280,000				2032	1,980,000			
2024	1,340,000				2033	2,080,000			
2025	1,410,000				2034	2,185,000			
2026	1,480,000				2035	2,295,000			
2027	1,555,000				2036	2,410,000			
2028	1,630,000				2037	2,530,000			
2029	1,710,000				2038	2,655,000			
2030	1,800,000				2039	2,790,000			

\$6,295,000*
CITY OF LAS VEGAS, NEVADA
GENERAL OBLIGATION (LIMITED TAX)
MEDIUM-TERM BONDS
SERIES 2019B

Maturing (February 1)	Principal Amount*	Interest Rate	Yield	CUSIP® Issue No.
2020	\$520,000			
2021	530,000			
2022	550,000			
2023	575,000			
2024	605,000			
2025	635,000			
2026	670,000			
2027	700,000			
2028	735,000			
2029	775,000			

* Preliminary, subject to change.

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USE OF INFORMATION IN THIS OFFICIAL STATEMENT

This Official Statement, which includes the cover page, the inside cover page and the appendices, does not constitute an offer to sell or the solicitation of an offer to buy any of the 2019 Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation, or sale. No dealer, salesperson, or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the 2019 Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by the City. The City maintains an internet website; however, the information presented there is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the 2019 Bonds.

The information set forth in this Official Statement has been obtained from the City and from the other sources referenced throughout this Official Statement, which the City believes to be reliable. No guarantee is made by the City, however, as to the accuracy or completeness of information provided from sources other than the City. This Official Statement contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions, or that they will be realized.

The information, estimates, and expressions of opinion contained in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the 2019 Bonds shall, under any circumstances, create any implication that there has been no change in the affairs of the City, or in the information, estimates, or opinions set forth herein, since the date of this Official Statement.

This Official Statement has been prepared only in connection with the original offering of the 2019 Bonds, and not in connection with any subsequent sale or transfer of the 2019 Bonds, and may not be reproduced or used in whole or in part for any other purpose.

The 2019 Bonds have not been registered with the Securities and Exchange Commission due to certain exemptions contained in the Securities Act of 1933, as amended. The 2019 Bonds have not been recommended by any federal or state securities commission or regulatory authority, and the foregoing authorities have neither reviewed nor confirmed the accuracy of this document.

THE PRICES AT WHICH THE 2019 BONDS ARE OFFERED TO THE PUBLIC BY THE INITIAL PURCHASER (AND THE YIELDS RESULTING THEREFROM) MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES OR YIELDS APPEARING ON THE INSIDE COVER PAGE HEREOF. IN ADDITION, THE INITIAL PURCHASER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS. IN ORDER TO FACILITATE DISTRIBUTION OF THE 2019 BONDS, THE INITIAL PURCHASER MAY ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICE OF THE 2019 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

CITY OF LAS VEGAS, NEVADA

MAYOR AND CITY COUNCIL

Carolyn G. Goodman, Mayor
Lois Tarkanian, Mayor Pro Tem, Ward 1
Steven G. Seroka, Ward 2
Bob Coffin, Ward 3
Stavros S. Anthony, Ward 4
Cedric Crear, Ward 5
Michele Fiore, Ward 6

CITY OFFICIALS

Scott D. Adams, City Manager
Gary Ameling, Chief Financial Officer
Venetta Appleyard, Director of Finance
Bradford R. Jerbic, City Attorney

MUNICIPAL ADVISOR

Zions Public Finance
Las Vegas, Nevada

BOND AND SPECIAL COUNSEL

Sherman & Howard L.L.C.
Las Vegas, Nevada

REGISTRAR AND PAYING AGENT

The Bank of New York Mellon Trust Company, N.A.
Dallas, Texas

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OFFICIAL STATEMENT

\$34,245,000*
CITY OF LAS VEGAS, NEVADA
GENERAL OBLIGATION (LIMITED TAX)
BUILDING BONDS
(ADDITIONALLY SECURED BY PLEDGED
REVENUES)
SERIES 2019A

\$6,295,000*
CITY OF LAS VEGAS, NEVADA
GENERAL OBLIGATION (LIMITED TAX)
MEDIUM-TERM BONDS
SERIES 2019B

INTRODUCTION

General

This Official Statement, including the cover page, the inside cover page and the appendices, is furnished by the City of Las Vegas, Nevada (the “City” and the “State,” respectively), to provide information about the City and its \$34,245,000* General Obligation (Limited Tax) Building Bonds, Series 2019A (the “2019A Bonds”) and its \$6,295,000* General Obligation (Limited Tax) Medium-Term, Series 2019B (the “2019B Bonds,” and together with the 2019A Bonds, the “2019 Bonds”). The 2019A Bonds will be issued pursuant to an ordinance (the “2019A Bond Ordinance”) to be adopted by the City Council of the City (the “City Council”) on January 16, 2019. The 2019B Bonds will be issued pursuant to an ordinance (the “2019B Bond Ordinance,” and together with the 2019A Bond Ordinance, the “Bond Ordinances”) to be adopted by the City Council on January 16, 2019. Capitalized terms used herein that are otherwise not defined have the meanings ascribed to them in the 2019A Bond Ordinance. See Appendix B – Summary of Certain Provisions of the 2019A Bond Ordinance.

The offering of the 2019 Bonds is made only by way of this Official Statement, which supersedes any other information or materials used in connection with the offer or sale of the 2019 Bonds. The following introductory material is only a brief description of and is qualified by the more complete information contained throughout this Official Statement. A full review should be made of the entire Official Statement and the documents summarized or described herein. Detachment or other use of this “INTRODUCTION” without the entire Official Statement, including the cover page, the inside cover page and the appendices, is unauthorized.

The Issuer

The City is the county seat of Clark County (the “County”) and was incorporated in 1911. The City is located in the central portion of the County, which is the southernmost county in the State. According to State Demographer estimates, the City’s population as of July 1, 2017, was approximately 633,028. See “THE CITY.”

Purpose

2019A Bonds. The proceeds of the 2019A Bonds will be used to: (i) acquire, construct, improve and equip building projects in the City, including a municipal court, and (ii) pay the costs of issuing the 2019A Bonds. See “SOURCES AND USES OF FUNDS.”

2019B Bonds. The proceeds of the 2019B Bonds will be used to (1) acquire, construct, improve and equip building projects in the City, including a building for the Strong Start Academy for

* Preliminary, subject to change.

early childhood education services, and (ii) pay the costs of issuing the 2019B Bonds. See “SOURCES AND USES OF FUNDS.”

Authority for Issuance

The 2019 Bonds are issued pursuant to the laws of the State, including: Chapter 517, Statutes of Nevada 1983, as amended (the “Charter”); NRS 268.672 through 268.740, inclusive (the “City Bond Law”); the Local Government Securities Law (Nevada Revised Statutes (“NRS”) 350.500 through 350.720, as amended) (the “Bond Act”); NRS chapter 348 (the “Supplemental Bond Law”); and the Bond Ordinances.

Security for the 2019A Bonds

General Obligations. The 2019A Bonds are direct and general obligations of the City, payable as to principal and interest from annual general (ad valorem) taxes (sometimes referred to herein as “General Taxes”) levied against all taxable property within the City (except to the extent any other monies are made available therefor), subject to State constitutional and statutory limitations on the City’s operating levies and on the aggregate amount of ad valorem taxes. See “SECURITY FOR THE 2019A BONDS – General Obligations” and “PROPERTY TAX INFORMATION – Property Tax Limitations.”

2019A Pledged Revenues. The 2019A Bonds are additionally secured by an irrevocable pledge of a 15% portion of all income and revenue (the “2019A Pledged Revenues”) derived by and distributed to the City pursuant to Section 360.698 of NRS (the “Consolidated Tax,” described below).

The Consolidated Tax consists of revenues from the following sources: certain sales taxes (the “Basic City/County Relief Tax” and the “Supplemental City/County Relief Tax”); excise taxes on cigarettes and liquor (the “Cigarette Tax” and the “Liquor Tax,” respectively); a tax on the licensing of motor vehicles (the “Governmental Services Tax”); and real property transfer taxes (the “Real Property Transfer Tax”). Pursuant to the State law, the Consolidated Tax is collected by the State and then remitted monthly to the City. For further descriptions of the 2019A Pledged Revenues, see “SECURITY FOR THE 2019A BONDS – 2019A Pledged Revenues,” “REVENUES AVAILABLE FOR 2019A BONDS DEBT SERVICE” and Appendix B – Summary of Certain Provisions of the 2019A Bond Ordinance – Certain Definitions.

The term “2019A Pledged Revenues” means all or a portion of the 2019A Pledged Revenues. The designated term indicates sources of revenues and does not necessarily indicate all or any portion or other part of such revenues in the absence of further qualification. The term 2019A Pledged Revenues includes income derived from any additional sources if the City Council is authorized to include and elects to include the additional sources in 2019A Pledged Revenues for the remaining term of the 2019A Bonds.

Lien Priority. The 2019A Bonds constitute an irrevocable lien (but not necessarily an exclusive lien) upon the 2019A Pledged Revenues. The lien of the 2019A Bonds on the 2019A Pledged Revenues is on a parity with the City’s outstanding Consolidated Tax bonds as further described herein (the “Outstanding Parity Lien Consolidated Tax Bonds”) and any additional City bonds issued in the future with a lien on the 2019A Pledged Revenues that is on a parity with the lien thereon of the 2019A Bonds.

Additional Bonds. The City is authorized to issue additional bonds or securities that have a lien on all or a portion of the 2019A Pledged Revenues that is on a parity with the lien thereon of the 2019A Bonds, subject to the satisfaction of certain conditions described herein. See “SECURITY FOR THE 2019A BONDS – Additional Bonds Secured by the 2019A Pledged Revenues.”

Security for the 2019B Bonds

General Obligations. The 2019B Bonds are direct and general obligations of the City, payable as to principal and interest from annual general (ad valorem) taxes (sometimes referred to herein as “General Taxes”) levied against all taxable property within the City (except to the extent any other monies are made available therefor), subject to State constitutional and statutory limitations on the City’s operating levies and on the aggregate amount of ad valorem taxes. See “SECURITY FOR THE 2019B BONDS – General Obligations” and “PROPERTY TAX INFORMATION – Property Tax Limitations.”

The 2019 Bonds; Redemption Provisions

The 2019 Bonds are issued in denominations of \$5,000 or integral multiples thereof and initially will be registered in the name of “Cede & Co.,” as nominee of The Depository Trust Company (“DTC”), the securities depository for the 2019 Bonds. Purchases of the 2019 Bonds are to be made in book-entry form only. Purchasers will not receive certificates evidencing their beneficial ownership interest in the 2019 Bonds. See “THE 2019 BONDS – Book-Entry Only System.”

The 2019 Bonds will be dated as of their date of delivery and will mature and bear interest (calculated based on a 360-day year consisting of twelve 30-day months) as set forth on the inside cover page of this Official Statement. See “THE 2019 BONDS.” The payment of the principal of and interest on the 2019 Bonds is described in “THE 2019 BONDS – Payment Provisions.”

The 2019A Bonds are subject to optional redemption prior to maturity as described in “THE 2019 BONDS – Redemption Provisions.” The 2019B Bonds are not subject to optional redemption prior to maturity.

At the option of the winning bidder, certain of the 2019A Bonds also may be subject to mandatory sinking fund redemption.

Tax Matters

In the opinion of Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the 2019 Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the 2019 Bonds (the “Tax Code”), and interest on the 2019 Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, See “TAX MATTERS – Federal Tax Matters.”

The 2019 Bonds, their transfer, and the income therefrom are free and exempt from taxation by the State or any subdivision thereof except for the tax on estates imposed pursuant to Chapter 375A of NRS, and the tax on generation-skipping transfers imposed pursuant to Chapter 375B of NRS. See “TAX MATTERS – State Tax Exemption.”

Professionals

Sherman & Howard L.L.C., Las Vegas, Nevada, has acted as Bond Counsel in connection with the 2019 Bonds and also has acted as special counsel to the City in connection with the preparation of this Official Statement. Certain legal matters will be passed on for the City by its City Attorney. The municipal advisor to the City in connection with the issuance of the 2019 Bonds is Zions Public Finance, Las Vegas, Nevada (the “Municipal Advisor”). See “MUNICIPAL ADVISOR.” The audited basic financial statements of the City (contained in Appendix A to this Official Statement) include the report of Piercy Bowler Taylor & Kern, certified public accountants, Las Vegas, Nevada. See

“INDEPENDENT AUDITORS.” The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, will act as Registrar and Paying Agent for the 2019 Bonds (the “Registrar” and “Paying Agent”).

Continuing Disclosure Undertaking

The City will execute a continuing disclosure certificate (the “Disclosure Certificate”) at the time of the closing for the 2019 Bonds. The Disclosure Certificate will be executed for the benefit of the beneficial owners of the 2019 Bonds and the City will covenant in the Bond Ordinances to comply with the terms of the Disclosure Certificate. The Disclosure Certificate will provide that so long as the 2019 Bonds remains outstanding, the City will provide the following information to the Municipal Securities Rulemaking Board, through the Electronic Municipal Market Access (“EMMA”) system: (i) annually, certain financial information and operating data; and (ii) notice of the occurrence of certain material events; each as specified in the Disclosure Certificate. The form of the Disclosure Certificate is attached hereto as Appendix D. The City has never failed to materially comply with any prior continuing disclosure undertakings entered into pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934.

Pursuant to an inquiry by the City into its past continuing disclosure compliance, the City became aware that it filed late or failed to file event notices related to ratings changes of certain bonds issued by the City. Those event notices were due in 2014 and all required notice filings have now been made. The City filed an amended notice of redemption in June 2016 with respect to certain special improvement district bonds which was after the date of such redemption. Further, the City filed its annual report for fiscal year 2013 one day late and did not link its annual report for fiscal year 2014 to one CUSIP for one series of bonds. The City has retained the Municipal Advisor to assist it with future continuing disclosure compliance.

Forward-Looking Statements

This Official Statement, particularly (but not limited to) any statements referring to budgeted or anticipated or unaudited financial information for fiscal years 2019 or future years, contains statements relating to future results that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words “estimate,” “forecast,” “intend,” “expect” and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty. Accordingly, such statements are subject to risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward looking statements and actual results. Those differences could be materially adverse to the owners of the 2019 Bonds and could impact the availability of revenues to pay debt service on the 2019 Bonds.

Bondholder Risks

The purchase of the 2019 Bonds involves certain investment risks that are discussed throughout this Official Statement. Accordingly, each prospective purchaser of the 2019 Bonds should make an independent evaluation of all of the information presented in this Official Statement in order to make an informed investment decision.

Secondary Market

No guarantee can be made that a secondary market for the 2019 Bonds will develop or be maintained by the initial purchaser of the 2019 Bonds (the “Initial Purchaser”) or others. Thus, prospective investors should be prepared to hold their 2019 Bonds to maturity.

Additional Information

This introduction is only a brief summary of the provisions of the 2019 Bonds and the Bond Ordinances; a full review of the entire Official Statement should be made by potential investors. Brief descriptions of the City, the 2019 Bonds, the Bond Ordinances and other documents are included in this Official Statement. All references herein to the 2019 Bonds, the Bond Ordinances and other documents are qualified in their entirety by reference to such documents. *This Official Statement speaks only as of its date and the information contained herein is subject to change.*

Additional information and copies of the documents referenced above are available from the City and the Municipal Advisor:

City of Las Vegas
495 S. Main Street
Las Vegas, NV 89101
Attention: Chief Financial Officer
Telephone: (702) 229-6280

Zions Public Finance
230 Las Vegas Boulevard South, Suite 200
Las Vegas, NV 89101
Telephone: (702) 796-7080

SOURCES AND USES OF FUNDS

Sources and Uses of Funds

The proceeds from the sale of the 2019 Bonds are expected to be applied in the following manner:

Sources and Uses of Funds

SOURCES:	<u>2019A Bonds</u>	<u>2019B Bonds</u>
Principal Amount	\$34,245,000*	\$6,295,000*
Plus: original issue premium/discount.....		
City cash contribution		
Total.....		
USES:		
Construction Account		
Capitalized Interest		
Costs of issuance (including underwriting discount)		
Total		

Source: The Municipal Advisor.

2019A Project

A portion of the proceeds of the 2019A Bonds will be used by the City to fund the acquisition, construction, improvement and equipping of building projects within the boundaries of the City, including a municipal court.

2019B Project

A portion of the proceeds of the 2019B Bonds will be used by the City to fund the acquisition, construction, improvement and equipping of building projects within the boundaries of the City, including a building for the Strong Start Academy for early childhood education services.

THE 2019 BONDS

General

The 2019 Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. The 2019 Bonds will be dated as of their date of delivery and will bear interest (calculated on the basis of a 360-day year of twelve 30-day months) and mature as set forth on the inside cover page of this Official Statement. The 2019 Bonds initially will be registered in the name of “Cede & Co.,” as nominee for DTC, the securities depository for the 2019 Bonds. Purchases of the 2019 Bonds are to be made in book-entry only form. Purchasers will not receive certificates evidencing their beneficial ownership interest in the 2019 Bonds. See “Book-Entry Only System” below.

* Preliminary, subject to change.

Payment Provisions

The payment of interest on any 2019 Bond shall be made to the registered owner thereof by check or draft mailed by the Paying Agent, on each interest payment date (or, if such interest payment date is not a business day, on the next succeeding business day), to the registered owner thereof at his or her address as shown on the registration records kept by the Registrar at the close of business on the 15th day of the calendar month next preceding each interest payment (the “Regular Record Date”); but any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner thereof at the close of business on the Regular Record Date and shall be payable to the person who is the registered owner thereof at the close of business on a Special Record Date for the payment of any such defaulted interest. The Special Record Date shall be fixed by the Paying Agent whenever money becomes available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the registered owners of the 2019 Bonds not less than 10 days prior thereto by first class mail to each such registered owner as shown on the Registrar’s registration records on a date selected by the Registrar, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. The Paying Agent may make payments of interest on any 2019 Bond by such alternative means as may be mutually agreed upon between the owner of such 2019 Bond and the Paying Agent. The principal of and redemption premium, if any, on any 2019 Bond, shall be payable to the registered owner thereof as shown on the registration records kept by the Registrar, upon maturity or prior redemption thereof and upon presentation and surrender at the Paying Agent. If any 2019 Bond shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the interest rate borne by the 2019 Bond until the principal thereof is paid in full. All such payments shall be made in lawful money of the United States of America.

Notwithstanding the foregoing, payments of the principal of and interest on the 2019 Bonds will be made directly to DTC or its nominee, Cede & Co., by the Paying Agent, so long as DTC or Cede & Co. is the registered owner of the 2019 Bonds. Disbursement of such payments to DTC’s Participants (defined in Appendix C) is the responsibility of DTC, and disbursements of such payments to the Beneficial Owners (defined in Appendix C) is the responsibility of DTC’s Participants and the Indirect Participants (defined in Appendix C), as more fully described herein. See “Book-Entry Only System” below.

Redemption Provisions

Optional Redemption. The 2019A Bonds or portions thereof (\$5,000 or any integral multiple thereof), maturing on and after February 1, 2030, are subject to redemption prior to their respective maturities, at the option of the City as directed by the Chief Financial Officer, on February 1, 2029, and on any date thereafter, in whole or in part, from such maturities selected by the City as directed by the Chief Financial Officer and by any amount within a maturity at a price equal to the principal amount or each Bond, or portion thereof, so redeemed, and accrued interest thereon to the redemption date.

The 2019B Bonds are not subject to optional redemption prior to maturity.

Mandatory Sinking Fund Redemption. At the option of the winning bidder, certain of the 2019A Bonds also may be subject to mandatory sinking fund redemption.

Notice of Redemption. Unless waived by any owner of 2019A Bonds to be redeemed for purchase, official notice of any such redemption shall be given by the Registrar, on behalf of the City, by mailing a copy of an official redemption notice by electronic mail so long as Cede & Co. is the registered owner of the 2019A Bonds and the Municipal Securities Rulemaking Board (“MSRB”) and otherwise by first class mail, postage prepaid, at least 20 days and not more than 60 days prior to the date fixed for

redemption to the registered owner of the 2019A Bonds to be redeemed at the address shown on the Bond register or at such other address as is furnished in writing by such registered owner to the Registrar. Actual receipt of mailed notice by any owner of the 2019A Bonds or the MSRB shall not be a condition precedent to redemption of any 2019A Bond, or any defect therein, shall not affect the validity of the proceedings for the redemption of any other 2019A Bonds. A certificate by the Registrar that such notice has been given as herein provided shall be conclusive against all parties.

Notwithstanding the provisions described above, any notice of redemption may contain a statement that the redemption is conditional upon the receipt by the Paying Agent of funds on or before the date fixed for redemption sufficient to pay the redemption price of the 2019A Bonds so called for redemption, and that if such funds are not available, such redemption shall be canceled by written notice to the owners of the 2019A Bonds called for redemption in the same manner as the original redemption notice was mailed.

Tax Covenants

In the Bond Ordinances, the City covenants for the benefit of the owners of the 2019 Bonds that it will not take any action or omit to take any action with respect to the 2019 Bonds, the proceeds thereof, any other funds of the City or any project refinanced with the proceeds of 2019 Bonds if such action or omission (i) would cause the interest on the 2019 Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code, or (ii) would cause interest on the 2019 Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code. The foregoing covenants shall remain in full force and effect notwithstanding the payment in full or defeasance of the 2019 Bonds until the date on which all obligations of the City in fulfilling the above-described covenants under the Tax Code have been met.

Defeasance

When all Bond Requirements of any series of 2019 Bond have been duly paid, the pledge, the lien, and all obligations under the related Bond Ordinance as to such series of 2019 Bond shall thereby be discharged and such series of 2019 Bonds shall no longer be deemed to be Outstanding within the meaning of the related Bond Ordinance. There shall be deemed to be such due payment when the City has placed in escrow or in trust with a trust bank located within or without the State, an amount sufficient (including the known minimum yield available for such purpose from direct obligations of, or obligations the principal of or interest on which are unconditionally guaranteed by, the United States of America (the "Federal Securities") in which such amount may be initially invested wholly or in part) to meet all Bond Requirements of such series of 2019 Bond, as the same become due to the final maturity of such series of 2019 Bond, or upon any redemption date as of which the City shall have exercised or shall have obligated itself to exercise its prior redemption option by a call of such series of 2019 Bond for payment then. The Federal Securities shall become due before the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the City and the bank at the time of the creation of the escrow or trust, or the Federal Securities shall be subject to redemption at the option of the holders thereof to assure availability as needed to meet the schedule. For the purpose of this section "Federal Securities" shall include only Federal Securities which are not callable for redemption prior to their maturities except at the option of the owner thereof. When such defeasance is accomplished the Paying Agent shall mail written notice of the defeasance to the registered owner of such series of 2019 Bond at the address last shown on the registration records for such series of 2019 Bonds maintained by the Registrar.

Book-Entry Only System

The 2019 Bonds will be available in book-entry form only. DTC will act as the initial securities depository for the 2019 Bonds. The ownership of one fully registered 2019 Bond for each maturity of the 2019 Bonds as set forth on the inside cover page of this Official Statement, each in the aggregate principal amount of such maturity, will be registered in the name of Cede & Co., as nominee of DTC. See Appendix C – Book-Entry Only System.

SO LONG AS CEDE & CO., AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE 2019 BONDS, REFERENCES IN THIS OFFICIAL STATEMENT TO THE REGISTERED OWNERS OF THE 2019 BONDS WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

None of the City, the Registrar or the Paying Agent will have any responsibility or obligation to DTC's Participants or Indirect Participants (defined in Appendix C), or the persons for whom they act as nominees, with respect to the payments to or the providing of notice for the DTC Participants, the Indirect Participants or the beneficial owners of the 2019 Bonds as further described in Appendix C to this Official Statement.

DEBT SERVICE REQUIREMENTS

2019A Bonds

The following table sets forth the debt service requirements for the 2019A Bonds in each fiscal year.

<u>Debt Service Requirements</u> <u>2019A Bonds⁽¹⁾</u>			
<u>Fiscal Year⁽²⁾</u>	<u>Principal*</u>	<u>Interest</u>	<u>Total</u>
2020	--		
2021	--		
2022	\$1,230,000		
2023	1,280,000		
2024	1,340,000		
2025	1,410,000		
2026	1,480,000		
2027	1,555,000		
2028	1,630,000		
2029	1,710,000		
2030	1,800,000		
2031	1,885,000		
2032	1,980,000		
2033	2,080,000		
2034	2,185,000		
2035	2,295,000		
2036	2,410,000		
2037	2,530,000		
2038	2,655,000		
2039	2,790,000		
Total	\$34,245,000		

(1) Totals may not add due to rounding.

(2) The City's fiscal year ends on June 30 of each calendar year shown.

Source: The Municipal Advisor.

* Preliminary, subject to change.

2019B Bonds

The following table sets forth the debt service requirements for the 2019B Bonds in each fiscal year.

<u>Debt Service Requirements</u> <u>2019B Bonds⁽¹⁾</u>			
<u>Fiscal Year⁽²⁾</u>	<u>Principal*</u>	<u>Interest</u>	<u>Total</u>
2020	\$520,000		
2021	530,000		
2022	550,000		
2023	575,000		
2024	605,000		
2025	635,000		
2026	670,000		
2027	700,000		
2028	735,000		
2029	775,000		
Total	\$6,295,000		

(1) Totals may not add due to rounding.

(2) The City's fiscal year ends on June 30 of each calendar year shown.

Source: The Municipal Advisor.

SECURITY FOR THE 2019A BONDS

General Obligations

General. The 2019A Bonds are direct and general obligations of the City, and the full faith and credit of the City is pledged for the payment of principal and interest due thereon, subject to State constitutional and statutory limitations on the aggregate amount of ad valorem taxes. See "PROPERTY TAX INFORMATION – Property Tax Limitations." The 2019A Bonds are a debt of the City. Provisions for the payment of principal and interest requirements on the 2019A Bonds will be made as provided in the Bond Act.

The 2019A Bonds are payable by the City from any source legally available at the times such payments are due. The City currently anticipates paying debt service on the 2019A Bonds with 2019A Pledged Revenues; however, in any year in which those revenues are insufficient to pay debt service, the City is obligated to levy a general (ad valorem) tax on all taxable property within the City for payment of the 2019A Bonds, subject to the limitations provided in the constitution and statutes of the State. Due to the statutory process required for the levy of taxes, in any year in which the City is required to levy property taxes, there may be a delay in the availability of revenues to pay debt service on the 2019A Bonds. See "PROPERTY TAX INFORMATION – City Property Tax Collections."

No Repealer. State statutes provide that no act concerning the 2019A Bonds or their security may be repealed, amended, or modified in such a manner as to impair adversely the 2019A Bonds or their security until all of the 2019A Bonds have been discharged in full or provision for their payment and redemption has been fully made.

* Preliminary, subject to change.

Certain Risks Associated With Property Taxes

Delays in Property Tax Collections Could Occur. Although the 2019A Bonds are general obligations of the City, the City may only levy property taxes to pay debt service on the 2019A Bonds in accordance with State law. For a description of the State laws regulating the collection of property taxes in addition to those described above, see “PROPERTY TAX INFORMATION – City Property Tax Collections.” Due to the statutory process required for the levy of taxes, in any year in which the City is required to levy property taxes, there may be a delay in the availability of property tax revenues to pay debt service on the 2019A Bonds. Accordingly, although other City revenues may be available to pay debt service on the 2019A Bonds, if pledged revenues are insufficient for the 2019A Bonds, time may elapse before the City receives property taxes levied to cover any insufficiency of such pledged revenues.

Property Tax Limitations. The constitution and laws of the State limit the total ad valorem property taxes that may be levied by all overlapping taxing units within each county (*e.g.* the State, the County, the Clark County School District (the “School District”), any city, or any special district) in each year. Those limitations are described in “PROPERTY TAX INFORMATION – Property Tax Limitations.” In any year in which the total property taxes levied within the City by all applicable taxing units exceed such property tax limitations, the reduction to be made by those units must be in taxes levied for purposes other than the payment of their bonded indebtedness, including interest on such indebtedness. In addition, State law requires the abatement of property taxes in certain circumstances. See “PROPERTY TAX INFORMATION – Required Property Tax Abatements.”

Additional Risks Related to Property Taxes. Numerous other factors over which the City has no control may impact the timely receipt of ad valorem property tax revenues in the future. These include the valuation of property within the City, the number of homes which are in foreclosure, bankruptcy proceedings of property taxpayers or their lenders, and the ability or willingness of property owners to pay taxes in a timely manner. It is possible that the assessed valuation could decline in future years.

Limitations on Remedies Available to 2019A Bond Owners

Judicial Remedies. Upon the occurrence of an Event of Default under the 2019A Bond Ordinance, each owner of the 2019A Bonds is entitled to enforce the covenants and agreements of the City by mandamus, suit or other proceeding at law or in equity. Any judgment will, however, only be enforceable against the pledged revenues and other moneys held under the 2019A Bond Ordinance (including General Taxes, if any) and not against any other fund or properties of the City.

The enforceability of the 2019A Bond Ordinance is also subject to equitable principles affecting the enforcement of creditors’ rights generally and liens securing such rights, the police powers of the State and the exercise of judicial authority by State or federal courts.

Due to the delays in obtaining judicial remedies, it should not be assumed that these remedies could be accomplished rapidly. Any delays in obtaining judicial remedies to enforce the covenants and agreements of the City under the 2019A Bond Ordinance, to the extent enforceable, could result in delays in any payment of principal of and interest on the 2019A Bonds.

Bankruptcy, Federal Lien Power and Police Power. The enforceability of the rights and remedies of the owners of the 2019A Bonds and the obligations incurred by the City in issuing the 2019A Bonds are subject to the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors’ rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the federal

Constitution; the power of the federal government to impose liens in certain situations; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings or the exercise of powers by the federal or State government, if initiated, could subject the owners of the 2019A Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation or modification of their rights.

No Acceleration. There is no provision for acceleration of maturity of the principal of the 2019A Bonds in the event of a default in the payment of principal or interest on the 2019A Bonds. Consequently, remedies available to the owners of the 2019A Bonds may have to be enforced from year to year.

Limitations upon Security. The payment of the 2019A Bonds is not secured by an encumbrance, mortgage or other pledge of property of the City, except for the proceeds of ad valorem taxes (limited as described above) and any other moneys pledged for the payment of the 2019A Bonds. No property of the City, subject to such exception, shall be liable to be forfeited or taken in payment of the 2019A Bonds.

Changes in Law. Various State laws apply to the operation and finances of the City as well as the imposition, collection, and expenditure of property taxes and other City revenues. There is no assurance that there will not be any change in, interpretation of, or addition to the applicable laws, provisions, and regulations which would have a material effect, directly or indirectly, on the affairs of the City and the imposition, collection, and expenditure of its revenues.

2019A Pledged Revenues

General. The 2019A Bonds are additionally secured by a lien (but not necessarily an exclusive lien) on the 2019A Pledged Revenues on a parity with the lien of the Outstanding Parity Lien Consolidated Tax Bonds and any additional parity bonds issued in the future.

The Consolidated Tax Revenues Generally. The 2019A Pledged Revenues are comprised of a 15% portion of all income and revenue derived by the City from the Consolidated Tax distributed and imposed pursuant to State law. The Consolidated Tax is collected by the State and distributed monthly to the City. See “REVENUES AVAILABLE FOR 2019A BONDS DEBT SERVICE” for a detailed description of the 2019A Pledged Revenues.

Consolidated Tax Lien Priority; Additional Consolidated Tax Bonds. The lien of the 2019A Bonds on the 2019A Pledged Revenues is on a parity with the lien thereon of the Outstanding Parity Lien Consolidated Tax Bonds. The 2019A Bonds are being issued on a parity lien with the following Outstanding Parity Lien Consolidated Tax Bonds and any parity bonds hereafter issued and as a superior lien to the following subordinate lien bonds and other obligations.

The following table shows the outstanding amounts of the Outstanding Parity Lien Consolidated Tax Bonds, Subordinate Lien Bonds and other subordinate obligations as of January 1, 2019, but includes the issuance of the 2019A Bonds.

Consolidated Tax Supported Bonds⁽¹⁾
As of January 1, 2019

GENERAL OBLIGATIONS:

<u>Parity Lien Bonds</u>	<u>Issued</u>	<u>Original Amount</u>	<u>Principal Outstanding</u>
Adjustable Rate Various Purpose Bonds, Series 2013	07/31/13	\$30,025,000	\$26,020,000
Parking Refunding Bonds, Series 2014B	12/04/14	8,985,000	7,915,000
Taxable Various Purpose Refunding Bonds, Series 2015B	09/15/15	11,090,000	8,300,000
City Hall Bonds, Series 2015C	12/22/15	160,805,000	160,805,000
Various Purpose Refunding Bonds, Series 2016B	05/03/16	42,590,000	40,315,000
Municipal Court Building Bonds, Series 2019A (<i>this Issue</i>)	02/13/19	34,245,000*	34,245,000*
			<u>277,600,000*</u>

Subordinate Lien Bonds

Golf Course Refunding Bonds, Series 2012B	05/01/12	8,230,000	3,545,000
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REVENUE OBLIGATIONS:

Other Subordinate Obligations

Energy Conservation Revenue Bond, Series 2014	06/30/14	1,244,000	<u>979,805</u>
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Total Consolidated Tax Supported Bonds Total \$282,124,805*

(1) As of January 1, 2019, and includes the issuance of the 2019A Bonds.

Source: Compiled by the Municipal Advisor.

The following table is a schedule of the City's Consolidated Tax Revenues for fiscal years 2014 through 2018 along with the budgeted 2019 figures. There is no *assurance* that the Consolidated Tax Revenues will continue to be realized in the amounts illustrated below.

Consolidated Tax Revenues And Debt Service Coverage

Fiscal Year Ended June 30	2014 (Audited)	2015 (Audited)	2016 (Audited)	2017 (Audited)	2018 (Audited)	2019 (Budgeted)
Consolidated Tax Revenues	\$245,701,828	\$261,542,205	\$271,991,653	\$286,365,052	\$302,104,555	\$314,000,000
% change	5.51%	6.45%	4.00%	5.28%	5.50%	3.94%
Pledged Revenue Limitation (15%)	36,855,274	39,231,331	40,798,748	42,954,758	45,315,683	47,100,000
Existing Parity Lien Debt Service	11,772,487	12,451,869	8,869,253	16,664,223	16,601,228	16,541,728
Parity Lien Coverage (times)	3.13x	3.15x	4.60x	2.58x	2.73x	2.85x

Source: City of Las Vegas Comprehensive Annual Financial Report for fiscal years 2014-2018 and the City's Finance Department; Compiled by the Municipal Advisor.

* Preliminary, subject to change.

The following table presents the annual debt service requirements of the City's Outstanding Parity Lien Consolidated Tax Bonds and the debt service requirements of the 2019 Bonds. For an illustration of the debt service requirements on all of the City's outstanding general obligation bonds, see "DEBT STRUCTURE – Annual Debt Service Requirements."

Existing Parity Lien Consolidated Tax Bonds and
2019 Bonds Debt Service Requirements*
As of January 1, 2019

Fiscal Year Ending June 30	Existing Parity Lien Consolidated Tax Bonds ⁽¹⁾	2019 Bonds					Grand Total
		2019A Bonds		2019B Bonds		Total	
		Principal	Interest	Principal	Interest		
2019	\$10,023,163.75	--		--			
2020	16,462,040.00	--		\$520,000			
2021	21,153,842.50	--		530,000			
2022	21,081,092.50	\$1,230,000		550,000			
2023	21,009,835.00	1,280,000		575,000			
2024	20,229,760.00	1,340,000		605,000			
2025	19,404,562.50	1,410,000		635,000			
2026	19,216,562.50	1,480,000		670,000			
2027	19,045,562.50	1,555,000		700,000			
2028	19,126,787.50	1,630,000		735,000			
2029	19,021,750.00	1,710,000		775,000			
2030	19,891,212.50	1,800,000					
2031	19,597,712.50	1,885,000					
2032	19,811,187.50	1,980,000					
2033	18,573,287.50	2,080,000					
2034	18,442,687.50	2,185,000					
2035	17,663,575.00	2,295,000					
2036	17,521,400.00	2,410,000					
2037	12,075,800.00	2,530,000					
2038	12,077,200.00	2,655,000					
2039	12,076,100.00	2,790,000					
2040	12,076,800.00	--					
TOTAL	\$385,581,921.25	\$34,245,000		\$6,295,000			

(1) Outstanding debt as of January 1, 2019 excludes the debt service requirements on Subordinate Lien Bonds and other subordinate obligations.

Source: Compiled by the Municipal Advisor.

Certain Risks Associated With Consolidated Taxes

Consolidated Tax Collection Risks Generally. The Consolidated Tax is collected by the State and then remitted directly to the City pursuant to various statutory provisions. The City has no statutory authority to collect the Consolidated Tax itself and also has no control over the collection processes in place at the State. Receipt of the 2019A Pledged Revenues is dependent upon the ability and willingness of the State to collect the Consolidated Tax and forward the revenues to the City. If the State fails to perform its collection duties in a timely fashion, the City may not receive 2019A Pledged Revenues in time to meet scheduled debt service payments. If the State fails to collect, remit or transfer the Consolidated Tax revenues, the City's only remedy is to file suit against the nonperforming party, including an action in mandamus to compel performance. Further, the City has no control over the auditing procedures in place at the State. The City must depend upon the State to ensure that the

* Preliminary, subject to change.

responsible parties are collecting and remitting the required 2019A Pledged Revenues. If the State fails to do so, the City may not receive all of the moneys to which it is entitled.

City Cannot Increase Rates of Consolidated Taxes. The Consolidated Tax is imposed by the State legislature (the “Legislature”) and the rate of such taxes can be increased only by action of the Legislature. Even if the Legislature were to raise the rate of such taxes, there is no guarantee that the City would be authorized to use the increased revenues to pay debt service on the 2019A Bonds.

Sales Tax Collections Subject to Fluctuation. The majority of the Consolidated Tax revenues are comprised of receipts from certain sales taxes as described in “REVENUES AVAILABLE FOR 2019A DEBT SERVICE.” Sales tax collections are subject to fluctuations in spending which is affected by, among other things, general economic cycles. Sales tax revenues may increase along with the increasing prices brought about by inflation, but collections also are vulnerable to adverse economic conditions and reduced spending and may decrease as a result. Consequently, the rate of sales tax collections may be expected to correspond generally to economic cycles. The City has no control over general economic cycles and is unable to predict what economic factors or cycles will occur while the 2019A Bonds remain Outstanding.

The United States recently experienced a significant economic downturn. The 2019A Pledged Revenues were \$39,637,988 in fiscal year 2006 and decreased to \$30,227,797 in fiscal year 2010. Since fiscal year 2011, however, the 2019A Pledged Revenues have increased each year, and are estimated to be \$47,100,000 in fiscal year 2019. See “SECURITY FOR THE 2019A BONDS – 2019A Pledged Revenues.” The City is not able to predict what continued impact the recession will have on the 2019A Pledged Revenues. However, it is possible that the 2019A Pledged Revenues could decline again in future years.

Bankruptcy and Foreclosure. The ability and willingness of a business owner or operator to remit sales tax revenues included in the Consolidated Tax may be adversely affected by the filing of a bankruptcy proceeding by the business owner or operator. The ability to collect delinquent sales taxes using State law remedies for non-payment of taxes may be forestalled or delayed by bankruptcy, reorganization, insolvency, or other similar proceedings of the owner or operator of a retail business, or by the holder of any liens on the business. The federal bankruptcy laws provide for an automatic stay of foreclosure and sale proceedings, thereby delaying such proceedings, perhaps for an extended period.

Additional Bonds Secured By the 2019A Pledged Revenues

The City may issue additional bonds secured by the 2019A Pledged Revenues upon the satisfaction of the conditions set forth in the 2019A Bond Ordinance. The 2019A Bond Ordinance also allows the issuance of refunding securities as described in Appendix B – Summary of Certain Provisions of the 2019A Bond Ordinance.

2019A Parity Securities. The following conditions must be met prior to the issuance of additional 2019A Parity Securities:

A. At the time of the adoption of the instrument authorizing the issuance of the additional 2019A Parity Securities, the City shall not be in default in making any payment of principal or interest on the 2019A Bonds.

B. The 2019A Pledged Revenues (subject to adjustments as hereinafter provided) projected by the City Chief Financial Officer, the Director of Public Works or an independent accountant or consulting engineer to be derived in the later of (i) the fiscal year immediately following the fiscal year in which the facilities to be financed with the proceeds of the additional 2019A Parity Securities are

projected to be completed, or (ii) the first fiscal year for which no interest has been capitalized for the payment of any 2019A Parity Securities, including the 2019A Parity Securities proposed to be issued, will be sufficient to pay at least an amount equal to the principal (or redemption price) and interest requirements (to be paid during that fiscal year) of the Outstanding Bonds, any other Outstanding 2019A Parity Securities of the City and the 2019A Parity Securities proposed to be issued (excluding any reserves therefor).

C. In any determination of whether or not additional 2019A Parity Securities may be issued in accordance with the foregoing earnings test, the respective annual principal (or redemption price) and interest requirements shall be reduced to the extent such requirements are scheduled to be paid with moneys held in trust or in escrow for that purpose by any trust bank within or without the State, including the known minimum yield from any investment in Federal Securities.

Subordinate Securities. Nothing in the 2019A Bond Ordinance prevents the City from issuing additional bonds or other additional securities payable from the 2019A Pledged Revenues having a lien thereon subordinate to the lien thereon of the 2019A Bonds.

SECURITY FOR THE 2019B BONDS

General Obligations

General. The 2019B Bonds are direct and general obligations of the City, and the full faith and credit of the City is pledged for the payment of principal and interest due thereon, subject to State constitutional and statutory limitations on the aggregate amount of ad valorem taxes. See “PROPERTY TAX INFORMATION – Property Tax Limitations.” The 2019B Bonds are a debt of the City payable from all legally available funds of the City. Provisions for the payment of principal and interest requirements on the 2019B Bonds will be made as provided in the Bond Act.

The 2019B Bonds are payable by the City from any source legally available at the times such payments are due. No funds of the City are specifically pledged to the payment of debt service on the 2019B Bonds. The City currently anticipates paying debt service on the 2019B Bonds from revenues in its Multipurpose Special Revenue Fund. However, the revenues in that fund are not pledged to the payment of debt service on the 2019B Bonds.

The City has irrevocably covenanted in the 2019B Bond Ordinance that it will make sufficient provisions annually in its budget to pay the debt service requirements on the 2019B Bonds, when due. The City also has covenanted in the 2019B Bond Ordinance that, if necessary, it will make proper provisions through the levy of sufficient ad valorem taxes for the retirement of the principal of and interest on the 2019B Bonds and any other outstanding indebtedness, subject to the limitations on the City’s operating levies (described below) and on the aggregate amount of ad valorem taxes imposed by the constitution and laws of the State, and the amount of money necessary for that purpose shall be a first charge against all legally available revenues received by the City.

Current Operating Tax Rate Information. The ad valorem tax rate available to pay the 2019B Bonds is limited to the City’s maximum operating levy and any legally available tax overrides. Those rates are calculated annually by the State Department of Taxation (“Taxation”) as described in “PROPERTY TAX INFORMATION – Property Tax Limitations – Local Government Property Tax Revenue Limitation.” The City’s maximum allowed operating levy changes each year. The City’s fiscal year 2018-19 operating levy is \$0.6765 per \$100 of assessed valuation; the maximum allowed operating levy for fiscal year 2018-19 is \$1.8268 per \$100 of assessed valuation. The City also imposes an “override” tax rate as approved by voters; however, moneys from that rate are not legally available to pay debt service on the 2019B Bonds. In the future, the City also may levy a tax rate for the payment of debt

service on general obligation bonds; if levied, the moneys realized from that tax levy also will not be legally available to pay debt service on the 2019B Bonds. The total ad valorem tax rate, including the operating rate available to pay the 2019B Bonds, is further limited by the limitation on the combined overlapping tax rate of \$3.64 per \$100 of assessed valuation. See “PROPERTY TAX INFORMATION – Property Tax Limitations.”

No Repealer. State statutes provide that no act concerning the 2019B Bonds or their security may be repealed, amended, or modified in such a manner as to impair adversely the 2019B Bonds or their security until all of the 2019B Bonds have been discharged in full or provision for their payment and redemption has been fully made.

Certain Risks Associated With Property Taxes

Delays in Property Tax Collections Could Occur. Although the 2019B Bonds are general obligations of the City, the City may only levy property taxes to pay debt service on the 2019B Bonds in accordance with State law. For a description of the State laws regulating the collection of property taxes in addition to those described above, see “PROPERTY TAX INFORMATION – City Property Tax Collections.” Due to the statutory process required for the levy of taxes, in any year in which the City is required to levy property taxes, there may be a delay in the availability of property tax revenues to pay debt service on the 2019B Bonds. Accordingly, although other City revenues may be available to pay debt service on the 2019B Bonds, if pledged revenues are insufficient for the 2019B Bonds, time may elapse before the City receives property taxes levied to cover any insufficiency of such pledged revenues.

Property Tax Limitations. The constitution and laws of the State limit the total ad valorem property taxes that may be levied by all overlapping taxing units within each county (e.g. the State, the County, the Clark County School District (the “School District”), any city, or any special district) in each year. Those limitations are described in “PROPERTY TAX INFORMATION – Property Tax Limitations.” In any year in which the total property taxes levied within the City by all applicable taxing units exceed such property tax limitations, the reduction to be made by those units must be in taxes levied for purposes other than the payment of their bonded indebtedness, including interest on such indebtedness. In addition, State law requires the abatement of property taxes in certain circumstances. See “PROPERTY TAX INFORMATION – Required Property Tax Abatements.”

Additional Risks Related to Property Taxes. Numerous other factors over which the City has no control may impact the timely receipt of ad valorem property tax revenues in the future. These include the valuation of property within the City, the number of homes which are in foreclosure, bankruptcy proceedings of property taxpayers or their lenders, and the ability or willingness of property owners to pay taxes in a timely manner. It is possible that the assessed valuation could decline in future years.

Limitations on Remedies Available to 2019B Bond Owners

Judicial Remedies. Upon the occurrence of an Event of Default under the 2019B Bond Ordinance, each owner of the 2019B Bonds is entitled to enforce the covenants and agreements of the City by mandamus, suit or other proceeding at law or in equity. Any judgment will, however, only be enforceable against the pledged revenues and other moneys held under the 2019B Bond Ordinance (including General Taxes, if any) and not against any other fund or properties of the City.

The enforceability of the 2019B Bond Ordinance is also subject to equitable principles affecting the enforcement of creditors’ rights generally and liens securing such rights, the police powers of the State and the exercise of judicial authority by State or federal courts.

Due to the delays in obtaining judicial remedies, it should not be assumed that these remedies could be accomplished rapidly. Any delays in obtaining judicial remedies to enforce the covenants and agreements of the City under the 2019B Bond Ordinance, to the extent enforceable, could result in delays in any payment of principal of and interest on the 2019B Bonds.

Bankruptcy, Federal Lien Power and Police Power. The enforceability of the rights and remedies of the owners of the 2019B Bonds and the obligations incurred by the City in issuing the 2019B Bonds are subject to the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the federal Constitution; the power of the federal government to impose liens in certain situations; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings or the exercise of powers by the federal or State government, if initiated, could subject the owners of the 2019B Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation or modification of their rights.

No Acceleration. There is no provision for acceleration of maturity of the principal of the 2019B Bonds in the event of a default in the payment of principal of or interest on the 2019B Bonds. Consequently, remedies available to the owners of the 2019B Bonds may have to be enforced from year to year.

Limitations upon Security. The payment of the 2019B Bonds is not secured by an encumbrance, mortgage or other pledge of property of the City, except for the proceeds of ad valorem taxes (limited as described above) and any other moneys pledged for the payment of the 2019B Bonds. No property of the City, subject to such exception, shall be liable to be forfeited or taken in payment of the 2019B Bonds.

Changes in Law. Various State laws apply to the operation and finances of the City as well as the imposition, collection, and expenditure of property taxes and other City revenues. There is no assurance that there will not be any change in, interpretation of, or addition to the applicable laws, provisions, and regulations which would have a material effect, directly or indirectly, on the affairs of the City and the imposition, collection, and expenditure of its revenues.

REVENUES AVAILABLE FOR 2019A BONDS DEBT SERVICE

General Description of Consolidated Tax

The taxes comprising the Consolidated Tax are discussed generally below. The revenues generated by the Consolidated Tax are deposited into the State's Local Government Tax Distribution Account and then allocated among local governments as described below.

Sales Taxes. The Supplemental City/County Relief Tax ("SCCRT") and Basic City/County Relief Tax ("BCCRT") are each a component of the combined sales and use tax levied by the State (the tax levied on retail sales and the storage, use or other consumption of tangible property). The SCCRT is levied at a rate of 1.75% and the BCCRT is levied at a rate of 0.50%. The revenues from each of these sources are collected monthly by the State Department of Taxation ("Taxation") and, following adjustments for certain rural counties and costs of collections, are remitted to the county of origin, then divided among the local governments within each county according to a formula. In fiscal

year 2018, the SCCRT and BCCRT accounted for a combined 85.1% (66.2% and 18.9%, respectively) of the Consolidated Tax distributed within the County.

Sales taxes (including the SCCRT and BCCRT) are imposed on the gross receipts of any retailer from the sale of all tangible personal property sold at retail in the County and also upon the storage, use or other consumption in the County of tangible personal property. State law exempts taxes on the gross receipts from the sale, storage or use of property that it is prohibited from taxing under the constitution or laws of the State. Included in this category of exempted sales are (this list is not intended to be exhaustive): personal property sold to the United States, the State or any political subdivision; personal property sold by or to religious, charitable or educational nonprofit corporations; sales to common carriers; the proceeds of mines; motor vehicle fuel; food; certain feeds and fertilizers; prosthetic devices and other medical appliances; medicines, gas, electricity and water; newspapers, manufactured homes and mobile homes; and aircraft, aircraft engines and component parts.

Governmental Services Tax. The Governmental Services Tax (“GST”) is levied at a rate of 4 cents per dollar of valuation of motor vehicles, and is assessed at the time of annual registration. The initial valuation of the vehicle is determined at 35% of the manufacturer’s suggested retail price. Vehicle value is depreciated to 95% after the first year and graduated down to 15% after 9 years. Ninety-four percent of the proceeds of the GST is distributed to local governments in the County of origin. In fiscal year 2018, the GST accounted for 11.0% of the Consolidated Tax distributed within the County.

Real Property Transfer Tax. The Real Property Transfer Tax (“RPTT”) is paid by the buyer in a conveyance of real property. The rate of taxation on transfers of real property in the County is \$1.30 per \$500 of value of the interest in property conveyed, exclusive of any lien or encumbrance upon the property. Of the \$1.30 per \$500 of value, a portion (55 cents) is deposited in the Local Government Tax Distribution Account for distribution to local governments in the County of origin and the rest is retained by the State for various purposes. In fiscal year 2018, the RPTT accounted for 3.0% of the Consolidated Tax distributed within the County.

Cigarette and Liquor Tax. The Cigarette Tax and Liquor Tax are excise taxes levied upon the sale of cigarettes (and other tobacco products) and liquor, respectively. Portions of the proceeds of the Cigarette Tax and Liquor Tax are distributed to local governments, with the remainder deposited to the State general fund. The Cigarette Tax is levied at a rate of 4 cents per cigarette, which equates to 80 cents per pack. Of that amount, 10 cents per pack is deposited in the Local Government Tax Distribution Account and distributed to local governments. The Liquor Tax is levied on a per gallon basis and is in addition to the applicable sales tax. Of the \$3.60 per gallon tax levied on liquor with an alcohol content in excess of 22%, 50 cents is deposited in the Local Government Tax Distribution Account and distributed to local governments. Taxes levied upon tobacco products other than cigarettes and upon liquor products with less than a 22% alcohol content are retained by the State general fund. In fiscal year 2018, the Cigarette Tax and the Liquor Tax accounted for 0.6% and 0.3%, respectively, of the Consolidated Tax distributed within the County.

Collection and Enforcement of Consolidated Tax Revenues

General. Taxation administers the collection and enforcement of the Consolidated Taxes pursuant to State law. The taxes comprising the Consolidated Tax are collected as described below and distributions are made monthly.

Taxation collects the BCCRT, SCCRT, Cigarette and Liquor Taxes directly and deposits the revenues to the Local Government Tax Distribution Account monthly for distribution to the City. The County recorder collects RPTT revenues and deposits them with the State, at least quarterly, for inclusion in the Local Government Tax Distribution Account and subsequent monthly distributions to the County

which are then distributed monthly to the City. The Department of Motor Vehicles collects the GST and deposits it monthly with the State for deposit in the Local Government Tax Distribution Account and subsequent monthly distribution to the City.

Because the BCCRT and the SCCRT constitute the majority of the Consolidated Tax Revenues, the State's sales tax collection and enforcement procedures are discussed briefly below. In addition to the sales tax enforcement procedure, the State may impose delinquent interest and penalties on late payments of the other taxes collected and also may seek judgments in State court for satisfaction of amounts owed.

Taxation administers all sales taxes within the State, including the BCCRT and the SCCRT. Each licensed retailer is required to remit all sales tax directly to Taxation. Pursuant to State statute, Taxation currently retains a collection fee of 1.75% (that amount is subject to change by the Legislature) of all amounts remitted by retailers. (Notwithstanding the foregoing, the increased fee cannot be applied so as to modify, directly or indirectly, any taxes levied or revenues pledged in such a manner as to impair adversely any outstanding obligations of any political subdivision of this State or other public entity). Every person desiring to conduct business as a retailer within the County must obtain a permit from Taxation. Any retailer that fails to comply with State statutes may have its license revoked by Taxation after a hearing held upon 10 days' written notice.

Sales taxes are due and payable to Taxation monthly on or before the last day of the month next succeeding the month in which such taxes are collected (*i.e.*, sales taxes collected by retailers in June 2018 were due to Taxation no later than July 31, 2018). Retailers are allowed to deduct 0.25% of the amount due to reimburse themselves for the cost of collecting the tax. Sales tax remittances to Taxation must be accompanied by a return form prescribed by Taxation. Taxation may require returns and payments for periods other than calendar months. Interest on deficient sales tax payments, exclusive of penalties, accrues at rates established by State law. A penalty of 10% of the amount of the deficiency also may be added.

Deficiency notices must be delivered to taxpayers within three years of any deficiency. Failure to pay sales taxes as required results in a lien against the property of the retailer failing to pay. The lien is enforced by Taxation's filing of a certificate and request for judgment with the County Clerk. Immediately upon filing of the certificate, the County Clerk is required to enter a judgment in the amount owed, including penalties and interest. The lien may be enforced through a warrant executed by the County sheriff. In addition, Taxation may seize and sell property of the delinquent payor as provided by law.

Distribution of Consolidated Tax Collections. Consolidated Taxes are distributed to local governments in accordance with a formula which was originally established by State law. State law established a "base year" during the 1997 Legislative session. After that year, each local government received an annual percentage increase in its base amount according to increases in the prior year's Consumer Price Index. For cities and counties, additional revenues over the base allocations were determined according to a statutory formula that took into account each local government's relative growth in population and assessed valuation in the prior year. Taxation was permitted to reallocate taxes if the assessed value and population of an entity declined over three consecutive years. Over the last five years, the City has received an average of 27.5% of the Consolidated Tax collections distributed within the County.

The Legislature adopted legislation modifying the formula for increases in Consolidated Tax distributions for certain governmental entities. As amended, the distribution formula is currently based on population, assessed value of local governments and a five-year average of CPI.

PROPERTY TAX INFORMATION

Property Tax Base and Tax Roll

General. The assessed valuation of property within the City for the fiscal year ending June 30, 2019, is \$18,339,641,540 (excluding the assessed value of the Las Vegas Redevelopment Agency (the “Redevelopment Agency”)), which represents a 5.4% increase from the assessed valuation calculated for the prior fiscal year. State law requires that the County Assessor reappraise, at least once every 5 years, all real and secured personal property (other than certain utility owned property which is centrally appraised and assessed by the Nevada Tax Commission). While the law provides that in years in which the property is not reappraised, the County Assessor is to apply a factor representing typical changes in value in the area since the preceding year, it is the current policy of the County Assessor to reappraise all real and secured personal property in the County each year. State law currently requires that property be assessed at 35% of taxable value; that percentage may be adjusted upward or downward by the State Legislature. Based upon the assessed valuation for fiscal year 2019, the taxable value of all taxable property within the City is \$52,398,975,829. However, due to property tax abatement laws originally adopted in 2005 (described in “Required Property Tax Abatements” below), the amount of taxes that can be collected by taxing entities within the City is capped and likely will not change at the same rate as the assessed value.

“Taxable value” is defined in the statutes as the full cash value in the case of land and as the replacement cost less straight-line depreciation in the case of improvements to land and in the case of taxable personal property, less depreciation in accordance with the regulations of the Nevada Tax Commission but in no case an amount in excess of the full cash value. Depreciation of improvements to real property must be calculated at 1.5% of the cost of replacement for each year of adjusted actual age up to a maximum of 50 years. Adjusted actual age is actual age adjusted for any addition or replacement made which is valued at 10% or more of the replacement cost after the addition or replacement. The maximum depreciation allowed is 75% of the cost of replacement. When a substantial addition or replacement is made to depreciable property, its “actual age” is adjusted, *i.e.*, reduced to reflect the increased useful term of the structure. The adjusted actual age has been used on appraisals for taxes since 1986-87.

In Nevada, county assessors are responsible for assessments in the counties except for certain properties centrally assessed by the State, which include railroads, airlines, and utility companies.

Ad Valorem Property Tax Data

History of Assessed Value. The following table illustrates a history of the assessed valuation in the City. Due to property tax abatement laws enacted in 2005 (described in “Required Property Tax Abatements” below), the taxes collected by taxing entities within the County are capped and there is no longer a direct correlation between changes in assessed value and property tax revenue.

History of Assessed Value

Fiscal Year Ended June 30	Total Assessed Value of City ⁽¹⁾	Percent Change
2015	\$13,852,723,777	--
2016	15,520,077,988	12.0%
2017	16,578,456,154	6.8
2018	17,398,113,297	4.9
2019	18,339,641,540	5.4

(1) Excludes the assessed valuation of the Redevelopment Agency in the following amounts; fiscal year 2015 – \$627,006,745, fiscal year 2016 – \$738,640,089; fiscal year 2017 – \$855,006,156, fiscal year 2018 -- \$968,684,483 and fiscal year 2019 -- \$1,274,337,568.

Source: State of Nevada Department of Taxation, *Local Government Finance Property Tax Rates for Nevada Local Governments fiscal years 2014-2015 through 2018-2019*.

City Property Tax Collections

General. In Nevada, county treasurers are responsible for collecting property taxes, and forwarding the allocable portions thereof to the overlapping taxing units within the counties.

Taxes on real property are due on the third Monday in August unless the taxpayer elects to pay in installments on or before the third Monday in August and the first Mondays in October, January and March of each fiscal year. Penalties are assessed if any taxes are not paid within 10 days of the due date as follows: 4% of the delinquent amount if one installment is delinquent, 5% of the delinquent amount plus accumulated penalties if two installments are delinquent, 6% of the delinquent amount plus accumulated penalties if three installments are delinquent, and 7% of the delinquent amount plus accumulated penalties if four installments are delinquent. In the event of nonpayment, the County Treasurer is authorized to hold the property for two years, subject to redemption upon payment of taxes, penalties and costs, together with interest at the rate of 10% per year from the date the taxes were due until paid. If delinquent taxes are not paid within the two-year redemption period, the County Treasurer obtains a deed to the property free of all encumbrances. Upon receipt of a deed, the County Treasurer may sell the property to satisfy the tax lien and assessments by local governments for improvements to the property. State law provides alternative remedies for the collection of taxes in certain instances, including judicial foreclosure (which may take place before the expiration of the two-year redemption period) and the issuance of a tax lien to the county treasurer which may be sold before the expiration of the two-year redemption period (but remains subject to redemption).

City Tax Collections. A history of the City’s net tax roll collection record appears in the following table. The table includes real property taxes only; it does not include taxes levied or paid on personal property. The net secured levy is net of abatement amounts and other required adjustments. *The figures in the following table represent property taxes that have been collected in the past; they do not represent taxes that are available to pay debt service on the 2019 Bonds.* The information is included only to provide information with respect to the historic collection rates for the City and may not be relied

upon to predict what collection rates would be within the City should it levy additional ad valorem property taxes in the future.

City of Las Vegas, Nevada
Property Tax Levies, Collections and Delinquencies⁽¹⁾

Fiscal Year Ending June 30	Net Secured Roll Tax Levy (in thousands) ⁽²⁾	Current Tax Collections (in thousands) ⁽³⁾	% of Levy (Current) Collected ⁽⁴⁾	Delinquent Tax Collections (in thousands) ⁽⁵⁾	Total Tax Collections (in thousands) ⁽⁶⁾	Total Tax Collections as % of Current Levy ⁽⁷⁾
2014	\$85,315	\$84,461	99.00%	\$837	\$85,299	99.98%
2015	87,727	87,088	99.27	612	87,700	99.97
2016	91,232	90,594	99.30	526	91,121	99.88
2017	92,827	92,213	99.35	366	92,579	99.73
2018	97,524	96,894	99.35	254	97,148	99.61
2019 ⁽⁸⁾	102,947	57,123	55.49	268	57,391	55.71

(1) Represents the real property tax roll levies and collections as of March 31, 2018.

(2) The adjusted County tax levied for the fiscal year.

(3) The taxes collected within the fiscal year of the levy.

(4) The percentage of taxes collected within the fiscal year of the levy (calculated on the Net Secured Roll Tax Levy).

(5) Tax collections in subsequent years.

(6) Total tax collections to date.

(7) The percentage of total taxes collected to date (calculated on the Net Secured Roll Tax Levy).

(8) As of December 5, 2018.

Source: City's Comprehensive Annual Financial Reports for fiscal years ended June 30, 2014-2018 and the Clark County Treasurer's Office.

Principal Property Taxpayers

The following table represents the principal property-owning taxpayers in the City based on fiscal year 2018-19 assessed valuations. The assessed valuations in this table represent both the secured tax roll (real property) and the unsecured tax roll (personal property) for fiscal year 2018 and only the secured tax roll for fiscal year 2019. No independent investigation has been made of, and consequently there can be no representation as to the financial conditions of the taxpayers listed, or that any such taxpayer will continue to maintain its status as a major taxpayer based on the assessed valuation of its property in the City.

City of Las Vegas – Principal Property Taxpayers⁽¹⁾ (Fiscal Year 2018-19)

Taxpayer	Type of Business	Assessed Value	% of Total Assessed Value ⁽²⁾
World Market Center Las Vegas	Retail Center	\$210,378,900	1.15%
Howard Hughes Corporation	Property Owner/Manager/Developer	159,770,735	0.87
Universal Health Services Inc.	Health Care	150,792,160	0.82
Golden Entertainment Inc.	Hotels/Casino	150,348,211	0.82
Boyd Gaming Corporation	Hotels/Casino	130,220,975	0.71
Station Casinos Inc.	Hotels/Casino	115,185,518	0.63
Landry's Restaurants Inc.	Restaurants/Hotel/Casino	96,564,805	0.53
Molasky Group of Companies	Developer	73,885,688	0.40
Marriott International	Hotels	69,073,857	0.38
Hospital Corporation of America	Hospitals	<u>67,395,609</u>	<u>0.37</u>
TOTAL		<u>\$1,223,616,458</u>	<u>6.67%</u>

(1) Excludes centrally assessed properties.

(2) Based on the City's fiscal year 2017-18 assessed valuation of \$17,398,113,297 (excludes the assessed valuation attributable to the Redevelopment Agency).

Source: Clark County Assessor's Office website (report dated October 31, 2018).

Property Tax Limitations

Overlapping Property Tax Caps. Article X, Section 2, of the State constitution limits the total ad valorem property taxes levied by all overlapping governmental units within the boundaries of any county (*i.e.*, the State, and any county, city, town, school district or special district) to an amount not to exceed five cents per dollar of assessed valuation (\$5 per \$100 of assessed valuation) of the property being taxed. Further, the combined overlapping tax rate is limited by statute to \$3.64 per \$100 of assessed valuation in all counties of the State with certain exceptions that (a) permit a combined overlapping tax rate of up to \$4.50 per \$100 in assessed valuation in the case of certain entities that are in financial difficulties; and (b) require that \$0.02 of the statewide property tax rate of \$0.17 per \$100 assessed valuation is not included in computing compliance with this \$3.64 cap. (This \$0.02 is, however, counted against the \$5.00 cap). State statutes provide a priority for taxes levied for the payment of general obligation bonded indebtedness in that in any year in which the proposed tax rate to be levied by overlapping units within a county exceeds any rate limitation, a reduction must be made by those units for purposes other than the payment of general obligation bonded indebtedness, including interest thereon.

Local Government Property Tax Revenue Limitation. State statutes limit the revenues local governments, other than school districts, may receive from ad valorem property taxes for purposes

other than paying certain general obligation indebtedness which is exempt from such ad valorem revenue limits. The 2019 Bonds are not exempt from such limits. This rate is generally limited as follows. The assessed value of property is first differentiated between that for property existing on the assessment rolls in the prior year (old property) and new property. Second, the property tax revenue derived in the prior year is increased by no more than 6% and the tax rate to generate the increase is determined against the current assessed value of the old property. Finally, this tax rate is applied against all taxable property to produce the allowable property tax revenues. This cap operates to limit property tax revenue dependent upon changes in the value of old property and the growth and value of new property.

A local government, other than a school district, may exceed the property tax revenue limitation if the proposal is approved by its electorate at a general or special election. In addition, the Executive Director of the Department of Taxation will add, to the allowed revenue from ad valorem taxes, the amount approved by the legislature for the costs to a local government of any substantial programs or expenses required by legislative enactment. In the event sales tax estimates from the Nevada Department of Taxation exceed actual revenues available to local governments, Nevada local governments receiving such sales tax may levy a property tax to make up the revenue shortfall. The County, the City and the other cities within the County levy various tax overrides as allowed or required by State statutes.

School districts levy a tax of \$0.75 per \$100 of assessed valuation for operating purposes. School districts are also allowed an additional levy for voter-approved pay-as-you-go tax rates, and voter approved or short-term public safety debt service.

The Nevada Tax Commission monitors the impact of tax legislation on local government services.

Constitutional Amendment - Abatement of Taxes for Severe Economic Hardship. At the November 5, 2002 election, the State's voters approved an amendment to the State constitution authorizing the State Legislature to enact a law providing for an abatement of the tax upon or an exemption of part of the assessed value of an owner-occupied single-family residence to the extent necessary to avoid severe economic hardship to the owner of that residence.

The legislation implementing that amendment provides that the owner of a single-family residence may file a claim with the county treasurer to postpone the payment of all or part of the property tax due against the residence if (among other requirements): the residence has an assessed value of not more than \$175,000; the property owner does not own any other real property in the State with an assessed value of more than \$30,000; the residence has been occupied by the owner for at least 6 months; the owner is not in bankruptcy; the owner owes no delinquent property taxes on the residence; the owner has suffered severe economic hardship caused by circumstances beyond his control (such as illness or disability expected to last for at least 12 continuous months); and the total annual income of the owner's household is at or below the federally designated poverty level. The amount of tax that may be postponed may not exceed the amount of property tax that will accrue against the residence in the succeeding three fiscal years. Any postponed property tax (and any penalties and the interest that accrue as provided in the statute) constitutes a perpetual lien against the residence until paid. The postponed tax becomes due and payable if: the residence ceases to be occupied by the claimant or is sold; any non-postponed property tax becomes delinquent; if the claimant dies; or on the date upon which the postponement expires, as determined by the county treasurer. To date, the County Treasurer has not received material requests to postpone the payment of the property tax as described above.

Required Property Tax Abatements

General. In 2005, the Legislature approved the Abatement Act (NRS 361.471 to 361.4735), which established formulas to determine whether tax abatements are required for property owners in each year. For residential properties, an abatement generally is required to reduce the amount of property taxes owed to not more than 3% more than the amount levied in the immediately preceding fiscal year. That same formula applies (as a charitable exemption) to commercial property that qualifies as low-income rental housing. Finally, for all properties, an abatement from ad valorem taxation is required to reduce the amount of property taxes owed to no more than an amount determined pursuant to a formula. The first part of the formula requires a determination of the greater of: (1) the average percentage change in the assessed valuation of all taxable property in the County, as determined by the Department of Taxation, over the fiscal year in which the levy is made and the 9 immediately preceding fiscal years; (2) the percentage equal to twice the increase in the Consumer Price Index for all Urban Consumers, U.S. City Average (All Items) for the immediately preceding calendar year or (3) zero. The second part of the formula requires determination of the lesser of: (1) 8% and (2) the percentage determined in the previous sentence. After making both determinations, whatever part of the formula yields the lowest percentage is used to establish the maximum percentage of increase (over the prior year) in tax liability for each property. This abatement formula also must be applied to residential properties and low-income rental properties if it yields a greater reduction in property taxes than the 3% test described above. The Abatement Act limits do not apply to new construction. The Abatement Act formulas are applied on a parcel-by-parcel basis each year. For example, in the County for fiscal year 2017-2018, the Abatement Act formula results in a maximum percentage increase of tax liability for each parcel of 2.6% over the prior year for all types of properties, including residential properties and low-income rental properties. For fiscal year 2018-2019, the Abatement Act formula results in a maximum percentage increase of tax liability for residential parcels of 3.0% and for all other parcels of 4.2%.

Generally, reductions in the amount of ad valorem property tax revenues levied in the County are required to be allocated among all of the taxing entities in the County in the same proportion as the rate of ad valorem taxes levied for that taxing entity bears to the total combined rate of all ad valorem taxes levied for that fiscal year. However, abatements caused by tax rate increases are to be allocated against the entity that would benefit from the tax increase rather than among all entities uniformly. Revenues realized from new or increased ad valorem taxes that are required by any legislative act that was effective after April 6, 2005, generally are exempt from the abatement formulas. The Abatement Act provides for the recapture of previously abated property tax revenues in certain limited situations.

Levies for Debt Service. Revenues resulting from increases in the rate of ad valorem taxes for the payment of tax-secured obligations are exempt from the Abatement Act formulas if increased rates are necessary to pay debt service on the related obligation in any fiscal year if (1) the tax-secured obligations were issued before July 1, 2005; or (2) the governing body of the taxing entity and the County Debt Management Commission make findings that no increase in the rate of an ad valorem tax is anticipated to be necessary for payment of the obligations during their term. *Any increase in the rate of ad valorem taxes required to pay the principal of or interest on the 2019 Bonds is not exempt from the partial abatement formulas described above.*

General Effects of Abatement. Limitations on property tax revenues could negatively impact the finances and operations of the taxing entities in the State, including the County, to an extent that cannot be determined at this time.

Overlapping Tax Rates

The following table presents a five-year tabulation of the average statewide tax rate and a sample overlapping tax rates for the City. The overlapping rates for areas within the City vary depending upon location. The highest overlapping tax rate in the City for 2017-18 is \$3.2782 (per \$100 of assessed valuation), located in several taxing districts in the City. The highest overlapping district tax rate in the County for 2017-18 is \$3.4030 (per \$100 of assessed valuation) in Mt. Charleston Town.

History of Statewide Average and Sample Overlapping Property Tax Rates⁽¹⁾

Fiscal Year Ended June 30	2015	2016	2017	2018	2019
Average Statewide Rate	\$3.1232	\$3.1360	\$3.1500	\$3.1615	\$3.1572
Clark County ⁽²⁾	\$0.6541	0.6541	0.6541	0.6541	0.6541
Clark County School District	1.3034	1.3034	1.3034	1.3034	1.3034
City of Las Vegas	0.7715	0.7715	0.7715	0.7715	0.7715
Las Vegas Metropolitan Police	0.2850	0.2850	0.2850	0.2850	0.2850
Las Vegas-Clark County Library District	0.0942	0.0942	0.0942	0.0942	0.0942
State of Nevada ⁽⁴⁾	<u>0.1700</u>	<u>0.1700</u>	<u>0.1700</u>	<u>0.1700</u>	<u>0.1700</u>
TOTAL	\$3.2782	\$3.2782	\$3.2782	\$3.2782	\$3.2782

(1) Per \$100 of assessed valuation

(2) Includes the State Indigent Trust Rate of \$0.0150.

(3) Combined operating and debt levies.

(4) \$0.0200 of the State rate is exempt from the \$3.64 cap. See "Property Tax Limitations" above.

Source: Property Tax Rates for Nevada Local Governments-State of Nevada Department of Taxation, 2014-15 through 2018-19.

THE CITY

General

The City is the county seat of the County and was incorporated in 1911. The City is located in the central portion of the County, which is the southernmost county in the State. According to State Demographer estimates, the City's population as of July 1, 2017 was approximately 633,028.

The City provides its citizens with fire protection, sewer collection and treatment, parks, streets, a municipal court and other general governmental services. The Las Vegas Metropolitan Police Department ("Metro"), a joint venture between the City and the County, provides police protection for the City. Metro's organization and financing arrangements are discussed elsewhere in this Official Statement and in the notes to the audited financial statements attached hereto as Appendix A. Electricity is provided by NV Energy (formerly Nevada Power Company, a stand-alone subsidiary of Sierra Pacific Resources) with headquarters in the City. Telephone service is provided by CenturyLink and gas and water services are provided by Southwest Gas Corporation and the Las Vegas Valley Water District, respectively.

Mayor and City Council

The governing body of the City is its City Council, which has all municipal powers except as limited by the City Charter, which is a special legislative enactment by the Legislature.

The City Council currently has seven members, six of whom are elected from wards and the mayor who is elected at large. All positions are for four-year terms, with the Mayor and three Council members being elected at one biennial election and the other three members being elected at the next succeeding biennial election. The Mayor or, in his absence, the Mayor Pro Tem presides at meetings of

the City Council. All members of the City Council, including the Mayor and the Mayor Pro Tem have full voting powers. The procedures for actions taken by the City Council are prescribed in the City Charter, which include provisions for initiatives and referenda by citizens.

Information about the Mayor and the City Council members is set forth in the following table.

<u>Name</u>	<u>Ward</u>	<u>Principal Occupation</u>	<u>Date of Election/ Appointment</u>	<u>Current Term Expires</u>
Carolyn G. Goodman, Mayor	At Large	Education	6/11	6/19
Lois Tarkanian, Mayor Pro Tem	Ward 1	Educator/Public Service	2/05	6/19
Michele Fiore	Ward 6	Community Activist	6/17	6/21
Stavros S. Anthony	Ward 4	Retired Police Officer	6/09	6/21
Cedric Crear	Ward 5	Consultant	3/18	6/21
Bob Coffin	Ward 3	Insurance	6/11	6/19
Steven G. Seroka	Ward 2	Retired Air Force Commander	3/12	6/21

Administration

The City Manager is appointed by the City Council to serve at its pleasure. As the chief administrative officer of the City, the City Manager has the power and responsibility, among others, to exercise control over all the departments and divisions (other than the office of the City Attorney and City Auditor) of City government and over all of the officers and employees of the City. The other duties of the City Manager include preparation and submission to the City Council of the annual budget of the City, as well as to supervise and observe that all contracts of the City are faithfully kept and fully performed and to cause all legal proceedings to be instituted or defended at the expense of the City.

Information about the City Administrators most closely related to the financial management of the City and the issuance of the 2019 Bonds is set forth below.

Scott D. Adams, City Manager. Mr. Adams was appointed City Manager in June 2017 after serving as a deputy city manager overseeing the departments of Economic and Urban Development, Community Service, Cultural Affairs and Parks and Recreation. Mr. Adams has also held the position of chief urban redevelopment officer and director of the Office of Business Development (renamed the Economic and Urban Development Department) for five years. Prior to his service with the City, Mr. Adams held numerous positions in the field of urban economic development, including that of: Director of the Jefferson Parish Economic Development Commission in New Orleans, Louisiana; Director of Planning and Economic Development with the City of Fort Lauderdale, Florida; Executive Director of the New Orleans Regional Medical Center, Inc.; Executive Vice President of the Greater Norfolk (Virginia) Corporation; Executive Director of the Jacksonville (Florida) Downtown Development Authority; Assistant Executive Director of the Center City Commission in Memphis, Tennessee; and planning and development positions in his hometown of Jackson, Michigan. A 1977 urban planning graduate of Michigan State University, Mr. Adams was given the American Institute of Planners Award as the top graduate. He is a certified manager with the International City Managers Association; a member of the International Economic Development Council and the Urban Land Institute and a past member of the American Institute of Certified Planners.

Gary Ameling, Chief Financial Officer. Mr. Ameling joined the City as Chief Financial Officer in February 2017. He previously served as the Director of Finance for the City of Santa Clara, California. While serving in that position, Mr. Ameling oversaw an annual budget of \$753.6 million and successfully negotiated the \$1 billion San Francisco 49ers stadium financing and debt package. For the last two years in Santa Clara he also served as an Assistant City Manager. Prior to working in Santa Clara, Mr. Ameling worked for the Cities of La Mesa, California, and Bellevue, Washington. Mr. Ameling has been acknowledged by the Silicon Valley Business Journal as the top government/public

sector CFO for 2015. He has participated in and held leadership positions in various municipal fiscal associations, including the California Municipal Finance Officers, Government Finance Officers Association and others. He has a Master of Business Administration degree from Northern Arizona University.

Bradford R. Jerbic, City Attorney. Mr. Jerbic was appointed City Attorney in August 1992. Mr. Jerbic was an Assistant United States Attorney from May of 1990 until his appointment as City Attorney. He also served as a Clark County Deputy District Attorney from March of 1986 to May of 1990 and clerked for United States District Court Chief Judge Harry Claiborne from May of 1984 to March of 1986. Mr. Jerbic received a Bachelor of Arts degree from Pomona College in Claremont, California in 1980 and his law degree from Southwestern University School of Law in Los Angeles, California in May of 1984. Mr. Jerbic also worked as a Congressional Intern for Senator Howard W. Cannon in 1980 and has served on the Board of Directors of IMLA, the International Municipal Lawyer Association.

Employee Relations, Benefits and Pension Matters

Employee Relations. As of December 1, 2018, the City had 2,687 full-time employees. Four organized labor units representing five bargaining units represent employees of the City, including Fire Supervisory and Non-Supervisory (“IAFF”), Police Protective Association (“PPA”), Las Vegas Peace Officers Association (“LVPOA”) and the Las Vegas City Employees’ Association (“LVCEA”). The IAFF collective bargaining agreements will expire on June 30, 2019. The PPA collective bargaining agreement will expire on June 30, 2019. The LVPOA collective bargaining agreement will expire on June 30, 2019. The LVCEA collective bargaining agreement will expire on June 30, 2020.

Benefits. The City provides life insurance, health insurance, dental and vision insurance, long-term disability insurance, paid vacation, deferred compensation, sick leave and holidays, uniform and tool allowance to certain employees, and reimbursement for certain education expenses to its employees. The City also provides short-term disability insurance coverage to its executive and appointive employees.

Pension Matters. The Nevada Public Employees’ Retirement System (“PERS”) covers substantially all public employees of the State, its agencies and its political subdivisions, including the City. PERS, established by the Legislature effective July 1, 1948, is governed by the Public Employees’ Retirement Board whose seven members are appointed by the Governor for four-year terms. **Except for certain City specific information set forth below, the information in this section has been obtained from publicly-available documents provided by PERS. The City has not independently verified the information obtained from the publicly available documents provided by PERS and is not responsible for its accuracy.**

All public employees who meet certain eligibility requirements participate in PERS, which is a cost sharing multiple-employer defined benefit plan. Benefits, as established by statute, are determined by the number of years of accredited service at the time of retirement and the member's highest average compensation in any 36 consecutive months. Benefit payments to which participants may be entitled under PERS include pension benefits, disability benefits, and death benefits. PERS has several tiers based on legislative changes effective with membership dates. The following table illustrates the PERS service credit multiplier which reflects the benefit allowances for members as computed as certain percentages of average compensation for each accredited year of service depending upon when membership commenced (Membership Date) and during which period services were earned (Service Credit Multiplier):

PERS Benefit Multiplier

<u>Membership Date</u>	<u>Service Credit Multiplier</u>				<u>Highest Contiguous Average Over</u>
	<u>Before 01/01/01</u>	<u>After 01/01/01</u>	<u>After 01/01/10</u>	<u>After 07/01/15</u>	
Before January 1, 2001	2.50%	2.67%	2.67%	2.67%	36 months
After January 1, 2001, before January 1, 2010	--	2.67%	2.67%	2.67%	36 months
After January 1, 2010, before July 1, 2015	--	--	2.50%	2.50%	36 months
After July 1, 2015	--	--	--	2.25% ⁽¹⁾	36 months

(1) Regular members only; Police/Fire remain at 2.50%.

Similarly, legislative changes have created several tiers of retirement eligibility thresholds. The following table illustrates the PERS retirement eligibility thresholds.

Nevada PERS Retirement Eligibility

<u>Membership Date</u>	<u>Regular</u>		<u>Police/Fire</u>	
	<u>Age</u>	<u>Years of Service</u>	<u>Age</u>	<u>Years of Service</u>
Before January 1, 2010	65	5	65	5
	60	10	55	10
	Any	30	50	20
			Any	25
After January 1, 2010, before July 1, 2015	65	5	65	5
	62	10	60	10
	Any	30	50	20
			Any	30
After July 1, 2015	65	5	65	5
	62	10	60	10
	55	30	50	20
	Any	33 1/3	Any	30

The normal ceiling limitation on monthly benefit allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985 is entitled to a benefit of up to 90% of average compensation.

Nevada law requires PERS to conduct a biennial actuarial valuation showing unfunded actuarial accrued liability (“UAAL”) and the contribution rates required to fund PERS on an actuarial reserve basis. The actual employer and employee contribution rates are established in cycle with the State’s biennium budget on the first full pay period of the even numbered fiscal years. By PERS policy, the system actually performs an annual actuary study. The most recent independent actuarial valuation report of PERS was completed as of June 30, 2018. The following table reflects some of the key valuation results from the last three PERS actuary studies.

PERS Actuarial Report

<u>Key Valuation Results</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
UAAL	\$13.73 billion	\$13.27 billion	\$12.56 billion
Market Value Funding Ratio	75.2%	74.4%	72.2%
Actuarial Value Funding Ratio	75.1%	74.5%	74.1%
Assets Market Value	\$41.42 billion	\$38.69 billion	\$35.00 billion
Assets Actuarial Value	\$41.34 billion	\$38.72 billion	\$35.90 billion

PERS net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all period included in the measurement:

Inflation rate	2.75%
Total Payroll growth, including inflation	5.50% Regular, 6.50% Police/Fire
Investment rate of return	7.50%
Discount rate	7.50%
Productivity pay increase	0.50%
Projected salary increases	Regular: 4.25% to 9.15%, depending on service; Police/Fire: 4.55% to 13.90%, depending on service; Rates include inflation and productivity increases
Consumer price index	2.75%

Actuarial assumptions used in the June 30, 2018 valuation were based on the results of the experience review completed in 2017, applied to all periods included in the measurement.

For the purpose of calculating the actuarially determined contribution rate, the UAAL is amortized as a level percent of payroll over a year-by-year closed amortization period where each amortization period is set at 20 years. The amortization period prior to fiscal year 2012 was 30 years. Effective starting fiscal year 2012, the PERS Board adopted a shorter amortization period to be used to amortize new UAAL resulting from actuarial gains or losses and changes in actuarial assumptions. During the transition period any new UAAL was amortized over a period equal to the truncated average remaining amortization period of all prior UAAL layers until the average remaining amortization period was less than 20 years. In fiscal year 2015 the remaining amortization period dropped below 20 years, and since then the 20 year amortization period has been used for new UAAL layers. The fiscal year 2018 blended average amortization period was 17.8 years. Any new UAAL is amortized over a period equal to the truncated average remaining amortization period of all prior UAAL layers, until the average remaining amortization period is less than 20 years; after that time, 20-year amortization periods will be used. The PERS Board also adopted a five-year asset smoothing policy for net deferred gains/losses.

For the year ended June 30, 2014, PERS adopted Governmental Accounting Standards Board (GASB) Statement No. 67, Financial Reporting for Pension Plans-an amendment of GASB Statement No. 25 (“GASB 67”). GASB 67 replaces the requirements of GASB Statement Nos. 25 and 50 as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. The objective of GASB. 67 is to improve financial reporting by state and local governmental pension plans. It requires enhancement to footnote disclosure and required supplementary information for pension plans. In addition, it requires the determination of net pension liability (“NPL”) as opposed to the previously disclosed UAAL.

Prior to these new standards, the accounting and reporting requirements of the pension related liabilities followed a long-term funding policy perspective. The new standards separate the accounting and reporting requirements from the funding decisions and require the unfunded portion of the pension liability to be apportioned among the participating employers. These standards apply for financial reporting purposes only and do not apply to contribution amounts for pension funding purposes.

With the implementation of GASB 67, PERS reported its total pension liability, fiduciary net position, and NPL in its financial statements for the fiscal years ended June 30, 2014 through 2017. The total pension liability for financial reporting was determined on the same basis as the Actuarial Accrued Liability measure for funding. The fiduciary net position is equal to the market value of assets. The NPL is equal to the difference between the total pension liability and the fiduciary net position.

PERS’s NPL as of June 30, 2018 was \$13.64 billion as compared to \$13.46 billion as of June 30, 2017, when measured in accordance with GASB 67. PERS fiduciary net position as a percentage of the total pension liability was 75.2% as of June 30, 2018, as compared to 74.4% as of June 30, 2017.

Effective with fiscal year 2015, the City is required to apply the GASB Statement No. 68, Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27 (“GASB 68”), to its audited financial statements. The implementation of these standards requires governments to calculate and report the costs and obligations associated with pensions in their basic financial statements. Employers are required to recognize pension amounts for all benefits provided through the plan, which include the NPL, deferred outflows of resources, deferred inflows of resources and pension expense. Among other requirements, the City was required to report its proportionate share of the total PERS (fiduciary) NPL in its financial statements. PERS was required to implement GASB 67. As a result of an actuarial study, the City’s proportionate share of PERS’s NPL is 3.79739%, resulting in the recording of a June 30, 2018 unaudited pension liability of \$505,540,722. The implementation of this standard has no effect at the individual fund statement level. **The City has no legal obligation to fund any of PERS’s NPL nor does it have any ability to affect funding, benefit, or actuarially determined contribution decisions made by PERS or the Legislature.**

As described above, State statute requires contribution rates be determined on the State's biennium budget cycle based on an actuary study. While the City is not responsible to directly fund its proportionate share of the UAAL, it is required to make contributions that amortize the UAAL based on a closed end 20-year amortization. Furthermore, under the employer-pay funding method, while the System pays the full contribution rate, it is required to make the employee pay their half of the rate through either a reduction in a scheduled wage increase, or through an actual wage reduction. Employees receive credit for the wage reductions when PERS calculates their highest 36-month average wage. A history of contribution rates is shown below.

	Fiscal Years <u>2014 and 2015</u>	Fiscal Years <u>2016 through 2019</u>	Fiscal Years <u>2020 and 2021</u> ⁽¹⁾
Regular members	25.75%	28.00%	29.25%
Police/fire members	40.50	40.50	42.50

(1) Contribution rates will be set by the Nevada Legislature in 2019 based on the 2018 actuary report.

The City's actual contributions to PERS for the last five fiscal years and its budgeted contribution for fiscal year 2019 are as follows:

Actual					Budgeted
Fiscal Year <u>2014</u>	Fiscal Year <u>2015</u>	Fiscal Year <u>2016</u>	Fiscal Year <u>2017</u>	Fiscal Year <u>2018</u>	Fiscal Year <u>2019</u>
\$59,192,694	\$61,656,969	\$66,055,293	\$68,888,293	\$71,815,304	\$77,500,000

The City has budgeted \$75,200,000 in PERS contributions for the fiscal year ended June 30, 2018. For the year ended June 30, 2017, the City's contribution to PERS represented approximately 50% of total contributions to PERS.

See Note 8 in the audited financial statements attached hereto as Appendix A for additional information on PERS. In addition, copies of PERS' most recent annual financial report, including audited financial statements and required supplemental information, are available from the Public Employees Retirement System of Nevada, 693 West Nye Lane, Carson City, Nevada 89703-1599, telephone: (775) 687-4200.

The City and Clark County jointly fund the Las Vegas Metropolitan Police Department. The City funds 36.5% of such department's operating costs and is obligated for \$329,210,318 of their Net Pension Liability. A liability has been established in the government-wide statement of net position for the City's portion. See Note 6(A) in the audited financial statements attached hereto as Appendix A.

Other Postemployment Benefits. The City also makes available certain post-retirement health insurance and other non-pension benefits ("OPEB") to employees who retire under PERS and elect to receive and pay for these benefits. Effective July 1, 2017, the City implemented Governmental Accounting Standards Board Statement No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions ("GASB 75"). GASB 75, which replaces GASB 45, establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. GASB 75 requires the City to recognize the OPEB Expense as the change in OPEB Liability during the measurement period, with some deferral of recognition for (1) changes of economic and demographic assumptions, (2) difference between actual and expected experience, and (3) differences between actual and projected earnings on plan assets. The Actuarial Accrued Liability is the Total OPEB Liability. And the Net OPEB Liability is the Total OPEB Liability less assets (this replaces the GASB 45 Net OPEB Obligation). See CAFR footnote 16(C) for a detailed description of the City's OPEB plan, its funding policy, annual costs, and associated Net OPEB Liability (including significant methods and assumptions of the actuarial valuation). The City reports that

it has made no changes to its significant methods and assumptions since fiscal year 2012. Also see the Required Supplementary Information in Appendix A for a history of the City's UAAL and other statistical information.

The City receives an actuarial valuation biannually. The most recent valuation was for fiscal year 2018 (i.e., measurement date of June 30, 2018). The next valuation will be for fiscal year 2020, although fiscal year 2019 will need to have the OPEB Expense and Net OPEB Liability remeasured. As illustrated in the Required Supplementary Information, the City's Total OPEB Liability was \$52,346,706 as of June 30, 2018. The Plan Fiduciary Net Position (Trust Assets) was \$16,570,802 which resulted in a Net OPEB Liability of \$35,775,904 as of June 30, 2018.

On June 16, 2010, the City Council adopted and passed a resolution which created a trust fund for OPEB. During the fiscal years ended June 30, 2014 through June 30, 2018, the City has not contributed any funds to the trust. The City has not included any contribution to the trust in its budget for fiscal year 2019. The Trust Assets as of June 30, 2016, was \$16,570,802. No retiree benefits have been paid by the Trust to date. The cost of retiree insurance benefits continues to be paid as it becomes due (i.e., pay-as-you-go) from internal service funds.

The City and Clark County jointly fund the Las Vegas Metropolitan Police Department. The City funds 36.5% of such department's operating costs and is obligated for \$21,048,618 of their Net OPEB Liability. A liability has been established in the government-wide statement of net position for the City's portion. See Note 6(A) in the audited financial statements attached hereto as Appendix A.

CITY FINANCIAL INFORMATION

Annual Reports

General. The City's Director of Finance prepares a comprehensive annual financial report ("CAFR") providing an overview of financial operations and changes in financial position of the County as of June 30 of each fiscal year. The latest audited report is for the year ended June 30, 2018. Those financial statements represent the City's most recent audited financial statements. Audited financial statements for prior years (and the City's CAFRs) may be obtained from the sources listed in "INTRODUCTION – Additional Information."

The audited basic financial statements attached hereto as Appendix A are derived from the CAFR, but they do not include all of the information contained in the CAFR, such as individual fund financial statements and statistical data. That information may be reviewed by reviewing the entire CAFR. The CAFR is the official financial report of the City. It was prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the standard setting body for governmental accounting and financial reporting. See Note 1 in the audited financial statements attached hereto as Appendix A for a description of the City's significant accounting policies.

Awards. The Government Finance Officers Association ("GFOA") of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended June 30, 2017. This was the 38th consecutive year that the City has received this recognition. A Certificate of Achievement is valid for a period of one year only.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report with contents conforming

to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

Budgeting

Detailed requirements for the City's budget are set forth in State statutes. The City's budgeting process begins with City Council strategic planning sessions to determine if resources need realignment. That is followed with a series of reviews and analysis of budget requests submitted by various departments. City management and budget office staff compile and prioritize all data with the objective of aligning budget resources with the City Council's strategic plan objectives as closely as possible. A public hearing is held by the City Council on the final budget recommendations. The final budget is approved and adopted by the City Council and filed with the City Clerk, the County Clerk, and Taxation by June 1 of each year.

Budgetary controls are maintained at the line item level by department. Additional controls consist of the following: (a) City Manager's office approves all staff hiring; (b) on-going monitoring of expenditures; and (c) monthly analysis of departmental cost versus budget trends. Revenue monitoring may lead to curtailment of certain expenditures such as new hires, travel or capital outlay. If new programs have been initiated or existing programs change, or unanticipated revenue is realized, it may be necessary to realign or revise the budget. The City formalizes this procedure by preparing an augmented budget for the current year, which reflects both revenue and expenditure adjustments. Following a public hearing, the augmentation is filed with Taxation.

In May 2014, the City adopted a budget policy change that provides excess revenues over expenditures may be programmed only after considering the following objectives: (1) adequacy of general fund reserve levels, (2) unfunded long-term liabilities, (3) capital priorities that lack sufficient dedicated funding sources, and (4) operational expenditures such as employee compensation, benefits, infrastructure maintenance and new programs may be considered only if the excess is deemed sustainable.

Accounting

The City's accounting system is organized and operated on a fund basis. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. The types of funds to be used are determined by GAAP and the number of individual funds established is determined by sound financial administration.

The City's records are maintained on a modified accrual basis for all governmental and fiduciary fund types. Accordingly, revenues are recognized when susceptible to accrual, *i.e.*, both measurable and available. Expenditures, other than interest on long term debt, are recorded as liabilities when incurred. The accrual basis of accounting is utilized by all proprietary funds. A more detailed explanation of the basis of accounting for the various funds is included in the notes to the basic financial statements, located in Appendix A.

General Fund; Other Funds

General. The purpose of the general fund (the "General Fund") is to finance the ordinary operations of the City (including debt service to the extent that the portion of the ad valorem tax levy set aside for debt service is not sufficient to service general obligation debt) and to finance those operations not provided for in other funds. Included are all transactions related to the approved current operating budget, its accompanying revenue, expenditures and encumbrances, and its related asset, liability, and fund equity accounts.

Major General Fund Revenue Sources. For the bulk of its General Fund revenues, the City relies upon “intergovernmental revenues” comprised primarily of revenues derived from Consolidated Tax revenues (approximately 54.6% and 55.3% of General Fund revenues in fiscal years 2017 and 2018, respectively); other taxes, including property taxes (approximately 16.9% and 17.0% of General Fund revenues in fiscal years 2017 and 2018, respectively; revenue from licenses and permits (approximately 15.8% and 16.4% of General Fund revenues in fiscal year 2017 and 2018, respectively; and charges for services (approximately 7.7% and 7.5% of General Fund revenues in fiscal years 2017 and 2018, respectively. Other sources of General Fund revenue are intergovernmental revenues (other than Consolidated Taxes), fines and forfeitures, interest income and miscellaneous revenues; none of these sources accounted for more than 5% of General Fund revenue in fiscal years 2017 or 2018.

As described above, the majority of General Fund revenues are comprised of the Consolidated Taxes. Sales tax collections are subject to fluctuations in spending which is affected by, among other things, general economic cycles. Sales tax revenues may increase along with the increasing prices brought about by inflation, but collections also are vulnerable to adverse economic conditions and reduced spending and may decrease as a result. Consequently, the rate of sales tax collections may be expected to correspond generally to economic cycles. The City has no control over general economic cycles and is unable to predict what economic factors or cycles will occur while the 2019 Bonds remain Outstanding.

General Fund Expenditures. The City’s annual General Fund expenditures are dominated by the funding support of a variety of mandated functions. These include: public safety functions, including police, fire protection and corrections services (approximately 70.3% and 70.0%, respectively, of fiscal years 2017 and 2018 General Fund expenditures); general governmental services, including City Council, the City Manager, City Clerk, other executive functions and financial administration (approximately 11.2% and 11.5% for fiscal years 2017 and 2018, respectively (General Fund expenditures); culture and recreation (approximately 9.1% and 8.8% of fiscal years 2017 and 2018, respectively (General Fund expenditures); and judicial functions (approximately 5.3% and 5.2% for fiscal years 2017 and 2018, respectively General Fund expenditures. Other General Fund functions include public works, health and economic development expenditures, none of which accounted for more than 5% of General Fund expenditures in fiscal years 2017 or 2018.

Other City Funds. As shown in Appendix A, the City has numerous other funds, the largest of which are the Capital Projects Funds, Enterprise Funds and Special Revenue Funds. Monies on deposit in the Capital Projects Funds are used for the acquisition or construction of major capital facilities. Monies on deposit in the Enterprise Funds are used for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the City is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

History of General Fund Revenues and Expenditures

General. The following table presents a history of the City’s General Fund revenues, expenditures and changes in net position for the fiscal years ended June 30, 2014 through 2018. The information for fiscal years 2014 through 2018 was derived from the City’s CAFR for each of those years. The table also provides fiscal year 2019 information from the City’s 2019 budget.

The information in this table is provided for informational purposes only and does not imply that all of the revenues shown below are legally available to pay debt service on the 2019 Bonds. The information in this table should be read together with the City's audited financial statements for the year ended June 30, 2018, and the accompanying notes, which are included as Appendix A hereto. Financial statements for prior years can be obtained from the sources listed in "INTRODUCTION – Additional Information."

Reserve Policies. The City's policy is to maintain an unreserved fund balance in the General Fund equal to 12% of budgeted General Fund revenues. That policy was temporarily suspended for fiscal year 2011 and replaced with a requirement that the fund balance equal 10% of budgeted General Fund revenues. However, the 12% policy was reinstated for the fiscal year 2012 budget and in 2013 the policy was modified to reflect an aspirational goal of 20%.

The City's reserve policies also stipulate that ending cash balance for Internal Service Funds should equal 10% of the prior year's expenditures for operations and 25% for capital acquisitions.

General Fund - History of Revenues, Expenditures and Changes in Net Position⁽¹⁾

<u>Fiscal Year Ended June 30,</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
	<u>(Audited)</u>	<u>(Audited)</u>	<u>(Audited)</u>	<u>(Audited)</u>	<u>(Audited)</u>	<u>(Budget)</u>
Revenues						
Taxes	\$81,142,155	\$83,691,629	\$87,378,322	\$88,766,620	\$93,041,233	\$97,865,000
Licenses and Permits	76,173,424	84,831,131	86,467,484	82,704,946	89,436,459	89,232,074
Consolidated Tax	245,701,878	261,542,205	271,991,613	286,365,052	302,104,555	314,000,000
Intergovernmental Revenue	3,955,057	4,591,406	5,982,317	5,366,893	4,592,122	4,825,000
Charges for Services	36,270,268	42,158,795	42,282,632	40,350,594	40,830,390	39,800,293
Fines & Forfeitures	16,815,188	14,991,525	13,053,844	12,925,921	12,460,855	12,225,000
Interest	858,092	766,399	1,237,880	89,884	358,553	500,000
Miscellaneous	<u>4,375,832</u>	<u>5,209,373</u>	<u>3,182,584</u>	<u>7,476,844</u>	<u>3,899,944</u>	<u>4,000,000</u>
Total Revenues	\$465,291,894	\$497,782,463	\$511,576,716	\$524,046,754	\$546,724,111	\$562,447,367
Expenditures⁽²⁾						
General Government	51,186,319	51,004,679	55,172,766	55,672,479	60,374,674	65,483,777
Judicial	24,601,623	24,581,122	26,109,553	26,424,148	27,557,893	28,723,836
Public Safety	313,046,613	329,120,882	345,051,422	348,236,816	369,057,142	385,311,538
Public Works	12,433,825	11,758,542	11,082,459	11,293,983	12,746,737	12,571,057
Health	3,563,429	4,103,042	4,149,919	4,306,236	5,010,846	5,439,333
Culture & Recreation	45,569,377	44,078,659	44,171,247	44,900,609	46,264,597	48,870,313
Economic Development	<u>2,147,368</u>	<u>4,827,701</u>	<u>4,571,852</u>	<u>4,799,453</u>	<u>5,945,012</u>	<u>7,311,513</u>
Total Expenditures	\$452,548,554	\$469,474,627	\$488,309,218	\$495,633,724	\$526,956,901	\$553,711,367
Excess (deficiency) of revenues over expenditures	12,743,340	28,307,836	23,267,498	28,413,030	19,767,210	8,736,000
Other Financing Sources (Uses)						
Operating Transfers In ⁽³⁾	9,387,721	9,550,000	10,021,261	11,716,671	12,868,551	11,264,000
Operating Transfers Out ⁽⁴⁾	(20,565,567)	(40,014,329)	(26,030,950)	(41,805,144)	(26,120,439)	(20,000,000)
Sales of Capital Assets	<u>229,475</u>	<u>1,208,773</u>	<u>--</u>	<u>689,491</u>	<u>1,405</u>	<u>--</u>
Total	\$(10,948,371)	\$(29,255,556)	\$(18,009,690)	\$(29,398,982)	\$(13,250,483)	\$(8,736,000)
Net Changes in Fund Balance	1,794,969	(947,720)	5,257,808	(985,952)	6,516,727	--
Fund Balance, July 1	<u>106,982,815</u>	<u>108,777,784</u>	<u>107,830,064</u>	<u>113,087,907</u>	<u>112,101,955</u>	<u>--</u>
Prior Period Adjustment ⁽⁵⁾	--	--	--	--	--	--
Fund Balance, June 30	<u>\$108,777,784</u>	<u>\$107,830,064</u>	<u>\$113,087,872</u>	<u>\$112,101,955</u>	<u>\$118,618,682</u>	<u>\$112,636,162</u>
Nonspendable	\$29,923,174	\$29,730,805	\$30,307,012	\$17,743,588	\$17,700,000	\$17,700,000
Unassigned	\$78,854,610	\$78,099,259	\$82,780,860	\$94,358,366	\$100,918,682	\$94,936,162
					\$118,618,682	\$112,636,162

(1) Totals may not add due to rounding.

(2) Includes capital outlay expenditures as well as current expenditures in certain of the categories shown.

(3) Transfers include the portion of the City's property tax attributable to the Fire Safety Initiative that is used for operations.

(footnotes continued on following page)

- (4) The large variance in “operating transfers out” in 2015 is primarily attributable to a one-time transfer of \$11.3 million to the City’s capital project fund for infrastructure improvements and strategic land acquisition and a \$5 million transfer to cover increases in employee benefits. The large variance in “operating transfers out” in 2017 is primarily attributable to a loan forgiveness between City Parkway V (as borrower) and the City’s General Fund in the amount of \$11.8 million.
- (5) Adjustments to correct errors in prior years.

Source: Derived from the City’s CAFRs for fiscal years 2014-2018, the City’s Finance Department and from the City’s fiscal year 2019 tentative budget.

Management Discussion

General. An overview of the financial activity and overall financial condition of the City is presented in the City of Las Vegas Management’s Discussion and Analysis included within the financial statements of the City as of and for the year ended June 30, 2018, included hereto as Appendix A.

2019 Final Budget. The City’s final budget for fiscal year 2019 reflects the priorities of the Council and their constituents and demonstrates a continuing re-investment in City services and infrastructure.

The fiscal year 2019 General Fund final budget represents a revenue growth rate of 2.5% compared to the fiscal year 2018 General Fund actual revenues, including transfers. Major factors that impact the fiscal year 2019 budget on the revenue side are consolidated and property taxes. Together, these revenues comprise 73% of the City’s General Fund budget. The City is projecting a 3.9% increase in Consolidated Tax revenues compared to the fiscal year 2018 actual revenues, which represents 56% of the City’s revenue base. While Consolidated Tax may grow (or shrink) based upon local sales activity, property tax growth is restricted due to the State’s cap on property taxes. While the City expects to realize growth from new construction, growth on existing property tax revenue is capped at 3% for residential properties and 4.2% for commercial properties for fiscal year 2019.

On a smaller scale, the voters of the State recently voted to legalize marijuana for recreational purposes. The State Legislature has adopted legislation surrounding this legalization, and in addition to the licensing fees established by ordinance, cities and counties share in a \$5 million shared pool of money based upon number of dispensaries in each jurisdiction. The City’s share is currently projected at \$0.8 million for fiscal year 2019 and licensing fees are budgeted at \$2.4 million.

Expenditures for the City’s fiscal year 2019 General Fund final budget are projected to grow 5.1% compared to the fiscal year 2018 actual expenditures. The difference in expenditure growth rate compared to the 2018 actual expenditures is due largely to fiscal year 2018 vacancy savings and budgetary underspending. The City’s budget includes modest program expansion, restorations and sustainable service levels, including:

- Public Safety in the City’s fire services and park security
- Initiatives to reduce homelessness in the City
- Investment in technology solutions
- Maintaining City facilities and assets
- Adding resources in critical service areas with the addition of 56 new and restored full-time equivalent positions with 28 in public safety and 28 in the non-public safety functional areas

The City’s 2017 Citizen Survey results emphasized a need for enhanced public safety. The City continues to work with Clark County and the Metropolitan Police Department to achieve acceptable funding levels for police service. The City’s contribution represents a \$9.3 million increase or 6.6% over fiscal year 2018. This includes contributions of \$6.8 million in Metro’s fund balance to

minimize the impact of increases to the City and Clark County. This budget contemplates the addition of 13 new police officers and 23 new civilian support positions in addition to \$5.1 million in special events overtime funding, furniture and fixtures, and minor capital improvements. The City intends to continue monitoring this budget carefully and the associated joint funding agreement with Clark County and the effects they will have on the City's financial condition.

Quality of life considerations are significant in the large portion of the City's budget that goes toward the area of public safety and health. This budget includes two new paramedics to begin a mobile integrated health unit. This new unit will conduct wellness checks throughout the community in order to assist the City's most at-risk population. The intent is to keep people in their homes and help them before their conditions require a visit to the emergency room. The Fire Department is working very hard to promote community health while containing or even reducing its call volume in order to maintain staffing levels and equipment condition.

The City Council places a high priority on reducing homelessness. To that end, the City's 2019 Tentative General Fund Budget includes an additional \$1.6 million in increased spending authority to address identifying and assisting this vulnerable population. The funding will provide for six new employees to act as liaisons between the City and social services agencies to ensure proper services are rendered to the homeless, coordinate the efforts at the new courtyard, outreach to identify the homeless and assess needs in addition to strategizing how to most effectively use tax dollars allocated to the project. The funding also includes \$500,000 for security in the courtyard, \$100,000 for portable toilets and \$400,000 for two more Multidisciplinary Outreach Referral Education teams. These teams operate in the field, and are instrumental in identifying the vulnerable people and getting them much needed services.

Investment Policy

The investment goal of the City is to maintain adequate cash availability to meet current obligations and invest excess monies at the maximum yield allowed, while assuring that the principal is protected from loss. Monies that are not required for immediate expenditures are invested within the guidelines of NRS Chapter 355, and City policy. See Note 3 in Appendix A for a more complete description of the City's investment practices.

Fiscal Stabilization Fund

The City has established a Fiscal Stabilization Special Revenue Fund (the "Fiscal Stabilization Fund") pursuant to NRS 354.6115 and a resolution adopted by the City Council on January 7, 2009. The Fiscal Stabilization Fund was funded with transfers of available balances from the General Fund, Special Revenue Funds, Internal Service Funds and Capital Projects Funds. As described above, beginning in fiscal year 2011, the Fiscal Stabilization Fund was required to be accounted for in the General Fund pursuant to GASB 54. Money in the fund is to be used only to stabilize the operation of City government and mitigate the effects of natural disasters. Transfers out of the Fiscal Stabilization Fund may be made only: (i) if the total actual revenue falls short of the total anticipated revenue in the General Fund for the fiscal year in which the City uses that money, and (a) the revenue shortfall is the result of an economic event that could not be anticipated, and (b) the resulting General Fund balance will fall below 10% of the anticipated expenditures; and (ii) to pay expenses incurred by the City to mitigate the effects of a natural disaster or act of terrorism. The fund balance in the Fiscal Stabilization Fund must not exceed 10% of the expenditures from the General Fund for the previous fiscal year. The ending fund balance of the Fiscal Stabilization Fund on June 30, 2018 was \$13,286,827. The City does not anticipate using any amounts deposited in the Fiscal Stabilization Special Reserve Fund in fiscal year 2019.

Accounting for Liability Insurance and Employee Benefits

Liability Insurance and Property Damage Internal Service Fund. The City maintains a Liability Insurance and Property Damage Internal Service Fund to pay for tort liability losses and avoid escalating premiums and to cover damage and loss of City-owned assets.

The following table presents information about the revenues, expenditures and fund balances for the Liability Insurance and Property Damage Internal Service Fund. The information provided for fiscal years 2014 through 2018 was derived from the City's CAFR for each of those years. The table also provides fiscal year 2019 information from the City's 2018 budget. The information in the table below does not conform to GAAP presentation, as all revenues (including operating revenues, non-operating revenues and transfers) are included in the "Total Revenue" category.

Liability Insurance and Property Damage Internal Service Fund⁽¹⁾

Fiscal Year Ended June 30	2014 (Audited)	2015 (Audited)	2016 (Audited)	2017 (Audited)	2018 (Audited)	2019 (Budgeted)
Total Revenue	\$1,755,320	\$1,947,447	\$1,909,303	\$2,736,085	\$2,187,908	\$2,641,800
Total Expenditures	<u>2,417,611</u>	<u>2,479,984</u>	<u>2,982,473</u>	<u>3,372,163</u>	<u>3,197,383</u>	<u>3,766,009</u>
Net Income (Loss)	(662,291)	(532,537)	(1,073,170)	(636,078)	(1,009,475)	(1,124,209)
Operating Transfers Out ⁽²⁾	--	--	--	--	--	--
Net Change in Fund Balance	(662,291)	(532,537)	(1,073,170)	(636,078)	(1,009,475)	(1,124,209)
Total Net Assets, Beginning	5,189,289	4,526,998	3,240,865	2,167,693	1,531,615	526,115
Prior Period Adjustment ⁽³⁾⁽⁴⁾	--	(753,596)	--	--	(37,310)	--
Total Net Assets, Ending	\$4,526,998	\$3,240,865	\$2,167,695	\$1,531,615	\$526,115	\$(598,094)

(1) Totals may not add due to rounding.

(2) In fiscal year 2013, represents the amount transferred to the Employee Benefit Internal Service Fund in accordance with the internal service fund balance policy.

(3) In fiscal year 2013, an adjustment was made to correct errors in prior years.

(4) Fiscal year 2015 adjustment reflects the implementation of GASB 68 and 71 requiring governments to report an allocated portion of multi-employer cost-sharing pension funds' liability in which they participate, along with other deferred amounts related to pensions.

Source: Derived from the City's CAFRs for fiscal years 2014-2018 and from the City's fiscal year 2019 tentative budget.

See Note 17 (particularly Note 17(A)(1)) in the audited financial statements attached hereto for a description of the City's risk management activities, including more specific information about the Liability Insurance and Property Damage Internal Service Fund. The City also carries reinsurance coverage in the Liability Insurance and Property Damage Internal Service Fund for any amounts in excess of a \$10,000 property deductible and a \$100,000 state tort claim limit for liability.

Employee Benefit Internal Service Fund. State law requires that employees be covered for workers' compensation either through a self-insurance fund or through the Employers Insurance Company of Nevada. The City is self-insured and utilizes the Employee Benefit Internal Service Fund to account for the activity. The fund includes the City's Workers' Compensation self-insurance program which expends payments of claims, as required by law, to employees injured at work and for presumptive liability for heart/lung diseases for public safety employees.

The purpose of the Employee Benefit Internal Service Fund is to account for monies collected from City departments, employees and former employees and dependents to be expended for premiums and claims for health insurance and other employee benefits (medical, dental, vision and other benefits) provided to employees and their dependents, former employees and retirees. The fund also is used to account for accrued vacation time and sick leave. Current City policy requires a minimum cash balance in the fund of not less than twenty-five percent of the prior year expenditures. The monies collected from City departments are determined based on a billing rate applied to the salaries and wages

expended in those departments. The City periodically reviews its rate structure to ensure adequate funding going forward.

The following table presents the revenues, expenditures and fund balance for the Employee Benefit Internal Service Fund with the amounts in prior years adjusted to reflect this merger. The information is provided for fiscal years 2014 through 2018 and derived from the City's CAFR for each of those years. The table also provides information from the City's 2019 budget. The information in the table below does not conform to GAAP presentation, as all revenues (including operating revenues, non-operating revenues and transfers) are included in the "Total Revenue" category.

Employee Benefit Internal Service Fund

Fiscal Year Ended June 30,	2014 (Audited)	2015 (Audited)	2016 (Audited)	2017 (Audited)	2018 (Audited)	2019 (Budgeted)
Total Revenue	\$145,701,608	\$148,985,359	\$158,845,658	\$161,977,101	\$183,041,297	\$189,990,130
Total Expenditures	155,214,912	164,237,629	167,671,486	172,426,249	185,938,058	195,773,738
Net Income (Loss)	(9,513,304)	(15,252,270)	(8,825,828)	(10,449,148)	(2,896,761)	(5,783,608)
Operating Transfers In	--	5,000,000	2,000,000	--	--	--
Net Change in Fund Balance	(9,513,304)	(10,252,270)	(6,825,828)	(10,449,148)	(2,896,761)	(5,783,608)
Total Net Assets, Beginning	29,046,849	19,533,545	8,527,679	1,701,852	(8,747,296)	(19,571,559)
Prior Period Adjustment ⁽¹⁾	--	(753,597) ⁽¹⁾	--	--	(39,226)	--
Total Net Assets, Ending⁽²⁾	\$19,533,545	\$8,527,678	\$1,701,852	\$(8,747,296)	\$(13,004,936)	\$(25,355,167)

(1) Fiscal year 2015 adjustment reflects the implementation of GASB 68 and GASB 71 requiring governments to report an allocated portion of multi-employer cost-sharing pension funds' liability in which they participate, along with other deferred amounts related to pensions.

(2) In fiscal years 2015, 2016 and 2017, the fund's pooled cash and investments and other investments was \$34,467,967, \$28,421,607 and \$17,168,389 respectively. The deficit in fiscal year 2017 is the result of recording the net pension liability in accordance with GASB 68.

Source: Derived from the City's CAFRs for fiscal years 2014-2018 and from the City's fiscal year 2019 tentative budget.

See Note 16 (particularly Note 16(A)(2)) in the audited financial statements attached hereto for a description of the City's risk management activities, including more specific information about the Employee Benefit Internal Service Fund. The City also carries Workers Compensation excess insurance coverage for claims in excess of \$1 million for regular employees and \$4 million for public safety employees.

DEBT STRUCTURE

Debt Limitation

State law limits the aggregate principal amount of the City's general obligation debt to 20% of its total reported assessed valuation. The following table presents a history of the City's outstanding general obligation indebtedness with respect to its statutory debt limitation.

Statutory Debt Limitation

<u>Fiscal Year Ended June 30,</u>	<u>Assessed Valuation⁽¹⁾</u>	<u>Debt Limit</u>	<u>Outstanding General Obligation Debt⁽²⁾</u>	<u>Statutory Debt Capacity</u>
2014	\$12,820,049,119	\$2,564,009,824	\$295,825,000	\$2,268,184,824
2015	14,479,730,522	2,895,946,104	338,410,000	2,557,536,104
2016	16,258,718,077	3,251,743,615	495,005,000	2,756,738,615
2017	17,433,462,310	3,486,692,462	495,170,000	2,991,522,462
2018	18,366,797,780	3,673,359,556	509,535,000	3,163,824,556
2019 ⁽³⁾	19,613,979,108	3,922,795,822	551,751,571	3,371,044,251

- (1) Includes the assessed valuation of the Redevelopment Agency. These values are included for purposes of calculating the debt limit but are not subject to taxation for the retirement of general obligation debt.
- (2) Includes general obligation bonds, general obligation bonds additionally secured with pledged revenues and medium-term general obligation bonds. Excludes revenue bonds and lease purchase agreements.
- (3) Outstanding as of January 1, 2019, after taking into account the issuance of the 2019 Bonds. See the table in "Outstanding Indebtedness and other Obligations" below.

Source: Property Tax Rates for Nevada Local Governments - State of Nevada - Department of Taxation, 2013-14 through 2018-19; debt information compiled by the Municipal Advisor.

Outstanding Indebtedness and Other Obligations

Outstanding Indebtedness and Other Obligations. The following table presents the City's outstanding obligations as of January 1, 2019, after taking into account the issuance of the 2019 Bonds.

City's Outstanding Debt and Other Obligations⁽¹⁾

	Date of Issuance	Maturity Date	Original Amount	Principal Outstanding
<u>SELF SUPPORTING GENERAL OBLIGATION BONDS⁽²⁾</u>				
Performing Arts Center Bonds, Series 2009	04/01/09	04/01/19	101,220,000	2,310,000
Golf Course Refunding Bonds, Series 2012B (Taxable)	05/01/12	06/01/22	8,230,000	3,545,000
Adjustable Rate Various Purpose Refunding Bonds, Series 2013	07/31/13	06/01/36	30,025,000	26,020,000
Parking Refunding Bonds, Series 2014B	12/04/14	05/01/34	8,985,000	7,915,000
Sewer Bonds, Series 2014A	12/11/14	05/01/34	74,765,000	60,665,000
Taxable Various Purpose Refunding Bonds, Series 2015B	09/15/15	06/01/24	11,090,000	8,300,000
City Hall Bonds, Series 2015C	12/22/15	09/01/39	160,805,000	160,805,000
Performing Arts Center Refunding Bonds, Series 2016A	05/03/16	06/01/39	90,100,000	90,100,000
Various Purpose Refunding Bonds, Series 2016B	05/03/16	06/01/36	42,590,000	40,315,000
Sewer Refunding Bonds, Series 2016C	05/03/16	06/01/21	16,145,000	10,095,000
Building Bonds (Municipal Court), Series 2019A (<i>this issue</i>)	02/13/19	02/01/39	34,245,000*	34,245,000*
TOTAL				444,315,000*
<u>MEDIUM TERM GENERAL OBLIGATION BONDS⁽³⁾</u>				
Various Purpose Bonds, Series 2011A	12/01/11	12/01/21	27,590,000	9,305,000
Medium Term Bonds, Series 2012A	05/01/12	05/01/22	8,115,000	3,450,000
Recreation Projects Bonds, Series 2015A	09/15/15	09/01/25	26,000,000	19,235,000
Various Purpose Bonds, Series 2016D	12/15/16	12/01/26	22,930,000	19,135,000
Various Purpose Bonds, Series 2018A	06/07/18	06/01/28	19,495,000	19,495,000
Various Purpose Bonds, Series 2018B	06/07/18	06/01/28	21,615,000	21,615,000
Lease Purchase Agreement (Phone System), Series 2018	10/03/18	11/01/23	2,923,296	2,446,571
Medium Term Bonds (Strong Start Academy), Series 2019B (<i>this issue</i>)	02/13/19	02/01/29	6,295,000*	6,295,000*
TOTAL				100,976,571*
GENERAL OBLIGATION GRAND TOTAL				\$545,291,571*
<u>OTHER OBLIGATIONS⁽⁴⁾</u>				
Certificates of Participation, Series 2009A ^{(5) (6)}	12/17/09	09/01/19	13,770,000	205,000
Certificates of Participation (BABs), Series 2009B ^{(5) (6)}	12/17/09	09/01/39	174,500,000	174,500,000
Installment Purchase Agreement (QECBs), Series 2011	05/18/11	05/01/26	5,874,300	3,398,269
Installment Purchase Agreement (NCREBs), Series 2011	05/18/11	05/01/26	4,974,400	2,877,679
Energy Conservation Revenue Bond, Series 2014	06/30/14	07/30/28	1,244,000	939,765
Sales Tax Increment Revenue Bonds, Series 2016 ⁽⁷⁾	06/28/16	06/15/35	24,800,000	20,885,000
TOTAL OTHER OBLIGATIONS				202,805,713
<u>ASSESSMENT DISTRICTS⁽⁸⁾</u>				
District Nos. 1463, 1470, 1471, 1473 & 1477, Series 2002	12/01/02	12/01/22	4,245,000	620,000
District No. 1481, Series 2004A	07/21/04	06/01/24	1,975,000	430,000
District No. 1506, Series 2007	06/01/07	06/01/27	1,724,000	937,000
District No. 1507, Series 2012	10/11/12	06/01/32	1,777,852	1,249,232
TOTAL			9,721,852	3,236,232
<u>OTHER ASSESSMENT DISTRICTS⁽⁹⁾</u>				
District #809 Bonds, Series 2003	06/25/03	06/01/23	10,000,000	2,295,000
District #808 Senior Refunding Bonds, Series 2007A	09/13/07	06/01/21	22,820,000	4,020,000
District #808 Subordinate Refunding Bonds, Series 2007B	09/13/07	06/01/21	2,415,000	420,000
District #607 Refunding Bonds, Series 2013	05/30/13	06/01/24	30,865,000	13,910,000
District #s808 and 810 Refunding Bonds, Series 2014	11/25/14	06/01/31	19,075,000	14,195,000
District #812 Bonds, Series 2015	12/17/15	12/01/35	29,500,000	26,380,000
District #813 Bonds, Series 2017	08/02/17	06/01/47	11,400,000	11,065,000
District #609 Bonds, Series 2017	09/27/17	06/01/47	11,605,000	11,440,000
District #610 Bonds, Series 2018	12/20/18	06/01/48	12,500,000	12,500,000
TOTAL				96,225,000
TOTAL ASSESSMENT DISTRICTS				99,461,232

Footnotes on the following page:

* Preliminary, subject to change.

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- (1) As of February 1, 2019; but also taking into account the issuance of the 2019 Bonds. Does not include capital leases or interim warrants. Also does not include tax increment bonds issued by the Redevelopment Agency; no City revenues are used to pay debt service on those bonds.
 - (2) General obligation bonds secured by the full faith, credit and taxing power of the City. The ad valorem tax available to pay these bonds is limited to the \$3.64 statutory and the \$5.00 constitutional limit. See “PROPERTY TAX INFORMATION – Property Tax Limitations.” These bonds are additionally secured by specified pledged revenues; if revenues are not sufficient, the City is obligated to pay the difference between such revenues and the debt service requirements of the respective bonds.
 - (3) General obligation medium-term bonds secured by the full faith and credit and payable from all legally available funds of the City. The ad valorem tax available to pay these bonds is limited to the statutory and constitutional limit described in note (2) above as well as the statutory limitation on the City’s maximum operating levy tax rate.
 - (4) Payable from legally available City revenues and subject to annual appropriation.
 - (5) The City entered into a lease-purchase agreement for the construction and purchase of a new City Hall. The City’s lease payments are payable from legally available revenues and support the repayment of certain certificates of participation (“COPS”). The COPS are not a general obligation or direct or indirect debt of the City within the meaning of any constitutional debt limitation.
 - (6) Does not reflect impact of partial economic defeasance of these Certificates as a result of the City’s deposit of funds in a revocable escrow in connection with the issuance of its Series 2015C City Hall Bonds.
 - (7) These Bonds do not constitute a debt or indebtedness of the City within the meaning of any constitutional or statutory provision or limitation and are not a general obligation of the City and are secured by a pledge of sales tax revenues.
 - (8) Secured by assessment against the property improved; the City’s General Fund is contingently liable if collections of the assessments are insufficient.
 - (9) These bonds are not secured by the general fund of the City nor by its taxing power (except to the extent of its power to impose and collect the assessments); and neither the City nor the State nor any political subdivision thereof has pledged its full faith and credit for the payment of these bonds. The payment of these bonds is not secured by any encumbrance, mortgage, or other pledge of the property of the City. In the event of a delinquency in the payment of any assessment installment, the City will have no obligation with respect to these bonds other than to apply available funds in a reserve fund and to commence and pursue sale or foreclosure proceedings with respect to the property in question.

Source: City Finance Department.

Annual Debt Service Requirements

The following table presents the debt service requirements on the City's outstanding general obligation bonds, after taking into account the issuance of the 2019 Bonds.

Annual Debt Service Requirements - General Obligation Bonds⁽¹⁾

Fiscal Year Ending June 30	General Obligation Revenue Bonds		General Obligation Medium-Term Bonds		Grand Total
	Principal	Interest	Principal	Interest	
2019	\$ 13,025,000	\$ 9,462,283	\$ 4,295,000	\$ 1,670,040	\$ 28,452,323
2020	14,005,000	20,783,609	12,987,768	3,448,959	51,225,335
2021	19,480,000	20,002,793	13,484,906	2,932,074	55,899,772
2022	18,010,000	19,021,668	14,013,151	2,423,890	53,468,709
2023	17,900,000	18,100,223	10,277,559	1,987,015	48,264,796
2024	18,060,000	17,161,398	10,653,187	1,616,887	47,491,471
2025	18,210,000	16,192,575	10,460,000	1,239,359	46,101,934
2026	19,015,000	15,194,950	10,820,000	882,888	45,912,838
2027	19,885,000	14,152,700	8,165,000	546,175	42,748,875
2028	21,040,000	13,079,800	5,695,000	275,020	40,089,820
2029	21,990,000	12,027,513	830,000	33,200	34,880,713
2030	23,920,000	10,964,981	--	--	34,884,981
2031	24,860,000	9,732,831	--	--	34,592,831
2032	26,355,000	8,449,506	--	--	34,804,506
2033	26,385,000	7,182,956	--	--	33,567,956
2034	27,405,000	6,029,381	--	--	33,434,381
2035	22,540,000	4,778,969	--	--	27,318,969
2036	23,460,000	3,714,644	--	--	27,174,644
2037	19,080,000	2,655,469	--	--	21,735,469
2038	19,825,000	1,911,169	--	--	21,736,169
2039	20,600,000	1,129,475	--	--	21,729,475
2040	15,020,000	316,300	--	--	15,336,300
Total	\$450,070,000	\$232,045,190	\$101,681,571	\$17,055,505	\$800,852,266

(1) Preliminary, subject to change. Outstanding debt as of January 1, 2019, but does include the issuance of the 2019 Bonds. Totals may not add due to rounding.

Source: The City.

Other Obligations. The City records long-term liabilities for its long-term debt and other obligations, including the COPS, compensated absences, arbitrage rebate and reserves required by bond covenants. See Note 10 in the audited financial statements attached hereto as Appendix A.

The City also records a long-term liability for heart and lung presumptive liability for public safety employees who develop heart disease, lung disease or hepatitis as described in Note 16 in the audited financial statements attached hereto as Appendix A. In addition, the City and the County jointly fund the Las Vegas Metropolitan Police Department ("LVMPD"). See "CITY FINANCIAL INFORMATION – Management Discussion." In fiscal year 2019, the City has tentatively budgeted to fund 36.4% of the LVMPD. A liability has been established in the government-wide statement of net assets for the City's portion. The City's liability for the Metro net OPEB obligation for fiscal year 2019 is not yet available.

Additional Contemplated Indebtedness

The City may issue general obligation bonds by means of authority granted to it by its electorate or the State Legislature or, under certain circumstances, without an election as provided in existing statutes. The City reserves the privilege of issuing general obligation bonds or other securities any time legal requirements are satisfied. In addition, the City reserves the ability to issue general obligation bonds for refunding purposes at any time.

Overlapping Debt

In addition to the general obligation indebtedness of the City (see “General Obligation Debt and Other Outstanding Obligations” above), other taxing entities are authorized to incur general obligation debt with boundaries which overlap or partially overlap the boundaries of the City. The following chart sets forth the estimated overlapping general obligation debt within the City as of January 1, 2019.

Outstanding Overlapping Net General Obligation Indebtedness As of January 1, 2019

<u>Entity⁽¹⁾</u>	<u>Overlapping Total G.O. Indebtedness</u>	<u>Presently Self- Supporting G.O. Indebtedness</u>	<u>Net Direct G.O. Indebtedness</u>	<u>Percent Applicable⁽²⁾</u>	<u>Overlapping Net G.O. Indebtedness⁽³⁾</u>
Clark County	\$ 3,735,723,275	\$ 3,734,370,000	\$ 1,353,275	21.72%	\$ 293,931
Clark County School District	2,782,745,000	578,965,000	2,203,780,000	21.72%	4,786,610
Las Vegas Valley Water District	3,138,646,969	3,138,646,969	0	21.93%	0
Las Vegas-Clark County Library District	0	0	0	28.84%	0
State of Nevada	1,384,045,000	293,310,000	1,090,735,000	15.30%	1,668,825
TOTAL	\$ 11,041,160,244	\$ 7,745,291,969	\$ 3,295,868,275		\$ 6,749,366

(1) Other taxing entities overlap the City and may issue general obligation debt in the future.

(2) Based on fiscal year 2019 assessed valuation in the respective jurisdiction (excluding redevelopment agencies). The percent applicable is derived by dividing the assessed valuation of the City into the assessed valuation of the governmental entity.

(3) Overlapping Net General Obligation Indebtedness equals total existing general obligation indebtedness less presently self-supporting general obligation indebtedness times the percent applicable.

Source: Debt information compiled by the Municipal Advisor; applicable percentages calculated using Property Tax Rates for Nevada Local Governments, State of Nevada Department of Taxation, 2018-19.

The following table sets forth the total net direct and overlapping general obligation indebtedness attributable to the City as of January 1, 2019, but also includes the issuance of the 2019 Bonds.

Net Direct & Overlapping General Obligation Indebtedness

Total Direct General Obligation Indebtedness ⁽¹⁾	\$545,291,571.00*
Less: Presently Self-Supporting General Obligation Indebtedness ⁽¹⁾	444,315,000.00*
Net Direct General Obligation Indebtedness	<u>100,976,571.00*</u>
Plus: Overlapping General Obligation Indebtedness	6,749,366.00
Direct & Overlapping General Obligation Indebtedness	<u>\$107,725,937.00*</u>

(1) See "Outstanding Indebtedness and Other Obligations" above.

Selected Debt Ratios

The following table sets forth selected ratios of the City.

Selected Direct General Obligation Debt Ratios

<u>Fiscal Year Ended June 30,</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Population ⁽¹⁾	620,935	629,649	633,028	633,028	633,028
Assessed Value ⁽²⁾	\$13,852,723,777	\$15,520,077,988	\$16,578,456,154	\$17,398,113,297	\$18,339,641,540
Taxable Value ⁽²⁾	\$39,579,210,791	\$44,343,079,966	\$47,367,017,583	\$49,708,895,134	\$52,398,975,829
Gross Direct G.O. Debt ⁽³⁾	\$338,410,000	\$495,005,000	\$495,170,000	\$509,535,000	\$545,291,571*
<u>RATIO TO:</u>					
Per Capita	\$545.00	\$786.16	\$782.22	\$804.92	\$861.40*
Percent of Assessed Value	2.44%	3.19%	2.99%	2.93%	2.97%*
Percent of Taxable Value	0.86%	1.12%	1.05%	1.03%	1.04%*
Net Direct G.O. Debt ⁽³⁾	\$36,230,000	\$55,925,000	\$70,185,000	\$99,465,000	\$100,976,571
<u>RATIO TO:</u>					
Per Capita	\$58.35	\$88.82	\$110.87	\$157.13	\$159.51
Percent of Assessed Value	0.26%	0.36%	0.42%	0.57%	0.55%*
Percent of Taxable Value	0.09%	0.13%	0.15%	0.20%	0.19%*

(1) For 2014-2017, reflects State Demographer estimates for the City as of July 1 of each year shown. The 2017 population estimate also is used in 2018 and 2019 because it is the most recent estimate available.

(2) See "PROPERTY TAX INFORMATION – Property Tax Base and Tax Roll Collection" for an explanation of Assessed Value and Taxable Value. The assessed valuation of the Redevelopment Agency is not included.

(3) In 2019, reflects outstanding debt as of January 1, 2019, but includes the issuance of 2019 Bonds.

Source: Property Tax Rates for Nevada Local Governments - State of Nevada - Department of Taxation, 2013-14 through 2017-18; Nevada State Demographer. Compiled by the Municipal Advisor.

* Preliminary, subject to change.

ECONOMIC AND DEMOGRAPHIC INFORMATION

This portion of the Official Statement contains general information concerning historic economic and demographic conditions in and surrounding the City. It is intended only to provide prospective investors with general information regarding the City's community. The information was obtained from the sources indicated and is limited to the time periods indicated. The information is historic in nature; it is not possible to predict whether the trends shown will continue in the future. The City makes no representation as to the accuracy or completeness of data obtained from parties other than the City.

Population and Age Distribution

The table below shows the population growth of the City, Clark County, and the State since 1970. Between 2010 and 2017, the City's population increased by 7.9%, the County's population increased by 11.4% and the State's population increased by 9.6%.

<u>Population</u>						
Year	City of Las Vegas	Percent Change	Clark County	Percent Change	State of Nevada	Percent Change
1970	125,787	--	273,288	--	488,738	--
1980	164,674	30.9%	463,087	69.5%	800,493	63.8%
1990	258,295	56.9	741,459	60.1	1,201,833	50.1
2000	478,434	85.2	1,375,765	85.5	1,998,257	66.3
2010	567,610	22.0	1,951,269	41.8	2,700,551	35.1
2013	589,156	1.6	2,031,723	2.2	2,800,967	1.8
2014	598,520	2.0	2,069,450	1.9	2,843,301	1.5
2015	610,637	1.7	2,118,353	2.4	2,897,584	1.9
2016	620,935	1.4	2,166,181	2.3	2,953,375	1.9
2017	629,649	0.5	2,193,818	1.3	2,986,656	1.1

Sources: United States Department of Commerce, Bureau of Census (1970-2010 as of April 1st); and Nevada State Demographer, Nevada State Department of Taxation (2013-2017 estimates as of July 1st).

The following table sets forth a comparative age distribution profile for the City, the County, the State and the nation as of January 1, 2019.

<u>Age Distribution</u> Percent of Population				
Age	City of Las Vegas	Clark County	State of Nevada	United States
0-17	23.5%	23.2%	22.7%	22.5%
18-24	8.7	8.6	8.5	9.5
25-34	13.7	14.2	14.0	13.5
35-44	13.3	13.9	13.3	12.6
45-54	13.4	13.3	13.0	12.7
55-64	11.8	11.8	12.4	12.9
65-74	9.2	9.3	10.0	9.7
75 and Older	6.4	5.7	6.1	6.6

Source: Claritas, © 2018 Environics Analytics (EA).

Income

The following two tables reflect Median Household Effective Buying Income (“EBI”) and the percentage of households by EBI Groups. EBI is defined as “money income” (defined below) less personal tax and nontax payments. “Money income” is the aggregate of wages and salaries, net farm and nonfarm self-employment income, interest, dividends, net rental and royalty income, Social Security and railroad retirement income, other retirement and disability income, public assistance income, unemployment compensation, Veterans Administration payments, alimony and child support, military family allotments, net winnings from gambling, and other periodic income. Deductions are made for personal income taxes (federal, state and local), personal contributions to social insurance (Social Security and federal retirement payroll deductions), and taxes on owner-occupied nonbusiness real estate. The resulting figure is known as “disposable” or “after-tax” income.

Median Household Effective Buying Income⁽¹⁾

Year	City of Las Vegas	Clark County	State of Nevada	United States
2015	\$42,125	\$43,603	\$44,110	\$45,448
2016	44,478	45,634	46,230	46,738
2017	46,877	47,610	47,914	48,043
2018	47,601	48,977	50,009	50,620
2019	49,292	51,313	51,985	52,468

(1) The difference between consecutive years is not an estimate of change from one year to the next; combinations of data are used each year to identify the estimated mean of income from which the median is computed.

Sources: © The Nielsen Company, *SiteReports*, 2015-2017; and Claritas, 2018-2019, © 2018 Environics Analytics (EA).

Percent of Households by Effective Buying Income Groups – 2019 Estimates

Effective Buying Income Group	City of Las Vegas Households	Clark County Households	State of Nevada Households	United States Households
Under \$24,999	22.3%	20.3%	20.0%	21.4%
\$25,000 - \$49,999	28.4	28.5	28.1	26.4
\$50,000 - \$74,999	19.8	21.0	20.9	19.7
\$75,000 - \$99,999	13.8	14.5	14.7	14.8
\$100,000 - \$124,999	6.7	6.9	7.1	6.3
\$125,000 - \$149,999	3.5	3.4	3.6	3.8
\$150,000 or more	5.5	5.4	5.6	7.6

Source: Claritas, © 2018 Environics Analytics (EA).

The following table sets forth annual per capita personal income levels of Clark County, the State and the nation.

Per Capita Personal Income⁽¹⁾

Year	Clark County	State of Nevada	United States
2013	\$38,423	\$39,440	\$44,826
2014	40,459	41,467	47,025
2015	42,665	44,026	48,940
2016	43,005	44,486	49,831
2017	44,217	46,159	51,640

(1) County figures posted November 2018; state and national figures posted September 2018. All figures are subject to periodic revisions.

Source: United States Department of Commerce, Bureau of Economic Analysis.

Employment

The average annual labor force summary for the Las Vegas-Henderson-Paradise Metropolitan Statistical Area (“MSA”) is set forth in the following table. The Las Vegas-Henderson-Paradise MSA is coextensive with Clark County.

Average Annual Labor Force Summary
Las Vegas-Henderson-Paradise MSA, Nevada
(Estimates in Thousands)⁽¹⁾

Calendar Year ⁽¹⁾	2013	2014	2015	2016	2017	2018 ⁽²⁾
TOTAL LABOR FORCE	1,004.3	1,019.5	1,038.7	1,050.6	1,072.6	1,103.9
Unemployment	97.4	81.5	71.1	61.7	56.2	53.1
Unemployment Rate ⁽³⁾	9.7%	8.0%	6.8%	5.9%	5.2%	4.8%
Total Employment	906.9	938.0	967.6	989.0	1,016.4	1,050.8

(1) All figures are subject to change.

(2) As of November 30, 2018.

(3) The annual average U.S. unemployment rates for the years 2013 through 2017 are 7.4%, 6.2%, 5.3%, 4.9%, and 4.4%, respectively.

Sources: Research and Analysis Bureau, Nevada Dept. of Employment, Training and Rehabilitation; and U.S. Bureau of Labor, Bureau of Labor Statistics.

The following table indicates the number of persons employed by type of employment in non-agricultural industrial employment in the Las Vegas-Henderson-Paradise MSA.

Establishment Based Industrial Employment⁽¹⁾
Las Vegas-Henderson-Paradise MSA, Nevada
(Estimates in Thousands)

Calendar Year	2013	2014	2015	2016	2017	2018 ⁽¹⁾
Natural Resources and Mining	0.3	0.4	0.3	0.4	0.4	0.4
Construction	41.1	45.4	51.1	54.7	59.3	65.6
Manufacturing	20.7	21.1	21.6	22.2	23.0	24.2
Trade (Wholesale and Retail)	120.0	124.1	128.3	129.0	131.0	132.0
Transportation, Warehousing & Utilities	36.6	38.3	40.5	41.6	43.7	46.0
Information	9.8	10.6	10.6	11.0	11.3	11.0
Financial Activities	43.3	43.6	46.0	48.4	50.4	51.1
Professional and Business Services	111.6	117.7	126.6	133.9	138.0	141.0
Education and Health Services	79.2	82.3	86.6	91.6	96.5	100.8
Leisure and Hospitality (casinos excluded)	109.7	115.7	121.4	127.8	132.2	137.1
Casino Hotels and Gaming	157.7	162.6	161.1	158.3	157.2	156.9
Other Services	24.5	25.6	26.9	30.8	31.5	33.2
Government	<u>95.1</u>	<u>96.4</u>	<u>98.0</u>	<u>99.9</u>	<u>102.3</u>	<u>107.1</u>
TOTAL ALL INDUSTRIES ⁽²⁾	<u>849.6</u>	<u>883.6</u>	<u>919.0</u>	<u>949.5</u>	<u>976.8</u>	<u>1006.4</u>

(1) Averaged figures through November 30, 2018.

(2) Totals may not add up due to rounding. All numbers are subject to periodic revision.

Source: Research and Analysis Bureau, Nevada Dept. of Employment, Training and Rehabilitation.

The following table lists the size breakdown of non-government worksites in the County.

Size Class of Industries⁽¹⁾
Clark County, Nevada (Non-Government Worksites)

CALENDAR YEAR	2 nd Qtr. 2018	2 nd Qtr. 2017	Percent Change 2018/2017	Employment Totals 2 nd Qtr. 2018
TOTAL NUMBER OF WORKSITES	55,201	54,453	1.4%	890,146
Less Than 10 Employees	40,796	40,518	0.7	107,294
10-19 Employees	6,793	6,668	1.9	91,898
20-49 Employees	4,791	4,546	5.4	144,481
50-99 Employees	1,534	1,490	3.0	106,046
100-249 Employees	910	872	4.4	133,760
250-499 Employees	207	192	7.8	71,142
500-999 Employees	101	98	3.1	67,810
1000+ Employees	69	69	0.0	167,715

(1) Subject to revisions.

Source: Research and Analysis Bureau, Nevada Dept. of Employment, Training and Rehabilitation.

Retail Sales

The following table sets forth a record of taxable sales in Clark County and the State.

<u>Taxable Sales⁽¹⁾</u>				
<u>Fiscal Year⁽²⁾</u>	<u>County Total</u>	<u>Percent Change</u>	<u>State Total</u>	<u>Percent Change</u>
2014	\$35,040,891,695	--	\$47,440,345,167	--
2015	37,497,073,742	7.0%	50,347,535,591	6.1%
2016	39,242,730,088	4.7	52,788,295,421	4.8
2017	40,888,477,460	4.2	56,547,741,530	7.1
2018	42,569,371,984	4.1	58,947,823,520	4.2
Jul 17 - Oct 17	\$13,627,466,980	--	\$19,092,962,793	--
Jul 18 - Oct 18	14,639,706,727	7.4%	20,250,068,837	6.1%

(1) Subject to revision.

(2) Fiscal year runs from July 1 to the following June 30.

Source: State of Nevada - Department of Taxation.

Construction

Construction valuation is a value placed on a project in order to determine permit and plan fees. Construction valuation has no relationship to assessed valuation. Set forth in the following three tables are summaries of the number and valuation of building permits issued in the City and the County within the years indicated.

Building Permit Issuance in City of Las Vegas

<u>Calendar Year</u>	<u>New Single Family</u>		<u>New Multi-Family⁽¹⁾</u>		<u>New Commercial</u>	
	<u>Permits</u>	<u>Valuation</u>	<u>Permits</u>	<u>Valuation</u>	<u>Permits</u>	<u>Valuation</u>
2014	1,453	\$202,296,089	0	\$ 0	57	\$ 40,849,433
2015	1,646	237,948,746	17	5,724,836	45	101,103,178
2016 ⁽²⁾	1,488	243,432,455	22	90,005,430	61	137,980,228
2017	1,605	276,625,340	17	18,795,607	67	99,403,863
2018	1,719	282,163,849	14	39,574,999	61	153,274,135

(1) Includes duplex and multiplex.

(2) After the City implemented a new reporting system, permit data in 2016 was restated. Permit data in 2016 and 2017 are not comparable to prior years.

Source: City of Las Vegas Building and Safety Department.

Residential Building Permits
Clark County, Nevada
(Values in Thousands)

Calendar Year	2014		2015		2016		2017		2018 ⁽¹⁾	
	Permits	Value	Permits	Value	Permits	Value	Permits	Value	Permits	Value
Las Vegas ⁽²⁾	1,453	\$202,296	1,663	\$ 243,674	1,510	\$ 333,438	1,622	\$ 295,421	1,733	\$321,739
North Las Vegas	491	66,508	698	91,462	816	118,951	925	153,474	1,438	194,305
Henderson ⁽³⁾	1,318	196,285	1,696	255,663	2,197	317,413	2,391	340,826	2,373	332,205
Mesquite	196	34,323	206	40,564	246	56,274	329	73,396	340	76,843
Unincorporated										
Clark County	3,428	452,740	3,847	492,320	4,048	518,263	4,322 ⁽²⁾	582,424	n/a	n/a ⁽⁴⁾
Boulder City ⁽⁵⁾	16	5,199	22	6,977	3	962	21	4,633	75	17,644
TOTAL	6,902	\$957,351	8,132	\$1,130,660	8,820	\$1,345,301	9,610	\$1,450,174	5,959	\$942,736

(1) Reports for cities of Las Vegas, Henderson and Mesquite as of December 31, 2018; reports for cities of North Las Vegas and Boulder City as of November 30, 2018; and Unincorporated Clark County has not issued a report in 2018.

(2) After the City implemented a new reporting system, permit data in 2016 was restated. Permit data in 2016 and 2017 are not comparable to prior years.

(3) After the City of Henderson implemented a new reporting system, permit data in 2017 was restated. Permit data in 2017 are not comparable to prior years.

(4) Unincorporated Clark County has not issued a report since December 8, 2017.

(5) Boulder City imposed a strict growth control ordinance effective July 1, 1979.

Sources: Building Departments: Las Vegas, North Las Vegas, Henderson, Mesquite, Clark County; and Boulder City.

The following table is a summary of the total valuation of all building permits within the County and its incorporated areas.

<u>Total Building Permits</u>					
Calendar Year	2014	2015	2016	2017	2018 ⁽¹⁾
Las Vegas ⁽²⁾	\$ 596,103,559	\$ 602,775,475	\$ 789,497,387	\$ 885,061,960	\$ 875,847,083
North Las Vegas	263,192,557	262,266,938	394,803,755	572,555,197	725,898,756
Henderson ⁽³⁾	385,009,871	423,923,070	595,334,431	564,711,541	576,186,779
Mesquite	38,059,247	45,697,056	66,907,918	86,004,824	98,796,620
Unincorporated					
Clark County	1,987,655,692	2,251,507,323	2,306,747,407	2,419,474,291 ⁽⁴⁾	n/a ⁽⁴⁾
Boulder City	<u>29,391,159</u>	<u>18,566,548</u>	<u>92,521,659</u>	<u>10,921,222</u>	<u>51,333,177</u>
TOTAL	\$3,299,412,085	\$3,604,736,410	\$4,245,812,557	\$4,538,729,035	\$2,328,062,415
Percent Change	7.66%	9.25%	17.78%	6.90%	--

(1) Reports for cities of Las Vegas, Henderson and Mesquite as of December 31, 2018; reports for cities of North Las Vegas and Boulder City as of November 30, 2018; and Unincorporated Clark County has not issued a report in 2018.

(2) After the City of Las Vegas implemented a new reporting system, permit data in 2016 was restated. Permit data in 2016, 2017, and 2018 are not comparable to prior years.

(3) After the City of Henderson implemented a new reporting system, permit data in 2017 was restated. Permit data in 2017 and 2018 are not comparable to prior years.

(4) Unincorporated Clark County has not issued a report since December 8, 2017.

Sources: Building Departments: Las Vegas, North Las Vegas, Henderson, Mesquite, Clark County; and Boulder City.

Gaming

General. The economy of the County (and the State) is substantially dependent upon the tourist industry, which is based on legalized casino gambling and related forms of entertainment. The following table shows a history of the gross taxable gaming revenue and total gaming taxes collected in the County and the State. Over the last five years, an average of 85.8% of the State's total gross taxable gaming revenue has been generated from Clark County.

Gross Taxable Gaming Revenue and Total Gaming Taxes⁽¹⁾

Fiscal Year Ended	Gross Taxable Gaming Revenue ⁽²⁾		% Change Clark County	State Gaming Collection ⁽³⁾		% Change Clark County
	<u>State Total</u>	<u>Clark County</u>		<u>State Total</u>	<u>Clark County</u>	
<u>June 30</u>						
2014	\$10,208,187,598	\$8,768,009,640	--	\$912,371,316	\$795,514,687	--
2015	10,511,495,144	9,025,697,588	2.94%	909,857,085	790,506,339	(0.63)%
2016	10,612,521,986	9,105,165,777	0.88	876,040,147	756,465,063	(4.31)
2017	10,964,590,686	9,418,043,074	3.44	874,777,727	752,463,971	(0.53)
2018	11,330,712,715	9,691,865,860	2.91	866,305,681	737,159,428	(2.03)
Jul 17 – Nov 17	\$4,749,887,532	\$4,046,318,569	--	\$337,679,942	\$285,711,473	--
Jul 18 – Nov 18	4,664,359,002	3,934,820,815	(2.76)%	312,234,266	258,038,202	(9.69)%

(1) The figures shown are subject to adjustments due to amended tax filings, fines and penalties.

(2) The total of all sums received as winnings less only the total of all sums paid out as losses (before operating expenses).

(3) Cash receipts of the State from all sources relating to gaming (General Fund and other revenues) including percentage license fees, quarterly flat license fees, annual license fees, casino entertainment taxes, annual slot machine taxes, penalties, advance fees, and miscellaneous collections. A portion of collections is deposited to the State funds other than the State's General Fund.

Source: State of Nevada - Gaming Control Board.

Gaming Competition. Different forms of legalized gaming have been authorized by many states, as well as the tribal casinos, across the United States. Other states may authorize gaming in the future in one form or another. The different forms of gaming range from casino gaming to riverboat gambling to lotteries and internet gaming. As presently operated, lotteries offer a considerably different gaming product than that offered in Nevada. The City cannot predict the impact of legalization of state lotteries and casino gaming in other states on the economy of the County or the State.

Tourism

Tourism is an important industry in the County. Hoover Dam, Lake Mead, Mt. Charleston and other tourist attractions are in Clark County. Attractions such as the Great Basin, Grand Canyon, Yosemite, Bryce Canyon, Zion, and Death Valley National Parks are each within a short flight or day's drive of southern Nevada.

The growth of tourism in southern Nevada is reflected in the number of hotel and motel rooms available for occupancy. The area's hotels and motels have historically experienced higher occupancy rates than those on a national level. Set forth in the table below is the Las Vegas Convention and Visitors Authority ("LVCVA") Marketing Department's estimate of the number of visitors to the Las Vegas Metropolitan Area since 2013.

Visitor Volume and Room Occupancy Rate
Las Vegas Metropolitan Area, Nevada

Calendar Year	Total Visitor Volume	Number of Hotel/Motel Rooms Available	Hotel/Motel Occupancy Rate ⁽¹⁾	National Occupancy Rate ⁽²⁾
2013	39,668,221	150,593	84.3%	62.3%
2014	41,126,512	150,544	86.8	64.4
2015	42,312,216	149,213	87.7	65.6
2016	42,936,100	149,339	89.1	65.5
2017	42,214,200	146,993	88.7	65.9
2018 ⁽²⁾	38,849,200	147,545	89.0	67.3

(1) The sample size for this survey represents approximately 75% of the hotel/motel rooms available.

(2) As of November 30, 2018. Total visitor volume reflects a (0.4)% decrease over the same time period in 2017.

Source: Las Vegas Convention and Visitors Authority.

The LVCVA is financed with the proceeds of hotel and motel room taxes in the County and its incorporated cities. A history of the room tax revenue collected is presented in the following table.

Room Tax Revenue⁽¹⁾
Las Vegas Convention & Visitors Authority, Nevada

Calendar Year	Revenue	Percent Change
2013	\$210,138,974	--
2014	232,443,537	10.6%
2015	254,438,208	9.5
2016	273,079,478	7.3
2017	282,497,036	3.4
2018 ⁽²⁾	241,976,730	--

(1) Subject to revision. Room tax revenue represents a 5% tax allocated to the Las Vegas Convention & Visitors Authority; a total 9-11% room tax is assessed on all Clark County hotel/motel properties.

(2) As of August 31, 2018. Revenue reflects a 7.7% increase over the same time period in 2017.

Source: Las Vegas Convention and Visitors Authority.

Transportation

Clark County, through its Department of Aviation, operates an airport system comprised of McCarran International Airport ("McCarran") and a reliever airport in North Las Vegas. Other general aviation airports in the County include Jean Sport, Overton-Perkins Field, and Henderson Executive Airport in Henderson. Boulder City Municipal Airport, which is not owned by the County, is located in the southeastern part of Clark County.

Nearly half of all Las Vegas visitors arrive by air via McCarran, making it a major driving force in the southern Nevada economy. McCarran's long range plan focuses on building and maintaining state-of-the-art facilities, maximizing existing resources, and capitalizing on new and innovative technology. McCarran opened Terminal 3 in 2012, a new 1.9 million-square-foot facility, which eases congestion within garages, ticketing lobbies and security checkpoints. McCarran reported 48.5 million arriving and departing passengers in 2017, making the year the busiest in the airport's nearly 70-year history. McCarran posted a year-over-year increase for the seventh consecutive year. A history of passenger statistics, including year 2018, is set forth in the following table.

McCarran International Airport Enplaned & Deplaned Passenger Statistics

<u>Calendar Year</u>	<u>Scheduled Carriers</u>	<u>Charter, Commuter & Other Aviation</u>	<u>Total</u>	<u>Percent Change</u>
2013	40,334,735	1,522,324	41,857,059	--
2014	41,327,024	1,558,326	42,885,350	2.5%
2015	43,933,404	1,455,670	45,389,074	5.8
2016	45,857,096	1,578,544	47,435,640	4.5
2017	46,692,970	1,807,224	48,500,194	2.2
2018 ⁽¹⁾	44,013,774	1,799,728	45,813,502	--

(1) As of November 30, 2018. Total passengers increased 2.6% over year-to-date passenger count for the same time period in 2017.

Source: McCarran International Airport.

A major railroad crosses Clark County. There are nine federal highways in Nevada, two of which are part of the interstate system. Interstate 15, connecting Salt Lake City and San Diego, passes through Las Vegas and provides convenient access to the Los Angeles area. Interstate 80 connects Salt Lake City with the San Francisco Bay area and passes through the Reno-Sparks area. Several national bus lines and trucking lines serve the State.

U.S. Highways 95 and 93 are major routes north from Las Vegas, through Reno and Ely, Nevada, respectively. South of Las Vegas, U.S. 95 extends to the Mexican border, generally following the Colorado River, and U.S. 93 crosses Hoover Dam into Arizona.

Federal Activities

Operations and facilities of the Federal Government in the State have been significant, beginning with Hoover Dam in the 1930's, an Army Air Force gunnery school (which later became Nellis Air Force Base) during World War II, and the subsequent creation of the Nevada Test Site. Currently, the following federal activities are located in the County.

Hoover Dam. Hoover Dam, operated by the Bureau of Reclamation, is a multiple-purpose development. The dam controls floods and stores water for irrigation, municipal and industrial uses, hydroelectric power generation, and recreation. Hoover Dam is still one of the world's largest hydroelectric installations with a capacity of more than 2,000,000 kilowatts. Hoover Dam also is a major tourist attraction in the County.

Nellis Air Force Base. Nellis Air Force Base, a part of the U.S. Air Force Air Combat Command, is located adjacent to the City of Las Vegas. The base itself covers more than 14,000 acres of land, and its vast ranges provide 15,000 square miles of airspace for flying operations. The base hosts

numerous military programs as well as civilian workers. It is the home base of the “Thunderbirds,” the world famous air demonstration squadron.

Nevada National Security Site. The Nevada National Security Site (“NNSS”), previously the Nevada Test Site, was established in 1950 as the nation’s proving ground for nuclear weapons testing. In recent years, under the direction of the Department of Energy’s (DOE) Nevada Operations Office, NNSS use has diversified into many other areas such as hazardous chemical spill testing, emergency response training, conventional weapons testing, and waste management projects that can best be conducted in this remote desert area. The NNSS has been designated as an Environmental Research Park where scientists and students can conduct research on environmental issues. Located 65 miles northeast of Las Vegas, the NNSS is a massive outdoor laboratory and national experimental center. NNSS comprises 1,360 square miles, surrounded by thousands of additional acres of land withdrawn from the public domain for use as a protected wildlife range and for a military gunnery range, creating an unpopulated area of some 5,470 square miles. Federal employees and independent contractors are employed at NNSS.

Development Activity

The Nevada Development Authority (“NDA”) is a nonprofit organization dedicated to the expansion and diversification of the entire southern Nevada community. Now in its fifth decade of service, NDA’s membership is comprised of hundreds of business-oriented individuals. NDA’s primary function is to provide information to companies considering relocation as well as to firms already doing business in southern Nevada. Nevada does not have corporate or personal income tax; inheritance or gift tax; unitary franchise on income; admission’s tax; inventory tax; chain-store tax; special intangible tax; or franchise tax, which attracts many businesses to the area.

Complementing the area’s emphasis on economic diversification are the numerous business incentives unique to the State of Nevada. Competitive wage rates, an expanding labor force, low out-bound freight transportation costs to other prominent southwestern markets and a graduated schedule for payment of sales and use tax on new capital equipment combine to give business and industry an attractive advantage. The State also abates sales and use taxes on capital equipment for qualified relocating or expanding companies. Additional incentives include a customized job training program (Train Employees Now) as well as no corporate, personal or inventory taxes.

Utilities

Electric utility services are provided to the vast majority of southern Nevada residents by NV Energy (formerly Nevada Power Company, a stand-alone subsidiary of Sierra Pacific Resources) with headquarters in Las Vegas, Nevada, and natural gas is provided by Southwest Gas Corporation.

CenturyLink (formerly Embarq) is the largest provider of local telephone service to the greater Las Vegas area, including the smaller communities of Blue Diamond, Boulder City, Cal-Nev-Ari, Cottonwood Cove, Goodsprings, Jean, Laughlin, Mt. Charleston, Nelson, Primm and Searchlight.

Water

The major water purveyors in Clark County are: The Big Bend Water District, Boulder City, Henderson, the Las Vegas Valley Water District (the “LVVWD”), Nellis Air Force Base, and North Las Vegas. The LVVWD provides water service to the City of Las Vegas, the unincorporated urban areas of Clark County, Jean, Mt. Charleston, Blue Diamond, and Searchlight. The Big Bend Water District serves the Town of Laughlin. In addition, the Virgin Valley Water District serves the City of

Mesquite and surrounding area, and the Moapa Valley Water District serves Logandale, Overton, Moapa and Glendale.

In July 1991, a regional water entity was created for southern Nevada. This new entity, the Southern Nevada Water Authority (the “SNWA”), was established in recognition of the need to address water on a regional basis rather than an individual purveyor basis. The members of the SNWA include the cities of Boulder City, Henderson, Las Vegas and North Las Vegas, the Big Bend Water District, Clark County Water Reclamation District, and the LVVWD. Among other things, this agency is addressing water resource management and water conservation on a regional basis; planning, managing and developing additional supplies of water for southern Nevada; and expanding and enhancing regional treatment and delivery capabilities. The LVVWD provides the management and staff for the SNWA.

The Southern Nevada Water System (the “SNWS”) is a water supply system comprised of two water treatment plants and pumping and transmission facilities with an annual delivery capacity of approximately 750 million gallons per day (mgd). Water is treated after diversion from Lake Mead and the potable product is delivered to the SNWA water purveyors. As a result of legislative action in 1995, the SNWS was transferred from the Colorado River Commission (the “CRC”) to the SNWA. The LVVWD, under a facilities and operations agreement with the SNWA, operates the SNWS for the benefit of all SNWA water purveyor member agencies.

The State’s annual consumptive use right to Colorado River water is 300,000 acre-feet. This right was established pursuant to the Colorado River Compact, various federal laws and contracts and various court decrees. Consumptive use is the amount of water withdrawn, less water that is returned to the river. The SNWA and its purveyor members’ share of the State’s annual Colorado River consumptive use right is about 272,000 acre-feet annually. The SNWA also has a contract right to unused and surplus Colorado River water when available as determined by the Secretary of the Interior.

As part of its mission, the SNWA maintains several key planning documents, including a Water Resource Plan. These documents summarize existing resources and options that reflect current conditions. The SNWA is engaged in the development of additional in-state water resources. The development of these in-state resources will be a significant focus of the SNWA over the next decade.

Education

Clark County School District provides public education services to the residents of the County and enrolls approximately 68% of all school children in the State; it is one of the largest school districts in the United States. Higher education is provided by the College of Southern Nevada (a two-year institution), by Nevada State College in Henderson (a four-year institution) and by the University of Nevada, Las Vegas (a four-year university). All of these institutions are part of the Nevada System of Higher Education.

LEGAL MATTERS

Litigation

There are various suits pending in courts within the State to which the City is a party. In the opinion of the City Attorney, there is no litigation or controversy of any nature now pending, or to the knowledge of the City Attorney, threatened, (i) restraining or enjoining the issuance, sale, execution or delivery of the 2019 Bonds, or (ii) in any way contesting or affecting the validity of the 2019 Bonds or any proceedings of the City taken with respect to the issuance or sale thereof, the pledge, collection or application of any moneys or securities provided for the payment of the 2019 Bonds or the corporate existence of the City.

The City was named in actions entitled *180 Land Company, LLC v. City of Las Vegas*, Case No. A-17-758528-J; *Fore Stars, Ltd., et al. v. City of Las Vegas, et al.*, Case No. A-18-773268-C; *180 Land Company, LLC v. City of Las Vegas*, Case No. A-18-775804-J; and *180 Land Company, LLC, et al. v. City of Las Vegas*, Case No. A-18-780184-C. Outside counsel is handling this litigation on behalf of the City. The complaints were filed by the prospective developer of a former golf course and seek damages for inverse condemnation arising out of the denial of several applications for land use entitlements. Some actions also seeks judicial review of the City Council's denial of the applications. The complaints do not state a proposed value of the subject property and no appraisals have been produced; however, the developer has informally claimed that damages for inverse condemnation are in excess of \$100,000,000. One claim for inverse condemnation has been dismissed; but, is subject to a pending motion for reconsideration. The other actions are subject to currently pending motions to dismiss.

The City is also a party to numerous other actions and claims in connection with its properties and activities, but in the opinion of the City Attorney, based in part on the advice of outside counsel, current litigation facing the City will not materially affect the City's ability to perform its obligations to the owners of the 2019 Bonds.

Sovereign Immunity

Pursuant to State statute (NRS Section 41.035), an award for damages in an action sounding in tort against the City may not include any amount as exemplary or punitive damages and is limited to \$100,000 per cause of action. The limitation does not apply to federal actions brought under federal law such as civil rights actions under 42 U.S.C. Section 1983 and actions under The Americans with Disabilities Act of 1990 (P.L. 101-336), or to actions in other states.

Approval of Certain Legal Proceedings

The legal opinions of Sherman & Howard L.L.C., Bond Counsel, Las Vegas, Nevada as to the validity and enforceability of the 2019 Bonds will be made available to the Initial Purchaser at the time of original delivery. See Appendix E – Forms of Approving Opinions of Bond Counsel. Sherman & Howard L.L.C. also has acted as special counsel to the City in connection with the preparation of this Official Statement. The City Attorney will pass upon certain legal matters for the City.

Police Power

The obligations of the City are subject to the reasonable exercise in the future by the State and its governmental bodies of the police power and powers of taxation inherent in the sovereignty of the State, and to the exercise by the United States of the powers delegated to it by the federal constitution.

TAX MATTERS

Federal Tax Matters

In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described below, interest on the 2019 Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of Tax Code, and interest on the 2019 Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code.

The Tax Code imposes several requirements which must be met with respect to the 2019 Bonds in order for the interest thereon to be excluded from gross income and alternative minimum taxable income. Certain of these requirements must be met on a continuous basis throughout the term of the 2019 Bonds. These requirements include: (a) limitations as to the use of proceeds of the 2019 Bonds;

(b) limitations on the extent to which proceeds of the 2019 Bonds may be invested in higher yielding investments; and (c) a provision, subject to certain limited exceptions, that requires all investment earnings on the proceeds of the 2019 Bonds above the yield on the 2019 Bonds to be paid to the United States Treasury. The City will covenant and represent in the Bond Ordinances that it will take all steps to comply with the requirements of the Tax Code to the extent necessary to maintain the exclusion of interest on the 2019 Bonds from gross income and alternative minimum taxable income (except to the extent of the aforementioned adjustment applicable to corporations) under such federal income tax laws. Bond Counsel's opinion as to the exclusion of interest on the 2019 Bonds from gross income and alternative minimum taxable income (to the extent described above) is rendered in reliance on these covenants, and assumes continuous compliance therewith. The failure or inability of the City to comply with these requirements could cause the interest on the 2019 Bonds to be included in gross income, alternative minimum taxable income or both from the date of issuance. Bond Counsel's opinion also is rendered in reliance upon certifications of the City and other certifications furnished to Bond Counsel. Bond Counsel has not undertaken to verify such certifications by independent investigation.

The Tax Code contains numerous provisions which may affect an investor's decision to purchase the 2019 Bonds. Owners of the 2019 Bonds should be aware that the ownership of tax-exempt obligations by particular persons and entities, including, without limitation, financial institutions, insurance companies, recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, foreign corporations doing business in the United States and certain "subchapter S" corporations may result in adverse federal tax consequences. Under Section 3406 of the Tax Code, backup withholding may be imposed on payments on the 2019 Bonds made to any owner who fails to provide certain required information, including an accurate taxpayer identification number, to certain persons required to collect such information pursuant to the Tax Code. Backup withholding may also be applied if the owner underreports "reportable payments" (including interest and dividends) as defined in Section 3406, or fails to provide a certificate that the owner is not subject to backup withholding in circumstances where such a certificate is required by the Tax Code. Certain of the 2019 Bonds may be sold at a premium, representing a difference between the original offering price of those 2019 Bonds and the principal amount thereof payable at maturity. Under certain circumstances, an initial owner of such bonds (if any) may realize a taxable gain upon their disposition, even though such bonds are sold or redeemed for an amount equal to the owner's acquisition cost. Bond Counsel's opinion relates only to the exclusion of interest on the 2019 Bonds from gross income and alternative minimum taxable income as described above and will state that no opinion is expressed regarding other federal tax consequences arising from the receipt or accrual of interest on or ownership of the 2019 Bonds. Owners of the 2019 Bonds are advised to consult with their own tax advisors with respect to such matters.

The opinions expressed by Bond Counsel are based upon existing law as of the delivery date of the 2019 Bonds. No opinion is expressed as of any subsequent date nor is any opinion expressed with respect to any pending or proposed legislation. Amendments to the federal tax laws may be pending now or could be proposed in the future which, if enacted into law, could adversely affect the value of the 2019 Bonds, the exclusion of interest on the 2019 Bonds from gross income or alternative minimum taxable income or both from the date of issuance of the 2019 Bonds or any other date, or which could result in other adverse federal tax consequences. In addition, future court actions or regulatory decisions could affect the tax treatment or market value of the 2019 Bonds. Bond owners are advised to consult with their own tax advisors with respect to such matters.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Service will commence an audit of the 2019 Bonds. If an audit is commenced, the market value of the 2019 Bonds may be adversely affected. Under current audit

procedures, the Service will treat the City as the taxpayer and the Owners may have no right to participate in such procedures. The City has covenanted in the Bond Ordinances not to take any action that would cause the interest on the 2019 Bonds to lose its exclusion from gross income for federal income tax purposes or lose its exclusion from alternative minimum taxable income except to the extent described above for the owners thereof for federal income tax purposes. None of the City, the Underwriter, Municipal Advisor or Bond Counsel is responsible for paying or reimbursing any Registered Owner or Beneficial Owner for any audit or litigation costs relating to the 2019 Bonds.

State Tax Exemption

The 2019 Bonds, their transfer, and the income therefrom, are free and exempt from taxation by the State or any subdivision thereof except for the tax on estates imposed pursuant to Chapter 375A of NRS, and the tax on generation skipping transfers imposed pursuant to Chapter 375B of NRS.

MUNICIPAL ADVISOR

Zions Public Finance, Las Vegas, Nevada, is serving as Municipal Advisor to the City in connection with the 2019 Bonds. See “INTRODUCTION – Additional Information” for contact information for the Municipal Advisor. The Municipal Advisor has not audited, authenticated or otherwise verified the information set forth in the Official Statement, or any other related information available to the City, with respect to the accuracy and completeness of disclosure of such information, and no guaranty, warranty or other representation is made by the Municipal Advisor respecting accuracy and completeness of the Official Statement or any other matter related to the Official Statement.

INDEPENDENT AUDITORS

The basic financial statements of the City of Las Vegas, Nevada, as of and for the year ended June 30, 2018, included hereto as Appendix A, have been audited by Piercy Bowler Taylor & Kern, independent certified public accountants, Las Vegas, Nevada, to the extent and for the period indicated in their report thereon.

The audited basic financial statements of the City, including the auditor’s report thereon, are public documents and pursuant to State law, no consent from the auditors is required to be obtained prior to inclusion of the audited financial statements in this Official Statement. Accordingly, the City has not requested consent from its auditors. Since the date of its report, Piercy Bowler Taylor & Kern has not been engaged to perform and has not performed any procedures on the basic financial statements addressed in that report and also has not performed any procedures relating to this Official Statement.

RATINGS

S&P Global Services, a Division of The McGraw-Hill Companies (“S&P”), and Moody’s Investors Service, Inc. (“Moody’s”), have assigned the 2019 Bonds the respective ratings shown on the cover page of this Official Statement. An explanation of the significance of any ratings given by S&P may be obtained from S&P at 55 Water Street, New York, New York 10041. An explanation of the significance of any ratings given by Moody’s may be obtained from Moody’s at 7 World Trade Center at 250 Greenwich Street, New York, New York 10007.

There is no assurance that such ratings will continue for any given period of time after they are received or that they will not be lowered or withdrawn entirely if, in the judgment of the rating agencies, circumstances so warrant. Other than the City’s obligations under the Disclosure Certificate, neither the City nor the Municipal Advisor has undertaken any responsibility either to bring to the

attention of the owners of the 2019 Bonds any proposed change in or withdrawal of such ratings or to oppose any such proposed revision. Any such change in or withdrawal of the ratings could have an adverse effect on the market price of the 2019 Bonds.

PUBLIC SALE

The City expects to sell the 2019 Bonds at public sale on January 23, 2019. See Appendix F – Official Notice of Bond Sale.

OFFICIAL STATEMENT CERTIFICATION

The undersigned official hereby confirms and certifies that the execution and delivery of this Official Statement and its use in connection with the offering and sale of the 2019 Bonds has been duly authorized by the City Council.

CITY OF LAS VEGAS, NEVADA

By: _____
Chief Financial Officer

APPENDIX A

AUDITED BASIC FINANCIAL STATEMENTS OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE: The audited basic financial statements of the City included in this Appendix A have been excerpted from the City's Comprehensive Annual Financial Report for the year ended June 30, 2018. The introductory section, combining and individual fund financial statements and schedules, statistical section, compliance section and supplementary information and single audit section of the CAFR for the fiscal year ended June 30, 2018, were purposely excluded from this Appendix A. Such statements provide supporting details and are not necessary for a fair presentation of the general purpose financial statement of the City.

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Members of the City Council
City of Las Vegas, Nevada

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Las Vegas (the City) as of and for the year ended June 30, 2018, and the budgetary comparison information for the general fund and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

An audit performed in accordance with applicable professional standards is a process designed to obtain reasonable assurance about whether the City's basic financial statements are free from material misstatement. This process involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the basic financial statements to enable the design of audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as the overall presentation of the basic financial statements.

Management's Responsibility for the Financial Statements. Management is responsible for the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility. Our responsibility is to express an opinion on the basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion. In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison information for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters. Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, postemployment benefits other than pensions (OPEB), schedule of changes in the net OPEB liability and related ratios, proportionate share of the collective net pension liability information, proportionate share of statutorily required pension contribution information and budgetary comparison information on pages 20-31 and 117-118 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information. Our audit was conducted for the purpose of forming our opinion on the financial statements that collectively comprise the City's basic financial statements. The introductory section, other supplementary information, as listed in the table of contents, statistical section and schedule of business license fees are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*. In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in blue ink, appearing to read "P. Ray Boudin", is written over a horizontal line.

Las Vegas, Nevada
December 11, 2018

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CITY OF LAS VEGAS, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

As management of the City of Las Vegas, Nevada (the City), we offer readers of the City's basic financial statements this narrative overview and analysis of the City's financial activities as of and for the year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found beginning on page 5 of this report.

Financial Highlights

Government-wide:

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of fiscal year ended June 30, 2018, by \$3,767,689,158 (net position). Governmental activities represent \$2,903,815,984 of the total net position and \$863,873,174 is from business-type activities. Of this amount, \$3,921,061,928 is net investment in capital assets, \$299,408,333 is restricted for various purposes, and unrestricted net position is a deficit of \$452,781,103. Unrestricted net position has been used to meet the City's ongoing obligations to citizens and creditors. A major contributor to the deficit is the implementation of GASB 68 which required the City to record \$505,540,722 of net pension liability (see Note 8 on pages 77-82), and Metropolitan Police net pension liability of \$329,210,318.
- Government-wide total governmental expenses were \$739,912,376. The major expense functions were Public Safety at \$390,683,498, Culture and Recreation at \$86,992,168, Public Works at \$86,535,315, and General Government at \$80,915,827. Business-type activities (*proprietary funds*) operating and non-operating expenses totaled \$124,199,842.
- The City's primary revenue sources are ad valorem (property) taxes of \$121,171,833 and intergovernmental-consolidated taxes of \$302,104,555. Combined, these two sources represent 52 percent of the total governmental activities revenue of \$820,498,797 from the statement of activities.

Fund Level:

- At the close of Fiscal Year 2018, the City's governmental funds reported combined ending fund balances of \$694,283,958. Of this amount \$22,607,246 is nonspendable, \$403,080,249 is restricted, \$33,646,842 is committed, \$133,774,524 is assigned and \$101,175,097 is unassigned.
- The general fund had a total fund balance of \$131,905,509 at June 30, 2018, which represented 24 percent of total General Fund revenues. The assigned and unassigned fund balance was \$114,461,924. It is the City's fiscal policy to maintain a total ending fund balance in the general fund of at least 20 percent of operating revenues.

Long-term Debt:

- The City's total debt had a net increase of \$7,216,601, excluding premiums and discounts. A contributing factor was that the City issued two bonds for \$41,110,000. The City also paid \$33,893,399 in debt payments.

Overview of the Basic Financial Statements

This discussion and analysis serves as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business.

The *statement of net position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

CITY OF LAS VEGAS, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation and sick leave). Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, judicial, public safety, public works, welfare, health, culture and recreation, economic development and assistance, and interest on long-term debt. The business-type activities of the City include operations of its water pollution control facility (sanitation), municipal golf course, municipal parking, building permits and inspections, and nonprofit corporation activities.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also the activities of legally separate component units: City of Las Vegas Redevelopment Agency, and Non-Profit Corporations. Because the City Council acts as the governing board or has oversight power for each of these component units, their activities are blended with those of the primary government because they function as part of the City. The City also reports seven discretely presented component units: The Commission for the Las Vegas Centennial and LVCIC-SUB CDE's which are all legally and operationally separate from the City.

By Nevada state statute, the City and Clark County (County) are partners in a joint venture that created the Las Vegas Metropolitan Police Department (LVMPD). A five-member fiscal affairs committee approves the LVMPD budget and related business matters. The committee is composed of two appointees each from the City and the County, and one appointee from the general public. The statute defines the funding formula shared by the City and the County. Complete financial information for the LVMPD is included in the comprehensive annual financial report of Clark County, Nevada.

Additional information on the LVMPD joint venture can be found in the notes to the government-wide financial statements on page 74 of this report. In addition to funding its share of the LVMPD, the City maintains its own detention facility and a small police force (City marshals) that has jurisdiction over City property, especially parks and recreation facilities.

The government-wide financial statements can be found on pages 36 - 39 of this report.

Fund financial statements: A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds: *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the City of Las Vegas debt service fund, the Road and Flood capital projects fund, and the Sanitation enterprise fund. Each of these funds is considered to be a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the Combining and Individual Funds

CITY OF LAS VEGAS, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Statements and Schedules subsections of this report.

The City adopts an annual appropriated budget for its General Fund and each of its special revenue funds, debt service funds, capital project funds and its permanent fund. A budgetary comparison statement is provided for each of the City's governmental funds to demonstrate compliance with this budget. The budgetary comparison schedules for the General Fund are located in the Basic Financial Statements section of this report; the other non-major governmental funds are included in the Combining and Individual Fund Statements and Schedules subsection of this report.

The basic governmental fund financial statements can be found on pages 40 and 43 of this report.

Proprietary funds: The City maintains two different types of proprietary funds.

1. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sewer (sanitation), municipal golf course, municipal parking, and building and safety (development services), as well as its non-profit corporations.
2. Internal service funds are used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for the following activities:
 - Emergency dispatch services
 - Reprographics equipment and operations
 - Vehicle, computer and phone management
 - Self-insurance activities, including:
 - Liability insurance and property damage
 - Employee benefits
 - Facilities maintenance and custodial services

Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements provide separate information for the Sanitation Enterprise Fund, which is considered a major fund of the City. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds and non-major enterprise funds is provided in the Combining and Individual Funds Statements and Schedules subsections of this report.

The basic proprietary fund financial statements can be found on pages 46 - 50 of this report.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The City's Fiduciary funds consist of three Agency funds. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs.

The basic fiduciary funds financial statement can be found on page 51 of this report.

Notes to the basic financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 53 - 113 of this report.

Required supplementary information: This section has additional information to support the basic financial statements. It includes a schedule of changes in the City's net OPEB liability and related ratios, and schedules related to the City's proportionate share of changes in the Public Employees' Retirement System (PERS) net pension liability and schedule of contributions. The required supplementary information can be found on pages 117 - 118 of this report.

CITY OF LAS VEGAS, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Other information: In addition to the basic financial statements and accompanying notes, the report also presents a subsection titled Combining and Individual Funds Statements and Schedules Section, which includes the schedules for the City's major governmental funds – budget and actual, non-major governmental funds, major proprietary funds - budget and actual, non-major proprietary funds, internal service funds and fiduciary funds used in the operation of governmental funds (those not included in internal service funds). Combining and individual fund statements and schedules can be found on pages 124 - 218 of this report

The *Statistical* section can be found on pages 222 - 241 of this report. This section includes schedules on statistical information provided on a trend basis for historical analysis.

The *Compliance and Supplementary Information* section can be found on page 245 - 247 of this report. This section includes a schedule in compliance with state statutes.

The *Single Audit* section can be found on pages 251 - 262 of this report. This section presents a schedule of expenditures of federal awards for the City, related notes and a schedule of findings and questioned costs.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$3,767,689,158 at the close of the most recent fiscal year.

The largest portion of the city's net position (104.1 percent) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment, etc.), less accumulated depreciation and any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Total net position increased by 2.3 percent or \$84,688,644, which is net of a prior period adjustment of (\$20,323,478) related to the retroactive adoption of new accounting standards (see note 18).

City of Las Vegas, Nevada
Summary Schedule of Net Position
As of June 30, 2018 and 2017

	Governmental		Business-type		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 779,662,189	\$ 727,958,675	\$ 181,298,153	\$ 177,249,558	\$ 960,960,342	\$ 905,208,233
Net capital assets	3,836,678,457	3,786,304,192	854,441,789	845,769,078	4,691,120,246	4,632,073,270
Total assets	<u>4,616,340,646</u>	<u>4,514,262,867</u>	<u>1,035,739,942</u>	<u>1,023,018,636</u>	<u>5,652,080,588</u>	<u>5,537,281,503</u>
Deferred outflows of resources	<u>92,995,154</u>	<u>143,472,272</u>	<u>9,387,958</u>	<u>15,908,989</u>	<u>102,383,112</u>	<u>159,381,261</u>
Long-term liabilities	1,698,528,093	1,728,562,053	160,733,817	175,041,858	1,859,261,910	1,903,603,911
Other liabilities	53,249,006	49,100,591	14,288,240	14,610,871	67,537,246	63,711,462
Total liabilities	<u>1,751,777,099</u>	<u>1,777,662,644</u>	<u>175,022,057</u>	<u>189,652,729</u>	<u>1,926,799,156</u>	<u>1,967,315,373</u>
Deferred inflows of resources	<u>53,742,717</u>	<u>41,064,797</u>	<u>6,232,669</u>	<u>5,282,080</u>	<u>59,975,386</u>	<u>46,346,877</u>
Net position:						
Net investment in capital assets	3,154,818,247	3,126,179,030	766,243,681	747,467,473	3,921,061,928	3,873,646,503
Restricted	299,408,333	306,959,568			299,408,333	306,959,568
Unrestricted (Deficit)	<u>(550,410,596)</u>	<u>(594,130,900)</u>	<u>97,629,493</u>	<u>96,525,343</u>	<u>(452,781,103)</u>	<u>(497,605,557)</u>
Total net position	<u>\$ 2,903,815,984</u>	<u>\$ 2,839,007,698</u>	<u>\$ 863,873,174</u>	<u>\$ 843,992,816</u>	<u>\$ 3,767,689,158</u>	<u>\$ 3,683,000,514</u>

The City's total net position is \$3,767,689,158, of which \$(452,781,103) is *unrestricted deficit net position*. An additional portion of the City's net position represents resources that are subject to external restrictions on how they may be used. Of the total restricted net position of \$299,408,333, 3 percent is for public safety, 63 percent is for repayment of long-term debt, 13 percent is for street maintenance, 15 percent is for Capital Projects, and 5 percent is for economic development and assistance.

CITY OF LAS VEGAS, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

At the end of the current fiscal year, the City is able to report positive balances in two of the three categories of its net position, for the governmental activities and business-type activities.

Governmental activities increased the City's net position by \$64,808,286. Key elements of this increase are as follows:

City of Las Vegas, Nevada Changes in Net Position For the Fiscal Year Ended June 30, 2018 and 2017						
	Governmental		Business-type		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 186,714,334	\$ 183,176,056	\$ 126,822,859	\$ 120,689,542	\$ 313,537,193	\$ 303,865,598
Operating grants and contributions	15,903,293	14,312,965	8,102,749	7,859,673	24,006,042	22,172,638
Capital grants and contributions	172,468,079	156,075,611	11,619,232	14,434,409	184,087,311	170,510,020
General revenues:						
Intergovernmental revenue - consolidated tax	302,104,555	286,365,052			302,104,555	286,365,052
Property taxes	121,171,833	114,523,735			121,171,833	114,523,735
Room tax	3,243,226	3,182,515			3,243,226	3,182,515
Residential construction tax	1,276,644	1,338,842			1,276,644	1,338,842
Motor vehicle fuel tax	10,564,927	10,114,317			10,564,927	10,114,317
Unrestricted investment earnings	6,549,319	4,987,676	991,381	759,830	7,540,700	5,747,506
Gain on sale of land held for resale	16,242				16,242	
Gain on disposal of capital assets	486,345	1,092,976	1,089,322		1,575,667	1,092,976
Total revenues	<u>820,498,797</u>	<u>775,169,745</u>	<u>148,625,543</u>	<u>143,743,454</u>	<u>969,124,340</u>	<u>918,913,199</u>
Expenses:						
General government	80,915,827	78,712,366			80,915,827	78,712,366
Judicial	30,886,611	30,116,083			30,886,611	30,116,083
Public safety	390,683,498	410,216,294			390,683,498	410,216,294
Public works	86,535,315	84,679,814			86,535,315	84,679,814
Welfare	5,287	7,763			5,287	7,763
Health	5,225,759	4,622,187			5,225,759	4,622,187
Culture and recreation	86,992,168	87,096,410			86,992,168	87,096,410
Economic development and assistance	24,506,264	23,046,797			24,506,264	23,046,797
Interest on long-term debt	34,161,647	34,617,441			34,161,647	34,617,441
Sanitation			99,826,161	94,773,635	99,826,161	94,773,635
Development services			10,504,555	11,207,677	10,504,555	11,207,677
Parking			10,373,905	9,524,375	10,373,905	9,524,375
Golf course			2,099,949	2,191,110	2,099,949	2,191,110
Land development			1,395,272	2,606,836	1,395,272	2,606,836
Total expenses	<u>739,912,376</u>	<u>753,115,155</u>	<u>124,199,842</u>	<u>120,303,633</u>	<u>864,112,218</u>	<u>873,418,788</u>
Change in net position before transfers	80,586,421	22,054,590	24,425,701	23,439,821	105,012,122	45,494,411
Transfers	1,635,700	1,444,603	(1,635,700)	(1,444,603)		
Change in net position	<u>82,222,121</u>	<u>23,499,193</u>	<u>22,790,001</u>	<u>21,995,218</u>	<u>105,012,122</u>	<u>45,494,411</u>
Net position - July 1, as previously reported	2,839,007,698	2,815,508,505	843,992,816	821,997,598	3,683,000,514	3,637,506,103
Prior period adjustment	(17,413,835)		(2,909,643)		(20,323,478)	
Net position - July 1, as restated	<u>2,821,593,863</u>	<u>2,815,508,505</u>	<u>841,083,173</u>	<u>821,997,598</u>	<u>3,662,677,036</u>	<u>3,637,506,103</u>
Net position - June 30	<u>\$ 2,903,815,984</u>	<u>\$ 2,839,007,698</u>	<u>\$ 863,873,174</u>	<u>\$ 843,992,816</u>	<u>\$ 3,767,689,158</u>	<u>\$ 3,683,000,514</u>

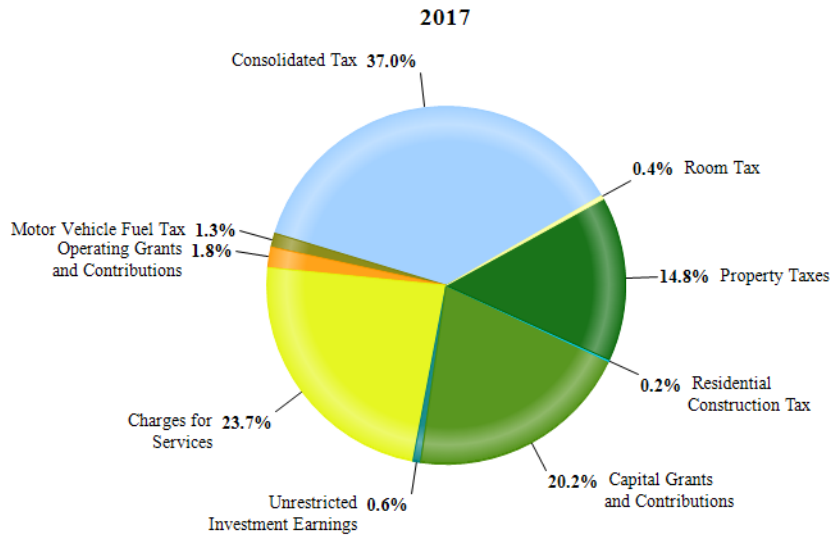
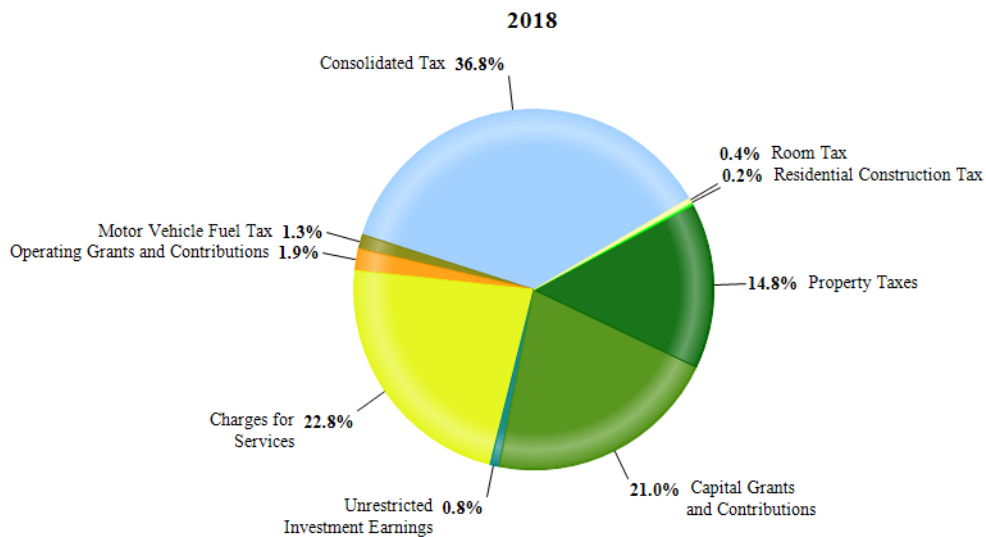
Program revenues for governmental activities include charges for services, licenses and permits, special assessments, inter-governmental fines and forfeitures, and both operating and capital grants and contributions. Program revenues make up 45.7 percent of the total revenues for governmental activities. The remaining program costs were financed from general revenues. Operating grants and contributions have increased \$1.6 million to \$15.9 million. Capital grants and contributions increased 10.5 percent over the prior year to approximately \$172.5 million.

CITY OF LAS VEGAS, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

The largest general revenues are consolidated tax of \$302,104,555 and Ad Valorem tax (property tax) of \$121,171,833, representing 52 percent of total governmental revenues. Consolidated tax increased 5.5 percent due to an increase in taxable sales. Property taxes increased \$6,648,098 during the year, attributable to a 7.0 percent increase in assessed property values city-wide and a 37.0 percent increase in assessed property values within the City's Redevelopment Agency tax increment area.

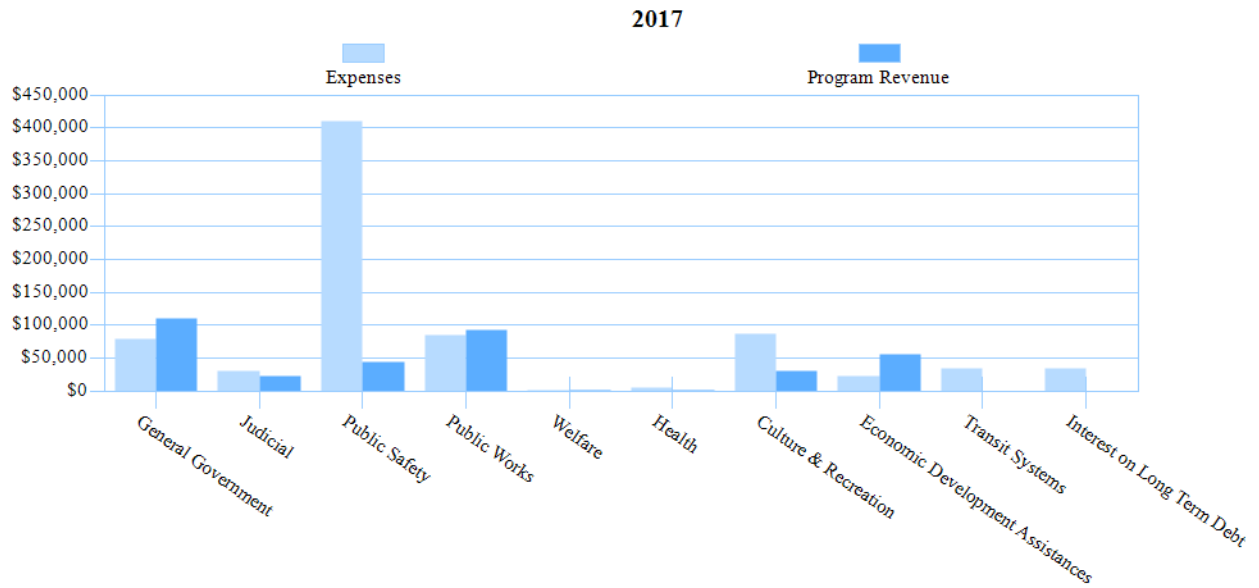
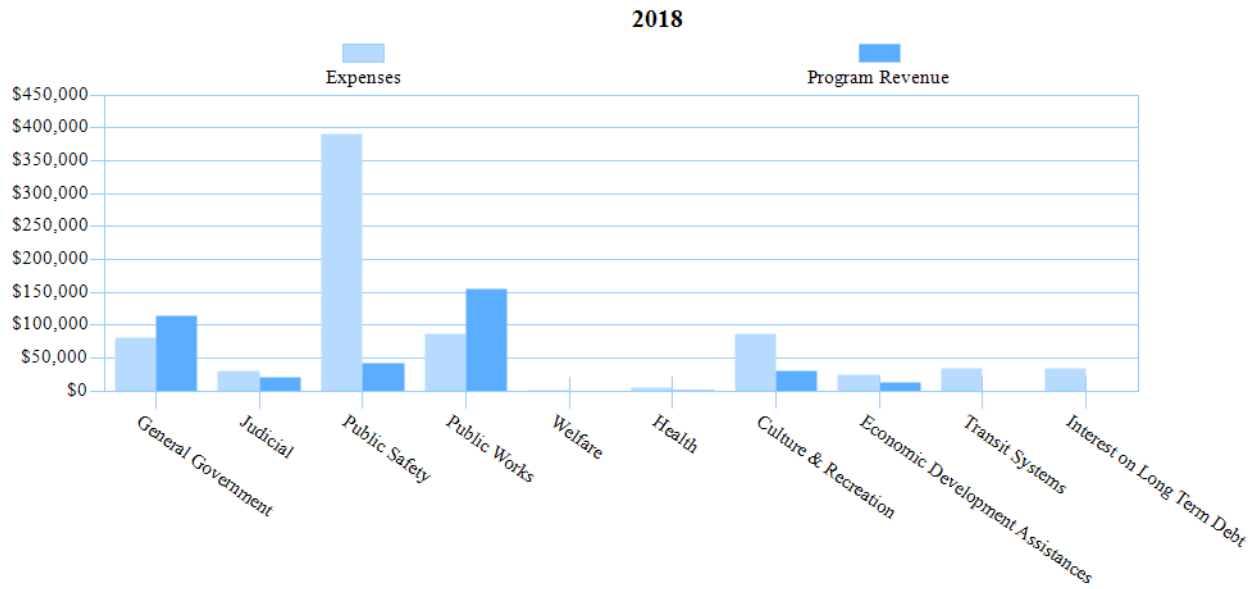
Expenses in public safety of \$390,683,498 and culture and recreation of \$86,992,168 represent 64.6 percent of the total governmental expenses. Culture and recreation expenses consist of parks and recreation and cultural affairs services provided to our residents. Public Safety's major expenses decreased by 4.8 percent, or approximately \$20 million. The primary reason for the decrease was a reduction in Other Post Employment Benefit (OPEB) expense.

Revenues by Source - Governmental Activities



CITY OF LAS VEGAS, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Expenses & Revenues - Governmental Activities (in thousands)

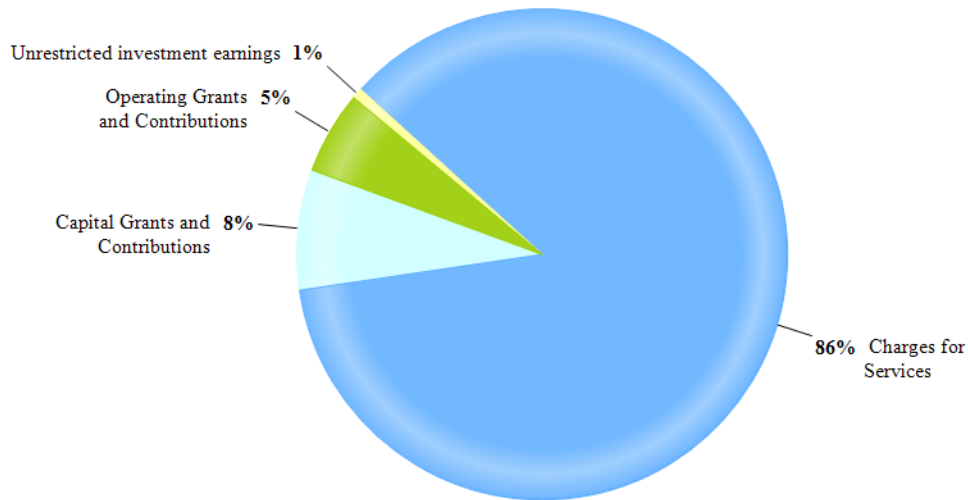


CITY OF LAS VEGAS, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

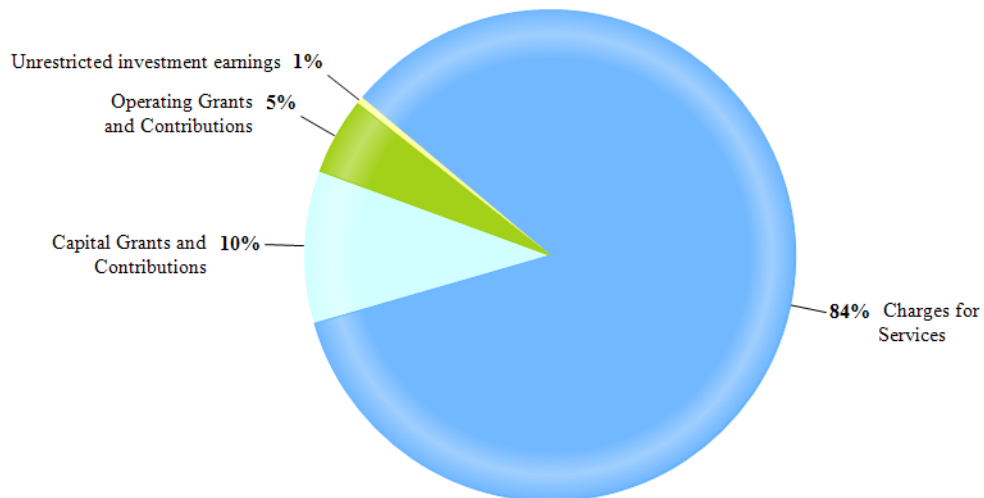
Business-type activities change in net position increased by \$794,783. Unrestricted investment earnings increased \$231,551 from investments performing better than in the prior year. Charges for Services increased by \$6,133,317. Operating expenditures increased by \$3,896,209, principally due to an increase in salaries and benefits, and depreciation expense related to sewer plant improvement additions in Fiscal Year 2018.

Revenues by Source - Business type Activities

2018

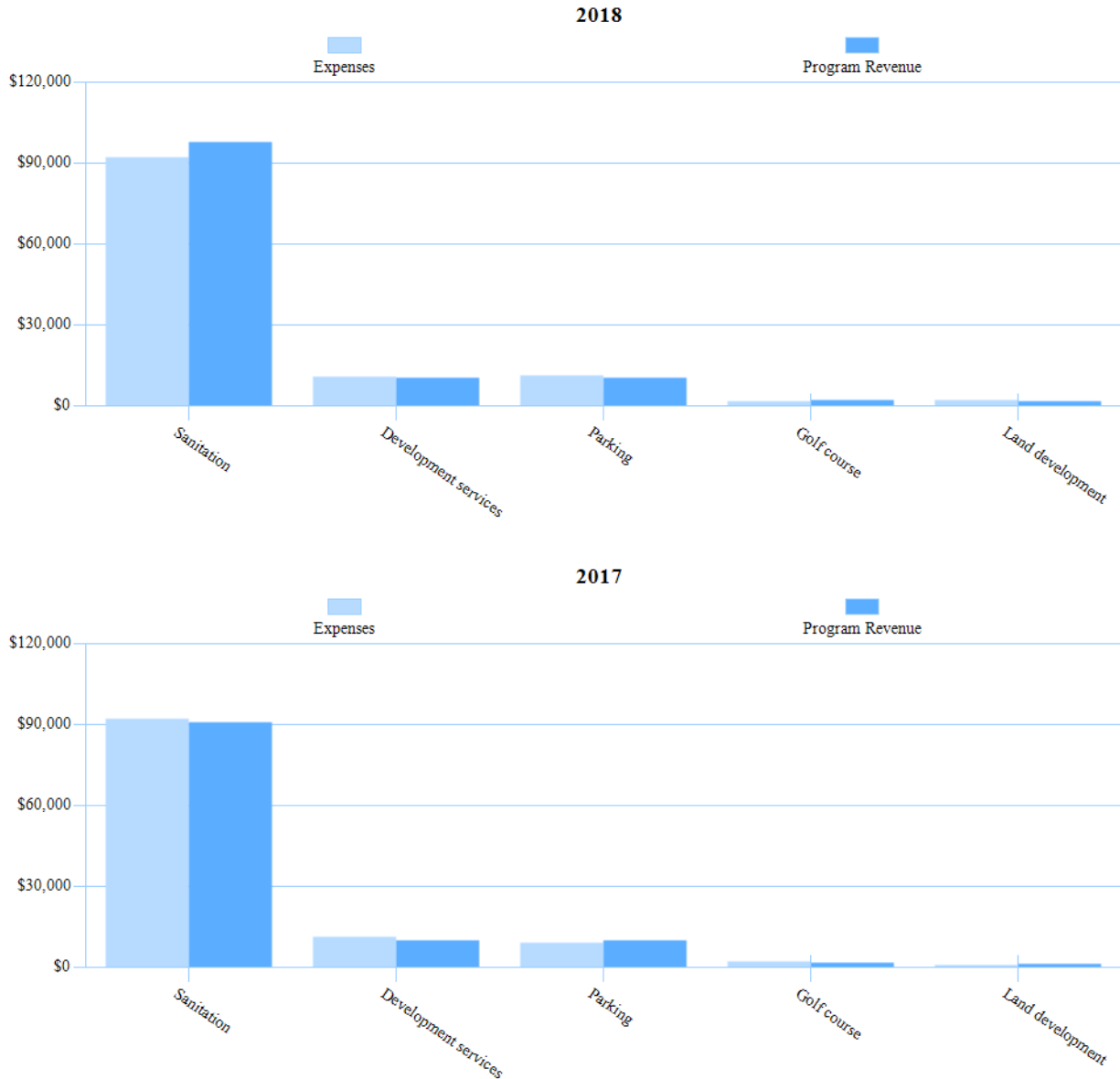


2017



CITY OF LAS VEGAS, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Expenses & Program Revenues - Business type Activities (in thousands)



Financial Analysis of City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-regulated legal requirements.

Governmental Funds. The focus of the City's *governmental funds* is to provide information on current inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$694.3 million, an increase of \$69.4 million from the prior year. Approximately \$235 million, or 33.8 percent of the total fund balance, constitutes an assigned and unassigned fund balance. Approximately \$459.3 million, or 66 percent of the total fund balance is either nonspendable (\$22.6 million), restricted

CITY OF LAS VEGAS, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

(\$403.1 million) or committed (\$33.6 million).

The General Fund is the primary operating fund of the City. At the end of the current fiscal year, the assigned and unassigned fund balance in the General Fund was \$114.5 million and total fund balance was \$131.9 million. As a measure of the General Fund's liquidity, it may be useful to compare both assigned and unassigned fund balance and total fund balance to total fund expenditures. Assigned and unassigned fund balance represents 20.7 percent of total fund expenditures and transfers out, while total fund balance represents 29.5 percent of that same amount.

The General Fund also has \$17.4 million in nonspendable fund balance, consisting of \$15.0 million in noncurrent loans receivable and \$2.3 million in inventories and prepaid items of \$143,379.

The fund balance of the City's General Fund increased by \$6.6 million during the current fiscal year. Key factors in this change are as follows:

- Total revenue increased from the prior year by \$22.7 million or 4.3 percent. Changes were mixed among major categories, with the largest increase seen to intergovernmental revenue (consolidated tax) which increased \$15 million due to an increase in taxable sales.
- Total expenditures of \$527.0 million increased from the prior year by \$31.3 million or 6.3 percent. This increase was driven primarily by increased cost in public safety (employee benefit costs) of \$20.6 million or 6 percent.
- Transfers out decreased by \$15.7 million or 37.5 percent.

The Road and Flood capital projects fund has a total fund balance of \$15.4 million: \$5.8 million was assigned for construction projects for road improvements and \$9.5 million was restricted for road improvements. The net increase in fund balance for the current year was \$2.0 million. The fund received \$81.8 million in revenues from other governmental reimbursements and had expenditures for capital projects of \$81.2 million. The fund had a net transfer in of \$3.0 million from other non-major governmental funds.

The City of Las Vegas Debt Service fund has a total fund balance of \$204.8 million of which \$182.6 million was restricted for debt payments. The net increase in the fund balance during the year was \$12.5 million. This increase was primarily due to new debt added. The City added \$21.6 million in new debt and made debt service payments of \$55.5 million in fiscal year 2018.

Other non-major governmental funds had a total fund balance of \$342.2 million, of which \$5.2 million is nonspendable, \$210.9 million is restricted, \$33.6 million is committed and \$92.5 million is assigned.

Enterprise Funds. The City's enterprise funds statements provide the same type of information found in the government-wide financial statements, but in more detail. Net position of the proprietary funds totaled \$863.8 million, of which the Sanitation Fund had \$762.3 million in net position. The net position of the proprietary funds increased by \$22.5 million. Capital contributions of \$11.6 million and net income of \$12.6 million contributed to the increase. The Sanitation Fund was established to account for the City-owned and operated sewer system. Other factors concerning the finances of the proprietary funds have already been addressed in the discussion of the City's business-type activities.

Internal Service Funds. The City's internal service funds are used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its computer services, communications, graphic arts and automotive operations. The City also uses internal service funds to account for its self-insurance activities, including liability insurance, workers' compensation, property damage insurance and employee benefits. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. Other factors concerning the finances of the internal service funds have already been addressed in the discussion of the City's governmental activities.

General Fund Budgetary Highlights

During the year, the General Fund budget was amended to increase original estimated revenues and original budgeted appropriations. The City also made an amendment to reallocate appropriations among departments. Generally, the movement of the appropriations between departments was *not* significant.

CITY OF LAS VEGAS, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Capital Asset and Debt Administration

Capital assets: The City and its blended component units' net capital assets for its governmental and business-type activities amounts to \$4,691,120,246, net of accumulated depreciation of \$2,327,924,585, as of June 30, 2018. Capital assets include land, buildings, improvements, machinery and equipment and vehicles, wastewater systems, infrastructure (roadways, traffic signals and lighting, signage, pavement markers, storm drainage and sanitary sewer lines) and construction in progress.

The City has an aggressive capital improvement program totaling one billion dollars over the next five years (the City budgets its capital program in rolling 5-year increments). The City budgets these projects in six categories: general government, public safety, sanitation, public works, culture and recreation, and economic development and assistance. Among these categories, the major projects include park and leisure facilities (\$66 million), sanitation facilities (\$203 million), road and flood channel construction (\$451 million), and city facilities (\$72 million).

Major capital asset events during the current fiscal year included the following:

Construction in progress (CIP) decreased by a net \$9,503,838. Fiscal year 2018 additions to CIP were \$86,826,000. The major additions to CIP were \$17,520,199 million on sewer lines and repairs, \$2,285,001 million on buildings and building improvements, \$5,255,070 million for land improvement, \$37,269,207 million on roadways, \$14,638,286 million on storm drains, and \$4,471,130 million on other sewer improvements. The City completed and placed into service \$96,295,948 of projects, and transferred them from construction in progress to the appropriate capital asset category.

Additional information on capital assets can be found in Note 7 on pages 75 - 77 of this report.

City of Las Vegas, Nevada
Capital Assets
(net of depreciation)
As of June 30, 2018 and 2017

	Governmental		Business-type		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 1,205,503,305	\$ 1,188,005,819	\$ 78,646,856	\$ 81,745,869	\$ 1,284,150,161	\$ 1,269,751,688
Construction in progress	130,327,009	109,211,371	38,306,805	68,926,280	168,633,814	178,137,651
Land improvements	289,387,642	301,366,177	22,753,889	24,486,423	312,141,531	325,852,600
Sewer plant improvements			255,260,870	229,986,956	255,260,870	229,986,956
Buildings	531,884,440	544,554,353	38,536,336	39,898,981	570,420,776	584,453,334
Building improvements	111,040,649	113,306,236	1,322,678	1,137,017	112,363,327	114,443,253
Sewer lines			417,459,574	397,623,764	417,459,574	397,623,764
Machinery and equipment	14,954,132	14,156,287	2,154,781	1,963,788	17,108,913	16,120,075
Vehicles	24,165,190	23,782,285			24,165,190	23,782,285
Roadways	772,587,213	779,784,499			772,587,213	779,784,499
Traffic pavement markers	809,354	886,292			809,354	886,292
Traffic signals and lighting	52,766,608	54,711,819			52,766,608	54,711,819
Traffic signage	1,463,721	1,552,351			1,463,721	1,552,351
Storm drainage	701,789,194	654,986,703			701,789,194	654,986,703
Total capital assets	<u>\$ 3,836,678,457</u>	<u>\$ 3,786,304,192</u>	<u>\$ 854,441,789</u>	<u>\$ 845,769,078</u>	<u>\$ 4,691,120,246</u>	<u>\$ 4,632,073,270</u>

Long-term debt. At the end of the current fiscal year, the City and its blended component units' total bonded debt outstanding was \$804,736,986, exclusive of deferred refunding charges, and premiums and discounts. Of this amount, \$410,070,000 comprises general obligation debt backed by the full faith and credit of the government, \$182,865,000 of general obligation debts additionally secured by specified revenue sources, \$3,381,232 of special assessment debt for which the City is obligated in the event of default by the bonded property owners, \$179,440,000 of Certificates of Participation (COPS), \$6,275,948 of Installment Purchases, \$21,725,000 of sales tax increment revenue bonds, and \$979,806 of revenue bonds.

CITY OF LAS VEGAS, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

City of Las Vegas, Nevada
General Obligation and Revenue Bonds
(before amortization of premiums, discounts and unamortized debt refunding transaction)
As of June 30, 2018 and 2017

	Governmental		Business-type		Total	
	2018	2017	2018	2017	2018	2017
General obligation medium-term bonds	\$ 99,465,000	\$ 70,185,000	\$	\$	\$ 99,465,000	\$ 70,185,000
General obligation tax increment revenue bonds	83,400,000	83,400,000			83,400,000	83,400,000
Certificates of Participation (COPS)	179,440,000	183,945,000			179,440,000	183,945,000
Installment Purchases	6,275,948	6,977,135			6,275,948	6,977,135
Special assessment bonds	3,381,232	3,765,130			3,381,232	3,765,130
Sales Tax Increment bonds	21,725,000	23,205,000			21,725,000	23,205,000
Revenue bonds	979,806	1,058,120			979,806	1,058,120
General obligation revenue bonds	327,850,000	333,515,000	82,220,000	91,470,000	410,070,000	424,985,000
Total	<u>\$ 722,516,986</u>	<u>\$ 706,050,385</u>	<u>\$ 82,220,000</u>	<u>\$ 91,470,000</u>	<u>\$ 804,736,986</u>	<u>\$ 797,520,385</u>

The City and its blended component units added new debt of \$41.1 million during the current fiscal year. An increase in debt resulted from the issuance of \$41.1 million of General Obligation Medium Term Bonds and debt principal payments totaling \$33.9 million for fiscal year ended June 30, 2018. The result was a net increase in total debt of \$7.2 million.

State statutes and City Charter limit the amount of general obligation debt a governmental entity may issue to 20 percent of its total assessed valuation. The current debt limitation for the City is \$3.1 billion, which is significantly in excess of the City's outstanding general obligation debt.

The City maintains an AA rating from Fitch, an AA rating from Standard and Poors (S&P) Corporation, and an AA2 rating from Moody's Investors Service. These ratings apply to all of the City's bond issues except for the Redevelopment Agency whose S&P rating is BBB+.

Additional information on the City's long-term debt can be found in Note 10 on page 86 - 95 of this report.

Economic Factors

For fiscal year 2019, the assessed valuation of the City is \$18.4 billion, an increase of \$933 million over fiscal year 2018, with a combined tax rate of \$0.7715 apportioned to the City per \$100 of assessed value. This is the sixth annual increase in assessed values since the downturn in the economy which caused a dramatic decrease in property values in the City.

Requests for Information

The financial report is designed to provide a general overview of the City finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Department of Finance, 495 S. Main St., Las Vegas, Nevada, 89101.

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BASIC FINANCIAL STATEMENTS





CITY OF LAS VEGAS, NEVADA
STATEMENT OF NET POSITION
JUNE 30, 2018

	PRIMARY GOVERNMENT			COMPONENT UNITS	
	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL	COMMISSION FOR THE LAS VEGAS CENTENNIAL	LVCIC Sub- CDE I - VI, LLC
ASSETS					
Pooled cash, cash equivalents and investments, unrestricted	\$ 451,203,706	\$ 148,828,322	\$ 600,032,028	\$ 2,815,426	\$ 66,967
Receivables, net of allowance:					
Property taxes	2,434,905		2,434,905		
Consolidated taxes	54,446,698		54,446,698		
Accounts	12,824,468	1,775,746	14,600,214	532,653	65
Interest	2,107,083	429,711	2,536,794		121,894
Loans	18,980,480	9,409,611	28,390,091		62,229,006
Special assessments	3,930,181		3,930,181		
Intergovernmental	36,176,131	3,863,144	40,039,275		
Internal balances	(13,958,920)	13,958,920			
Land held for resale	3,584,733		3,584,733		
Inventories	3,029,901	2,761,573	5,791,474		
Property held for resale	13,990,347		13,990,347		
Prepaid items	174,538	244,935	419,473		1,580,701
Deposits		26,191	26,191		
Restricted investments	190,737,938		190,737,938		
Capital assets:					
Land and construction in progress	1,335,830,314	116,953,661	1,452,783,975		
Depreciable improvements, buildings, machinery and equipment, and infrastructure, net of depreciation	2,500,848,143	737,488,128	3,238,336,271		
TOTAL ASSETS	4,616,340,646	1,035,739,942	5,652,080,588	3,348,079	63,998,633
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges on refunding	24,416,440	391,170	24,807,610		
Deferred amounts related to pensions	68,578,714	8,996,788	77,575,502		
TOTAL DEFERRED OUTFLOWS OF RESOURCES	92,995,154	9,387,958	102,383,112		

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

CITY OF LAS VEGAS, NEVADA
STATEMENT OF NET POSITION
JUNE 30, 2018

	PRIMARY GOVERNMENT			COMPONENT UNITS	
	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL	COMMISSION FOR THE LAS VEGAS CENTENNIAL	LVCIC Sub- CDE I - VI, LLC
LIABILITIES					
Accounts payable	29,079,924	11,000,808	40,080,732	314,007	23,455
Salaries payable	8,855,821	990,255	9,846,076		
Deposits payable	1,290,344	627,984	1,918,328		
Interest payable	8,506,435	538,688	9,045,123		
Contracts payable	2,672,633	1,127,574	3,800,207		
Intergovernmental payable	962,158	2,931	965,089		
Claims and judgments payable	396,308		396,308		
Unearned revenue	1,485,383		1,485,383		
Noncurrent liabilities:					
Current portion due or payable within one year:					
Bonds payable	28,078,875	8,101,819	36,180,694		
Benefits payable	9,420,967		9,420,967		
Compensated absences payable	35,175,582	3,774,014	38,949,596		
Heart lung presumptive liability	4,662,499		4,662,499		
Long-term portion due or payable after one year:					
Bonds payable	735,157,984	79,705,119	814,863,103		
Benefits payable	422,532		422,532		
Compensated absences payable	10,460,303	1,120,946	11,581,249		
Unearned revenue		2,819,345	2,819,345		
Arbitrage rebate payable	71,085		71,085		
Metropolitan Police net OPEB liability	21,048,618		21,048,618		
Metropolitan Police net pension liability	329,210,318		329,210,318		
Net pension liability	447,123,522	58,417,200	505,540,722		
Net OPEB liability	28,980,530	6,795,374	35,775,904		
Heart lung presumptive liability	48,715,278		48,715,278		
TOTAL LIABILITIES	1,751,777,099	175,022,057	1,926,799,156	314,007	23,455
DEFERRED INFLOWS OF RESOURCES					
Deferred gain on refunding		3,724	3,724		
Deferred amounts related to pensions	46,140,082	5,922,215	52,062,297		
Deferred amounts related to OPEB	7,602,635	306,730	7,909,365		
TOTAL DEFERRED INFLOWS OF RESOURCES	53,742,717	6,232,669	59,975,386		
NET POSITION					
Net investment in capital assets	3,154,818,247	766,243,681	3,921,061,928		
Restricted for:					
Debt service	188,601,762		188,601,762		
Capital projects	44,520,002		44,520,002		
Economic development and assistance	15,515,001		15,515,001		
Street maintenance	39,656,266		39,656,266		
Judicial	120,431		120,431		
Culture and recreation	1,386		1,386		
Public safety	8,872,312		8,872,312		
Cemetery perpetual care-nonexpendable	2,121,173		2,121,173		
Unrestricted (deficit)	(550,410,596)	97,629,493	(452,781,103)	3,034,072	63,975,178
TOTAL NET POSITION	\$ 2,903,815,984	\$ 863,873,174	\$ 3,767,689,158	\$ 3,034,072	\$ 63,975,178

CITY OF LAS VEGAS, NEVADA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

FUNCTIONS/PROGRAMS	PROGRAM		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS
Primary Government:			
Governmental Activities:			
General government	\$ 80,915,827	\$ 105,189,512	\$ 882,471
Judicial	30,886,611	20,199,415	938,717
Public safety	390,683,498	34,432,689	2,553,527
Public works	86,535,315	3,440,116	374,929
Welfare	5,287	400	
Health	5,225,759	517,055	
Culture and recreation	86,992,168	20,930,938	202,155
Economic development and assistance	24,506,264	2,004,209	10,951,494
Interest on long-term debt	34,161,647		
Total governmental activities	<u>739,912,376</u>	<u>186,714,334</u>	<u>15,903,293</u>
Business-type activities:			
Sanitation	99,826,161	101,666,935	8,102,749
Development services	10,504,555	10,614,195	
Parking	10,373,905	11,221,630	
Golf course	2,099,949	1,543,350	
Land development	1,395,272	1,776,749	
Total business-type activities	<u>124,199,842</u>	<u>126,822,859</u>	<u>8,102,749</u>
Total primary government	<u>\$ 864,112,218</u>	<u>\$ 313,537,193</u>	<u>\$ 24,006,042</u>
Component units:			
Commission for the Las Vegas Centennial	\$ 2,122,284	\$ 2,035,272	\$
LVCIC SUB CDE I - VI, LLC	987,873	196,773	34,003,400
Total component units	<u>\$ 3,110,157</u>	<u>\$ 2,232,045</u>	<u>\$ 34,003,400</u>

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

REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			
		PRIMARY GOVERNMENT		COMPONENT UNITS	
CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMMISSION FOR THE LAS VEGAS CENTENNIAL	LVCIC SUB-CDE I - VI, LLC
\$	7,381,898	\$	\$		

CITY OF LAS VEGAS, NEVADA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2018

	General	City of Las Vegas Debt Service	Road and Flood Capital Projects	Other Non-Major Governmental Funds	Total
ASSETS					
Pooled cash, cash equivalents and investments, unrestricted	\$ 76,059,105	\$	\$ 9,198,120	\$ 316,344,640	\$ 401,601,865
Receivables (net of allowances for uncollectibles)					
Property tax	1,386,174	354		1,048,377	2,434,905
Consolidated tax	54,446,698				54,446,698
Accounts	8,104,140			650,480	8,754,620
Interest	668,124	739,955		588,304	1,996,383
Loans	15,000,000	21,615,000		5,501,744	42,116,744
Special assessments				3,930,181	3,930,181
Intergovernmental	2,119,723		22,829,583	11,226,825	36,176,131
Due from other funds	2,890,820				2,890,820
Land held for resale				3,584,733	3,584,733
Inventories	2,300,206				2,300,206
Property held for resale				13,990,347	13,990,347
Prepaid items	143,379			31,159	174,538
Restricted investments		183,028,984		7,708,954	190,737,938
Total assets	<u>\$ 163,118,369</u>	<u>\$ 205,384,293</u>	<u>\$ 32,027,703</u>	<u>\$ 364,605,744</u>	<u>\$ 765,136,109</u>
LIABILITIES					
Accounts payable	\$ 4,527,203	\$ 124,784	\$ 14,425,743	\$ 8,348,792	\$ 27,426,522
Salaries payable	7,947,872			142,147	8,090,019
Due to other funds		478,757		2,002,786	2,481,543
Deposits payable	819,707			463,962	1,283,669
Contracts payable			2,241,414	431,219	2,672,633
Intergovernmental payable	930,490			31,668	962,158
Unearned revenue	799,290			686,093	1,485,383
Total liabilities	<u>15,024,562</u>	<u>603,541</u>	<u>16,667,157</u>	<u>12,106,667</u>	<u>44,401,927</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property tax	1,188,298	354		844,450	2,033,102
Unavailable revenue - loans	15,000,000			5,501,744	20,501,744
Unavailable revenue - special assessments				3,915,378	3,915,378
Total deferred inflows of resources	<u>16,188,298</u>	<u>354</u>		<u>10,261,572</u>	<u>26,450,224</u>
Total liabilities and deferred inflows of resources	<u>31,212,860</u>	<u>603,895</u>	<u>16,667,157</u>	<u>22,368,239</u>	<u>70,852,151</u>
FUND BALANCES					
Nonspendable	17,443,585			5,163,661	22,607,246
Restricted		182,627,776	9,523,349	210,929,124	403,080,249
Committed				33,646,842	33,646,842
Assigned	13,286,827	22,152,622	5,837,197	92,497,878	133,774,524
Unassigned	101,175,097				101,175,097
Total fund balances	<u>131,905,509</u>	<u>204,780,398</u>	<u>15,360,546</u>	<u>342,237,505</u>	<u>694,283,958</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 163,118,369</u>	<u>\$ 205,384,293</u>	<u>\$ 32,027,703</u>	<u>\$ 364,605,744</u>	<u>\$ 765,136,109</u>

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

CITY OF LAS VEGAS, NEVADA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2018

Amounts reported for governmental activities in the statement of net position (pages 36 - 37) are different because:

Total fund balances - total governmental funds (page 40)		\$ 694,283,958
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets	5,599,694,934	
Less: Accumulated depreciation	<u>(1,783,109,647)</u>	3,816,585,287
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		(1,625,514,752)
Deferred inflows of resources represent amounts that are not available to fund current expenditures, and therefore, are not reported in governmental funds.		24,928,960
Internal service funds are used by management to charge the costs of various services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Total net position in the internal service funds is \$(6,433,522), less \$33,948 to reflect consolidation of internal service fund activities to related enterprise funds.		<u>(6,467,470)</u>
Net position of governmental activities (page 37)		<u>\$ 2,903,815,984</u>

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

CITY OF LAS VEGAS, NEVADA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	General	City of Las Vegas Debt Service	Road and Flood Capital Projects	Other Non-Major Governmental Funds	Total
REVENUES					
Taxes	\$ 93,041,233	\$	\$	\$ 42,980,792	\$ 136,022,025
Licenses and permits	89,436,459			805,307	90,241,766
Intergovernmental	306,696,677	4,539,524	81,751,166	59,709,119	452,696,486
Charges for services	40,830,390			7,523,455	48,353,845
Fines and forfeits	12,460,855			762,139	13,222,994
Special assessments				3,380,510	3,380,510
Interest	417,609	3,160,347	27,634	2,664,379	6,269,969
Miscellaneous	3,899,944	1,448,777	123,816	27,218,640	32,691,177
Total revenues	<u>546,783,167</u>	<u>9,148,648</u>	<u>81,902,616</u>	<u>145,044,341</u>	<u>782,878,772</u>
EXPENDITURES					
Current:					
General government	60,383,390			4,769,051	65,152,441
Judicial	27,557,893			3,178,297	30,736,190
Public safety	368,826,710			4,586,350	373,413,060
Public works	12,746,737		1,753,241	6,655,458	21,155,436
Health	5,010,846			262,883	5,273,729
Welfare				5,287	5,287
Culture and recreation	46,100,649			6,955,006	53,055,655
Economic development and assistance	5,945,012			15,336,985	21,281,997
Debt Service:					
Principal retirement		24,643,397		1,547,219	26,190,616
Interest and fiscal charges		30,904,548		5,933,394	36,837,942
Capital outlay:					
General government				3,330,388	3,330,388
Public safety	230,432			6,114,341	6,344,773
Public works			81,202,597	14,254,555	95,457,152
Culture and recreation	163,948			14,091,680	14,255,628
Economic development and assistance				5,258,393	5,258,393
Total expenditures	<u>526,965,617</u>	<u>55,547,945</u>	<u>82,955,838</u>	<u>92,279,287</u>	<u>757,748,687</u>
Excess (deficiency) of revenues over (under) expenditures	<u>19,817,550</u>	<u>(46,399,297)</u>	<u>(1,053,222)</u>	<u>52,765,054</u>	<u>25,130,085</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	12,868,551	37,323,590	6,871,933	35,256,195	92,320,269
Transfers out	(26,120,439)		(3,865,264)	(61,946,753)	(91,932,456)
Proceeds from sale of capital assets	1,405			170,296	171,701
Proceeds from sale of land held for resale				16,242	16,242
Proceeds from bonds issued		21,615,000		19,495,000	41,110,000
Premium on bonds issued				2,632,283	2,632,283
Total other financing sources (uses)	<u>(13,250,483)</u>	<u>58,938,590</u>	<u>3,006,669</u>	<u>(4,376,737)</u>	<u>44,318,039</u>
Net changes in fund balances	<u>6,567,067</u>	<u>12,539,293</u>	<u>1,953,447</u>	<u>48,388,317</u>	<u>69,448,124</u>
Fund balances, July 1	<u>125,338,442</u>	<u>192,241,105</u>	<u>13,407,099</u>	<u>293,849,188</u>	<u>624,835,834</u>
Fund balances, June 30	<u>\$ 131,905,509</u>	<u>\$ 204,780,398</u>	<u>\$ 15,360,546</u>	<u>\$ 342,237,505</u>	<u>\$ 694,283,958</u>

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

CITY OF LAS VEGAS, NEVADA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Amounts reported for governmental activities in the statement of activities (pages 38 - 39) are different because:

Net changes in fund balances - total governmental funds (page 42)	\$ 69,448,124
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeds capital outlay in the current period.	(1,178,645)
The net effect of various transactions involving capital assets (i.e., sales, trade-ins, transfers, and donations) is to increase net position.	49,028,111
Certain amounts reported as revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(22,060,803)
The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(17,551,667)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	7,744,536
Internal service funds are used by management to charge the costs of a variety of services (i.e., fleet, graphic reproduction, purchase and maintenance of computers, maintenance of radios, pagers, cellular, and telephones, etc.) to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>(3,207,535)</u>
Change in net position of governmental activities (page 39)	<u><u>\$ 82,222,121</u></u>

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

CITY OF LAS VEGAS, NEVADA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Taxes	\$ 93,360,000	\$ 93,360,000	\$ 93,041,233	\$ (318,767)
Licenses and permits	85,687,647	85,687,647	89,436,459	3,748,812
Intergovernmental	300,555,000	300,555,000	306,696,677	6,141,677
Charges for services	41,278,000	41,278,000	40,830,390	(447,610)
Fines and forfeits	12,950,000	12,950,000	12,460,855	(489,145)
Interest	500,000	500,000	358,553	(141,447)
Miscellaneous	3,600,000	3,600,000	3,899,944	299,944
Total revenues	<u>537,930,647</u>	<u>537,930,647</u>	<u>546,724,111</u>	<u>8,793,464</u>
Expenditures:				
General government				
Legislative	3,867,296	3,867,296	3,985,320	(118,024)
Elections			67,206	(67,206)
Executive	12,474,725	12,474,725	12,024,680	450,045
Financial administration	21,440,279	21,440,279	21,244,113	196,166
Other	25,732,356	24,632,356	23,053,355	1,579,001
Total general government	<u>63,514,656</u>	<u>62,414,656</u>	<u>60,374,674</u>	<u>2,039,982</u>
Judicial				
Municipal court	21,601,152	21,101,152	20,749,548	351,604
City attorney - criminal division	4,389,758	4,389,758	4,281,813	107,945
Public defender	881,660	881,660	986,250	(104,590)
Alternative sentencing and education:	1,582,530	1,582,530	1,540,282	42,248
Total judicial	<u>28,455,100</u>	<u>27,955,100</u>	<u>27,557,893</u>	<u>397,207</u>
Public safety				
Police	154,671,518	154,671,518	154,776,298	(104,780)
Fire	127,020,833	129,770,833	129,744,643	26,190
Corrections	61,741,391	61,741,391	62,196,958	(455,567)
Protective inspection	3,113,661	3,113,661	2,614,829	498,832
Other protection	19,799,633	19,799,633	19,724,414	75,219
Total public safety	<u>366,347,036</u>	<u>369,097,036</u>	<u>369,057,142</u>	<u>39,894</u>
Public works				
Administration	722,785	722,785	747,469	(24,684)
Engineering and planning	10,157,421	10,157,421	10,227,208	(69,787)
Paved streets	1,866,559	1,866,559	1,772,060	94,499
Total public works	<u>12,746,765</u>	<u>12,746,765</u>	<u>12,746,737</u>	<u>28</u>
Health				
Animal control	5,069,803	5,069,803	4,925,048	144,755
Cemetery operation	100,000	100,000	61,185	38,815
Communicable disease control	25,000	25,000	24,613	387
Total health	<u>5,194,803</u>	<u>5,194,803</u>	<u>5,010,846</u>	<u>183,957</u>

Continued

CITY OF LAS VEGAS, NEVADA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS - CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Culture and recreation				
Culture and recreation administration	\$ 7,679,556	\$ 7,679,556	\$ 7,659,439	\$ 20,117
Participant recreation	14,132,041	14,132,041	13,926,811	205,230
Parks	23,270,665	21,770,665	22,038,820	(268,155)
Senior citizens	2,698,802	2,698,802	2,639,527	59,275
Total culture and recreation	<u>47,781,064</u>	<u>46,281,064</u>	<u>46,264,597</u>	<u>16,467</u>
Economic development and assistance				
Office of business development	1,012,229	1,012,229	754,117	258,112
Neighborhood services	2,450,139	2,450,139	2,397,490	52,649
Youth development and social innovation	2,855,105	2,855,105	2,793,405	61,700
Total economic development and assistance	<u>6,317,473</u>	<u>6,317,473</u>	<u>5,945,012</u>	<u>372,461</u>
Total expenditures	<u>530,356,897</u>	<u>530,006,897</u>	<u>526,956,901</u>	<u>3,049,996</u>
Excess of revenues over expenditures	<u>7,573,750</u>	<u>7,923,750</u>	<u>19,767,210</u>	<u>11,843,460</u>
Other financing sources (uses)				
Transfers in	11,026,250	11,026,250	12,868,551	1,842,301
Transfers out	(18,600,000)	(24,150,000)	(26,120,439)	(1,970,439)
Proceeds from sale of capital assets			1,405	1,405
Total other financing sources (uses)	<u>(7,573,750)</u>	<u>(13,123,750)</u>	<u>(13,250,483)</u>	<u>(126,733)</u>
Net changes in fund balances		(5,200,000)	6,516,727	11,716,727
Fund balances, July 1	<u>106,901,261</u>	<u>112,101,261</u>	<u>112,101,955</u>	<u>694</u>
Fund balances, June 30	<u>\$ 106,901,261</u>	<u>\$ 106,901,261</u>	118,618,682	<u>\$ 11,717,421</u>
Reconciliation of budget basis reporting to GAAP reporting:				
Fund balance of fiscal stabilization special revenue fund (pages 133 and 163)			<u>13,286,827</u>	
Fund balances, June 30 GAAP basis			<u>\$ 131,905,509</u>	

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

CITY OF LAS VEGAS, NEVADA
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2018

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Sanitation	Non-Major Proprietary Funds	Total	
ASSETS				
Current assets:				
Pooled cash, cash equivalents and investments, unrestricted	\$ 123,406,841	\$ 25,421,481	\$ 148,828,322	\$ 49,601,841
Other investments	13,924,973		13,924,973	
Receivables (net of allowances for uncollectibles)				
Accounts	1,630,325	145,421	1,775,746	4,069,848
Interest	372,364	57,347	429,711	110,700
Loans		9,409,611	9,409,611	
Intergovernmental	3,863,144		3,863,144	
Inventories	2,720,160	41,413	2,761,573	729,695
Prepaid items	3,175	241,760	244,935	
Deposits		26,191	26,191	
Total current assets	<u>145,920,982</u>	<u>35,343,224</u>	<u>181,264,206</u>	<u>54,512,084</u>
Noncurrent assets:				
Capital assets:				
Land	12,522,133	66,124,723	78,646,856	
Land improvements	29,431,693	14,330,612	43,762,305	257,077
Sewer plant improvements	564,560,635		564,560,635	
Buildings	15,582,343	47,081,053	62,663,396	3,586,986
Building improvements	3,469,272	1,095,164	4,564,436	4,409,800
Sewer lines	563,746,914		563,746,914	
Machinery and equipment	2,568,131	3,074,095	5,642,226	6,642,103
Vehicles				42,560,359
Construction in progress	37,882,177	424,628	38,306,805	
Less accumulated depreciation	<u>(475,732,712)</u>	<u>(31,719,072)</u>	<u>(507,451,784)</u>	<u>(37,363,154)</u>
Total capital assets (net of accumulated depreciation)	<u>754,030,586</u>	<u>100,411,203</u>	<u>854,441,789</u>	<u>20,093,171</u>
Total assets	<u>899,951,568</u>	<u>135,754,427</u>	<u>1,035,705,995</u>	<u>74,605,255</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	388,233	2,937	391,170	
Deferred amounts related to pensions	<u>6,459,362</u>	<u>2,537,426</u>	<u>8,996,788</u>	<u>6,366,017</u>
Total deferred outflows of resources	<u>6,847,595</u>	<u>2,540,363</u>	<u>9,387,958</u>	<u>6,366,017</u>

CITY OF LAS VEGAS, NEVADA
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION (CONTINUED)
 JUNE 30, 2018

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Sanitation	Non-Major Proprietary Funds	Total	
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 10,130,792	\$ 870,017	\$ 11,000,809	\$ 1,653,403
Salaries payable	697,833	292,422	990,255	765,802
Compensated absences payable	2,797,588	976,426	3,774,014	2,294,903
Deposits payable		627,984	627,984	6,675
Due to other funds				409,277
Benefits payable				9,420,967
Claims and judgments payable				396,308
Heart lung presumptive liability				4,662,499
General obligation revenue bonds payable	6,860,245	1,241,574	8,101,819	
Interest payable	487,961	50,727	538,688	
Contracts payable	1,127,574		1,127,574	
Intergovernmental payable		2,931	2,931	
Total current liabilities	<u>22,101,993</u>	<u>4,062,081</u>	<u>26,164,074</u>	<u>19,609,834</u>
Noncurrent liabilities:				
Compensated absences payable	830,931	290,015	1,120,946	681,624
Benefits payable				422,532
General obligation revenue bonds payable	69,399,122	10,305,997	79,705,119	
Unearned revenue		2,819,345	2,819,345	
Net OPEB liability	4,884,092	1,911,282	6,795,374	4,021,924
Heart lung presumptive liability				16,401,615
Net pension liability	<u>42,522,021</u>	<u>15,895,179</u>	<u>58,417,200</u>	<u>41,638,877</u>
Total noncurrent liabilities	<u>117,636,166</u>	<u>31,221,818</u>	<u>148,857,984</u>	<u>63,166,572</u>
Total liabilities	<u>139,738,159</u>	<u>35,283,899</u>	<u>175,022,058</u>	<u>82,776,406</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred gain on refunding		3,724	3,724	
Deferred amounts related to pensions	4,533,741	1,388,474	5,922,215	4,378,288
Deferred amounts related to OPEB	<u>204,508</u>	<u>102,222</u>	<u>306,730</u>	<u>250,100</u>
Total deferred inflows of resources	<u>4,738,249</u>	<u>1,494,420</u>	<u>6,232,669</u>	<u>4,628,388</u>
NET POSITION				
Net investment in capital assets	677,382,986	88,860,695	766,243,681	20,093,171
Unrestricted	<u>84,939,769</u>	<u>12,655,776</u>	<u>97,595,545</u>	<u>(26,526,693)</u>
Total net position	<u>\$ 762,322,755</u>	<u>\$ 101,516,471</u>	<u>863,839,226</u>	<u>\$ (6,433,522)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds (Note 2c page 68)			<u>33,948</u>	
Net position of business-type activities (page 37)			<u>\$ 863,873,174</u>	

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

CITY OF LAS VEGAS, NEVADA
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Sanitation	Non-Major Proprietary Funds	Total	
Operating revenues:				
Licenses and permits	\$	\$ 9,756,610	\$ 9,756,610	\$
Charges for services	91,995,910	8,670,890	100,666,800	242,728,953
Fines and forfeits		3,213,464	3,213,464	
Miscellaneous	47,534	3,514,960	3,562,494	761,492
Total operating revenues	<u>92,043,444</u>	<u>25,155,924</u>	<u>117,199,368</u>	<u>243,490,445</u>
Operating expenses:				
Salaries and employee benefits	27,489,744	11,594,171	39,083,915	168,009,199
Services and supplies	37,347,862	10,129,678	47,477,540	28,739,675
Cost of stores issued		152,869	152,869	2,027,278
Insurance claims				9,617,362
Insurance premiums				35,346,210
Depreciation	32,883,460	1,970,672	34,854,132	3,300,011
Total operating expenses	<u>97,721,066</u>	<u>23,847,390</u>	<u>121,568,456</u>	<u>247,039,735</u>
Operating income (loss)	<u>(5,677,622)</u>	<u>1,308,534</u>	<u>(4,369,088)</u>	<u>(3,549,290)</u>
Nonoperating revenues (expenses):				
Interest revenue	806,919	184,462	991,381	278,453
Interest expense	(2,392,481)	(379,361)	(2,771,842)	
Sewer connection charges	9,623,491		9,623,491	
Gain on sale of capital assets	2,022	1,087,300	1,089,322	486,480
Intergovernmental revenue	8,102,749		8,102,749	
Intergovernmental expense	(67,342)	(35,582)	(102,924)	(1,427,685)
Total nonoperating revenues (expenses)	<u>16,075,358</u>	<u>856,819</u>	<u>16,932,177</u>	<u>(662,752)</u>
Income (loss) before capital contributions and transfers	10,397,736	2,165,353	12,563,089	(4,212,042)
Capital contributions	11,619,232		11,619,232	
Transfers in		1,100,000	1,100,000	2,249,250
Transfers out		(2,735,700)	(2,735,700)	(1,001,363)
Changes in net position	<u>22,016,968</u>	<u>529,653</u>	<u>22,546,621</u>	<u>(2,964,155)</u>
Net position, July 1, as previously reported	742,394,258	101,807,990		(1,181,381)
Prior period adjustment	(2,088,471)	(821,172)		(2,287,986)
Net position, July 1, as restated	<u>740,305,787</u>	<u>100,986,818</u>		<u>(3,469,367)</u>
Net position, June 30	<u>\$ 762,322,755</u>	<u>\$ 101,516,471</u>		<u>\$ (6,433,522)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds (Note 2c page 68)			243,380	
Changes in net position of business-type activities (page 39)			<u>\$ 22,790,001</u>	

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

CITY OF LAS VEGAS, NEVADA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Sanitation	Non-Major Proprietary Funds	Total	
Cash flows from operating activities:				
Cash received from customers	\$ 92,397,793	\$ 26,039,000	\$ 118,436,793	\$ 9,990,875
Cash received from internal services provided				232,872,691
Cash payments to suppliers for goods and services	(40,334,494)	(10,118,531)	(50,453,025)	(72,692,038)
Cash payments to employees for salaries and benefits	(27,289,959)	(11,916,537)	(39,206,496)	(167,646,852)
Net cash provided by operating activities	<u>24,773,340</u>	<u>4,003,932</u>	<u>28,777,272</u>	<u>2,524,676</u>
Cash flows from noncapital financing activities:				
Cash received from other funds				409,277
Transfers in from other funds		1,100,000	1,100,000	2,249,250
Transfers out to other funds		(2,735,700)	(2,735,700)	(1,001,363)
Subsidies paid to other governments				(1,427,685)
Contributions to other governments	(67,341)	(35,582)	(102,923)	
Net cash provided by (used in) noncapital financing activities	<u>(67,341)</u>	<u>(1,671,282)</u>	<u>(1,738,623)</u>	<u>229,479</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(31,554,413)	(736,077)	(32,290,490)	(6,016,997)
Sewer connection charges	9,623,491		9,623,491	
Proceeds from sale of capital assets		4,186,025	4,186,025	535,396
SNWA infrastructure fund	8,814,838		8,814,838	
Principal paid on bonds and loans payable	(8,045,000)	(1,205,000)	(9,250,000)	
Arbitrage rebate paid	(5,000)		(5,000)	
Interest paid on bonds	(3,501,569)	(390,666)	(3,892,235)	
Loan payment received	<u>1,547,219</u>		<u>1,547,219</u>	
Net cash provided by (used in) capital and related financing activities	<u>(23,120,434)</u>	<u>1,854,282</u>	<u>(21,266,152)</u>	<u>(5,481,601)</u>
Cash flows from investing activities:				
Interest and dividends on investments	<u>738,463</u>	<u>168,007</u>	<u>906,470</u>	<u>283,388</u>
Net change in pooled cash, cash equivalents and investments				
	2,324,028	4,354,939	6,678,967	(2,444,058)
Pooled cash, cash equivalents and investments, July 1	<u>121,082,813</u>	<u>21,066,542</u>	<u>142,149,355</u>	<u>52,045,899</u>
Pooled cash, cash equivalents and investments, June 30	<u>\$ 123,406,841</u>	<u>\$ 25,421,481</u>	<u>\$ 148,828,322</u>	<u>\$ 49,601,841</u>

Continued

CITY OF LAS VEGAS, NEVADA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS (CONTINUED)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Sanitation	Non-Major Proprietary Funds	Total	
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ (5,677,622)	\$ 1,308,534	\$ (4,369,088)	\$ (3,549,290)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	32,883,460	1,970,672	34,854,132	3,300,011
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	354,349	33,813	388,162	(677,879)
Decrease in loans receivable		18,005	18,005	
Decrease in due from other funds				51,000
(Increase) decrease in inventories	303,008	7,219	310,227	(47,890)
Increase in prepaid items		(17,037)	(17,037)	
Increase (decrease) in accounts payable	(3,289,640)	139,474	(3,150,166)	(1,297,250)
Increase in salaries payable	157,497	64,402	221,899	246,486
Increase (decrease) in compensated absences payable	107,543	(358,077)	(250,534)	186,059
Increase in benefits payable				4,239,899
Increase in claims and judgments payable				143,728
Increase in unearned revenue		914,973	914,973	
Increase in due to other governments		84	84	
Decrease in PERS pension liability	(45,430)	(18,398)	(63,828)	(45,954)
Decrease in net OPEB liability	(19,825)	(10,293)	(30,118)	(24,244)
Decrease in customer deposits		(49,439)	(49,439)	
Net cash provided by operating activities	<u>\$ 24,773,340</u>	<u>\$ 4,003,932</u>	<u>\$ 28,777,272</u>	<u>\$ 2,524,676</u>
Schedule of noncash investing, capital, and financing activities:				
Contributions of capital assets from developers	\$ 11,619,232		\$ 11,619,232	

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

CITY OF LAS VEGAS, NEVADA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2018

	<u>Total Agency Funds</u>
ASSETS	
Pooled cash, cash equivalents and investments, unrestricted	\$ 20,686,299
Interest	<u>18,709</u>
Total assets	<u><u>\$ 20,705,008</u></u>
LIABILITIES	
Deposits payable	\$ 19,460,904
Outstanding bail payable	1,100,043
Unclaimed monies payable	118,467
Arbitrage rebate payable	<u>25,594</u>
Total liabilities	<u><u>\$ 20,705,008</u></u>

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

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CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

1. Summary of significant accounting policies

A. Description of government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. The financial statements of the City of Las Vegas, Nevada, (the City) have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

B. Reporting entity

The City was incorporated in 1911. The City provides a full range of municipal services as directed by statute. Services provided include public safety (police and fire), street construction and maintenance, sanitation, culture and recreation, public improvements, planning and zoning, and general administration and services. The City has a Council-Manager form of government. The Mayor is elected by the voters of the City at large for a four-year term. The City is divided into six wards. Voters of each ward elect a member of the Council for a four-year term. The Mayor and City Council are limited to three four-year terms, or a total of twelve years. Policymaking and legislative authority are vested in the Council. The City's officials are also responsible for appointing the members of the boards of other organizations, but the City's accountability for these organizations does not extend beyond making the appointments. City officials appoint board members to the Southern Nevada Health District, Las Vegas Convention and Visitors Authority, Regional Flood Control District, Regional Transportation Commission, Southern Nevada Regional Planning Coalition, and the Southern Nevada Water Authority.

In evaluating how to define the financial reporting entity, management considered all potential component units using the standards prescribed under GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*. Component units would include any legally separate organizations for which the City Council is financially accountable. Financial accountability would result where the City Council appoints a voting majority of the organization's governing body and (1) is able to impose its will on that organization, or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the City. Financial accountability may also result where an organization is fiscally dependent on the City. Based upon these criteria, no component units or other reportable organizations other than those discussed below were identified.

The accompanying basic financial statements present the financial position of the City (primary government) and its blended component units for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the City's operations. The blended component units discussed below are included in the City's reporting entity because of the significance of their operation or financial relationship with the City. The City's discretely presented component units are reported in separate columns in the government-wide financial statements (see note below for description) to emphasize that they are operationally separate from the City.

Blended component units

On March 5, 1986, the Official Redevelopment Plan was adopted to facilitate urban redevelopment efforts for the downtown area. The City of Las Vegas Redevelopment Agency (Agency) has the same elected governing board as the City, comprised of the six city council persons and the City mayor. The management of the City also manages the activities of the Agency in essentially the same manner as it manages the City's activities. The Agency exists to benefit the City and its citizens through redevelopment and revitalization of the City's downtown areas. This revitalization is based on the City's redevelopment plan which aligns the Agency's efforts with the City's vision for downtown.

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

1. Summary of significant accounting policies (continued)

B. Reporting entity (continued)

Blended component units (continued)

The Nonprofit Corporations exclusively promote the health and welfare of the City, and therefore, are reported as blended component units. The services of the non-profit corporations are provided entirely to the City (the primary government). Their services include the acquisition and disposition of property for public purposes, or the distribution of the proceeds from the disposition thereof, to the City. The City is financially accountable as follows: the Nonprofit Corporations are governed by a two-member board of directors appointed by the Mayor and ratified by the Las Vegas City Council, and the Nonprofit Corporations are also fully dependent on the City for fiscal and operational support.

Discretely presented component units

The Commission for the Las Vegas Centennial (the Commission) is a nonprofit corporation formed on May 20, 2004, to advance, support and promote the health and social welfare of the City and its citizens for the City's 100 year birthday celebration (Centennial). The Commission is governed by a twelve member Board of Directors (Board) which provides management for the business and affairs of the Commission. The City of Las Vegas is financially accountable because all members of the Centennial Board are appointed by the Mayor of the City and ratified by the Las Vegas City Council. Also, the City has the ability to impose its will on the Commission if it so chooses and can provide or take away specific financial benefits. The City is legally entitled to the assets of the Centennial and has effective access to them. The financial operations of the Commission are reported as a separate column in the basic financial statements to emphasize that it is legally and operationally separate from the City. All grants over \$100,000 must be approved by the City Council.

LVCIC SUB-CDE I, II, III, IV, V, and VI LLC (the SUB CDE's), Nevada non-profit corporations, were incorporated March 12, 2013. The SUB-CDE's were formed to obtain Qualified Equity Investments (QEI) from investors and make qualified investments in qualified Active Low-Income Community Business in accordance with the terms under the New Markets Tax Credit (NMTC) Program pursuant to Section 450 of the Internal Revenue Code. The SUB-CDE's principal business objective is to provide nontraditional investment capital to underserved markets and enhance the return on said investments by providing its investor member with NMTC. This mission is accomplished by providing loans to qualified businesses in the low-income communities of the City's service area. The City appoints the three member board of the SUB-CDE's. The City has the financial management responsibilities over the operations of the SUB-CDE's and also are legally entitled to the assets and have current access to them.

Complete financial statements of the Agency, the Nonprofit Corporations, the Commission, and the SUB-CDE's can be obtained from the City of Las Vegas Department of Finance, 4th Floor, 495 South Main Street, Las Vegas, Nevada, 89101.

C. Basis of presentation - government-wide and fund financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier in note 1B, the City has two discretely presented component units; while neither the Commission for the Las Vegas Centennial nor the SUB-CDE's are considered to be major component units, they are, nevertheless, shown in separate columns in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's sanitation and municipal parking functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

1. Summary of significant accounting policies (continued)

D. Basis of presentation - fund financial statements

The fund financial statements provide information about the City's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The *Debt Service Fund* is used to account for the accumulation of resources for, and the payment of long-term debt principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the government is obligated in some manner for the debt payments.

The *Road and Flood Capital Projects Fund* is used to account for major infrastructure improvements to the City's arterial street system and floodwater conveyance systems. Financing is provided primarily by Clark County, the Regional Transportation Commission and the Clark County Regional Flood Control District.

The City reports the following major enterprise fund:

The *Sanitation Enterprise Fund* accounts for the City's sewage treatment plant, sewage pumping stations and collection systems, and the wastewater distribution system.

Additionally, the City reports the following fund types:

Internal Service Funds account for a variety of services provided to other departments or agencies of the City on a cost reimbursement basis. These services include graphic reproduction, purchase and maintenance of personal computers, emergency dispatch services, purchase and maintenance of radios, pagers, cellular and telephone equipment, automotive operations, city facilities, employee benefits, workers compensation insurance, and liability and property damage insurance.

Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. These funds are custodial in nature and do not involve measurement of operations. The Agency funds are merely clearing accounts and have no fund equity. The Agency funds consist of a deposits fund, municipal court bail fund and developer special assessment fund.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers among the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, transfers among the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

1. Summary of significant accounting policies (continued)

E. Measurement focus, basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements, except agency funds that have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Grant revenues are recognized when earned and billable to the grant-awarding agency. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Property taxes and other taxpayer-assessed tax revenues (franchise fees, intergovernmental consolidated tax, room tax, residential construction tax, and motor vehicle fuel tax), licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.

The City reports unearned revenue in the fund financial statements when resources are received before the City has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

The proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The agency funds have no measurement focus but utilize the *accrual basis of accounting* for reporting its assets and liabilities.

F. Budgetary information

1. Budgetary basis of accounting

Budgets are adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted for the general, special revenue, capital projects, and debt service funds. An annual budget report is filed with the Nevada Department of Taxation, a branch of the state government charged with the responsibility to oversee local government finances.

The City's budgeting process consists of a series of reviews and analyses of budget requests that are submitted by the various departments by February 1st of each year. City management and budget office staff compile and prioritize all data, with the objective of aligning budget resources with the City Council's strategic plan objectives as closely as possible. A series of public hearings are held for the City Council and the general public on budget recommendations. The final budget is approved and adopted by the Mayor and City Council and filed with the City Clerk, County Clerk, and the Nevada Department of Taxation by June 1.

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

1. Summary of significant accounting policies (continued)

F. Budgetary information (continued)

1. Budgetary basis of accounting (continued)

The annual appropriated budgets approved by the City Council are controlled at the function level, which is the legal level of budgetary control. The revenue classifications and expenditure functions shown in the basic financial statements are those prescribed by the Nevada Department of Taxation. An amended budget is one in which internal modifications are made but the total resources and expenditures remain the same as the original. Per Nevada law, the City Manager may amend the budget by transferring appropriations within any function or program or between any function or program within a fund, and may authorize the transfer of appropriations between funds at any time if the City Council is advised of the action at a Council meeting and the action is recorded in the official minutes of the meeting.

An augmented budget is approved by the City Council and filed with the Nevada Department of Taxation when the total revenues and corresponding expenditures increase. All annual appropriations lapse at fiscal year end.

Non-appropriated budgets are prepared for all proprietary type funds as a guide to levels of operating expenses. Budgets are not required for agency (fiduciary) type funds.

For the fiscal year ended June 30, 2018, funds were augmented and realigned between functions to provide for additional expenditures for new and expanded programs. Non-appropriated budgets for proprietary type funds were augmented and filed with the Nevada Department of Taxation for informational purposes, according to Nevada law. The following governmental funds were augmented from actual beginning fund balance in excess of the original budgeted amount to increase total appropriations (expenditures, other financing uses).

	Original Budget	Adjustment	Final Budget
General Fund	\$ 548,956,897	\$ 5,200,000	\$ 554,156,897
Multipurpose Special Revenue Fund	31,640,074	1,000,000	32,640,074
LVCVA Special Revenue Fund	6,736,138	1,000,000	7,736,138
RDA Special Revenue Fund	21,190,112	2,300,000	23,490,112
Municipal Parking Enterprise Fund	9,776,654	675,000	10,451,654
Computer Services Internal Service Fund	12,657,850	3,400,000	16,057,850
Automotive Operations Internal Service Fund	8,697,992	150,000	8,847,992

For budgetary control purposes, the City records encumbrances for purchase orders, contracts and other commitments in memorandum accounts. Since they do not constitute actual liabilities of the City in accordance with GAAP, encumbrances are not reported in the basic financial statements.

2. Excess of expenditures over appropriations

The City of Las Vegas Debt Service Fund expenditures exceeded appropriations in debt service by \$937,770 due to payments on new bonds issued during the current fiscal year. However, Nevada Revised Statute 354.626(1) states that expenditures over appropriations for debt repayment does not constitute a violation of law.

3. Deficit fund balance or net position

The following funds reported a net position deficiency, due primarily to the adoption of GASB 68 and 75, which resulted in significant liabilities for pensions and OPEB, respectively:

At June 30, 2018 the Building and Safety Enterprise Fund had a net position deficit of \$6,633,212. The deficit is from recording the net pension liability in accordance with GASB Statement 68.

At June 30, 2018 the Reimbursable Expenses Internal Service Fund had a net position deficit of \$3,888,580. The deficit is from recording the net pension liability in accordance with GASB Statement 68.

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

1. Summary of significant accounting policies (continued)

F. Budgetary information (continued)

3. *Deficit fund balance or net position (continued)*

At June 30, 2018 the Fire Communications Internal Service Fund had a net position deficit of \$10,422,196. The deficit is from recording the net pension liability in accordance with GASB Statement 68.

At June 30, 2018 the Employee Benefit Internal Service Fund had a net position deficit of \$13,004,936. The deficit is from recording the net pension liability in accordance with GASB Statement 68.

At June 30, 2018 the City Facilities Internal Service Fund had a net position deficit of \$14,932,653. The deficit is from recording the net pension liability in accordance with GASB Statement 68.

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

1. *Pooled cash, cash equivalents and investments*

The City maintains a cash and investment pool that is available for use by all funds. Monies that are not required for immediate obligations are invested. Pooled cash, cash equivalents and investments include currency on hand, demand deposits with banks or other financial institutions, and highly liquid short-term investments with original maturities of three months or less from date of acquisition.

The City's investment policies are governed by state statutes and its own written policies. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, bankers acceptances, corporate, state, and local government bonds, repurchase agreements, commercial paper and money market mutual funds.

Investments include short-term investments that are easily converted to cash and long-term investments with maturity dates ranging from six months to 10 years. Investments are stated at fair value, determined by using quoted market prices provided by a nationally recognized independent bank, or amortized cost for investments that have a remaining maturity at time of purchase of one year or less.

The City's cash equivalents are considered to be cash on hand and short-term investments with original maturities of three months or less from the date of acquisition.

2. *Receivables and payables*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Receivables are reported at their gross value and, where appropriate, are shown net of an allowance for uncollectible accounts. The City's accounting operations division reviews outstanding receivables twice a year to determine uncollectible receivables. Accounts deemed uncollectible are then either written off or reserved via an allowance. The allowance for uncollectible accounts for the General Fund was \$8,570,963 at June 30, 2018.

3. *Inventories and prepaid items*

Inventories in the internal service and enterprise funds consist of expendable supplies held for consumption and are stated at cost, which approximates market value, using the first-in, first-out method. The balances are determined by physical count. Inventories and prepaid items in governmental funds are recorded as expenditures when consumed (consumption method) rather than when purchased or prepaid.

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

1. Summary of significant accounting policies (continued)

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

3. Inventories and prepaid items (continued)

Payments made to vendors for services that will benefit future periods are recorded as prepaid items in both government-wide and fund financial statements. In fund financial statements, a portion of fund balance equal to total prepaid items is reflected as nonspendable.

4. Restricted investments

Cemetery Operations Permanent Fund - Restricted investments in this fund are derived from the endowment care portion of the fee charged for a cemetery lot. The monies are invested and the interest income is used for the perpetual care and maintenance of the cemetery in accordance with the cemetery system's lease agreement (Note 9.A). An independent trustee manages the fund. At June 30, 2018, the restricted investment was \$2,121,173.

Other Funds - The City also has restricted investments in the Redevelopment Agency Debt Service Fund for \$5,587,781 and \$183,028,984 in the City's Debt Service Fund. Total restricted investments in the Cemetery Operations Permanent Fund and Other Funds equals \$190,737,938 as of June 30, 2018.

5. Capital assets

Capital assets, which include land, buildings, land and building improvements, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are reported at acquisition value at the date of donation. Any capital assets received in a service concession arrangement, if any, would be reported at acquisition value.

Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property and equipment acquired by proprietary funds are reported in those funds at cost or acquisition value at the time of donation. In enterprise funds, interest expense on bonds issued for construction of capital assets is netted against interest revenue earned on the investment of bond proceeds, and if determined to be immaterial will not be capitalized.

Capital assets of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

Storm drains	50 years	Building improvements	10-20 years
Roadways	30 years	Vehicles	3-10 years
Buildings	20-40 years	Traffic signage	10 years
Land and sewer plant improvements	20-24 years	Machinery and equipment	7-10 years
Traffic signals and lighting	20 years	Traffic pavement markers	4 years

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

1. Summary of significant accounting policies (continued)

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

6. *Deferred outflows/inflows of resources*

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and thus will *not* be recognized as an outflow of resources (expense/expenditure) until then. A deferred charge on refunding is reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City also reports deferred amounts related to pensions for the changes in the difference between the City's actual pension contributions and the City's actuarial share of pension contributions. This amount is deferred and amortized over the average expected remaining service lives of all employees, active, inactive and retirees. Deferred outflows are also recorded for City contributions made subsequent to the measurement date of the net pension liability and before the end of the City's fiscal year.

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from three resources: property taxes, special assessments and loans receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also reports deferred inflows for the difference between expected and actual pension plan experience with economic factors and the effect of changes in assumptions about future economic factors, which are deferred and amortized over the average expected service lives of all employees that are provided pension benefits and the recognition of deferrals attributable to differences between projected and actual earnings on plan investments, which are amortized over five years.

The City reports OPEB deferred inflows of resources related to OPEB that are required to be reported by the employer (the City) that primarily result from changes in the components of the net OPEB liability. These are changes in the total OPEB liability and in the OPEB Plan's fiduciary net position. The City's collective net OPEB liability and deferred inflows of resources related to OPEB, determined as of the measurement period will be recognized in the City's OPEB expense.

7. *Compensated absences*

It is the City's policy to permit employees to accumulate earned but unused vacation (including time in lieu of (TILO) and Executive Severance) and sick pay benefits, which are collectively referred to as compensated absences. Compensated absences paid or accrued due to employment terminations within the current year are reported as an expenditure in governmental fund types. The estimated long-term liability of vested or accumulated compensated absences that is not expected to be liquidated within the current year is accounted for in the government-wide financial statements. Vested or accumulated compensated absences of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to the employees.

8. *Long-term obligations*

In the government-wide financial statements and in proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized to interest expense over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the period issued. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

An arbitrage rebate payable is recorded as a liability to account for arbitrage amounts to be rebated to the federal government that result from interest earned in excess of the interest costs on the monies invested from the proceeds of bond issues.

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

1. Summary of significant accounting policies (continued)

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

8. Long-term obligations (continued)

The City and Clark County (a joint venture) both provide financing for the Las Vegas Metropolitan Police Department Self Insurance internal service fund. In the City's government-wide financial statements, the City reports its portion of the unfunded Las Vegas Metropolitan Police OPEB Liability and Pension Liability in governmental activities.

9. Net position flow assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts of net position to report as restricted and unrestricted in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

10. Fund balance flow assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Unassigned fund balance is applied last.

11. Fund balance components

The fund balance amounts for governmental funds are classified in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as follows:

- *Non-spendable* fund balances include items that cannot be spent. This includes amounts that are not in a spendable form (inventories, prepaid amounts, long-term portion of loans/notes receivable, or property held for resale unless the proceeds are restricted, committed or assigned) and amounts that are legally or contractually required to remain intact, such as a principal balance in a permanent fund.
- *Restricted* fund balances have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or state enabling legislation.
- *Committed* fund balances can be used only for specific purposes pursuant to constraints imposed by a formal action of the Mayor and City Council, the City's highest level of decision-making authority. This formal action is the passage of ordinances creating, modifying, or rescinding committed resources.
- *Assigned* fund balances include amounts that are constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. The City's Chief Financial Officer is authorized to assign amounts to a specific purpose based on the City's policy (see below).
- *Unassigned* fund balances are the residual amount not included in the four categories described above. The General Fund is the only fund that can report a positive unassigned fund balance and any deficit fund balances with the other governmental fund types are reported as unassigned.

It is the City's fiscal policy to maintain a total ending fund balance in the General Fund of at least 20 percent of General Fund operating revenues.

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

1. Summary of significant accounting policies (continued)

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

11. Fund balance components (continued)

The following schedule shows the composition of the fund balances of the governmental funds for the year ended June 30, 2018:

	Major Governmental Funds			Non Major Governmental Funds				Total
	General Fund	City of Las Vegas Debt Service	Road and Flood	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Permanent Fund	
Nonspendable:								
Inventories	\$ 2,300,206	\$	\$	\$	\$	\$	\$	\$ 2,300,206
Prepaid items	143,379			31,159				174,538
Noncurrent loans receivable	15,000,000							15,000,000
Land/Property held for resale				3,011,329				3,011,329
Cemetery perpetual care							2,121,173	2,121,173
Total nonspendable	17,443,585			3,042,488			2,121,173	22,607,246
Restricted:								
Debt service		182,627,776		386,205	5,587,781			188,601,762
Econ Dev and Assistance				37,151,567		31,752,248		68,903,815
Public Works - Road and Flood			9,523,349	31,415,851		122,086		41,061,286
Public Safety - Fire				1,345,974		12,032,564		13,378,538
Public Safety - Detention				1,377,435		6,117,474		7,494,909
Parks Projects						47,585,226		47,585,226
City Facilities						36,171		36,171
Special Improvement						35,896,725		35,896,725
Judicial				120,431				120,431
Culture and Recreation				1,386				1,386
Total Restricted		182,627,776	9,523,349	71,798,849	5,587,781	133,542,494		403,080,249
Committed:								
General Government						685,377		685,377
Special Improvement				17,461,104				17,461,104
Econ Dev and Assistance				121,075				121,075
Culture and Recreation				827,269		14,552,017		15,379,286
Total Committed				18,409,448		15,237,394		33,646,842
Assigned								
Debt service		22,152,622			16,247			22,168,869
Fiscal Stabilization	13,286,827							13,286,827
Public Works - Road and Flood			5,837,197			1,902,380		7,739,577
Econ Dev and Assistance				32,270,852				32,270,852
City Facilities				638,891		12,592,215		13,231,106
Public Safety - Fire						3,673,796		3,673,796
Public Safety - Traffic						4,427,776		4,427,776
Public Safety - Detention				159,140		1,479,926		1,639,066
Parks Projects						17,767,345		17,767,345
Culture and Recreation				3,992,613				3,992,613
General Government				4,197,259		9,379,438		13,576,697
Total Assigned	13,286,827	22,152,622	5,837,197	41,258,755	16,247	51,222,876	\$	133,774,524
Unassigned	101,175,097							101,175,097
	<u>\$ 131,905,509</u>	<u>\$ 204,780,398</u>	<u>\$ 15,360,546</u>	<u>\$ 134,509,540</u>	<u>\$ 5,604,028</u>	<u>\$ 200,002,764</u>	<u>\$ 2,121,173</u>	<u>\$ 694,283,958</u>

12. Estimates

The preparation of basic financial statements in conformance with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

13. Grant portion of intergovernmental revenues

Grant revenues and expenditures are generally recorded in Special Revenue Funds. If an expenditure of monies by a grantee is the prime factor for determining the release of grant funds, revenue is recognized at the time of the expenditure. If release of grant funds is not contingent upon expenditure of monies, revenue is recorded when received or when the grant becomes an obligation of the grantor.

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

1. Summary of significant accounting policies (continued)

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

14. Interfund transactions

During the course of normal operations, the City has numerous transactions between funds, which include transfers of resources from one fund to another. The fund financial statements reflect such transactions as transfers. Certain receivable/payable balances between the primary government and blended component units are eliminated for financial statement presentation. Internal service funds record charges for services to all City departments and funds as operating revenue. All City funds record these payments to the internal service funds as operating expenditures/expenses.

15. Fiscal Stabilization Fund

In a prior fiscal year, the City Council through Resolution established a special revenue fund whose purpose is to provide for the stabilization of operations during periods of economic downturn, or for the mitigation of the effects of disasters in accordance with NRS 354.6115. The ending fund balance of the Fiscal Stabilization Special Revenue Fund at June 30, 2018 was \$13,286,827.

A transfer of available resources from the General Fund, Special Revenue Funds, Internal Service Funds and Capital Project Funds was used to establish the fund, which will maintain a fund balance not to exceed ten percent (10%) of the prior year's General Fund expenditures. The General Fund transfer will be 20% of the excess actual audited ending fund balance over the budgeted ending fund balance to the fund until such time as the maximum fund balance is reached.

The fund balance will not be used to finance routine operations. Revenues will be realized only through transfers in from other funds and interest earnings. Expenditures will be limited to transfers out to other funds to provide for the stabilization of operations under the following conditions:

- A) If the total actual revenue of the City falls short of the total anticipated revenue in the General Fund for the fiscal year in which the local government uses that money, and
 - 1. The revenue shortfall is the result of an economic event that could not be anticipated, and
 - 2. The resulting General Fund balance will fall below 10% of the anticipated expenditures, or
- B) To pay expenses incurred by the City to mitigate the effects of a natural disaster or act of terrorism.

At June 30, 2018, based on the requirements of GASB 54, the City's Fiscal Stabilization Special Revenue Fund did not meet the reporting requirements to be presented as a special revenue fund, and is, therefore, presented as part of the City's General Fund. However, the City budgeted this Fund as a Special Revenue Fund (see reconciliation at page 133).

16. Pension

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

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

1. Summary of significant accounting policies (continued)

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

17. Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense; information about the fiduciary net position of the City of Las Vegas Benefit Plan (Plan) and additions to / deductions from the plan fiduciary net position have been determined on the same basis they are reported by the Plan. For this purpose the plan recognizes benefit payments when due and payable in accordance with the Plan terms. The assets of the OPEB Trust Fund are invsted in the State of Nevada Retirement Benefit Investment Fund (RBIF) established pursuant to NRS 355.220.

H. Revenues and expenditures/expenses

1. Program revenues

Amounts reported as *program revenues* include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Proprietary funds operating and nonoperating revenues and expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Sanitation Fund are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

2. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains, “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of the difference are as follows:

Bonds payable	\$ (722,516,986)
Less: Original issue discount (to be amortized over the life of the bonds as interest expense and fiscal charges)	2,477,713
Add: Original issue premiums (to be amortized over the life of the bonds as interest income)	(43,197,586)
Deferred charges on refunding (to be amortized as interest expense and fiscal charges)	24,416,440
Accrued interest payable	(8,506,435)
Arbitrage rebate payable	(71,085)
Las Vegas Metropolitan Police Department OPEB liability	(21,048,618)
Compensated absences	(42,659,358)
City net OPEB liability	(24,958,606)
Deferred inflows related to OPEB	(7,352,535)
Heart Lung Presumptive Liability	(32,313,663)
Net pension liability	(405,484,645)
Las Vegas Metropolitan Police Department net pension liability	(329,210,318)
Agency loan payable to the Sanitation Fund	(13,924,973)
Agency loan payable to the Debt Service Fund	(21,615,000)
Deferred inflows related to pensions	(41,761,794)
Deferred outflows related to pensions	<u>62,212,697</u>
Net adjustment to reduce fund balance - total governmental funds	<u><u>\$(1,625,514,752)</u></u>

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

2. Reconciliation of government-wide and fund financial statements (continued)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of the difference are as follows:

Capital outlay	\$ 124,646,334
Depreciation expense (Note 7)	<u>(125,824,979)</u>
<i>Net adjustment to decrease net changes in fund balance - total governmental</i>	<u><u>\$ (1,178,645)</u></u>

Another element of that reconciliation states that “the net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.” The details of the difference are as follows:

Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	\$ 49,201,946
The statement of activities reports gains / (losses) from the disposal or trade-in of existing capital assets to acquire new capital assets. Conversely, governmental funds do not report any gain or loss on the trade-in of capital assets.	<u>(173,835)</u>
<i>Net adjustment to increase net changes in fund balance - total governmental funds to arrive at changes in net position - governmental activities.</i>	<u><u>\$ 49,028,111</u></u>

Another element of the reconciliation states that the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of this difference are as follows:

Bond principal repayments	\$ 24,643,397
Premiums on bonds issued	(2,632,283)
Proceeds from bonds issued	(41,110,000)
Agency debt payment to the City	<u>1,547,219</u>
<i>Net adjustment to decrease net changes in fund balance total governmental funds to arrive at changes in net position - governmental activities</i>	<u><u>\$ (17,551,667)</u></u>

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

2. Reconciliation of government-wide and fund financial statements (continued)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities (continued)

Another element of the reconciliation states that “some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this difference are as follows:

Change in City net OPEB liability	\$ 712,753
Change in net pension liability	456,450
Change in heart lung presumptive liability	1,633,027
Change in compensated absences	(1,235,751)
Change in Las Vegas Metropolitan Police Department OPEB liability	(133,172)
Change in Las Vegas Metropolitan Police Department net pension liability	3,634,934
Change in accrued interest	(2,867)
Amortization of bond discounts	(192,471)
Amortization of bond premiums	4,520,671
Amortization of debt refunding	<u>(1,649,038)</u>
<i>Net adjustment to increase net changes in fund balance - total governmental funds to arrive at changes in net position - governmental activities</i>	<u><u>\$ 7,744,536</u></u>

Another element of the reconciliation states that certain amounts reported as revenues in the statement of activities do not provide current financial resources and therefore is not reported as revenue in governmental funds. The details of this difference are as follows:

Intergovernmental revenue	\$ (21,615,000)
Property tax revenue	234,605
Special assessments	(304,169)
Deferred loan proceeds	<u>(376,239)</u>
<i>Net adjustment to decrease net changes in fund balance - total governmental funds to arrive at changes in net position - governmental activities</i>	<u><u>\$ (22,060,803)</u></u>

Another element of the reconciliation states that internal service funds are used by management to charge the costs of a variety of services: fleet, graphic reproduction, purchase and maintenance of computers, maintenance of radios and telephones, employee benefits, property damage, facilities maintenance and fire equipment acquisition to individual funds. The net revenue of certain activities of internal service funds is reported with government activities. The details of this difference are as follows:

Change in net position of the internal services funds	\$ (2,964,155)
Loss from charges of business type activities	<u>(243,380)</u>
<i>Net adjustment to decrease net changes in fund balance - total governmental funds to arrive at changes in net position - governmental activities</i>	<u><u>\$ (3,207,535)</u></u>

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

2. Reconciliation of government-wide and fund financial statements (continued)

C. Explanation of certain differences between the proprietary fund statement of net position and the government-wide statement of net position

The proprietary fund statement of net position includes a reconciliation between *net position - total enterprise funds* and *net position of business-type* activities as reported in the government-wide statement of net position. The description of the sole element of that reconciliation is "Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds." The details of this difference are as follows:

Internal receivable representing charges in excess of cost to business-type activities - prior years	\$ (209,432)
Internal receivables representing charges in excess of cost to business-type activities - current year	<u>243,380</u>
<i>Net adjustment to increase net position - total enterprise funds to arrive at Net position - business-type activities</i>	<u><u>\$ 33,948</u></u>

3. Pooled cash, cash equivalents and investments

As of June 30, 2018, the City had the following pooled cash, cash equivalents and investments:

Pooled cash and investments reconciled to government-wide financial statements:

Total cash equivalents and investments	\$ 768,205,952
Add: Cash on hand and cash in checking accounts	<u>43,250,314</u>
	811,456,266
Less: Cash and cash equivalents in agency funds	<u>(20,686,300)</u>
Pooled cash, cash equivalents and investments (including restricted amounts) - government wide	<u><u>\$ 790,769,966</u></u>

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

3. Pooled cash, cash equivalents and investments (continued)

The NRS governs the City's deposit policies. City monies must be deposited in federally insured banks and savings and loan associations. As of June 30, 2018, the recorded amount of the City's deposits was \$43,215,296 and the bank balance was \$44,371,729. As of the year-end, the City's bank balance was either insured by the Federal Depository Insurance Corporation (FDIC) or fully collateralized in accordance with NRS.

GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, requires short-term money market investments, such as commercial paper and U.S. Treasury and agency obligations that have a remaining maturity at time of purchase of one year or less, to be reported at amortized cost (book value). All other investments are reported at their estimated fair value.

Type of Investments	Book Value	Fair Value	Total Value	Weighted-Average Maturity (Years)
U.S. Treasury	\$ 18,634,310	\$ 186,102,359	\$ 204,736,669	1.191
U.S. Agencies	11,980,258	173,020,157	185,000,415	2.255
Corporate Bonds		72,052,027	72,052,027	2.221
Commercial Paper	66,633,571		66,633,571	0.231
Local Government Investment Pool		181,317,080	181,317,080	0.003
Money Market Funds		36,480,467	36,480,467	0.003
Negotiable Certificates of Deposit	10,992,138		10,992,138	0.521
Capital Management:				
U.S. Agency Mortgaged Backed Securities		1,429,303	1,429,303	2.700
Commercial Mortgaged Backed Securities		2,064,928	2,064,928	1.232
Asset Backed Securities		4,829,479	4,829,479	3.389
Corporate Bonds		1,367,737	1,367,737	0.474
U.S. Treasuries		487,580	487,580	2.173
Money Market Fund		814,558	814,558	0.003
Total Value	<u>\$ 108,240,277</u>	<u>\$ 659,965,675</u>	<u>\$ 768,205,952</u>	

Portfolio weighted-average maturity 1.129

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset. Investments classified at Level 1 of the fair value hierarchy are valued using prices quoted in active markets for identical assets. Investments classified at Level 2 of the fair value hierarchy are generally valued using a matrix pricing technique. Matrix pricing is the process of estimating the market price of a bond based on the quoted prices of more frequently traded comparable bonds. State and Local Government Series (SLGS) are classified at Level 3 as these investments are purchased from the U.S. Department of Treasury through a subscription process and are not traded on the open market but can be redeemed through the Bureau of Fiscal Service by a redemption request.

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

3. Pooled cash, cash equivalents and investments (continued)

The City has the following recurring fair value measurements as of June 30, 2018:

Type of Investments	Fair Value Measurements Using			
	June 30, 2018	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Treasury	\$ 186,102,359	\$ 24,412,950	\$	\$ 161,689,409
U.S. Agencies	173,020,157		173,020,157	
Corporate Bonds	72,052,027		72,052,027	
Local Government Investment Pool	181,317,080	49,898,460	131,418,620	
Money Market Funds	36,480,467	36,480,467		
Capital Management:				
U.S. Agency Mortgaged Backed Securities	1,429,303		1,429,303	
Commercial Mortgaged Backed Securities	2,064,928		2,064,928	
Asset Backed Securities	4,829,479		4,829,479	
Corporate Bonds	1,367,737		1,367,737	
U.S. Treasuries	487,580	487,580		
Money Market Fund	814,558	814,558		
Total Investments by Fair Value Level	<u>\$ 659,965,675</u>	<u>\$ 112,094,015</u>	<u>\$ 386,182,251</u>	<u>\$ 161,689,409</u>

Type of Investments		Investment Maturities				
		1 to 30 Days	31 to 60 Days	61 to 365 Days	366 Days to 5 Years	5 Years to 10 Years
U.S. Treasury	\$ 204,736,669	\$ 18,634,310	\$	\$ 7,073,858	\$ 179,028,501	\$
U.S. Agencies	185,000,415	6,995,847		19,916,911	158,087,657	
Corporate Bonds	72,052,027	2,121,077		1,993,360	67,937,590	
Commercial Paper	66,633,571	19,969,219	4,987,379	41,676,973		
Local Government Investment Pool	181,317,080	181,317,080				
Money Market Funds	36,480,467	36,480,467				
Negotiable Certificates of Deposit	10,992,138			10,992,138		
Capital Management:						
U.S. Agency Mortgaged Backed Securities	1,429,303		748	13,715	1,195,734	219,106
Commercial Mortgaged Backed Securities	2,064,928	48,338		842,517	1,174,073	
Asset Backed Securities	4,829,479			35,135	4,794,344	
Corporate Bonds	1,367,737			1,367,737		
U.S. Treasuries	487,580				487,580	
Money Market Fund	814,558	814,558				
Total Investments	<u>\$ 768,205,952</u>	<u>\$ 266,380,896</u>	<u>\$ 4,988,127</u>	<u>\$ 83,912,344</u>	<u>\$ 412,705,479</u>	<u>\$ 219,106</u>

Interest Rate Risk: In accordance with its investment policy, the City manages its exposure to declines in fair value by limiting the weighted-average maturity of its investment portfolio to less than thirty months.

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

3. Pooled cash, cash equivalents and investments (continued)

Some of the U.S. agency investments have call options which, if exercised, could shorten the maturity of these investments. The asset-backed securities are backed by mortgages that are subject to prepayment risk which could also shorten the maturity of these investments.

Credit Risk: Statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies (i.e., FNMA, FHLB, etc.), corporate bonds rated “A” or better by a nationally recognized rating service, commercial paper rated “A-1,” “P-1” by a nationally recognized rating service, repurchase agreements, certificates of deposit, money market mutual funds rated “AAA” by a nationally recognized rating service or other securities in which banking institutions may legally invest, State of Nevada Local Government Pooled Funds or collateralized investment contracts. The City has adopted the state statutes for its investing policies to help minimize its credit risk.

As of June 30, 2018, more than 5% of the City’s investments are in Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Local Government Investment Pool, and U.S. Treasuries. These investments are 9%, 9%, 24%, and 27% respectively, of the total investments.

Custodial Credit Risk: Custodial credit risk from *deposits* is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of another party. At year end, the City’s investment pool and specific investments had no securities exposed to custodial credit risk.

Type of Investments	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Year End				
				AAA	AA	A	A-1/P-1	Not Rated
U.S. Treasury	\$ 204,736,669	N/A	\$ 204,736,669					
U.S. Agencies	185,000,415	N/A		169,017,837			11,980,258	4,002,320
Corporate Bonds	72,052,027	A		1,967,120	34,417,040	33,546,790		2,121,077
Commercial Paper	66,633,571	A-1/P-1					66,633,571	
Local Government Investment Pool	181,317,080	N/A						181,317,080
Money Market Funds	36,480,467	AAA		36,480,467				
Negotiable Certificates of Deposit	10,992,138	A-1/P-1					10,992,138	
Capital Management:								
U.S. Agency Mortgaged Backed Securities	1,429,303	AAA		1,429,303				
Commercial Mortgaged Backed Securities	2,064,928	AAA		2,064,928				
Asset Backed Securities	4,829,479	AAA		4,829,479				
Corporate Bonds	1,367,737	A				1,367,737		
U.S. Treasuries	487,580	N/A	487,580					
Money Market Fund	814,558	AAA	814,558					
Total Investments	\$ 768,205,952		\$ 206,038,807	\$ 215,789,134	\$ 34,417,040	\$ 34,914,527	\$ 89,605,967	\$ 187,440,477

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

3. Pooled cash, cash equivalents and investments (continued)

Concentration of Credit Risk: The City's investment policy allows for investments as follows: (1) U.S. Treasury, money market funds and agencies, State of Nevada local government pooled funds, with no limit; (2) repurchase agreements, 20% of portfolio; (3) commercial paper, 20% of portfolio with a 10% per issue limit; (4) corporate notes, 20% of portfolio with a 25% per issue limit; and (5) certificates of deposit, \$100,000 per institution. Collateralized investment contracts may be utilized on bond proceeds for which the original amount of the principal of the original issuance was \$10,000,000 or more. To reduce the overall portfolio risks, the City will diversify its investments by security type and institution. With the exception of U.S. Treasuries and government agency securities, no more than 50% of the City's total investment portfolio will be invested in a single security type or with a single financial institution.

Related Party Investment: The Sanitation Enterprise fund holds an investment of \$13,924,973 in the Redevelopment Agency, which is a blended component unit of the City. The Redevelopment Agency Tax Increment Revenue Subordinate Lien Bond Series 2017 is due June 1, 2027. This investment is eliminated and reflected in the internal balances in the Statement of Net Position.

4. Property taxes

By December 31 of each year, all property in Clark County is assessed by parcel for property tax purposes by the Clark County Assessor. The assessment valuation roll is published in a local newspaper for the information of all taxpayers. If desired, property owners have until January 15 to appeal the valuation to the Clark County Board of Equalization. Any taxpayer not agreeing with the decision of the County Board of Equalization may file an appeal with the State Board of Equalization no later than the first Monday of March.

The Nevada Department of Taxation provides the maximum allowable tax rates for operating purposes to local governments for inclusion in their budgets. Each local government that receives property taxes must file a budget on or before June 1, which provides for the allowed tax rate for the next fiscal year. The Nevada Tax Commission must certify all tax rates on June 25, the levy date, and property is lienied on July 1. Property taxes are then payable to the County Treasurer in four equal installments, due the third Monday of August, and the first Monday of October, January and March. Apportionment of taxes by Clark County to the City of Las Vegas, Nevada is made in the calendar quarters of September, December, March and June.

The actual rates, which were levied for June 30, were as follows:

	2018	2017
General	0.6765	0.6765
Special	0.0950	0.0950
Total Tax	<u>0.7715</u>	<u>0.7715</u>

Amounts per \$100 of assessed value

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

5. Intergovernmental receivables

The following schedule details the intergovernmental receivables as of June 30, 2018:

	Governmental Funds				Business-type Activities	
	Major Governmental Funds		Non-Major Governmental Funds	Total	Sanitation Fund	Government-Wide Total
	General Fund	Road and Flood				
City of Boulder City	\$ 690	\$	\$	\$ 690	\$	\$ 690
City of Henderson	713			713		713
Clark County	20,293		313,659	333,952		333,952
Clark County Community Resources			37,044	37,044		37,044
Clark County Regional Flood Control District		8,147,059	191,472	8,338,531		8,338,531
Clark County Regional Transportation Commission		13,903,357	247,385	14,150,742		14,150,742
Clark County School District	154			154		154
Las Vegas Convention and Visitors Authority			814,707	814,707		814,707
Nevada Dept of Transportation		779,167	427,443	1,206,610		1,206,610
Nevada Division of State Parks			22,390	22,390		22,390
North Las Vegas Police Department	2,095,643			2,095,643		2,095,643
Southern Nevada Water Authority					3,863,144	3,863,144
State of Nevada			4,849,471	4,849,471		4,849,471
State of Nevada, Dept of Public Safety			650,398	650,398		650,398
State of Nevada, Housing Division			412,866	412,866		412,866
U.S. Department of Army	1,939			1,939		1,939
U. S. Dept of Justice			117,343	117,343		117,343
U. S. Department of Health & Human Services			51,431	51,431		51,431
U.S. Department of Housing and Urban Development			3,090,248	3,090,248		3,090,248
U.S. Department of Homeland Security			968	968		968
U. S. Marshall Services	291			291		291
	<u>\$ 2,119,723</u>	<u>\$ 22,829,583</u>	<u>\$ 11,226,825</u>	<u>\$ 36,176,131</u>	<u>\$ 3,863,144</u>	<u>\$ 40,039,275</u>

Payments of intergovernmental receivables are expected to be received and available soon after year-end to finance expenditures of the year ended June 30, 2018. In addition, the City has resources available from the U.S. Department of Housing and Urban Development through the Community Development Block Grant Program totaling \$6,031,759, the Housing Opportunities for Persons with AIDS totaling \$1,183,341, HOME Investment Program totaling \$1,339,163, Emergency Solutions Grant totaling \$51,151 and Neighborhood Stabilization Program totaling \$1,070,290, which are available to reimburse the City for qualifying expenditures.

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

6. Joint Venture

A. Las Vegas Metropolitan Police Department (Metro)

The City is a participant in a joint venture with Clark County created by a special financing relationship for the Las Vegas Metropolitan Police Department (Metro) established by state statute. A five-member committee composed of two appointees each from the City and the County, and one appointee from the general public approves Metro's budget.

State statute mandates apportionment of costs among the participating political subdivisions based upon a percentage of the permanent population and the total number of calls for service within each subdivision. Complete financial information for Metro is included in the comprehensive annual financial report of Clark County, Nevada. The following schedule presents a two-year summary of condensed financial information for Metro, as of and for the years ended June 30:

	<u>2018</u>	<u>2017</u>
Assets	\$ 44,699,038	\$ 54,616,818
Liabilities	(30,907,952)	(32,627,082)
Deferred inflows	(1,536,243)	(1,502,589)
Fund balance	<u>\$ 12,254,843</u>	<u>\$ 20,487,147</u>
Revenues	\$ 326,011,074	\$ 310,274,010
Expenditures	<u>(584,061,194)</u>	<u>(565,886,352)</u>
	(258,050,120)	(255,612,342)
Other financing sources	<u>249,817,816</u>	<u>241,384,672</u>
Change in fund balance	<u>\$ (8,232,304)</u>	<u>\$ (14,227,670)</u>
Political Subdivision Funding Percentage:		
Clark County	63.7%	63.5%
City of Las Vegas	36.3%	36.5%

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

7. Capital Assets

Capital asset activity for the year ended June 30, 2018, was as follows:

Primary Government

	Balance June 30, 2017	Additions	Transfers	Deletions	Balance June 30, 2018
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 1,188,005,819	\$ 17,504,595	\$	\$ (7,109)	\$ 1,205,503,305
Construction in progress	109,211,371	64,425,832	(43,276,305)	(33,889)	130,327,009
Total capital assets, not being depreciated	1,297,217,190	81,930,427	(43,276,305)	(40,998)	1,335,830,314
Capital assets, being depreciated:					
Land improvements	530,966,329	7,228,233	5,360,148	(90,643)	543,464,067
Buildings	685,061,837	1,644,014	2,828,340	(80,327)	689,453,864
Building improvements	195,364,262	2,065,581	4,467,586		201,897,429
Machinery and equipment	55,847,613	3,242,604	633,056	(2,202,157)	57,521,116
Vehicles	79,453,623	5,169,446		(5,837,861)	78,785,208
Roadways	1,567,629,923	31,629,088	8,358,691		1,607,617,702
Traffic pavement markers	3,709,962	240,757			3,950,719
Traffic signals and lighting	201,588,807	3,079,919	193,306		204,862,032
Traffic signage	3,740,233	131,929	49,322		3,921,484
Storm drainage	865,101,867	43,359,600	21,385,856		929,847,323
Total capital assets, being depreciated	4,188,464,456	97,791,171	43,276,305	(8,210,988)	4,321,320,944
Less accumulated depreciation for:					
Land improvements	(229,600,152)	(24,544,037)		67,764	(254,076,425)
Buildings	(140,507,484)	(17,093,401)		31,461	(157,569,424)
Building improvements	(82,058,026)	(8,798,754)			(90,856,780)
Machinery and equipment	(41,691,326)	(2,978,811)		2,103,153	(42,566,984)
Vehicles	(55,671,338)	(4,775,947)		5,827,267	(54,620,018)
Roadways	(787,845,424)	(47,185,065)			(835,030,489)
Traffic pavement markers	(2,823,670)	(317,695)			(3,141,365)
Traffic signals and lighting	(146,876,988)	(5,218,436)			(152,095,424)
Traffic signage	(2,187,882)	(269,881)			(2,457,763)
Storm drainage	(210,115,164)	(17,942,965)			(228,058,129)
Total accumulated depreciation	(1,699,377,454)	(129,124,992)		8,029,645	(1,820,472,801)
Total capital assets, being depreciated, net	2,489,087,002	(31,333,821)	43,276,305	(181,343)	2,500,848,143
Governmental activities capital assets, net	\$ 3,786,304,193	\$ 50,596,606	\$	\$ (222,341)	\$ 3,836,678,457

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

Governmental activities:	
General government	\$ 9,499,454
Judicial	16,320
Public safety	13,934,752
Public works	65,405,445
Health	790
Culture and recreation	33,864,391
Economic development	3,103,829
Subtotal	125,824,981

Capital assets held by the government's internal service funds are charged to the various functions based on the usage of the assets

Total depreciation expense-governmental activities

\$ 129,124,992

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

7. Capital Assets (continued)

	Balance June 30, 2017	Additions	Transfers	Deletions	Balance June 30, 2018
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 81,745,869	\$	\$	\$ (3,099,013)	\$ 78,646,856
Construction in progress	68,926,280	22,400,168	(53,019,643)		38,306,805
Total capital assets, not being depreciated	<u>150,672,149</u>	<u>22,400,168</u>	<u>(53,019,643)</u>	<u>(3,099,013)</u>	<u>116,953,661</u>
Capital assets, being depreciated:					
Land improvements	43,503,668		258,637		43,762,305
Sewer plant improvements	519,345,013	4,777,917	40,437,705		564,560,635
Buildings	62,513,839		149,557		62,663,396
Building improvements	4,267,139	4,927	292,370		4,564,436
Sewer lines	532,956,297	18,909,243	11,881,374		563,746,914
Machinery and equipment	5,145,709	533,315		(36,798)	5,642,226
Total capital assets, being depreciated	<u>1,167,731,665</u>	<u>24,225,402</u>	<u>53,019,643</u>	<u>(36,798)</u>	<u>1,244,939,912</u>
Less accumulated depreciation for:					
Land improvements	(19,017,245)	(1,991,171)			(21,008,416)
Sewer plant improvements	(289,358,057)	(19,941,708)			(309,299,765)
Buildings	(22,614,858)	(1,512,202)			(24,127,060)
Building improvements	(3,130,122)	(111,636)			(3,241,758)
Sewer lines	(135,332,533)	(10,954,807)			(146,287,340)
Machinery and equipment	(3,181,921)	(342,322)		36,798	(3,487,445)
Total accumulated depreciation	<u>(472,634,736)</u>	<u>(34,853,846)</u>		<u>36,798</u>	<u>(507,451,784)</u>
Total capital assets, being depreciated, net	<u>695,096,929</u>	<u>(10,628,444)</u>	<u>53,019,643</u>		<u>737,488,128</u>
Business-type activities capital assets, net	<u>\$ 845,769,078</u>	<u>\$ 11,771,724</u>	<u>\$</u>	<u>\$ (3,099,013)</u>	<u>\$ 854,441,789</u>

Business-type activities:	
Sanitation	\$ 32,883,173
Municipal Parking	1,271,404
Municipal Golf Course	685,547
Building and Safety	12,162
Nonprofit corporations	1,560
Total depreciation expenses business-type activities	<u>\$ 34,853,846</u>

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

7. Capital Assets (continued)

Construction Commitments

The City has active construction projects as of June 30, 2018. The projects include buildings, building improvements, land improvements (associated with various parks), machinery and equipment (mainly associated with upgrades to technology), roadways, storm sewers (widening, construction of new and existing streets and detention basin and drainage facilities), traffic signals and streetlights in progress. The City is also in the process of constructing sewer plant improvements and sanitary sewer lines. At year end, the City commitments with contractors are as follows:

<u>Projects - Governmental funds</u>	<u>Spent to date (CIP)</u>	<u>Remaining Commitment</u>
Buildings	\$ 3,037,246	\$ 31,790,399
Building improvements	2,907,735	3,056,897
Land improvements	9,924,213	19,565,822
Machinery and equipment	93,559	205,234
Roadways	88,972,348	56,271,207
Vehicles		138,354
Storm drains	19,132,008	32,251,596
Traffic signals, lighting, signs and markers	6,259,900	855,373
	<u>\$ 130,327,009</u>	<u>\$ 144,134,882</u>
 <u>Projects - Proprietary funds</u>		
Building improvements	417,971	87,003
Land improvements	173,708	729,023
Machinery and equipment		421,594
Sanitation plant improvements	6,880,910	8,578,110
Sanitation sewer lines	30,834,216	29,789,070
	<u>\$ 38,306,805</u>	<u>\$ 39,604,800</u>

The major financing for roadways and storm sewer projects includes reimbursements from the Regional Transportation Commission of Southern Nevada (RTC), Clark County, Clark County Regional Flood Control District, Nevada Department of Transportation, Motor Vehicle Fuel Tax, special assessments, and bond issuances. Sanitation sewer lines and sanitation plant improvements are financed by sewer revenues. Reimbursements from federal (i.e., SNPLMA) and local governments (i.e., RTC) and bond proceeds finance solar energy projects in the General Capital Projects Fund, building and land improvements, mainly in the Parks and Leisure Activities and City Facilities capital projects funds.

8. Multiple-Employer Cost-Sharing Defined Benefit Pension Plan

The City's employees are covered by the Public Employees' Retirement System of Nevada (PERS), which was established by The Nevada Legislature in 1947, effective July, 1948. PERS is governed by the Public Employees Retirement Board (the PERS Board) whose seven members are appointed by the governor. The City does not exercise any control over PERS. NRS 286.110 states that "The respective participating public employers are not liable for any obligations of the system."

A. Plan Description

PERS administers a cost-sharing, multiple employer, defined benefit public employees' retirement system which include both Regular and Police / Fire members. PERS is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earning capacities have been removed or substantially impaired by age or disability.

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

8. Multiple–Employer Cost–Sharing Defined Benefit Pension Plan (continued)

B. Benefits Provided

Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering PERS on or after January 1, 2010. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.5% multiplier. Regular members entering PERS on or after July 1, 2015, have a 2.25% multiplier. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Post-retirement increases are provided by authority of NRS 286.575-.579.

C. Vesting

Regular members are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with thirty years of service. Regular members entering PERS on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or any age with thirty years of service. Police/Fire members are eligible for retirement at age 65 with five years of service, at age 55 with ten years of service, at age 50 with twenty years of service, or at any age with twenty-five years of service. Police/Fire members entering PERS on or after January 1, 2010, are eligible for retirement at 65 with five years of service, or age 60 with ten years of service, or age 50 with twenty years of service, or at any age with thirty years of service. Only service performed in a position as a police officer or firefighter may be counted towards eligibility for retirement as Police/Fire accredited service.

The normal ceiling limitation on monthly benefits allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985 is entitled to a benefit of up to 90% of average compensation. Both Regular and Police/Fire members become fully vested as to benefits upon completion of five years of service.

D. Contributions

The authority for establishing and amending the obligation to make contributions and member contribution rates is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. Contributions are shared equally by employer and employee. Employees can take a reduced salary and have contributions made by the employer (EPC) or can make contributions by a payroll deduction matched by the employer.

PERS basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due.

PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund the System on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450.

The actuary funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contributions requirement as a percentage of salary. For the fiscal year ended June 30, 2018 the Statutory Employer/employee matching rate was 14.50% for Regular and 20.75% for Police/Fire. The Employer-pay contribution (EPC) rate was 28.00% for Regular and 40.50% for Police/Fire. For the fiscal year ended June 30, 2017 the Statutory Employer/employee matching rate was 14.50% for Regular and 20.75% for Police/Fire. The Employer-pay contribution (EPC) rate was 28.00% for Regular and 40.50% for Police/Fire.

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

8. Multiple-Employer Cost-Sharing Defined Benefit Pension Plan (continued)

E. Basis of Accounting

The City participates in PERS cost sharing multiple-employer defined benefit plans and is required to report pension information in its financial statements for fiscal periods beginning on or after June 30, 2014, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*.

The underlying financial information used to prepare the pension allocation schedules is based on PERS financial statements. PERS financial statements are prepared in accordance with accounting principles generally accepted in the United States of America.

Contributions for employer pay dates that fall within PERS fiscal year ending June 30, 2018, are used as the basis for determining each employer's proportionate share of the collective pension amounts.

The total pension liability is calculated by PERS' actuary. The plan's fiduciary net position is reported in PERS financial statements and the net pension liability is disclosed in PERS notes to the financial statements. An annual report containing financial statements and required information for the System may be obtained by writing to PERS, 693 W. Nye Lane, Carson City, Nevada 89703-1599, or by calling (775) 687-4200.

F. Investment Policy

PERS policies which determine the investment portfolio target asset allocation are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the PERS.

The following was the PERS Board adopted policy target asset allocation as of June 30, 2018.

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

*As of June 30, 2017 PERS' long-term inflation assumption was 2.75%

G. Pension Liability

1. Net Pension Liability

PERS collective net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer allocation percentage of the net pension liability was based on the total contributions due on wages paid during the measurement period. Each employer's proportion of the net pension liability is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2017.

2. Pension Liability Discount Rate Sensitivity

The following presents the City's net pension liability of PERS as of June 30, 2018, calculated using the discount rate of 7.50%, as well as what the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current discount rate:

	<u>1% Decrease in Discount Rate (6.50%)</u>	<u>Discount Rate (7.50%)</u>	<u>1% Increase in Discount Rate (8.50%)</u>
Net Pension Liability			
Regular funds	\$ 764,381,747	\$ 505,540,722	\$ 290,561,926

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

8. Multiple-Employer Cost-Sharing Defined Benefit Pension Plan (continued)

3. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the PERS Comprehensive Annual Report, available on the PERS website (www.nvpers.org).

4. Actuarial Assumptions

PERS net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.75%
Payroll growth	5.00%, including inflation
Investment rate of return	7.50%
Discount rate	7.50%
Productivity pay increase	0.50%
Projected salary increases	Regular: 4.25% to 9.15%, depending on service; Police/Fire: 4.55% to 13.9%, depending on service; Rates include inflation and productivity increases
Consumer price index	2.75%

Actuarial assumptions used in the most recent valuation were based on the results of the experience review completed in 2017, applied to all periods included in the measurement.

The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position at June 30, 2018, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2018.

At June 30, 2018, assumed mortality rates and projected life expectancies for selected ages were as follows:

Age	Regular Members			
	Mortality Rates		Expected Years of Life Remaining	
	Males	Females	Males	Females
40	0.10%	0.05%	41.1	44.4
50	0.17%	0.12%	31.6	34.7
60	0.55%	0.42%	22.4	25.4
70	1.82%	1.39%	14.3	17.0
80	5.65%	3.79%	7.7	10.1

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

8. Multiple-Employer Cost-Sharing Defined Benefit Pension Plan (continued)

4. Actuarial Assumptions (continued)

Police/Fire Members				
Age	Mortality Rates		Expected Years of Life Remaining	
	Males	Females	Males	Females
40	0.10%	0.06%	40.2	42.5
50	0.19%	0.15%	30.7	32.8
60	0.63%	0.54%	21.5	23.6
70	2.02%	1.72%	13.5	15.5
80	6.41%	4.63%	7.1	9.0

These mortality rates and projected life expectancies are based on the following:

For non-disabled male regular members - RP-2000 Combined Health Mortality Table, projected to 2013 with Scale AA.

For non-disabled female regular members - RP-2000 Combined Healthy Mortality Table, projected to 2013 with Scale AA, set back one year.

For all non-disabled police/fire members - RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA, set forward one year.

For all disabled regular members and all disabled police/fire members - RP-2000 Disabled Retiree Mortality Table projected to 2013 with Scale AA, set forward three years.

5. Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2018, the total employer pension expense is \$35,388,234. At June 30, 2017, the measurement date, PERS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 35,176	\$ 33,221,039
Change of assumptions	33,506,655	
Net difference between projected and actual earnings on investments	3,289,452	
Changes in proportion and differences between actual contributions and proportionate share of contributions	4,851,959	18,841,258
Employer contributions subsequent to the measurement date (GASB 82)	35,892,260	
	<u>\$ 77,575,502</u>	<u>\$ 52,062,297</u>

Average expected remaining service lives: 6.39 years

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

8. Multiple-Employer Cost-Sharing Defined Benefit Pension Plan (continued)

5. Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling \$71,784,521, of which \$35,892,260 has been recorded as deferred outflows as of June 30, 2018, which will be recognized as pension expense during the year ending June 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2019	\$ 26,282,898
2020	(33,933,331)
2021	(8,737,006)
2022	23,918,086
2023	(12,324,563)
Thereafter	(5,585,139)

Changes in the City's net pension liability were as follows:

Net pension liability, beginning of year	\$ 523,357,887
Pension expense	35,388,234
Employer contributions	(34,234,885)
Net new deferred inflows and outflows of resources	<u>(18,970,514)</u>
Net pension liability, end of year	<u>\$ 505,540,722</u>

As of June 30, 2018, the required contribution to PERS was \$5,521,222 and is included in benefits payable in the Employee Benefit Internal Service Fund.

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

9. Lease commitments

The City (lessor) leases various buildings and a cemetery under non-cancelable operating leases. The major asset class and accumulated depreciation at June 30, 2018 are as follows:

	Cost	Accumulated Depreciation	Net Book Value
Woodlawn Cemetery			
Land	\$ 23,810	\$	\$ 23,810
Building and improvements	1,244,838	1,237,300	7,538
	<u>1,268,648</u>	<u>1,237,300</u>	<u>31,348</u>
Atrium Building			
Land	2,600,000		2,600,000
Building and improvements	35,231,971	8,463,804	26,768,167
	<u>37,831,971</u>	<u>8,463,804</u>	<u>29,368,167</u>
Carson Parking Garage			
Land	1,457,500		1,457,500
Building and improvements	1,322,202	1,322,202	
	<u>2,779,702</u>	<u>1,322,202</u>	<u>1,457,500</u>
Ogden Parking Garage			
Land	783,583		783,583
Building and improvements	1,370,642	1,370,642	
	<u>2,154,225</u>	<u>1,370,642</u>	<u>783,583</u>
Historic Westside School			
Land	25,000		25,000
Buildings and Improvements	1,442,916	769,994	672,922
	<u>1,467,916</u>	<u>769,994</u>	<u>697,922</u>
	<u>\$ 45,502,462</u>	<u>\$ 13,163,942</u>	<u>\$ 32,338,520</u>

A. Woodlawn Cemetery

On May 19, 2000, the City (lessor) entered into a systems lease agreement with a private company to manage and operate Woodlawn Cemetery. The initial term of the agreement was for 10 years, which expired on May 13, 2010. The City agreed to two of three five-year renewal options beginning on May 14, 2010 and expiring on May 13, 2020. The following is a schedule of future rental income for the years ending June 30:

Year Ending June 30	Amount
2019	\$ 72,884
2020	72,884

The above rental income is subject to a yearly increase based on the consumer price index. Per the agreement, the City will bear responsibility for the first \$50,000 in water charges and one-half of the water charges over \$100,000.

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

9. Lease commitments (continued)

B. Ogden and Carson Parking Garages:

The City (lessor) leases two off-street parking garages in the downtown area to private companies on a long-term basis. The agreements require monthly payments. The leases run for 50 years from their inception and rental rates are subject to change at five-year intervals based on changes in the consumer price index. In a prior fiscal year, the Ogden lease was renegotiated and extended to 2058.

The following is a schedule of future rental income for the years ending June 30:

Year Ending June 30	Amount	Year Ending June 30	Amount
2019	\$ 1,124,721	2024-2028	\$ 6,170,985
2020	1,161,212	2029-2033	6,170,985
2021	1,234,197	2034-2038	6,170,985
2022	1,234,197	2039-2043	6,170,985
2023	1,234,197	2044-2048	6,170,985
		2049-2053	3,263,148
		2054-2058	2,750,000

C. Atrium Building:

The City (lessor) owns an office building and leases office space and areas on the roof for cell towers. The lease terms vary in length from two to fifteen years and the rental income is adjusted annually based on various percentages.

The following is a schedule of future rental income for the year ending June 30:

Year Ending June 30	Amount
2019	\$ 284,899
2020	166,678
2021	110,889
2022	110,889
2023	110,889
Thereafter	1,939,116

D. Historic Westside School

In December 2014, the City (lessor) entered into a facility lease agreement with Historic Westside School Corporation. In exchange for the possession and use of the premises, Historic Westside School Corporation shall pay an advance rental fee of \$700,000. The term of the lease shall commence on December 19, 2014 and shall remain in force until December 31, 2074, unless the lease is extended or sooner terminates. The following is a schedule of future rental income:

Year Ending June 30	Amount
2019	\$ 11,664
2020	11,664
2021	11,664
2022	11,664
2023	11,664
Thereafter	600,839

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

9. Lease commitments (continued)

D. Historic Westside School (continued)

In December 2014 the City (lessee) leased back from the Historic Westside School Corporation site and improvements of the Westside School for the use and occupancy and enjoyment of the school. The lease commences in December 2014 and shall end on December 2046. The following schedule details the annual lease payments that the City will make:

<u>Year Ending June 30</u>	<u>Amount</u>
2019	\$ 138,112
2020	139,989
2021	140,705
2022	176,380
2023	177,796
Thereafter	13,544,656

E. Parking Lots

The City (lessor) leases various parking lots under non-cancelable operating leases. The parking lot spaces range from 19 up to 524 per lot. The terms of the rental agreements range from 3 to 5 years, with the earliest agreement expiring in September 2018 and the latest in October 2022. Lease payments vary per contract and are set at a certain percentage of gross revenue in excess of certain thresholds. Parking lot fees for the year ended June 30, 2018 totaled \$2,377,149.

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

10. Long-term liabilities and debt service requirements to maturity

A. Changes in long-term liabilities - governmental activities

Governmental Activities:	<u>Original Issue</u>	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2018</u>	<u>Due Within One Year</u>
Bonds payable:						
<i>General obligation</i>						
<i>Revenue Bonds:</i>						
Variable rate General Obligation various purpose Refunding Bonds Series 2013, due 06/01/2036	\$ 30,025,000	\$ 26,900,000	\$	\$ (880,000)	\$ 26,020,000	\$ 925,000
.10% to 3.3% Taxable various purpose General Obligation Refunding Bonds Series 2015B, due 06/01/2024	11,090,000	9,700,000		(1,400,000)	8,300,000	1,425,000
4.0% to 5.0% General Obligation City Hall Bonds, Series 2015C, due 09/01/2039	160,805,000	160,805,000			160,805,000	
5.0% to 7.0% General Obligation Performing Arts Center Bonds Series 2009, due 04/01/2019	101,220,000	4,470,000		(2,160,000)	2,310,000	2,310,000
3.0% to 5.0% General Obligation Performing Arts Center Refunding Bonds, Series 2016A, due 06/01/2039	90,100,000	90,100,000			90,100,000	
3.0% to 5.0% General Obligation various purposes Refunding Bonds Series 2016B, due 06/01/2036	42,590,000	<u>41,540,000</u>		<u>(1,225,000)</u>	<u>40,315,000</u>	<u>1,280,000</u>
		<u>333,515,000</u>		<u>(5,665,000)</u>	<u>327,850,000</u>	<u>5,940,000</u>
<i>General Obligation</i>						
<i>Medium-Term Bonds:</i>						
2.5% to 5.0% General Obligation medium-term Bonds Series 2011A, due 12/01/2021	27,590,000	15,035,000		(2,810,000)	12,225,000	2,920,000
2.5% to 3.5% General Obligation medium-term Bonds Series 2011B, due 12/01/2019	3,545,000	1,425,000		(1,425,000)		
2.0% to 3.0% General Obligation medium-term Bonds Series 2012A, due 05/01/2022	8,115,000	4,265,000		(815,000)	3,450,000	835,000
2.0% to 5.0% Recreation General Obligation medium- term Bonds Series 2015A, due 09/01/2025	26,000,000	23,850,000		(2,250,000)	21,600,000	2,365,000
4.0% to 4.3% Neighborhood Services General Obligation medium-term Bond Series 2007, due 11/01/2017	12,500,000	1,490,000		(1,490,000)		

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

10. Long-term liabilities and debt service requirements to maturity (continued)

A. Changes in long-term liabilities - governmental activities (continued)

Governmental Activities:	<u>Original Issue</u>	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2018</u>	<u>Due Within One Year</u>
4.0% to 4.3% Fire Safety General Obligation medium- term Bond Series 2007, due 11/01/2017	10,000,000	1,190,000		(1,190,000)		
3.0% to 5.0% General Obligation medium-term Bond Series 2016D, due 12/01/26	22,930,000	22,930,000		(1,850,000)	21,080,000	1,945,000
5.0% Various Purpose General Obligation medium-term Bonds Series 2018A, due 6/1/2028	19,495,000		19,495,000		19,495,000	1,565,000
2.5% to 3.6% Various Purpose General Obligation medium- term Bonds Series 2018B, due 6/1/2028	21,615,000		<u>21,615,000</u>	<u>(11,830,000)</u>	<u>21,615,000</u>	<u>1,895,000</u>
		<u>70,185,000</u>	<u>41,110,000</u>		<u>99,465,000</u>	<u>11,525,000</u>
<i>Certificates of Participation (COPs):</i>						
Certificates of Participation 4.0% to 5.0% Tax exempt Certificates of Participation (City Hall Project) Series 2009A, due 09/01/2019	13,770,000	9,445,000		(4,505,000)	4,940,000	4,735,000
6.1% to 7.8% Taxable Certificates of Participation (City Hall Project) Series 2009B, due 09/01/2039	174,500,000	<u>174,500,000</u>		<u>(4,505,000)</u>	<u>174,500,000</u>	<u>4,735,000</u>
		<u>183,945,000</u>			<u>179,440,000</u>	
<i>Installment Purchase:</i>						
6.1% Installment Purchase Clean Renewable Energy Bonds Series 2011, due 05/01/2026	4,974,400	3,199,190		(321,511)	2,877,679	329,517
6.1% Installment Purchase Qualified Energy Conservation Bonds Series 2011, due 05/01/2026	5,874,300	<u>3,777,944</u>		<u>(379,675)</u>	<u>3,398,269</u>	<u>389,129</u>
		<u>6,977,134</u>		<u>(701,186)</u>	<u>6,275,948</u>	<u>718,646</u>
<i>Revenue Bonds:</i>						
3.0% Energy Conservation Revenue Bonds Series 2014 due 07/30/2028	251,000	213,495		(15,801)	197,694	16,279
3.0% Energy Conservation Revenue Bonds Series 2014 due 07/30/2028	463,400	394,158		(29,173)	364,985	30,054
3.0% Energy Conservation Revenue Bonds Series 2014 due 07/30/2028	529,600	<u>450,466</u>		<u>(33,340)</u>	<u>417,126</u>	<u>34,348</u>
		<u>1,058,119</u>		<u>(78,314)</u>	<u>979,805</u>	<u>80,681</u>

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

10. Long-term liabilities and debt service requirements to maturity (continued)

A. Changes in long-term liabilities - governmental activities (continued)

Governmental Activities:	<u>Original Issue</u>	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2018</u>	<u>Due Within One Year</u>
<i>Sales Tax Increment Revenue Bonds:</i>						
2.8% to 4.4% Sales Tax Increment Revenue Bonds, Series 2016, due 06/15/2035	24,800,000	<u>23,205,000</u>		<u>(1,480,000)</u>	<u>21,725,000</u>	
<i>General Obligation Tax Increment Revenue Bonds:</i>						
3.0% to 5.0% Redevelopment Agency Tax Increment Revenue Refunding Bonds Series 2016, due 06/15/2045	83,400,000	<u>83,400,000</u>			<u>83,400,000</u>	
<i>Special Assessment Improvement Bonds:</i>						
3.6% to 5.0% Special Assessment local improvement Bonds Series 2003, due 12/01/2022	4,245,000	905,000		(140,000)	765,000	140,000
3.3% to 4.9% Special Assessment local improvement Bonds, due 06/01/2024	1,975,000	525,000		(95,000)	430,000	70,000
4.3% Special Assessment local improvement Bonds, due 06/01/2027	1,724,000	1,022,000		(85,000)	937,000	84,000
4.7% Special Assessment local improvement Bonds, due 06/01/2032	1,777,852	<u>1,313,129</u>		<u>(63,897)</u>	<u>1,249,232</u>	<u>67,101</u>
		<u>3,765,129</u>		<u>(383,897)</u>	<u>3,381,232</u>	<u>361,101</u>
Bonds payable subtotal		<u>706,050,382</u>	<u>41,110,000</u>	<u>(24,643,397)</u>	<u>722,516,985</u>	<u>23,360,428</u>
Deferred amounts						
Add: Issuance premiums		45,085,976	2,632,282	(4,520,672)	43,197,586	4,903,778
Less: Issuance discounts		<u>(2,670,185)</u>		<u>192,472</u>	<u>(2,477,713)</u>	<u>(185,331)</u>
		<u>748,466,173</u>	<u>43,742,282</u>	<u>(28,971,597)</u>	<u>763,236,857</u>	<u>28,078,875</u>
Compensated absences		44,214,075	34,517,362	(33,095,552)	45,635,885	35,172,582
Heart lung presumptive liability (Note 16B)		51,800,372	1,577,405		53,377,777	4,662,499
Net OPEB liability (as restated, Note 18)		37,320,164	1,780,950	(10,120,584)	28,980,530	
Net pension liability		<u>462,932,266</u>	<u>68,578,715</u>	<u>(84,387,459)</u>	<u>447,123,522</u>	
Government activity long-term liabilities		<u>\$ 1,344,733,050</u>	<u>\$ 150,196,714</u>	<u>\$ (156,575,192)</u>	<u>\$ 1,338,354,572</u>	<u>\$ 67,913,956</u>

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

10. Long-term liabilities and debt service requirements to maturity (continued)

A. Changes in long-term liabilities - governmental activities (continued)

Variable rate debt. In July 2013, the City issued \$30,025,000 of General Obligation (limited tax) Adjustable Rate Various Purpose Refunding Bonds Series 2013 to refund the August 2006 outstanding \$30,025,000 General Obligation Adjusted Rate Various Purpose Bonds Series 2006C, which bore interest at a variable rate. Pursuant to the bond ordinance, the new bonds have their interest rate determined on a daily basis. This daily rate is determined by the remarketing agent (Merrill Lynch), under the then existing market conditions, that would result in the sale of the bonds at a price equal to the principal amount, thereof, plus interest, if any accrued through the current date.

The interest requirements for the variable rate debt was computed using the maximum allowable rate effective at June 30, 2018.

Compensated absences. Included in the City's governmental long-term obligations is \$45,635,885 of accrued compensated absences, of which \$42,296,665 relates to the General fund, \$2,976,528 to the Internal Service funds, \$320,634 to the Special Revenue funds and \$42,058 to the Capital Project funds.

Special Assessment Debt. Special assessment local improvement bonds are unique obligations of the City, payable primarily from the assessments levied in each district, and secondly from pledged and general fund revenues. The special assessment receivable balance at June 30, 2018, is \$3,915,377.

Net Pension Liability. The City is covered by the Public Employers Retirement System of Nevada (PERS). PERS is governed by a seven member board. The City does not exercise all control and is not liable for any obligations of the system. (see Note 8). The City calculates its monthly payment to PERS based on its payroll. During fiscal year 2018, the City contributed \$71,784,521 to PERS, but the City does not pay pension liability to retirees.

B. Changes in long-term liabilities - business type activities

	Original Issue	Balance July 1, 2017	Additions	Reductions	Balance June 30, 2018	Due Within One Year
Business-type Activities						
Major Funds:						
Bonds payable:						
Sanitation:						
<i>General obligation Revenue</i>						
<i>Bonds:</i>						
4.0% Sewer General Obligation Refunding Bonds Series 2016C, due 06/01/2021	\$ 16,145,000	\$ 13,205,000	\$	\$ (3,110,000)	\$ 10,095,000	\$ 3,235,000
3.0% to 5.0% General Obligation Sewer and Refunding Bonds Series 2014A, due 05/01/2034	74,765,000	<u>65,600,000</u> <u>78,805,000</u>	<u></u>	<u>(4,935,000)</u> <u>(8,045,000)</u>	<u>60,665,000</u> <u>70,760,000</u>	<u>2,610,000</u> <u>5,845,000</u>
Business-type Activities						
Non-Major Funds:						
Parking:						
2.0% to 5.0% General Obligation Parking Refunding bond Series 2014B, due 05/01/2034	8,985,000	8,290,000		(375,000)	7,915,000	395,000

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

10. Long-term liabilities and debt service requirements to maturity (continued)

B. Changes in long-term liabilities - business type activities (continued)

	Original Issue	Balance July 1, 2017	Additions	Reductions	Balance June 30, 2018	Due Within One Year
Golf Course:						
2.0% to 3.3% Golf Course						
Refunding General						
Obligation Revenue Bonds						
Series 2012B, due						
06/01/2022	8,230,000	4,375,000		(830,000)	3,545,000	845,000
		<u>12,665,000</u>		<u>(1,205,000)</u>	<u>11,460,000</u>	<u>1,240,000</u>
Bonds payable subtotal		91,470,000		(9,250,000)	82,220,000	7,085,000
Deferred amounts:						
Add: Issuance						
Premiums		<u>6,831,605</u>		<u>(1,244,667)</u>	<u>5,586,938</u>	<u>1,016,819</u>
		98,301,605		(10,494,667)	87,806,938	8,101,819
Compensated absences		5,145,494	3,299,335	(3,549,869)	4,894,960	3,774,014
Net OPEB liability (as						
restated, Note 18)		7,131,838	71,853	(408,317)	6,795,374	
Net pension liability		<u>60,425,622</u>	<u>8,996,788</u>	<u>(11,005,210)</u>	<u>58,417,200</u>	
Business-type activity long-						
term liabilities		<u>\$ 171,004,559</u>	<u>\$ 12,367,976</u>	<u>\$ (25,458,063)</u>	<u>\$ 157,914,472</u>	<u>\$11,875,833</u>

Interfund 1.43% Redevelopment Agency Tax Increment Revenue Subordinate Lien Bond Series 2011, due January 1, 2027, for \$13,924,973 payable between the Redevelopment Agency and the Sanitation Enterprise fund was eliminated in the Statement of Net Position.

C. Payment requirements for debt service

The annual debt service requirements for all bonds outstanding are as follows:

GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES

	General Obligation Revenue Bonds		General Obligation Medium-Term Bonds		LVRA Tax Increment Revenue Bonds		Special Assessment Local Improvement Bonds	
June 30	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 13,025,000	\$ 16,926,286	\$ 11,525,000	\$ 3,478,317	\$	\$ 3,822,781	\$ 361,101	\$ 153,150
2020	14,005,000	16,354,468	11,960,000	3,046,630	1,765,000	3,822,781	388,453	136,216
2021	19,480,000	15,666,017	12,415,000	2,575,284	1,815,000	3,769,831	380,962	118,048
2022	16,715,000	14,816,065	12,895,000	2,114,545	1,890,000	3,697,231	404,634	99,896
2023	16,540,000	14,064,636	9,110,000	1,727,278	1,985,000	3,602,731	417,476	80,698
2024-2028	88,290,000	58,472,976	41,560,000	3,912,218	11,500,000	16,423,656	981,570	222,891
2029-2033	113,345,000	36,787,392			14,620,000	13,307,656	447,036	53,254
2034-2038	99,255,000	14,647,076			17,505,000	10,423,344		
2039-2043	29,415,000	1,131,650			21,935,000	5,993,250		
2044-2048					10,385,000	785,250		
Total	<u>\$ 410,070,000</u>	<u>\$188,866,566</u>	<u>\$ 99,465,000</u>	<u>\$16,854,272</u>	<u>\$ 83,400,000</u>	<u>\$ 65,648,511</u>	<u>\$ 3,381,232</u>	<u>\$ 864,153</u>

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

10. Long-term liabilities and debt service requirements to maturity (continued)

C. Payment requirements for debt service (continued)

	Certificates of Participation Bonds		Installment Purchase Bonds		Revenue Bonds		Sales Tax Increment Revenue Bonds	
June 30	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 4,735,000	\$ 13,323,087	\$ 718,646	\$ 380,950	\$ 80,681	\$ 28,794		\$ 877,313
2020	4,970,000	13,054,635	736,540	337,328	83,120	26,355		877,313
2021	5,220,000	12,740,547	754,880	292,620	85,632	23,843	2,025,000	877,313
2022	5,440,000	12,400,169	773,676	246,800	88,220	21,254		821,625
2023	5,675,000	12,034,146	792,941	199,836	90,887	18,588		821,625
2024-2028	32,590,000	53,541,278	2,499,265	305,898	497,338	50,036	4,600,000	3,625,124
2029-2033	41,725,000	39,296,181			53,928	808		3,303,125
2034-2038	53,595,000	20,810,205					15,100,000	1,321,250
2039-2043	25,490,000	2,013,180						
2044-2048								
Total	<u>\$ 179,440,000</u>	<u>\$ 179,213,428</u>	<u>\$ 6,275,948</u>	<u>\$ 1,763,432</u>	<u>\$ 979,806</u>	<u>\$ 169,678</u>	<u>\$ 21,725,000</u>	<u>\$ 12,524,688</u>

	GOVERNMENTAL ACTIVITIES TOTAL BONDS		BUSINESS-TYPE ACTIVITIES TOTAL BONDS	
June 30	Principal	Interest	Principal	Interest
2019	\$ 23,360,428	\$ 35,506,596	\$ 7,085,000	\$ 3,484,081
2020	26,513,113	34,471,364	7,395,000	3,184,362
2021	34,476,473	33,182,057	7,700,000	2,881,444
2022	33,826,530	31,656,591	4,380,000	2,560,994
2023	30,996,304	30,180,069	3,615,000	2,369,469
2024-2028	161,713,173	127,441,509	20,805,000	9,112,569
2029-2033	144,705,964	88,306,898	25,485,000	4,441,519
2034-2038	179,700,000	46,973,238	5,755,000	228,638
2039-2043	76,840,000	9,138,080		
2044-2048	10,385,000	785,250		
Total	<u>\$ 722,516,985</u>	<u>\$ 437,641,652</u>	<u>\$ 82,220,000</u>	<u>\$ 28,263,076</u>

D. Pledged Revenues

The City has pledged certain revenues for the payment of debt principal and interest. The following bonds are secured by pledged revenues as of June 30, 2018.

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

10. Long-term liabilities and debt service requirements to maturity (continued)

D. Pledged Revenues (continued)

1. General Obligation Consolidated Tax Supported Bonds

These bonds are secured by a pledge of up to 15% of the consolidated taxes allocable to the City. These bonds also constitute direct and general obligations of the City, and the full faith and credit of the City is pledged for the payment of principal and interest. The following debt issuances are consolidated tax supported.

<u>Bonds Issued</u>	<u>Maturity (Length of Pledge)</u>
Taxable Various Purpose Refunding Bonds Series 2015B	06/01/2024
Adjustable Rate Various Purpose Refunding Bonds Series 2013	06/01/2036
Various Purpose Refunding Bonds Series 2016B	06/01/2036
City Hall Bonds Series 2015C	09/01/2039

2. General Obligation Medium-Term Supported Bonds

These bonds are secured by a pledge of general fund revenues (primarily consolidated and property taxes). These bonds constitute direct and general obligations of the City, and the full faith and credit of the City is pledged for the payment of principal and interest. The ad valorem tax levy available to pay on the bonds is limited to the City's maximum operating levy.

<u>Bonds Issued</u>	<u>Maturity (Length of Pledge)</u>
Medium Term Various Purpose Bond Series 2011A	12/01/2021
Medium Term Bonds Series 2012A (F Street)	05/01/2022
Medium Term Recreation Project Bonds Series 2015A	09/01/2025
Medium Term Various Purpose Bonds Series 2016D	12/01/2026
Medium Term Various Purpose Bonds Series 2018A	06/01/2028
Medium Term Various Purpose Bonds Series 2018B	06/01/2028

3. General Obligation Sanitation and Flood Control Supported Bonds

These bonds are general obligation bonds additionally secured by an irrevocable pledge of the net revenue received by the City in connection with the ownership and operation of the City's sewer system. Pledged revenues consist of all fees, rates and other charges for the use of the sewer system remaining after deduction of operation and maintenance expenses in the sewer system.

The City covenants in its bond ordinances to fix and collect rates and other charges for the services or commodities pertaining to the sewer system in amounts sufficient to pay the operation and maintenance expenses.

<u>Bonds Issued</u>	<u>Maturity (Length of Pledge)</u>
Sewer Refunding Bonds Series 2016C	06/01/2021
Sewer Refunding Bonds Series 2014A	05/01/2034

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

10. Long-term liabilities and debt service requirements to maturity (continued)

D. Pledged Revenues (continued)

4. General Obligation Golf Course Supported Bonds

The Golf Course Refunding Bonds Series 2012B bonds are secured by a pledge of revenue derived from the operation and use of the City's Durango Hills Golf Course.

The City covenants in its bond ordinance to set rates and charges for the use of the golf course at a sufficient level to produce gross revenues, which together, with any other monies available, will be sufficient to pay the operation and maintenance expenses of the golf course and 100% of debt service on the Golf Course Bonds in each year.

<u>Bonds Issued</u>	<u>Maturity (Length of Pledge)</u>
Golf Course Refunding Bonds Series 2012B	06/01/2022

5. General Obligation Performing Arts Center Supported Bonds

The General Obligation Performing Arts Center Supported Bonds (Series 2009) revenue bonds are secured by a pledge of revenues defined in the bond ordinance as the "Pledged Rental Car Fees", as that term is defined in the Second Amended and Restated Interlocal Agreement Regarding the Distribution of Taxes for a Performing Arts Center dated as of April 1, 2008, between the City and Clark County (the "Interlocal Agreement").

The Interlocal Agreement defines "Rental Car Fee" as a fee imposed by Clark County ("the County") upon the lease of a passenger car by a short-term lessor in the County in the amount of not more than 2% of the total amount for which the passenger car was leased, excluding any taxes or other fees imposed by a governmental entity.

The County imposed the Rental Car Fee in the amount of 2% pursuant to NRS 244A.860 and Sections 4.28.020 through 4.28.050 of the County Code (the "Rental Car Fee Ordinance"), effective July 1, 2005. The "Pledged Rental Car Fees" are amounts remaining after (i) a required distribution by the County of the initial \$3 million of Rental Car Fee proceeds was made to the Culinary and Hospitality Academy of Las Vegas (the "Culinary Academy") for the planning, design and construction of a facility for vocational training in southern Nevada; and (ii) the reimbursement of the State Department of Taxation for its expense in collecting and administering the Rental Car Fee. The required distribution to the Culinary Academy has been made.

<u>Bonds Issued</u>	<u>Maturity (Length of Pledge)</u>
General Obligation Performing Arts Center Supported Bonds Series 2009	04/01/2019
General Obligation Performing Arts Center Refunding Bonds Series 2016A	06/01/2039

6. General Obligation Special Assessment Bonds

Special Assessment Bonds are secured by property assessments within the individual districts.

<u>Bonds Issued</u>	<u>Maturity (Length of Pledge)</u>
Special Assessment Bonds 1463, 1470, 1471	12/01/2022
Special Assessment Bonds 1481	06/01/2024
Special Assessment Bonds 1506	06/01/2027
Special Assessment Bonds 1507	06/01/2032

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

10. Long-term liabilities and debt service requirements to maturity (continued)

D. Pledged Revenues (continued)

7. *Certificates of Participation (COPS)*

The City is using an Installment Purchase to finance the new City Hall project. Certificates of Participation (COPS) were sold to investors as Build America Bonds under the American Recovery and Reinvestment Act, which means the effective interest rate, after federal rebates, is approximately 5.2 percent. The bonds are supported by consolidated tax revenue, with a potential secondary payment support from the Redevelopment Agency tax increment revenue via an Interlocal Agreement between the City and the Agency. Through the Interlocal Agreement, the Agency has agreed to consider using future increment revenue (to the extent revenue is available) to make a partial payment toward the COPS payment.

<u>Bonds Issued</u>	<u>Maturity (Length of Pledge)</u>
COPS Tax Exempt City Hall Project Series 2009A	09/01/2019
COPS Taxable City Hall Project Series 2009B (Direct Pay Build America Bonds)	09/01/2039

8. *General Obligation Tax Increment Revenue Supported Bonds*

The bonds are supported by pledged property tax revenues from the property located within the Redevelopment Agency.

<u>Bonds Issued</u>	<u>Maturity (Length of Pledge)</u>
Redevelopment Agency Tax Increment Revenue Refunding Bonds Series 2016	06/15/2045

9. *Installment Purchase Agreements*

The American Recovery and Reinvestment Act of 2009 (ARRA) provided the City with low-cost financing to fund energy conservation and renewable energy projects. The City was designated by the U.S. Department of the Treasury to receive an allocation of Qualified Energy Conservation Bonds (QECCB) and New Clean Renewable Energy Bonds (NCREB) to finance energy projects. The Treasury provided a subsidy of approximately 70% (based on a formula) of the amount of interest due on QECCB and NCREB bonds. The bonds will be used on lighting improvements to outdoor streetlights and energy conservation retrofits to city buildings and solar panel installations at various city facilities, which are expected to reduce utility costs generating savings sufficient to repay the debt service on the Agreements.

<u>Bonds Issued</u>	<u>Maturity (Length of Pledge)</u>
Taxable Direct Pay Qualified Energy Conservations Bonds	05/01/2026
Taxable Direct Pay New Clean Renewable Energy Bonds	05/01/2026

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

10. Long-term liabilities and debt service requirements to maturity (continued)

D. Pledged Revenues (continued)

10. Revenue Bonds

The City received funds from the State of Nevada. The bonds were from the State's Renewable Energy, Energy Efficiency and Energy Conservation loan funding. The Bonds are authorized to defray in part the cost to acquire, improve and equip building projects as defined in NRS 268.676, including without limitation, the prepayment of solar energy electricity for city buildings under the authority of, and in full conformity with, the constitution and laws of the State of Nevada. The City does not pledge its full faith and credit for the payment of the bonds. The Bonds are a special obligation of the City, payable and collectible solely out of and secured by the City's consolidated tax.

<u>Bonds Issued</u>	<u>Maturity (Length of Pledge)</u>
Revenue Bond Series 2014	07/30/2028

11. General Obligation Parking Supported Bonds

These bonds are general obligation refunding bonds additionally secured by a pledge of the net revenues of the City's Main Street Parking facility refinanced by the bonds and additionally secured by 15% of all income and revenues derived by and distributed to the City pursuant to NRS 360.698 (Consolidated tax).

<u>Bonds Issued</u>	<u>Maturity (Length of Pledge)</u>
General Obligation Parking Refunding Bonds Series 2014B	05/01/2034

12. Sales Tax Increment Revenue Bonds

These bonds were issued to finance the acquisition, improvement and equipping of real and personal property, within the City of Las Vegas, Nevada Tourism Improvement District (Symphony Park) suitable for retail, tourism or entertainment purposes. The bonds are secured by Net Sales Tax Revenue (portion of the retail sales taxes imposed within the district). The bonds constitute a special obligation of the City payable solely from the net sales tax revenues. The full faith and credit of the City is not pledged to the payment of the bonds.

<u>Bonds Issued</u>	<u>Maturity (Length of Pledge)</u>
Sales Tax Increment Revenue Bonds	6/1/2035

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

11. Developer special assessment debt

In February 2001, the City created Special Improvement District No. 808 for the Summerlin development area. In May 2001, the City issued \$46,000,000 in tax-exempt local improvement bonds on behalf of the property owners. The City is not liable for repayment of the debt and is prohibited from assuming the debt in the event of default by the property owners. The City acts as an agent for the property owners in collecting the assessment and forwarding the collections to the bondholders. These transactions are accounted for in an agency fund. The Summerlin project consists of the acquisition of certain improvements developed by Howard Hughes Properties, Ltd. These improvements, which are accounted for in a capital projects fund, include street improvements (including grading, paving, base, street lights, curbs and gutters, sidewalks and striping), together with traffic signals, sanitary sewers, water lines, storm drains, and related facilities. As of June 30, 2018, the City has released \$48,488,118 of the construction funds, which includes \$3,137,680 of interest income. The outstanding balance on the bonds payable was \$4,620,000 at June 30, 2018.

In May 2003, the City created Special Improvement District No. 809 for the Summerlin development area. In June 2003, the City issued \$10,000,000 in tax-exempt local improvement bonds on behalf of the property owners. The City is not liable for repayment of the debt and is prohibited from assuming the debt in the event of default by the property owners. The City acts as an agent for the property owners in collecting the assessment and forwarding the collections to the bondholders. These transactions are accounted for in an agency fund. The Summerlin project consists of the acquisition of certain improvements developed by Howard Hughes Properties, Ltd. These improvements, which are accounted for in a capital projects fund, include street improvements (including grading, paving, base, street lights, curbs and gutters, sidewalks and striping), together with traffic signals, sanitary sewers, water lines, storm drains, and related facilities. As of June 30, 2018, the City has released \$10,797,536 of the construction funds, which includes \$797,536 in interest income used. The outstanding balance on the bonds payable was \$2,385,000 at June 30, 2018.

In May 2004, the City created Special Improvement District No. 607 for the Providence development area. In June 2004, the City issued \$51,185,000 in tax-exempt local improvement bonds on behalf of the property owners. The City is not liable for repayment of the debt and is prohibited from assuming the debt in the event of default by the property owners. The City acts as the agent for the property owners in collecting the assessments and forwarding the collection to the bond holders. These transactions are accounted for in an agency fund. The Providence project consists of the acquisition of certain improvements developed by Cliffs Edge, LLC. These improvements, which are accounted for in a capital projects fund, include street, water, sewer, storm drainage and other improvements. The outstanding balance on the bonds payable was \$14,350,000 at June 30, 2018.

In July 2007, the City created Special Improvement District No. 810 for the Summerlin development area. In September 2007, the City issued \$23,625,000 in tax-exempt local improvement bonds on behalf of the property owners. The City is not liable for repayment of the debt and is prohibited from assuming the debt in the event of default by the property owners. The City acts as an agent for the property owners in collecting the assessment and forwarding the collections to the bondholders. These transactions are accounted for in an agency fund. The Summerlin project consists of the acquisition of certain improvements developed by Howard Hughes Properties, Ltd. These improvements, which are accounted for in a capital projects fund, include street improvements (including grading, paving, base, street lights, curbs and gutters, sidewalks and striping), together with traffic signals, sanitary sewers, water lines, storm drains, and related facilities. As of June 30, 2018, the City has released \$11,557,450 of the construction funds, which includes \$238,692 in interest income used, \$8,090,758 for refunding of District No. 808, and \$4,460,100 for bond costs and reserves. The outstanding balance on the bonds payable was \$14,480,000 at June 30, 2018.

In October 2015, the City created Special Improvement District No. 812 for the Summerlin development area. In December 2015, the City issued \$29,500,000 in tax-exempt local improvement bonds on behalf of the property owners. The City is not liable for repayment of the debt and is prohibited from assuming the debt in the event of default by the property owners. The City acts as an agent for the property owners in collecting the assessment and forwarding the collections to the bondholders. These transactions are accounted for in an agency fund. The Summerlin project consists of the acquisition of certain improvements developed by Howard Hughes Properties, Ltd. These improvements, which are accounted for in a capital projects fund, include street improvements (including grading, paving, base, water lines, curbs and gutters, sidewalks and striping), together with traffic signals, sanitary sewers, water lines, storm drains, and related facilities. As of June 30, 2018, the City has released \$23,250,070 of construction funds, which includes \$330,449 in interest income used and \$3,121,010 for bond costs and reserves. The outstanding balance on the bonds payable was \$27,435,000 at June 30, 2018.

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

11. Developer special assessment debt (continued)

In June 2017, the City created Special Improvement District No. 813 for the Summerlin development area. In August 2017, the City issued \$11,400,000 in tax-exempt local improvement bonds on behalf of the property owners. The City is not liable for repayment of the debt and is prohibited from assuming the debt in the event of default by the property owners. The City acts as an agent for the property owners in collecting the assessment and forwarding the collections to the bondholders. These transactions are accounted for in an agency fund. The Summerlin project consists of the acquisition of certain improvements developed by Howard Hughes Properties, Ltd. These improvements, which are accounted for in a capital projects fund, include street improvements (including grading, paving, base, street lights, curbs and gutters, sidewalks and striping), together with traffic signals, sanitary sewers, water lines, storm drains, and related facilities. As of June 30, 2018, the City has released \$21,046 of construction funds, which includes \$118,861 in interest income used and \$1,190,056 for bond costs and reserves. The outstanding balance on the bonds payable was \$11,105,000 at June 30, 2018.

In September 2017, the City created Special Improvement District No. 609 for the Skye Canyon development area. In September 2017, the City issued \$11,605,000 in tax-exempt local improvement bonds on behalf of the property owners. The City is not liable for repayment of the debt and is prohibited from assuming the debt in the event of default by the property owners. The City acts as the agent for the property owners in collecting the assessments and forwarding the collections to the bondholders. These transactions are accounted for in an agency fund. The Skye Canyon project consists of the acquisition of certain improvements developed by KAG Development West, LLC. These improvements, which are accounted for in a capital projects fund, include street improvements (including grading, paving, base, water lines, storm drains, and related facilities. As of June 30, 2018, the City has not released any construction funds by way of acquisition. Since the bond issue date, the construction fund has earned \$103,449 in interest income and has had \$1,177,923 for bond costs and reserves. The outstanding balance of the bonds payable was \$11,445,000 at June 30, 2018.

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

12. Unearned revenues and deferred inflows of resources

The following schedule details unearned revenues at June 30, 2018, and the reasons for each:

	Major Governmental Funds		Nonmajor Governmental Funds					
				City of Las Vegas Redevelopment Agency - Component Unit	Capital Projects Funds	Total Governmental Funds	Total Business-Type Activities	GASB 34 Adjustments
	General	Debt Service Funds	Special Revenue Funds					
Deferred inflows:								
Property taxes	\$ 1,188,298	\$ 354	\$ 188,869	\$ 655,581		\$ 2,033,102		\$ (2,033,102)
Related to Pensions							5,922,215	
Related to OPEB							306,730	
Gain on Refunding							3,724	
Record sale of Old City Hall	15,000,000					15,000,000		(15,000,000)
Special Assessments					3,915,378	3,915,378		(3,915,378)
Fremont Experience loan				3,980,480		3,980,480		(3,980,480)
5th Street School loan				1,521,264		1,521,264		(1,521,264)
	<u>\$ 16,188,298</u>	<u>\$ 354</u>	<u>\$ 188,869</u>	<u>\$ 6,157,325</u>	<u>\$ 3,915,378</u>	<u>\$ 26,450,224</u>	<u>\$ 6,232,669</u>	<u>\$ (26,450,224)</u>

Unearned revenue:									
Prepaid tuitions	\$ 797,790			\$	\$	\$ 797,790	\$		
Prepaid rent			686,093			686,093			
Special events	1,500					1,500			
Gift certificates								7,706	
Prepaid parking garage rental								470,125	
Prepaid building permits								2,341,514	
	<u>\$ 799,290</u>	<u>\$</u>	<u>\$ 686,093</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,485,383</u>	<u>\$ 2,819,345</u>		<u>\$</u>

	Governmental Activities	Business-type Activities	Total Primary Government
Deferred inflows:			
Property taxes	\$	\$	\$
Related to Pensions	46,140,082	5,922,215	52,062,297
Related to OPEB	7,602,635	306,730	7,909,365
Gain on Refunding		3,724	3,724
Record sale of Old City Hall			
Special Assessments			
Fremont Experience loan			
5th Street School loan			
	<u>\$ 53,742,717</u>	<u>\$ 6,232,669</u>	<u>\$ 59,975,386</u>

Unearned revenue:			
Prepaid tuitions	\$ 797,790	\$	\$ 797,790
Prepaid rent	686,093		686,093
Special events	1,500		1,500
Gift certificates		7,706	7,706
Prepaid parking garage rental		470,125	470,125
Prepaid building permits		2,341,514	2,341,514
	<u>\$ 1,485,383</u>	<u>\$ 2,819,345</u>	<u>\$ 4,304,728</u>

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

13. Encumbrances / Commitments

Encumbrances:

Encumbrances for purchase orders, contracts, and other commitments for expenditures are recorded in memorandum accounts of the City's governmental funds. Encumbrance balances include contracts that span over multiple fiscal years.

The following schedule details encumbrances outstanding for the year ended June 30, 2018:

General Fund	\$	547,859
Special Revenue Funds		13,937,742
Capital Projects Funds		149,769,777
	\$	<u>164,255,378</u>

Commitments:

In October 1998, the City and Clark County entered into the Regional Justice Center Financing Agreement. The County constructed a Regional Justice Center (RJC) for the Eighth Judicial District Court of the State of Nevada, the Las Vegas Justice Court, and the Municipal Court of the City. In exchange for leasing a portion of the RJC, the City agreed to pay 25% of the project cost limited to a maximum of \$29,000,000. On March 1, 1999, on behalf of the City, the County issued the \$29,000,000 of Clark County, Nevada General Obligation (Limited Tax) Public Facilities Bonds (Additionally Secured by Interlocal Agreement Pledged Revenues) Series 1999C. These bonds were subsequently refunded by the 2007C Public Facilities bonds and the 2009C Public Facilities bonds. Pursuant to the financing agreement, the City makes semi-annual payments to the County on December 1 and June 1, which are in-substance rent. For the year ended June 30, 2018, the City made \$1,995,033 of in-substance lease payments per the agreement.

14. Interfund transactions

A. Due to/from other funds

The following schedule details the amounts due from/to other funds at June 30, 2018:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	City of Las Vegas Debt service	\$ 478,757
General Fund	Other Non-major governmental	2,002,786
General Fund	Internal service fund	409,277
Total		\$ <u>2,890,820</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These balances also include the amount of working capital advances made to various funds that the general fund expects to collect in the subsequent year.

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

14. Interfund transactions (continued)

B. Interfund transfers

Interfund transfers are legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended. Transfers between fund types during the year ended June 30, 2018, were as follows:

	TRANSFERS IN	TRANSFERS OUT				
		General Fund	Road & Flood	Non-Major Governmental	Non-major Proprietary	Internal Service
General Fund	\$ 12,868,551	\$	\$	\$ 12,868,551	\$	\$
Debt Service	37,323,590	16,500,000		19,822,227		1,001,363
Road and Flood	6,871,933	1,128,806		5,743,127		
Non-Major Governmental	35,256,195	5,842,383	3,865,264	23,112,848	2,435,700	
Non-Major Proprietary	1,100,000	1,100,000				
Internal Service	2,249,250	1,549,250		400,000	300,000	
Total	<u>\$ 95,669,519</u>	<u>\$ 26,120,439</u>	<u>\$ 3,865,264</u>	<u>\$ 61,946,753</u>	<u>\$ 2,735,700</u>	<u>\$ 1,001,363</u>

Transfers are used to move revenues from the funds with collection authorization to other funds where expenditures are recorded. These include debt service principal and interest payments, voter-approved fire safety initiative expenditures for operating and capital costs, residential construction taxes and hotel/motel room taxes for capital projects. Unrestricted general fund revenues are moved to finance various programs and capital projects that the City must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies for various programs or matching funds for various grant programs.

15. Segment information

In a prior fiscal year, the City issued general obligation revenue bonds to finance construction of a golf course. Summary financial information for the Municipal Golf Course Enterprise Fund as of and for the years ending June 30, 2018 and 2017 is presented below:

CONDENSED STATEMENT OF NET POSITION

	2018	2017
Assets:		
Current assets	\$ 2,036,864	\$ 1,633,743
Capital assets, net of accumulated depreciation	6,004,881	6,683,461
Total Assets	<u>8,041,745</u>	<u>8,317,204</u>
Liabilities:		
Current liabilities	842,400	862,997
Noncurrent liabilities	2,724,723	3,585,636
Total Liabilities	<u>3,567,123</u>	<u>4,448,633</u>
Deferred inflows of resources:		
Deferred gain on refunding	3,724	4,655
Net position:		
Net investment in capital assets	2,426,917	2,267,256
Unrestricted	1,993,981	1,596,660
Total Net Position	<u>\$ 4,420,898</u>	<u>\$ 3,863,916</u>

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

15. Segment information (continued)

CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	2018	2017
Charges for services	\$ 1,069,792	\$ 977,502
Miscellaneous revenue	473,558	480,578
Depreciation expense	(685,547)	(685,237)
Other operating expenses	<u>(1,272,275)</u>	<u>(1,347,205)</u>
Operating loss	<u>(414,472)</u>	<u>(574,362)</u>
Non-Operating revenue (expenses):		
Interest revenue	13,581	10,931
Interest expense	(106,545)	(122,778)
Contributions to other governments	<u>(35,582)</u>	<u>(35,890)</u>
Loss before transfers	<u>(543,018)</u>	<u>(722,099)</u>
Transfers in	<u>1,100,000</u>	<u>1,200,000</u>
Change in net position	556,982	477,901
Beginning net position, July 1	3,863,916	3,386,015
Ending net position, June 30	<u>\$ 4,420,898</u>	<u>\$ 3,863,916</u>

CONDENSED STATEMENT OF CASH FLOWS

	2018	2017
Net cash provided (used) by:		
Operating activities	\$ 249,783	\$ 42,476
Noncapital financing activities	1,064,418	1,164,110
Capital and related financing activities	(954,070)	(1,153,514)
Investing activities	<u>10,573</u>	<u>10,054</u>
Net increase in cash and cash equivalents	370,704	63,126
Beginning cash and cash equivalents	1,377,388	1,314,262
Ending cash and cash equivalents	<u>\$ 1,748,092</u>	<u>\$ 1,377,388</u>

16. Risk management and contingent liabilities

State and local governments are subject to many types of claims; such as those arising out of workers' compensation claims, contractual actions, claims for delays or inadequate specifications, damage to privately owned vehicles by City-owned vehicles, and claims relating to personal injuries and property damage.

Claims against state and local governments are characterized by the following conditions that could make estimation of the ultimate liability extremely difficult:

- a. Certain types of claims may be filed in amounts far greater than those that can reasonably be expected to be agreed on by the City and the claimant or awarded by a court.
- b. The time permitted between the occurrence of an event causing a claim and the actual filing of the claim may be lengthy.
- c. The time that may elapse between filing and ultimate settlement and payment of a claim may be extremely lengthy. Similarly, the adjudicated loss may be paid over a period of years after a settlement.

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

16. Risk management and contingent liabilities (continued)

A liability for claims will be reported if information is available prior to issuance of the basic financial statements and when it indicates it is probable that a liability has been incurred at the date of the basic financial statements and the amount of the loss can be reasonably estimated. In addition, there are situations in which incidents occur before the balance sheet date but claims are not reported or asserted when the basic financial statements are prepared. These "incurred but not reported" claims have been estimated based upon the City's past experience, adjusted for current trends and an inflation factor. The claims are included in the appropriate liability accounts.

A. Self-Insurance programs

The City operates two self-insured programs - one for liability and property damage purposes and one for employee benefits including workers' compensation and group insurance as follows:

1. Liability Insurance and Property Damage Internal Service Fund

The fund was established December 15, 2004, by City Council Resolution. It is a consolidation of the Liability Insurance Internal Service Fund, established July 5, 1979, by City Council Resolution and modified August 7, 1985, and the Property Damage Insurance Fund, established October 6, 1993, by City Council Resolution. The fund's pooled cash and investments balance was \$1,671,654 at June 30, 2018, and charges for services of \$2,187,408 were made to the consolidated funds during the year ended June 30, 2018. The purpose of the fund is to pay for self-assumed losses. As of June 30, 2018, \$396,308 has been accrued for claims and judgments payable, including incurred, but not reported claims, which are estimated to be payable within one year.

Changes in the balance of claims and judgments during fiscal years ended June 30 were as follows:

<u>Fiscal Year</u>	<u>Balance at beginning of fiscal year</u>	<u>Current year claims and changes in estimates</u>	<u>Claims and Claim payments</u>	<u>Balance at end of fiscal year</u>	<u>Due within one year</u>
2017	\$ 435,976	\$ 2,113,319	\$ (2,296,715)	\$ 252,580	\$ 252,580
2018	252,580	1,744,156	(1,600,428)	396,308	396,308

2. Employees Benefit Internal Service Fund

The fund was established December 15, 2004, by City Council Resolution. It is a consolidation of the Workers' Compensation Insurance Internal Service Fund established August 21, 1985, by City Council Resolution and the Group Insurance Internal Service Fund. The resolution establishes a minimum cash balance not less than twenty-five percent of the prior year expenditures. The purpose of the fund is to provide employees and beneficiaries with compensation for occupational accidents and diseases and other insurance benefits, and is funded by an adjustable payroll allocation and payroll deductions. The City's maximum payment for industrial injuries as of June 30, 2018, ranges from \$350,000 to \$5,000,000 per claim, with excess insurance coverage provided by an insurance company. Settled claims have not exceeded this commercial coverage over the past three fiscal years. The City will be reimbursed \$1,308,795 by an insurance company for payments on settled claims in excess of the self-insurance limits in effect at the time of the claims. The fund's pooled cash and investments and other investments at June 30, 2018, was \$17,823,223 with a net position deficiency of \$13,004,936. Current benefits payable totaled \$9,420,967 which include \$3,497,586 in accrued judgements payable, PERS contribution liability of \$5,521,222 and employee withholding payable of \$402,159. The current portion of the heart lung presumptive claims liability totaled \$4,662,499 at June 30, 2018.

Noncurrent liabilities consisted of heart lung (workers' compensation) presumptive liability of \$16,401,615 and \$422,532 of accrued general workers' compensation claims payable. There were charges for services of \$183,033,591 made to the fund during the current year.

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

16. Risk management and contingent liabilities (continued)

A. Self-Insurance programs (continued)

The City operates two self-insured programs - one for liability and property damage purposes and one for employee benefits including workers' compensation and group insurance as follows:

2. Employees Benefit Internal Service Fund (continued)

Changes in the balance of workers' compensation claims during fiscal years ended June 30 were as follows:

<u>Fiscal Year</u>	<u>Balance at beginning of fiscal year</u>	<u>Current year claims and changes in estimates</u>	<u>Claim payments</u>	<u>Balance at end of fiscal year</u>	<u>Due within one year</u>
2017	\$ 21,443,557	\$ 5,137,634	\$ (5,333,436)	\$ 21,247,755	\$ 7,097,237
2018	21,247,755	9,138,375	(5,401,898)	24,984,232	8,160,086

B. Heart, Lung Presumptive Liability

The City has estimated the potential exposure for costs of indemnity (wage replacement) benefits and medical benefits for disability of public safety employees (police, fire) who develop heart disease, lung disease, cancer or hepatitis. The estimated liability is the sum of two components:

- The outstanding benefit costs due to reported claims for which the City is currently paying benefits.
- The outstanding benefit costs for future claims incurred but not reported (IBNR) by the City (current population of active and retired public safety employees who may meet future eligibility requirements for awards under Nevada revised statutes).

The claims liability currently payable for indemnity claims is \$4,662,499. Reported as noncurrent is \$48,715,278 consisting of \$16,401,615 of case reserves for existing claims and \$32,313,663 of IBNR claims. IBNR is discounted and amortized over a 20 year period.

C. Other Postemployment Benefits (OPEB) Plan

1. Background:

The City accounts for and reports its costs and estimated future liability related to postemployment healthcare and other non-pension benefits. Historically, the City's subsidy was funded on a pay-as-you-go basis. The City now accrues the cost of the retiree health subsidy and other postemployment benefits during the period of employees' active employment, while the benefits are being earned, and discloses the net OPEB liability in order to accurately account for the total future cost of postemployment benefits and the financial impact on the City. The net OPEB liability is reduced each year by the amount of employee contributions. Employee contributions equal the claim payments, administrative charges and state charged subsidies paid on behalf of retirees, less any retiree contribution premiums.

2. Plan Description:

The City sponsors a single-employer defined benefit healthcare plan. The plan options are: United Health Care (PPO), Sierra Health and Life (PPO Plus); Health Plan of Nevada (HMO or Point of Service); and dental (MetLife) and vision plans (VSP). Each City plan provides medical, prescription drug, dental and vision benefits to retirees and their covered dependents. Retirees are eligible to participate at age 55 with 5 years of service or at any age with 30 years of service. Those retiring on or before September 1, 2008, also had the option of transferring to the State of Nevada Plan. This plan, the Public Employee Benefit Program (PEBP), is an agent multiple employer, defined benefit plan. PEBP benefit provisions are established by the Nevada State Legislature. For those retirees who selected the PEBP Plan, the City is obligated to pay a monthly subsidy to the PEBP for the coverage on those transferees. Information on the State plan can

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

16. Risk management and contingent liabilities (continued)

C. Other Postemployment Benefits (OPEB) Plan (continued)

2. Plan Description: (continued)

be obtained at Public Employee Benefits Plan, 901 South Stewart Street, Suite 101, Carson City, Nevada 89701, 1-800-326-5496. The City does not issue a stand alone financial report. Information for the City plan can be obtained from the City of Las Vegas, Department Human Resources, Benefits Divisions, 495 S. Main Street, Las Vegas, NV 89101.

3. Funding Policy

The City has a six-member Insurance Committee (three labor and three management) that reviews the insurance needs of the City. They make recommendations to City management, who then determines funding requirements and plan options. Insurance funding for the Las Vegas Police Officers Association/Correction Officers (POA), the Las Vegas Police Protection Association Marshals (PPA) and the International Association of Firefighters Local 1285 are governed by collective bargaining association contracts. The associations cover the OPEB insurance needs of these organizations based on contract funding with the City, therefore, they are not included in the City OPEB liability and cost. The City is required to pay the PEBP a monthly subsidy based on the number of years of service with the City at retirement. The subsidy levels payable by the City differ based upon Medicare status. For retirees not on Medicare who retired prior to January 1, 1994 the subsidy is \$462 and does not vary by years of service at retirement. Otherwise, the subsidy level does vary by years of service, except in those instances where greater than 20 years of service is attained. The subsidy contribution ranges from 5 years of service at \$116 per month to 20 or more years of services at \$636 per month. For those on Medicare, the subsidy level ranges from \$55 (5 years of service) to \$220 (20 or more years of service). The level is \$165 for all Medicare retirees that retired prior to January 1, 1994. Approximately 469 retirees are with the State Plan as of the most recent valuation. The City's current funding policy for its OPEB liability is pay as you go.

4. Employees Covered by Benefits:

At June 30, 2018, employees covered by OPEB benefit terms consisted of:

	<u>PEBP</u>	<u>City of Las Vegas</u>	<u>Total</u>
Active employees	-	1,727	1,727
Inactive employees currently receiving benefits	420	490	910
Total employees by plan	<u>420</u>	<u>2,217</u>	<u>2,637</u>

5. Net OPEB liability

The City's net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions: The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all period included in the measurement, unless otherwise specified:

Salary increases - 3.00% per annum

Inflation rate - 2.5%

Discount rate source - The average of the published yields from the S&P Municipal Bond 20 year High Grade and the Fidelity GO AA-20 Years indexes.

Actuarial Cost Method - Entry Age Normal, Level Percent-of-Pay Actuarial Cost Method.

Investment rate of return - 7.5% (8.0% for prior years)

Health cost trend rates - 7.1% for 2018, decreasing 0.5% per year to an ultimate rate of 4.5% for 2026 and later years.

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

16. Risk management and contingent liabilities (continued)

C. Other Postemployment Benefits (OPEB) Plan (continued)

5. Net OPEB liability (continued)

Mortality rates were based on Society of Actuaries, RPJ-2014 adjusted to 2006 total dataset headcount - weighted mortality with MP-2017 full generational improvement.

The Plan is intended to provide the means to fund the OPEB liability of the City, is intended to qualify as a non-taxable trust fund under Section 115 of the Internal Revenue Code of 1986, as amended, and is intended to comply with NRS 287.017. The Trust shall be funded by Participant and / or Employer contributions. Such funding shall be determined pursuant to NAC 287.786(1) in a manner consistent with the Code and any other applicable laws and regulations, in accordance with generally accepted accounting principles, and on a sound actuarial basis. The City is funding an ad-hoc basis at this juncture. The assets of the OPEB Trust Fund are invested in the Retirement Benefits Investment Fund (RBIF) established pursuant to NRS 355.220.

The investment objective of the Retirement Benefits Investment Fund is to:

- Generate a 7.5% return by producing a long-term total return from investments which exceeds the rate of inflation (CPI) by 4.5% by capturing market returns within each asset class;
- Invest so that the short-term volatility of returns will not cause the System to alter its long-term strategy; and
- Structure a simple investment program to control the ability to consistently meet return and risk objectives.

The asset allocation shall be as follows:

Asset Class	Target Allocation
U.S. Stocks	42%
International Stocks	18%
U.S. Bonds	28%
Private Market	12%
Total	100%

Assets shall be rebalanced only if the liquid asset allocation reaches the rebalance trigger. When a trigger is hit, asset classes shall be brought all the way back to the allocation target. The funding source / destination shall be those asset classes that are the farthest from their policy target.

Portfolios shall be invested consistent with the following targets.

Stocks - U.S. Stocks shall be invested in 100% S&P 500 index

Stocks - International Stocks shall be invested in 100% MSCI EAFE Index

Bonds - U.S. Bonds shall be invested in 100% Barclays U.S. Treasury Index

Private Markets - 50% Core Private U.S. Real Estate / 50% Private Equity

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

16. Risk management and contingent liabilities (continued)

C. Other Postemployment Benefits (OPEB) Plan (continued)

6. Changes in the Net OPEB Liability

	Total OPEB Liability PEBP	Total OPEB Liability City Plan	Total OPEB Liability Combined	Plan Fiduciary Net Position	Net OPEB Liability Combined
Beginning of Year Measurement, as restated	\$24,570,766	\$35,178,241	\$59,749,007	\$15,297,005	\$44,452,002
Changes for the year:					
Service cost		1,477,076	1,477,076		1,477,076
Interest	858,996	1,297,991	2,156,987		2,156,987
Changes of assumptions	(1,798,044)	(7,336,825)	(9,134,869)		(9,134,869)
Changes in benefit terms	718,039		718,039		718,039
Employer contributions				2,619,534	(2,619,534)
Net investment income				1,277,644	(1,277,644)
Net benefit payments	(1,419,534)	(1,200,000)	(2,619,534)	(2,619,534)	
Administrative expense				(3,847)	3,847
Net changes	(1,640,543)	(5,761,758)	(7,402,301)	1,273,797	(8,676,098)
Ending balance	\$22,930,223	\$29,416,483	\$52,346,706	\$16,570,802	\$35,775,904

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates. The following presents the net OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75%) or 1-percentage-point higher (4.75%) than the current discount rate:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
Net OPEB liability	\$ 41,238,341	\$ 35,775,904	\$ 31,073,174

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.1% to 3.5%) or 1-percentage-point higher (8.1% to 5.5%) than the current healthcare cost trend rates:

	1% Decrease (6.1% to 3.5%)	City of Las Vegas (7.1% to 4.5%)	1% Increase (8.1% to 5.5%)
Net OPEB liability	\$ 30,402,758	\$ 35,775,904	\$ 42,056,651

7. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the City recognized OPEB expense of \$1,852,803. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$	\$ 7,866,135
Net difference between projected and actual earnings on OPEB plan investments		43,230
Total	\$	\$ 7,909,365

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

16. Risk management and contingent liabilities (continued)

C. Other Postemployment Benefits (OPEB) Plan (continued)

7. *OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)*

Since this is the transition year from GASB 45 to GASB 75, there are no deferred outflows.

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB are recognized in OPEB expense as follows:

Year ended:	
2019	\$ 1,279,539
2020	1,279,539
2021	1,279,539
2022	1,279,539
2023	1,268,732
Thereafter	1,522,477

D. Unfunded Metropolitan Police (Metro) OPEB Liability and Net Pension Liability

The City and the County jointly fund Metro. The City funds 36.5% and is liable for \$21,048,618 of the Metro net OPEB obligation. A liability has been established in the government-wide statement of net position for the City's portion (see Note 6A).

The City has also recorded its percentage share of Metro's net pension liability of \$329,210,318, in accordance with the City's funding percentage.

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

16. Risk management and contingent liabilities (continued)

E. Tax Increment Notes of the Redevelopment Agency and Related Tax Abatements

The Agency has entered into eight tax increment subordinate lien notes as part of various owner participation agreements related to development of land included in the various redevelopment districts. The indebtedness represented by the notes has been allocated to the land and improvements and is payable solely and exclusively from a predetermined percentage of Site Tax Increment received by the Agency on the parcels, and shall not be payable from any other source. Because the requirements to repay the notes are contingent on the Agency receiving sufficient site tax increment on the specific parcels, and subordinate to the lien of the Agency's preexisting and future debt, the potential future obligation of the Agency has not been reflected in the basic financial statements. The following is a summary of the terms of the various notes:

- WMCV Phase I, LLC Note – Taxable tax increment subordinate Lien Note entered into June 30, 2005, in the amount of \$1,696,622. Payments started June 30, 2006 and continue until June 30, 2025. Interest accrues at 8.07 percent per annum, beginning July 1, 2005. The percentage of site tax increment from which the note is paid is 41%. All unpaid principal and interest that remains due on the maturity date will cease to be owed and the Agency will owe no additional money after the maturity date. During the year, the Agency received site tax increment revenue and paid tax abatement of \$136,917 in interest to WMCV Phase I, LLC, which was charged to economic development and assistance. The outstanding balance was \$1,833,539 at June 30, 2018, which includes \$136,917 of accrued interest.
- WMCV Phase II, LLC Note – Taxable tax increment subordinate Lien Note entered into June 30, 2006, in the amount of \$8,725,545. Payments started June 30, 2006 and continue until June 30, 2025. Interest accrues at 8.04 percent per annum, beginning July 1, 2005. The percentage of site tax increment from which the note is paid is 41%. All unpaid principal and interest that remains due on the maturity date will cease to be owed and the Agency will owe no additional money after the maturity date. During the year, the Agency received site tax increment revenue and paid tax abatement of \$72,509 in interest to WMCV Phase II, LLC, which was charged to economic development and assistance. The outstanding balance was \$19,485,367 at June 30, 2018, which includes \$10,759,822 of accrued interest.
- WMCV Phase III, LLC Note – Taxable tax increment subordinate Lien Note entered into June 18, 2008, in the amount of \$14,268,157. Payments started June 30, 2008 and continue until June 30, 2025. Interest accrues at 7.90 percent per annum, beginning June 30, 2008. The percentage of site tax increment from which the note is paid is 41%. All unpaid principal and interest that remains due on the maturity date will cease to be owed and the Agency will owe no additional money after the maturity date. During the year, the Agency received site tax increment revenue and paid tax abatement of \$303,499 in interest to WMCV Phase III, LLC, which was charged to economic development and assistance. The outstanding balance was \$21,571,592 at June 30, 2018, which includes \$7,744,699 of accrued interest.
- SP Sahara Development, LLC Note – Taxable tax increment subordinate Lien Note entered into June 30, 2008, in the amount of \$20,912,094. Payments started June 30, 2008 and continue for nineteen years until June 30, 2027. Interest accrues at 7.90% beginning June 30, 2008. The percentage of site tax increment from which the note is paid is 41%. All unpaid principal and interest that remains due on the maturity date will cease to be owed and the Agency will owe no additional money after the maturity date. During the year, the Agency received site tax increment revenue and paid tax abatement of \$307,891 in interest to SP Sahara Development, LLC, which was charged to economic and development assistance. The outstanding balance at June 30, 2018 was \$38,027,138 which includes \$17,415,459 in accrued interest.

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

16. Risk management and contingent liabilities (continued)

E. Tax Increment Notes of the Redevelopment Agency and Related Tax Abatements (continued)

- PH ASA, LLC Note – Taxable tax increment subordinate Lien Note entered into April 24, 2006, in the amount of \$995,510. Payments started June 30, 2006 and continue until June 30, 2026. Interest accrues at 7 percent per annum, beginning April 24, 2006. The percentage of site tax increment from which the note is paid is 41%. All unpaid principal and interest that remains due on the maturity date will cease to be owed and the Agency will owe no additional money after the maturity date. During the year, the Agency received site tax increment revenue and paid tax abatement of \$37,713 in interest to PH ASA, LLC, which was charged to economic development and assistance. The outstanding balance at June 30, 2018 was \$1,601,023, which includes \$605,513 of accrued interest.
- WMCV Phase III, LLC Note—Taxable tax increment subordinate Lien Note entered into June 17, 2009, in the amount of \$12,321,620. Payments started June 30, 2009 and continue until June 30, 2025. Interest accrues at 7.57% per annum, beginning June 30, 2009. The percentage of site tax increment from which the note is paid is 41%. All unpaid principal and interest that remains due on the maturity date will cease to be owed and the Agency will owe no additional money after the maturity date. During the year, the Agency received site tax increment revenue and paid tax abatement of \$410,740 in interest to WMCV Phase III, LLC, which was charged to economic development and assistance. The outstanding balance was \$16,605,941 at June 30, 2018, which includes \$4,284,321 of accrued interest.
- WMCII Associates, LLC Note – Taxable tax increment subordinate Lien Note entered into June 17, 2009, in the amount of \$2,663,073, payments started June 30, 2009 upon the payment of property taxes and continue for seventeen years until June 30, 2025. Interest accrues at 7.57% beginning June 30, 2009. The percentage of site tax increment from which the note is paid is 41%. All unpaid principal and interest that remains due on the maturity date will cease to be owed and the Agency will owe no additional money after the maturity date. During the year, the Agency received site tax increment revenue and paid tax abatement of \$27,096 in interest to WMCII Associates, LLC, which was charged to economic development and assistance. The outstanding balance was \$4,332,159 at June 30, 2018, which includes \$1,669,086 of accrued interest.

All tax abatement agreements / programs, entered into by the State of Nevada, have been summarized, by type of agreement / program and the gross, accrual basis reduction of the City's taxes for the year ended June 30, 2018 aggregated as follows:

- Agreement/program description - Nevada Revised Statutes 360.753 - Partial abatement of certain taxes imposed on aircraft, components of aircraft and other personal property used for certain purposes related to aircraft. The amount abated during the year ended June 30, 2018 is \$76,688.
- Agreement/program description - NRS 360.754 - Partial abatement of certain taxes imposed on new or expanded data center. Amount abated during the year ended June 30, 2018 is \$969,491.
- Agreement/program description - NRS 701A - Energy-related tax incentives (NRS 701A.110 Partial abatement of certain property taxes for buildings or structures that meet certain standards under Green Building Rating System, NRS 701A.200 Exemption from certain property taxes for qualified energy systems. NRS 701A.210 Partial abatement of certain property taxes for businesses and facilities using recycled material). Amount abated during the year ended June 30, 2018 is \$118,318.
- Agreement/program description - NRS 374.357 - Abatement for eligible machinery or equipment used by certain new or expanded businesses. Amount abated during the year ended June 30, 2018 is \$649,572.

F. Litigation

The City is currently involved in litigation including tort actions, condemnations and civil rights allegations. The City Attorney is vigorously contesting each case. Since the minimum probable loss, if any, cannot be reasonably estimated, no provision for loss has been recorded in the accompanying basic financial statements.

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

17. Nonprofit Corporations

The corporations were established to promote the health and welfare of the City through the acquisition and disposition of property located within the City. The following schedule presents the financial information for each of the nonprofit corporations that comprise the nonprofit corporations on the Statement of Net Position-Proprietary Funds for the year ended June 30, 2018:

	City Parkway V, Inc.	495 Main Corporation	Las Vegas Community Investment Corporation	Las Vegas Medical District Inc.	Total
Assets:					
Pooled cash, cash equivalents and investments, unrestricted	\$ 4,912,652	\$ 3,441	\$ 977,087	\$ 6,281	\$ 5,899,461
Accounts receivable			138,376		138,376
Prepaid insurance	33,762				33,762
Loans	9,409,611				9,409,611
Land	24,621,940			1,729,396	26,351,336
Land improvements	31,245				31,245
Less accumulated depreciation	(1,950)				(1,950)
Total assets	<u>\$ 39,007,260</u>	<u>\$ 3,441</u>	<u>\$ 1,115,463</u>	<u>\$ 1,735,677</u>	<u>\$ 41,861,841</u>
Liabilities and Net Position					
Accounts payable	\$ 30,903	\$	\$ 300,145	\$ 177	\$ 331,225
Deposits payable	599,898				599,898
Net position	<u>38,376,459</u>	<u>3,441</u>	<u>815,318</u>	<u>1,735,500</u>	<u>40,930,718</u>
Total Liabilities and Net Position	<u>\$ 39,007,260</u>	<u>\$ 3,441</u>	<u>\$ 1,115,463</u>	<u>\$ 1,735,677</u>	<u>\$ 41,861,841</u>

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

17. Nonprofit Corporations (continued)

	City Parkway V, Inc.	495 Main Corporation	Las Vegas Community Investment Corporation	Las Vegas Medical District Inc.	Total
Changes in Net Position					
Revenues					
Rentals	\$ 95,714	\$	\$	\$	\$ 95,714
Other reimbursements			1,672,669	8,366	1,681,035
Total revenues	<u>95,714</u>	<u></u>	<u>1,672,669</u>	<u>8,366</u>	<u>1,776,749</u>
Expenses:					
Association fees	14,313				14,313
Premiums paid (insurance)	42,316	2		1,558	43,876
Professional services	53,670		1,028,323		1,081,993
Legal services	147,500		252		147,752
Other services and supplies	76,318	50	7,019	22,391	105,778
Depreciation	1,560				1,560
Total operating expenses	<u>335,677</u>	<u>52</u>	<u>1,035,594</u>	<u>23,949</u>	<u>1,395,272</u>
Operating income (loss)	<u>(239,963)</u>	<u>(52)</u>	<u>637,075</u>	<u>(15,583)</u>	<u>381,477</u>
Nonoperating revenues (expenses):					
Interest revenue	98,982				98,982
Gain on sale of land	1,087,012				1,087,012
Transfers out	<u>(2,135,700)</u>	<u></u>	<u>(300,000)</u>	<u></u>	<u>(2,435,700)</u>
Net nonoperating revenues (expenses)	<u>(949,706)</u>	<u></u>	<u>(300,000)</u>	<u></u>	<u>(1,249,706)</u>
Changes in net position	(1,189,669)	(52)	337,075	(15,583)	(868,229)
Net Position - July 1, 2017	<u>39,566,128</u>	<u>3,493</u>	<u>478,243</u>	<u>1,751,083</u>	<u>41,798,947</u>
Net Position - June 30, 2018	<u>\$ 38,376,459</u>	<u>\$ 3,441</u>	<u>\$ 815,318</u>	<u>\$ 1,735,500</u>	<u>\$ 40,930,718</u>

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

18. Prior period adjustment

Effective July 1, 2017, the City fully implemented GASB Statement No. 82, *Pension Issues - an amendment of GASB statement No. 67, No. 68, and No. 73* (GASB 82). The statement provides classification of payments made by the employer to satisfy employee (plan member) contribution requirements. For purposes of applying Statement 67, contributions should be classified as plan member contributions and for Statement 68, determine and include the employer's cost - sharing proportion. Those contributions should be classified as employee contributions. The Statement also requires that employer's expense and expenditures for those amounts should be recognized in the period for which the contribution was assessed and classified in the same manner as the employer classifies similar compensation other than pensions.

Also, effective July 1, 2017, the City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). This statement requires the City to report a total OPEB liability along with other deferred amounts related to OPEB to current active and inactive employees, net of the amount of the OPEB plan's assets.

As a result, net position as of July 1, 2017, has been restated as follows:

	Governmental Activities	Business-Type Activities
Net position, as previously reported	\$ 2,839,007,698	\$ 843,992,816
Prior Period Adjustment:		
Adoption of GASB 82	(38,597,025)	(5,045,020)
Adoption of GASB 75	21,183,190	2,135,377
Total Adjustment	<u>(17,413,835)</u>	<u>(2,909,643)</u>
Net position, as restated	<u>\$ 2,821,593,863</u>	<u>\$ 841,083,173</u>

	Sanitation	Non-Major Proprietary Funds	Governmental Activities - Internal Service Funds
Net position, as previously reported	\$ 742,394,258	\$ 101,807,990	\$ (1,181,381)
Prior Period Adjustment:			
Adoption of GASB 82	(3,617,926)	(1,427,094)	(3,574,284)
Adoption of GASB 75	1,529,455	605,922	1,286,298
Total Adjustment	<u>(2,088,471)</u>	<u>(821,172)</u>	<u>(2,287,986)</u>
Net position, as restated	<u>\$ 740,305,787</u>	<u>\$ 100,986,818</u>	<u>\$ (3,469,367)</u>

CITY OF LAS VEGAS, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

19. Recently Issued Accounting Pronouncements

In August 2018, the GASB issued Statement No. 90, *Major Equity Interests*, effective for reporting periods beginning after December 15, 2018. The objective of this statement is to improve consistency in the measurement and comparability of the financial statement presentation of major equity interests in legally separate organizations and to improve the relevance of financial statement information for certain component units. Management has not yet completed its assessment of this statement.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, effective for reporting periods beginning after December 15, 2019. The objectives of this statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. Management has not yet completed its assessment of this statement.

In March 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, effective for reporting periods beginning after June 15, 2018. The primary objective of this Statement is to improve information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. Management has not yet completed its assessment of this statement.

In June 2017, the GASB issued Statement No. 87, *Leases* for periods beginning after December 15, 2019. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. Management has not yet completed its assessment of this statement.

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities* for periods beginning after December 15, 2018. This Statement's purpose is to enhance the consistency and comparability of fiduciary activity reporting and also to improve the usefulness of fiduciary activity for assessing the accountability of governments in their role as fiduciaries. Management has not yet completed its assessment of this statement.

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations (ARO's)* for periods beginning after June 15, 2018. The Statement established standards of accounting and financial reporting for certain ARO's. The ARO tangible capital assets, such as decommissioning nuclear reactors, removal and disposal of wind turbines on wind farms, dismantling and removal of sewage treatment plants and removal and disposal of x-ray machines. Management has not yet completed its assessment of this statement.

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REQUIRED SUPPLEMENTARY INFORMATION - RSI

REQUIRED SUPPLEMENTARY
INFORMATION - RSI



CITY OF LAS VEGAS, NEVADA
POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) AND SCHEDULE OF CHANGES IN THE NET
OPEB LIABILITY AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>2018</u>
Total OPEB liability	
Service cost	\$ 1,477,076
Interest cost	2,156,987
Change in benefit terms	718,039
Net benefit payments	(2,619,534)
Change in assumptions	<u>(9,134,867)</u>
Net change in total OPEB liability	(7,402,299)
Total OPEB liability - beginning	59,749,007
Total OPEB liability - ending (a)	<u><u>\$ 52,346,708</u></u>
Plan Fiduciary net position	
Contributions - employer	2,619,534
Net investment income	1,277,644
Benefit payments	(2,619,534)
Administration expense	<u>(3,847)</u>
Net change in plan fiduciary net position	1,273,797
Plan fiduciary net position - beginning	<u>15,297,005</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 16,570,802</u></u>
City's net OPEB liability - ending (a) - (b)	<u><u>\$ 35,775,906</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	46.32 %
Covered-employee payroll	\$ 129,519,935
City's net OPEB liability as a Percentage of its covered-employee payroll	27.62 %

Note: Only one year of data is presented due to the initial application of GASB statement no 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

CITY OF LAS VEGAS, NEVADA
PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY INFORMATION
LAST TEN FISCAL YEARS

	2014	2015	2016	2017
Net Pension Liability				
City's portion of the net pension liability (asset)	3.00 %	3.98 %	3.88 %	3.80 %
City's proportionate share of the net pension liability	\$408,470,876	\$ 457,421,551	\$ 523,357,887	\$ 505,540,723
City's covered payroll	191,098,639	198,086,600	202,797,804	208,890,631
City's proportionate share of the net pension liability as a percentage of its covered payroll	- %	230.92 %	258.07 %	242.01 %
Plan fiduciary net position as a percentage of the net pension liability	76.00 %	75.10 %	72.20 %	74.40 %

CITY OF LAS VEGAS, NEVADA
PROPORTIONATE SHARE OF STATUTORILY REQUIRED PENSION CONTRIBUTION INFORMATION
LAST TEN FISCAL YEARS

	2015	2016	2017	2018
Contractually required contribution	\$ 61,656,968	\$ 66,019,664	\$ 68,314,150	\$ 71,784,522
Contributions in relation to the contractually required contribution	(61,656,968)	(66,019,664)	(68,314,150)	(71,784,522)
Contribution Excess (Deficiency)	-	-	-	-
City's covered payroll	\$198,086,600	\$ 202,797,804	\$ 208,890,631	\$ 219,064,275
Contributions as a percentage of covered payroll	31.00 %	32.55 %	32.70 %	32.77 %

Note:

Only four years of information is available from reporting changes starting in Fiscal Year 2015 for GASB 68 reporting.

APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE 2019A BOND ORDINANCE

The following is a brief summary of certain provisions of the 2019A Bond Ordinance and is qualified in its entirety by the provisions of the 2019A Bond Ordinance itself.

Definitions

As used in the 2019A Bond Ordinance, the following terms shall, for all purposes, have the following meanings unless the context clearly requires otherwise. The term “Bonds” as used in this Summary of Certain Provisions of the 2019A Bond Ordinance refers to the 2019A Bonds.

“Bond Requirements” means the principal of, interest on and any prior redemption premiums due in connection with the Bonds.

“Bond Year” means the 12-month period commencing on the second day of the month of the date of delivery of the Bonds of a calendar year and ending on the first day of the month of the date of delivery of the Bonds of the following calendar year.

“Commercial Bank” means a state or national bank or trust company which is a member of the Federal Deposit Insurance Corporation, including without limitation “trust bank” as defined in the 2019A Bond Ordinance.

“Cost of the Project,” or any phrase of similar import, means all or any part designated by the City Council of the City (the “Council”) of the cost of the Project which cost, at the option of the Council (except as limited by law), may include all or any part of the incidental costs pertaining to the Project, including, without limitation:

(a) Preliminary expenses advanced by the City from funds available for use therefor or any other source, so including any interfund loan of the City, or advanced with the approval of the City from funds available therefor or from any other source, or any combination thereof;

(b) The costs in the making of surveys, audits, preliminary plans, other plans, specifications, estimates or costs, and other preliminaries;

(c) The costs of premiums for builders risk insurance and performance bonds, or a reasonable allocable share thereof;

(d) The costs of appraising, printing, estimates, advice, services of engineers, architects, financial consultants, attorneys at law, clerical help, or other agents or employees;

(e) The costs of making, publishing, posting, mailing, and otherwise giving any notice in connection with the Project, the filing or recordation of instruments, the taking of options, the issuance of Bonds pertaining to the Project, the purchase or other acquisition of Federal Securities or other investments in connection therewith, and bank fees and other expenses;

(f) The costs of contingencies;

(g) The costs of the capitalization with the proceeds of the Bonds of any interest on the Bonds for any period not exceeding the period of time estimated by the Council to effect the Project

plus two years, and of any discount on the Bonds, of any replacement expenses (except as proscribed by law), and of any other cost of the issuance of the Bonds; and

(h) All other expenses necessary or desirable and pertaining to the Project including all other expenses as estimated or otherwise ascertained by the Council.

“Federal Government” means the United States, or any agency, instrumentality or corporation thereof.

“Federal Securities” means bills, certificates of indebtedness, notes, bonds or similar securities which are direct obligations of, or the principal and interest of which securities are unconditionally guaranteed by, the United States.

“General Taxes” means general (ad valorem) taxes levied by the City against all taxable property within the boundaries of the City (unless otherwise qualified).

“Outstanding” when used with reference to the Bonds or any other designated securities payable from Pledged Revenues and as of any particular date means all of the Bonds in any manner theretofore and thereupon being executed and delivered:

(a) Except any bond or other security canceled by the City, the Paying Agent, or otherwise on the City’s behalf, at or before such date;

(b) Except any bond or other security for the payment or the redemption of which moneys at least equal to its Bond Requirements to the date of maturity or to any Redemption Date shall have heretofore been deposited with a trust bank in escrow or in trust for that purpose, as provided in the 2019A Bond Ordinance; and

(c) Except any bond or other security in lieu of or in substitution for which another Bond or other security shall have been executed and delivered.

“Parity Securities” means securities of the City payable from and secured by all or a portion of the Pledged Revenues on a parity with the Bonds, to the extent issued in accordance with the terms, conditions and limitations of the 2019A Bond Ordinance, including the Outstanding 2012B Bonds, 2013 Bonds and obligations under the 2013 Continuing Covenant Agreement, 2014 Bonds, 2015B Bonds, 2015C Bonds and 2016B Bonds.

“Paying Agent” means The Bank of New York Mellon Trust Company, N.A. or any successor thereto as paying agent for the Bonds designated by the Chief Financial Officer.

“Person” means a corporation, firm, other body corporate (including, without limitation, the Federal Government, the State or any other body corporate and politic other than the City), partnership, association or individual, and also includes an executor, administrator, trustee, receiver or other representative appointed according to law.

“Pledged Distributed Local Tax Act” means, collectively, NRS 360.698, and each act which authorizes or imposes one or more of the taxes or other impositions that generate revenues distributed to the City pursuant to NRS 360.680, 360.690 or 360.700 and authorized to be pledged to the Bonds by NRS 360.698, as amended from time to time.

“Pledged Revenues” means the Sale Tax Revenues.

“Redemption Date” means a date fixed for the redemption prior to their respective maturities of any Bonds or other designated securities payable from any Pledged Revenues in any notice of prior redemption or otherwise fixed and designated by the City.

“Redemption Price” means, when used with respect to a Bond or other designated security payable from any Pledged Revenues, the principal amount thereof plus the applicable premium, if any, payable upon the redemption thereof prior to the stated maturity date of such Bond or other security on a Redemption Date in the manner contemplated in accordance with the security’s terms.

“Registrar” means The Bank of New York Mellon Trust Company, N.A. or any successor thereto as registrar for the Bonds designated by the Chief Financial Officer.

“Sales Tax Revenues” means a 15% portion of all income and revenue derived by the City from the Pledged Distributed Local Tax Act and distributed thereto pursuant to NRS 360.698, as amended from time to time. The Sales Tax Revenues means all or a portion of the Sales Tax Revenues. The designated term indicates sources of revenues and does not necessarily indicate all or any portion or other part of such revenues in the absence of further qualification. “Sales Tax Revenues” includes income derived from any additional sources if the Council is authorized to include and elects to include the additional sources in “Sales Tax Revenues” for the remaining term of the Bonds.

“Subordinate Securities” means securities of the City payable from and secured by all or a portion of the Pledged Revenues and subordinate and junior to the pledge thereof to the Bonds, to the extent issued in accordance with the terms, conditions and limitations of the 2019A Ordinance.

“Superior Securities” means securities of the City payable from and secured by all or a portion of the Sales Tax Revenues and superior and prior to the pledge thereof to the Bonds, of which there may be none.

“Tax Code” means the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds, and the applicable regulations and rulings thereunder.

Application of Proceeds

Net proceeds from the sale of the Bonds will be deposited as follows. First, into the “City of Las Vegas, Nevada, General Obligation (Limited Tax) Building Bonds (Additionally Secured by Pledged Revenues), Series 2019A Capitalized Interest Account) to be held by the Director of Finance and shall be applied to pay capitalized interest on the Bonds in an amount set forth in the Certificate of the Chief Financial Officer for a period not exceeding four years. Second, the remaining proceeds shall be deposited into the “City of Las Vegas, Nevada, General Obligation (Limited Tax) Building Bonds (Additionally Secured with Pledged Revenues), Series 2019A Construction Account” to be held by the Director of Finance and shall be applied solely to defray wholly or in part the costs of the Project, including, without limitation, all costs of issuing the Bonds. See “SOURCES AND USES OF FUNDS.”

Flow of Funds

So long as any Bonds shall be Outstanding, the Pledged Revenues upon their receipt from time to time by the City, shall be set aside and credited immediately to a separate account heretofore created in the treasury of the City and designated as the “City of Las Vegas Sales Tax Revenue Fund” (the “Revenue Fund”).

Under the 2019A Bond Ordinance, the Revenue Fund will be administered and the moneys on deposit therein will be applied in the following manner:

(a) First, from any moneys thereafter remaining in the Revenue Fund, i.e., from the Pledged Revenues, there shall be transferred and credited to the Interest Fund, and to any other fund or account established for the payment of interest on any other Parity Securities monthly, commencing the first day of the month immediately succeeding the delivery to the Purchaser of the Bonds, the amount necessary to accumulate by substantially equal monthly installments (together with any other moneys from time to time available therefor from whatever sources) the amount necessary to pay the installment of interest next due on the Bonds and such Parity Securities.

(b) Second, from any moneys thereafter remaining in the Revenue Fund, there shall be transferred and credited to the Principal Fund, and to any other fund or account established for the payment of principal or sinking fund installments on any other Parity Securities monthly, commencing on the first day of the month immediately succeeding the delivery of the Bonds to the Purchaser, the amount necessary to accumulate by substantially equal monthly installments (together with any other moneys from time to time available therefor from whatever sources) to pay the installment of principal next due on the Bonds and such Parity Securities.

(c) Third, from any moneys thereafter remaining in the Revenue Fund, there shall be transferred and credited to the rebate funds created by the 2019A Bond Ordinance and the ordinances authorizing the issuance of the Outstanding Parity Securities to pay the costs of rebates to the United States under Section 148 of the Tax Code (the "2019A Rebate Fund").

(d) Fourth, any moneys thereafter remaining in the Revenue Fund may be used by the City for the payment of the principal of and interest on Subordinate Securities; and may be used to create reasonable reserves and to pay rebate for such securities.

(e) Fifth, any moneys thereafter remaining in the Revenue Fund may be used by the City at the end of any fiscal year of the City, or whenever there shall have been credited all amounts required to be deposited in the respective foregoing separate accounts for all of that fiscal year, for any lawful purposes of the City, as the City Council may from time to time determine.

No payment need be made into the Interest Fund or Principal Fund if the amounts in those funds total a sum at least equal to the entire amount of the Outstanding Bonds as to all Bond Requirements to their respective maturities.

If at any time the City shall for any reason fail to pay into the Interest Fund, the Principal Fund, or the 2019A Rebate Fund the full amount above stipulated from the Pledged Revenues, then an amount shall be paid into the Interest Fund and Principal Fund at such time equal to the difference between that paid from the Pledged Revenues and the full amount so stipulated. If securities (other than the Bonds) are Outstanding, the payment of which are secured by a lien on all or a portion of the Pledged Revenues which lien is on a parity with the lien hereon of the Bonds, and if the proceedings authorizing issuance of those securities require the replacement of moneys in an interest fund, principal fund, reserve fund or rebate fund therefor, then the moneys replaced in such funds shall be replaced on a pro rata basis related to the principal amount of the then Outstanding Bonds and the then Outstanding other Parity Securities, as moneys become available therefor, first into all of such interest, principal, and reserve funds and second into all such rebate funds.

Additional Superior and Parity Securities

Nothing in the 2019A Bond Ordinance permits the City to issue Superior Securities secured by and payable solely from the Sales Tax Revenues and having a lien thereon prior and superior to the lien thereon of the Bonds.

The City may issue additional securities payable from Pledged Revenues and constituting a lien thereon on a parity with the lien thereon of the Bonds, provided, however, that the following are express conditions to the authorization and issuance of any such Parity Securities:

(a) At the time of adoption of the instrument authorizing the issuance of the additional Parity Securities, the City shall not be in default in the payment of principal of or interest on the Bonds.

(b) The Pledged Revenues (subject to adjustments as hereinafter provided) projected by the City Chief Financial Officer, the Director of Public Works or an independent accountant or consulting engineer to be derived in the later of (i) the Fiscal Year immediately following the Fiscal Year in which the facilities to be financed with the proceeds of the additional Parity Securities are projected to be completed or (ii) the first Fiscal Year for which no interest has been capitalized for the payment of any Parity Securities, including the Parity Securities proposed to be issued, will be sufficient to pay at least an amount equal to the principal (or redemption price) and interest requirements (to be paid during that Fiscal Year) of the Outstanding Bonds, any other Outstanding Parity Securities of the City and the Parity Securities proposed to be issued (excluding any reserves therefor) (the "Earnings Test").

In determining whether or not additional Parity Securities may be issued in accordance with the Earnings Test, the respective annual principal (or redemption price) and interest requirements shall be reduced to the extent such requirements are scheduled to be paid with moneys held in trust or in escrow for that purpose by any trust bank within or without the State, including the known minimum yield from any investment in Federal Securities.

A written certificate or written opinion by the City's Chief Financial Officer, the City's Director of Public Works, or an independent accountant or consulting engineer that the Earnings Test is met, will be conclusively presumed to be accurate in determining the right of the City to authorize, issue, sell and deliver additional Parity Securities.

Subordinate Securities

The City may issue Subordinate Securities payable from Sales Tax Revenues and constituting a lien thereon subordinate to the lien thereon of the Bonds and any Outstanding Parity Securities.

Refunding Securities

Refunding bonds or other refunding securities issued will enjoy complete equality of lien with the portion of any securities of the same issue which is not refunded, if there is any; and the owner or owners of the refunding securities will be subrogated to all of the rights and privileges enjoyed by the owner or owners of the unrefunded securities of the same issue partially refunded by the refunding securities.

If only a part of the Outstanding Bonds and other Outstanding securities of any issue or issues payable from the Pledged Revenues is refunded, then such securities may not be refunded without the consent of the owner or owners of the unrefunded portion of such securities:

(a) Unless the refunding bonds or other refunding securities do not increase for any Bond Year the aggregate principal and interest requirements evidenced by the refunding securities and by the Outstanding securities not refunded on and before the last maturity date or last Redemption Date, if any, whichever is later, of the unrefunded securities, and unless the lien of any refunding bonds or other refunding securities on the Pledged Revenues is not raised to a higher priority than the lien thereon of the Bonds or other securities thereby refunded; or

(b) Unless the lien on any Pledged Revenues for the payment of the refunding securities is subordinate to each such lien for the payment of any securities not refunded; or

(c) Unless the refunding bonds or other refunding securities are issued in compliance with the requirements listed above under "Additional Parity Securities."

Amendment of the 2019A Bond Ordinance

(a) The 2019A Bond Ordinance may be amended, changed, modified or supplemented by resolution adopted by the City in accordance with the laws of the State, without receipt by the City of any additional consideration, and without the consent of or notice to the holders of the Bonds for the purpose of curing any ambiguity or formal defect or omission herein, in connection with the issuance and delivery of Subordinate Securities payable from any portion of the Pledged Revenues, or in connection with any other change herein which, in the opinion of bond counsel, is not to the prejudice of the insurer of the Bonds, if any, and the holders of the Bonds then Outstanding. The 2019A Bond Ordinance may be amended or supplemented by instruments adopted by the City, without receipt by the City of any additional consideration, without the consent of or notice to the owners of the Bonds for the purpose of curing any ambiguity or formal defect or omission herein; or with the written consent of the insurer of the Bonds, if any, or the owners of 51% in aggregate principal amount of the Bonds outstanding at the time of the adoption of the amendatory or supplemental instrument in connection with any other amendment, excluding Bonds which may then be held or owned for the account of the City, but including such refunding securities as may be issued for the purpose of refunding any of the Bonds if the refunding securities are not owned by the City. No such instrument will permit without the consent of the insurer of the Bonds, if any, or all of the bond owners adversely affected thereby:

(b) A change in the maturity or in the terms of redemption of the principal or any installment thereof of any Outstanding Bond or any installment of interest thereon;

(c) A reduction in the principal amount of any Bond or the rate of interest thereon, without the consent of the owner of the Bond; or

(d) A reduction of the principal amount or percentages or otherwise affecting the description of Bonds, the consent of the owners of which is required for any modification or amendment; or

(e) The establishment of priorities as between Bonds issued and Outstanding under the provisions of the 2019A Bond Ordinance; or

(f) The modification of, or other action which materially and prejudicially affects the rights or privileges of the owners of less than all of the Bonds then Outstanding.

Whenever the City proposes to amend or modify the 2019A Bond Ordinance, it will cause notice of the proposed amendment to be mailed by first class mail or electronic mail within 30 days to the insurer of the Bonds, if any, or each registered owner of each registered Bond. The notice will briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory instrument is on file in the office of the City Clerk for public inspection.

Whenever at any time within one year from the date of such notice there shall be filed in the office of the City Clerk an instrument or instruments executed by the insurer of the Bonds, if any, or the owners of at least 51% in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments refer to the proposed amendatory instrument described in the notice and specifically consent to and approve the adoption of the instrument; the Council may adopt the amendatory instrument and the instrument will become effective.

If the insurer of the Bonds, if any, or the owners of at least 51% in aggregate principal amount of the Bonds Outstanding, at the time of the adoption of the amendatory instrument, or the predecessors in title of such owners, have consented to and approved the adoption thereof, no owner of any Bond, whether or not the owner shall have consented thereto, shall have any right or interest to object to the adoption of the amendatory instrument or to object to any of the terms or provisions therein contained or to the operation thereof or to enjoin the City from taking any action pursuant to the provisions thereof. Any consent given by the insurer of the Bonds, if any, or the owner of a Bond pursuant to the provisions of the 2019A Bond Ordinance shall be irrevocable.

Tax Covenant

The City covenants in the 2019A Bond Ordinance for the benefit of the owners of the Bonds that it will not take any action or omit to take any action with respect to the Bonds, the proceeds thereof, any other funds of the City or any project financed or refinanced with the proceeds of the Bonds if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code, or (ii) would cause interest on the Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bonds until the date on which all obligations of the City in fulfilling the above covenant under the Tax Code have been met.

Replacement of Registrar or Paying Agent

If the Registrar or Paying Agent shall resign, or if the Council shall determine that the Registrar or Paying Agent has become incapable of performing its duties hereunder, or if for any reason the City upon the direction of the Chief Financial Officer determines to retain a successor Registrar or Paying Agent, the Council may, as directed by the Chief Financial Officer, upon notice mailed to each owner of any Bond at his address last shown on the registration records, appoint a successor Registrar or Paying Agent. No resignation or dismissal of the Registrar or Paying Agent may take effect until a successor is appointed. It shall not be required that the same person or institution serve as Registrar and Paying Agent thereunder, but the City shall have the right to have the same person or institution serve as Registrar and Paying Agent. Any successor Registrar and Paying Agent must be an officer or employee of the City or a commercial bank authorized to execute trust powers. Any successor by merger with the Registrar and Paying Agent is automatically appointed as Registrar and Paying Agent hereunder without any further action of the Council, as long as the successor otherwise is qualified to act as Registrar and Paying Agent pursuant to the 2019A Bond Ordinance. Any bank, trust company or national banking association into which the Registrar and/or Paying Agent or its successor may be converted, merged or with which it may be consolidated, or to which it may sell or otherwise transfer all or substantially all of

its corporate trust business shall be the successor of the Registrar and/or Paying Agent under the 2019A Bond Ordinance with the same rights, powers, duties and obligations and subject to the same restrictions, limitations, and liabilities as its predecessor, all without the execution or filing of any papers or any further act on the part of any of the parties hereto, anything in the 2019A Bond Ordinance to the contrary notwithstanding.

APPENDIX C

BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the 2019 Bonds. The 2019 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the 2019 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 2019 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2019 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2019 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2019 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2019 Bonds, except in the event that use of the book-entry system for the 2019 Bonds is discontinued.

To facilitate subsequent transfers, all 2019 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2019 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2019 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2019 Bonds are credited, which

may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2019 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2019 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2019 Bond documents. For example, Beneficial Owners of 2019 Bonds may wish to ascertain that the nominee holding the 2019 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2019 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed. However, see "THE 2019 Bonds – Redemption Provisions – Pro Rata Selection of 2019 Bonds."

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2019 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts 2019 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption proceeds on the 2019 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest or redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2019 Bonds at any time by giving reasonable notice to the City or the Registrar and Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, 2019 Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2019 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City of Las Vegas, Nevada (the “Issuer”) in connection with the issuance of the City of Las Vegas, Nevada, General Obligation (Limited Tax) Building Bonds (Additionally Secured by Pledged Revenues) Series 2019A and the City of Las Vegas, Nevada, General Obligation (Limited Tax) Medium-Term Bonds, Series 2019B (Taxable) (collectively, the “Bonds”). The Bonds are being issued pursuant to the bond ordinances of the City Council of the Issuer adopted on January 16, 2019 (the “Ordinances”). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the “SEC”).

SECTION 2. Definitions. In addition to the definitions set forth in the Ordinances or parenthetically defined herein, which apply to any capitalized terms used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Dissemination Agent” shall mean, initially, the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“Material Events” shall mean any of the events listed in Section 5 of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board. As of the date hereof, the MSRB’s required method of filing is electronically via its Electronic Municipal Market Access (EMMA) system available on the Internet at <http://emma.msrb.org>.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with an offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than March 31 following the end of the Issuer’s fiscal year of each year, commencing March 31 following the end of the Issuer’s fiscal year ending June 30, 2018, provide to the MSRB in an electronic format as prescribed by the MSRB, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than five (5) business days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other

information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report.

(b) If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send or cause to be filed with the MSRB a notice in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the appropriate electronic format prescribed by the MSRB;

(ii) send written notice to the Issuer at least 45 days prior to the date the Annual Report is due stating that the Annual Report is due as provided in Section 3(a) hereof; and

(iii) file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the entities to which it was provided.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following:

(a) A copy of its annual financial statements prepared in accordance with generally accepted accounting principles audited by a firm of certified public accountants. If audited annual financial statements are not available by the time specified in Section 3(a) above, unaudited financial statements will be provided as part of the Annual Report and audited financial statements will be provided when and if available.

(b) An update of the type of information identified in Exhibit B hereto, which is contained in the tables in the Official Statement with respect to the Bonds (excluding projections, forecasts and budgeted information which are not required to be updated).

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's Internet Web Site or filed with the SEC. The Issuer shall clearly identify each such document incorporated by reference.

SECTION 5. Reporting of Material Events. The Issuer shall file or cause to be filed with the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, notice of any of the events listed below with respect to the Bonds:

- a. Principal and interest payment delinquencies;
- b. Non-payment related defaults, if material;
- c. Unscheduled draws on debt service reserves reflecting financial difficulties;
- d. Unscheduled draws on credit enhancements reflecting financial difficulties;
- e. Substitution of credit or liquidity providers or their failure to perform;
- f. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

- g. Modifications to rights of bondholders, if material;
- h. Bond calls, if material, and tender offers;
- i. Defeasances;
- j. Release, substitution or sale of property securing repayment of the Bonds, if material;
- k. Rating changes;
- l. Bankruptcy, insolvency, receivership or similar event of the obligated person¹;
- m. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- n. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

SECTION 6. Format; Identifying Information. All documents provided to the MSRB pursuant to this Disclosure Certificate shall be in the format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

As of the date of this Disclosure Certificate, all documents submitted to the MSRB must be in portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. In addition, such PDF files must be word-searchable, provided that diagrams, images and other non-textual elements are not required to be word-searchable.

SECTION 7. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the earliest of: (i) the date of legal defeasance, prior redemption or payment in full of all of the Bonds; (ii) the date that the Issuer shall no longer constitute an "obligated person" within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this written undertaking are held to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds.

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist the Issuer in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and may waive any provision of this Disclosure Certificate, without the consent of the holders and beneficial owners of the Bonds, if such amendment or waiver does not, in and of itself, cause the undertakings herein (or action of any Participating Underwriter in reliance on the undertakings herein) to violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule. The Issuer will provide notice of such amendment or waiver to the MSRB.

¹ For the purposes of the event identified in subparagraph (b)(5)(i)(C)(12) of the Rule, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and official or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

SECTION 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

SECTION 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Ordinances, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

DATE: _____, 2019.

CITY OF LAS VEGAS, NEVADA

Chief Financial Officer

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Las Vegas, Nevada

Name of Bond Issue: General Obligation (Limited Tax) Building Bonds (Additionally Secured by Pledged Revenues) Series 2019A and General Obligation (Limited Tax) Medium-Term Bonds, Series 2019B

CUSIP:

Date of Issuance: _____, 2019

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Bond Ordinances adopted on January 16, 2019, and the Continuing Disclosure Certificate executed on _____, 2019 by the Issuer. The Issuer anticipates that the Annual Report will be filed by _____.

Dated: _____

CITY OF LAS VEGAS, NEVADA

By: _____
Title: _____

EXHIBIT B

INDEX OF OFFICIAL STATEMENT TABLES TO BE UPDATED

(see page -iv- of the Official Statement)

APPENDIX E

FORMS OF APPROVING OPINIONS OF BOND COUNSEL FOR 2019A BONDS

[Closing Date]

City of Las Vegas, Nevada
495 South Main Street
Las Vegas, Nevada 89101

\$ _____
City of Las Vegas, Nevada
General Obligation (Limited Tax)
Building Bonds
(Additionally Secured by Pledged Revenues)
Series 2019A

Ladies and Gentlemen:

We have acted as bond counsel to the City of Las Vegas, Nevada (the “City”), in connection with its issuance of the above-captioned bonds (the “Bonds”) pursuant to an authorizing ordinance of the City Council of the City adopted on January 16, 2019 (the “Bond Ordinance”). In such capacity, we have examined the City’s certified proceedings and such other documents and such law of the State of Nevada (the “State”) and of the United States of America as we have deemed necessary to render this opinion letter. Except as otherwise expressly defined herein, capitalized terms used herein have the meanings ascribed to such terms in the Bond Ordinance.

Regarding questions of fact material to our opinions, we have relied upon the City’s certified proceedings and other representations and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon such examination, it is our opinion as bond counsel that:

1. The Bonds constitute valid and binding limited tax general obligations of the City.

2. All of the taxable property in the City is subject to the levy of annual general (ad valorem) taxes to pay the Bonds, subject to the limitations imposed by the Constitution and laws of the State.

3. As provided in the Bond Ordinance and in accordance with the provisions of NRS 361.463, taxes levied for the payment of the bonded indebtedness (including the Bonds) of all overlapping units within the boundaries of the City (i.e., the State, the City, and any other political subdivision therein) and for the payment of interest on such indebtedness enjoy a priority over taxes levied by each such unit (including, without limitation, the State and the City) for all other purposes (subject to any exception implied by law for the exercise of the policy power) where reduction is necessary in order to comply with NRS 361.453.

4. The Bonds are additionally secured by and payable from the Pledged Revenues. The Bond Ordinance creates a valid lien on the Pledged Revenues pledged therein for the security of the

Bonds on a parity with the lien thereon of any Parity Securities outstanding or hereafter issued, and subject to the lien thereon of any Superior Securities outstanding or hereafter issued. The Bond Ordinance also creates a valid lien on the Bond Fund and the Pledged Revenues Account. Except as described in this paragraph, we express no opinion regarding the priority of the lien on the Pledged Revenues or on the funds and accounts created by the Bond Ordinance.

Interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Tax Code"), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code. The opinions expressed in this paragraph assume continuous compliance with the covenants and representations contained in the City's certified proceedings and in certain other documents and certain other certifications furnished to us.

5. Under laws of the State in effect as of the date hereof, the Bonds, their transfer, and the income therefrom are free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to Chapter 375A of NRS and the tax on generation-skipping transfers imposed pursuant to Chapter 375B of NRS.

The opinions expressed in this opinion letter are subject to the following:

The obligations of the City pursuant to the Bonds and the Bond Ordinance may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

In this opinion letter rendered in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not passing upon the adequacy, accuracy or completeness of the Official Statement relating to the Bonds or any other statements made in connection with any offer or sale of the Bonds or upon any state or federal tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Bonds, except those specifically addressed herein.

This opinion letter is rendered as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

FORM OF APPROVING OPINION OF BOND COUNSEL FOR 2019B BONDS

[Closing Date]

City of Las Vegas, Nevada
495 South Main Street
Las Vegas, Nevada 89101

**\$ _____
City of Las Vegas, Nevada
General Obligation (Limited Tax)
Medium-Term Bonds
Series 2019B**

Ladies and Gentlemen:

We have acted as bond counsel to the City of Las Vegas, Nevada (the “City”), in connection with its issuance of the above-captioned bonds (the “Bonds”) pursuant to an authorizing ordinance of the City Council of the City adopted on January 16, 2019 (the “Bond Ordinance”). In such capacity, we have examined the City’s certified proceedings and such other documents and such law of the State of Nevada (the “State”) and of the United States of America as we have deemed necessary to render this opinion letter. Except as otherwise expressly defined herein, capitalized terms used herein have the meanings ascribed to such terms in the Bond Ordinance.

Regarding questions of fact material to our opinions, we have relied upon the City’s certified proceedings and other representations and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon such examination, it is our opinion as bond counsel that:

1. The Bonds constitute valid and binding limited tax general obligations of the City.
2. The principal of and interest on the Bonds are payable from any monies of the City legally available for the purpose of making such payment and the City has irrevocably pledged its full faith and credit for the purpose of making such payment on the Bonds.
3. Ad valorem taxes, if any, levied for the purpose of paying the principal of and interest on the Bonds are subject to the limitations contained in the Constitution and laws of the State.
4. Interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the “Tax Code”), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code. The opinions expressed in this paragraph assume continuous compliance with the covenants and representations contained in the City’s certified proceedings and in certain other documents and certain other certifications furnished to us.
5. Under laws of the State in effect as of the date hereof, the Bonds, their transfer, and the income therefrom are free and exempt from taxation by the State or any subdivision thereof,

except for the tax on estates imposed pursuant to Chapter 375A of NRS and the tax on generation-skipping transfers imposed pursuant to Chapter 375B of NRS.

The opinions expressed in this opinion letter are subject to the following:

The obligations of the City pursuant to the Bonds and the Bond Ordinance may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

In this opinion letter rendered in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not passing upon the adequacy, accuracy or completeness of the Official Statement relating to the Bonds or any other statements made in connection with any offer or sale of the Bonds or upon any state or federal tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Bonds, except those specifically addressed herein.

This opinion letter is rendered as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX F

OFFICIAL NOTICE OF BOND SALE

\$34,245,000*
CITY OF LAS VEGAS, NEVADA
GENERAL OBLIGATION (LIMITED TAX)
BUILDING BONDS
(ADDITIONALLY SECURED BY PLEDGED REVENUES)
SERIES 2019A

PUBLIC NOTICE IS HEREBY GIVEN that the City Council of the City of Las Vegas, in the State of Nevada (the “Council,” the “City,” and the “State,” respectively), on

Wednesday, January 23, 2019

at the hour of 9:00 a.m., local time, or such other date and at such other time as is announced via PARITY, a Division of Thomson Financial Municipals Group, Inc. (“PARITY System”) to the

Chief Financial Officer
c/o Office of Zions Public Finance
230 Las Vegas Blvd South, Suite 200
Las Vegas, NV 89101

will receive and cause to be received electronically via the PARITY System for the purchase of the bonds of the City described below. See “MANNER OF BID SUBMITTAL” and “ELECTRONIC BIDDING” below.

BOND PROVISIONS

ISSUE: The City of Las Vegas, Nevada, General Obligation (Limited Tax) Building Bonds (Additionally Secured by Pledged Revenues), Series 2019A in the aggregate principal amount of \$34,245,000* (the “2019A Bonds” or the “Bonds”) will be dated as of the date of delivery of the Bonds. The Bonds will be issued by means of a book entry system with no physical distribution of bond certificates to the public. See “BOOK ENTRY TRANSFER AND EXCHANGE” below. The City contemplates delivering the Bonds on or about February 13, 2019.

MATURITIES: The Bonds will mature as provided in the Maturity Schedule (the “Maturity Schedule”) set forth in the preliminary official statement relating to the Bonds (the “Preliminary Official Statement”). Changes to the Maturity Schedule will be announced via PARITY. The amounts of the Bonds maturing in each year may be changed from those listed in the Maturity Schedule as described in “ADJUSTMENT OF MATURITIES AFTER DETERMINATION OF BEST BID” below.

ADJUSTMENT OF MATURITIES AFTER DETERMINATION OF BEST BID: The aggregate principal amount and the principal amount of each maturity of the Bonds are subject to adjustment by the City, after the determination of the best bid. Changes to be made will be communicated to the successful bidder by the time of written award of the Bonds, and will not reduce or increase the aggregate principal amount of the Bonds by more than 15% of the aggregate principal

* Preliminary, subject to change.

amount of the Bonds shown in the Maturity Schedule. The City may change the price to be paid for the Bonds (i.e., par less the discount bid or plus the premium bid) by a successful bidder as described below, but the interest rates specified by the successful bidder for all maturities of the Bonds will not change. A successful bidder may not withdraw its bid as a result of any changes made within these limits. The price to be paid for the Bonds will be changed so that the percentage net compensation to the successful bidder (i.e., the percentage resulting from dividing (i) the aggregate difference between the offering price of the Bonds to the public and the price to be paid to the City (excluding accrued interest, if any), less any bond insurance premium to be paid by the bidder, by (ii) the principal amount of the Bonds) does not increase or decrease from what it would have been if no adjustment was made to applicable principal amounts shown in the Maturity Schedule for the Bonds.

To facilitate any adjustment in the principal amounts, the successful bidder for the Bonds is required to indicate to Gary Ameling, the Chief Financial Officer of the City (the “Chief Financial Officer”), to the office of Zions Public Finance, the City’s Municipal Advisor (the “Municipal Advisor”), via email to Andrew.Artusa@ZionsBank.com no later than one-half hour after the time of the bid opening, the amount of any original issue discount or premium on each maturity of the Bonds, the amount received from the sale of the Bonds to the public that will be retained by the successful bidder as its compensation, and in the case of a bid submitted with bond insurance, the amount of the insurance premium. A bidder who intends to insure the Bonds shall also state, in that email transmission, whether the amount of the insurance premium will change as a result of changes in the principal amount of the Bonds and the method used to calculate any such change in the insurance premium.

SUCCESSFUL BIDDER’S REOFFERING PRICES: Within one-half hour of the bid opening, the successful bidder or bidders (or manager of the purchasing account or accounts) shall notify the Chief Financial Officer and the City’s Municipal Advisor at Andrew.Artusa@ZionsBank.com, by electronic transmission of the initial offering prices of such Bonds to the public. The notification must be confirmed in writing in the form and substance satisfactory to Bond Counsel prior to the delivery of the Bonds. The confirmation will be part of the “Purchaser’s Certificate” which will be in substantially the same form as Exhibit A in the event the City receives 3 or more bids that conform to the requirements of this Official Notice of Sale for the Bonds; or in substantially the same form as Exhibit B in the event the City does not receive 3 or more such bids for the Bonds.

OPTIONAL PRIOR REDEMPTION FOR THE BONDS: The Bonds maturing on and after February 1, 2030 are subject to redemption in whole or in part on and after February 1, 2029, at a price of par plus accrued interest to the redemption date from such maturities as are selected by the City as designated by the Chief Financial Officer and by any amount within a maturity and if less than all the Bonds of a maturity are to be redeemed, the Bonds of such maturity are to be selected by lot as described below and in the ordinance authorizing the Bonds (the “Bond Ordinance”) at a price equal to the principal amount of each Bond or portion thereof so redeemed plus accrued interest thereon to the redemption date. Redemption will otherwise be made in the manner and upon the conditions to be provided in the Bond Ordinance.

MANDATORY SINKING FUND REDEMPTION: A bidder may request that the Bonds maturing on and after February 1, 2030, be included in one or more term Bonds (the “Term Bonds”). Term Bonds redeemed pursuant to the mandatory sinking fund redemption provisions will be redeemed at a redemption price equal to the principal amount of the Bonds to be redeemed plus accrued interest to the redemption date, by lot, and otherwise in the manner and as provided in the Bond Ordinance.

INTEREST RATES AND LIMITATIONS: The following interest limitations are applicable to the Bonds:

A. Interest on the Bonds will be payable on February 1 and August 1 of each year commencing on August 1, 2019.

B. The interest rate on any Bond and the True Interest Cost for the Bonds (see “BASIS OF AWARD,” below) may not exceed by more than 3% the “Index of Twenty Bonds” most recently published in The Bond Buyer before the bids are received.

C. Each interest rate specified must be stated in a multiple of 1/8th or 1/20th of 1% per annum.

D. Only one interest rate can be stated for any maturity of the Bonds, i.e., all Bonds with the same maturity date must bear the same rate of interest. No zero (0) rate of interest may be bid.

E. Each Bond as initially issued will bear interest from its dated date to its stated maturity date at the interest rate stated in the bid.

It is permissible to bid different interest rates for the Bonds, but only as stated in the bid and subject to the above limitations. If any Bond is not paid upon presentation at maturity, it will draw interest at the same rate until principal is paid in full.

PREMIUM/DISCOUNT: A bidder may offer to purchase the Bonds at a discount not to exceed 9% of the principal amount of the Bonds, at par, or at a premium.

PAYMENT: The principal of the Bonds shall be payable at the office of The Bank of New York Mellon Trust Company, N.A., as Paying Agent, to the registered owner thereof (i.e., Cede & Co.) as shown on the registration records of The Bank of New York Mellon Trust Company, N.A., as Registrar, upon maturity thereof and upon presentation and surrender of such Bonds at such Paying Agent. Payment of interest on any Bond shall be made to the registered owner thereof (i.e., Cede & Co.) by the Paying Agent, on each interest payment date (or, if such interest payment date is not a business day, on the next succeeding business day), to the registered owner thereof at his or her address as it appears on the registration records of the Registrar for such Bonds as of the close of business on the 15th day of the calendar month preceding such interest payment date (or by such other arrangement as may be mutually agreed to by the Paying Agent and The Depository Trust Company). All such payments shall be made in lawful money of the United States of America.

BOOK ENTRY/TRANSFER AND EXCHANGE: The Bonds will be issued as fully registered book entry bonds, in the denomination of \$5,000 or any integral multiple thereof. The Bonds will be issued in registered form to The Depository Trust Company, New York, New York (“DTC”), registered in the name of its nominee, Cede & Co., and immobilized in its custody, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The successful bidder, as a condition to delivery of the Bonds, will be required to deposit the Bond certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Bonds will be payable by the Paying Agent by wire transfer or in same day funds to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC. Transfer of principal and interest payments to the beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. Neither the City nor the Paying Agent will be responsible or liable for

payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

FORM OF BOND ORDINANCE; AUTHORIZATION OF BONDS: The form of the Bond Ordinance, is on file with the City Clerk in her office at 495 South Main Street, Las Vegas, Nevada, or may be obtained from the Chief Financial Officer or Municipal Advisor at the addresses listed under “INFORMATION” herein.

The City is operating as a City pursuant to Nevada Revised Statutes (“NRS”) Chapter 268 and Chapter 517, Statutes of Nevada 1983, as amended (the “Charter”). Pursuant to Section 7.020 of the Charter (the “Charter”) Pursuant to Section 7.020 of the Charter (the “Project Act”), NRS 350.500 through 350.720, inclusive (the “Bond Act”), and NRS 350.087 through 350.095, inclusive (the “Medium-Term Act”), the City is authorized to issue the Bonds.

SECURITY AND PAYMENT: The Bonds will, in the opinion of Sherman & Howard L.L.C. (“Bond Counsel”), be direct general obligations of the City, payable as to principal, interest and any redemption premiums (the “Bond Requirements”) from annual general (ad valorem) taxes (herein “General Taxes”) levied against all taxable property within the City, and other moneys are legally available therefor), subject to the limitations imposed by the statutes and the Constitution of the State (see “CONSTITUTIONAL TAX LIMITATIONS” and “STATUTORY TAX LIMITATION” below). The Bonds will be a debt of the City, and the Council, on behalf of the City, will pledge the full faith and credit of the City for their payment. The City is obligated to levy ad valorem taxes against taxable property within the City to pay the Bond Requirements and any ad valorem taxes levied are subject to the limitations imposed by the statutes and the Constitution of the State applicable to the Bonds (see “CONSTITUTIONAL TAX LIMITATIONS”, “STATUTORY TAX LIMITATION” and “LEGAL OPINION, BONDS AND TRANSCRIPT” below). The Bonds will be a debt of the City, and the City shall pledge the full faith and credit of the City for their payment.

ADDITIONAL SECURITY FOR THE BONDS: The Bonds are further secured by an irrevocable pledge of a 15% portion of all income and revenue derived by the City from the levy of the Consolidated Tax (as defined in the Bond Ordinance) and distributed thereto pursuant to NRS 360.698, as amended from time to time (the “Pledged Revenues”). As security for the payment of the Bond Requirements of the Bonds there will be irrevocably pledged pursuant to the Bond Ordinance, a special account, identified as the “City of Las Vegas Consolidated Tax Revenue Fund” into which account the City covenants to pay from the Pledged Revenues, sums sufficient to pay when due the Bond Requirements due in connection with the Bonds except to the extent other monies are available therefor.

BOND LIEN FOR THE BONDS: The Bonds shall be equally and ratably secured by a lien on the Pledged Revenues, and the Bonds shall constitute an irrevocable lien (but not necessarily an exclusive lien) upon the Pledged Revenues on a parity with the pledges of and liens on such revenues to secure the payment of any other parity securities outstanding or hereafter authorized to be issued in accordance with the Bond Ordinance, if any.

ISSUANCE OF ADDITIONAL BONDS WITH A LIEN ON THE PLEDGED REVENUES: Bonds and other securities, in addition to the Bonds, subject to expressed conditions, may be issued and made payable from the Pledged Revenues having a lien thereon subordinate and junior to the lien or, subject to additional expressed conditions, having a lien thereon superior to or on a parity with the lien of the Bonds, in accordance with the provisions of the Bond Ordinance.

BOND INSURANCE/ RATING LETTERS: A municipal bond insurance policy to insure payment of the principal of and interest on any of the Bonds, when due, may be provided at bidder's option and expense. Regardless of whether any of the Bonds are insured, the City will pay for ratings on the Bonds from Moody's Investors Service and S&P Global Ratings.

ADDITIONAL BONDS: The City reserves the privilege of issuing additional general obligation bonds previously or hereafter authorized at any time and from time to time for any lawful purpose, as permitted by law.

FEDERAL TAX MATTERS: In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described in the Preliminary Official Statement, interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the "Tax Code"), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code under federal income tax laws. See "TAX MATTERS" in the Preliminary Official Statement.

STATE TAX EXEMPTION: In the opinion of Bond Counsel, under present laws of the State, the Bonds, their transfer, and the income therefrom are free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to Chapter 375A of NRS and the tax on generation-skipping transfers imposed pursuant to Chapter 375B of NRS.

CONSTITUTIONAL TAX LIMITATION: Sec. 2, art. 10, Constitution of the State, provides:

"The total tax levy for all public purposes including levies for bonds, within the state, or any subdivision thereof, shall not exceed five cents on one dollar of assessed valuation."

STATUTORY TAX LIMITATION: NRS 361.453 provides:

"Except as otherwise provided in this section and NRS 354.705, 354.723 and 450.760, the total ad valorem tax levy for all public purposes must not exceed \$3.64 on each \$100 of assessed valuation, or a lesser or greater amount fixed by the State Board of Examiners if the State Board of Examiners is directed by law to fix a lesser or greater amount for that fiscal year."

STATUTORY PRIORITY FOR BONDS: NRS 361.463:

"1. In any year in which the total taxes levied by all overlapping units within the boundaries of the State exceed the limitation imposed by NRS 361.453, and it becomes necessary for that reason to reduce the levies made by any of those units, the reduction so made must be in taxes levied by those units (including the State) for purposes other than the payment of bonded indebtedness, including interest thereon.

"2. The taxes levied for the payment of bonded indebtedness and the interest thereon enjoy a priority over taxes levied by each such unit (including the State) for all other purposes where reduction is necessary to comply with the limitation imposed by NRS 361.453."

part:

STATUTORY PROVISION FOR TAX LEVIES: NRS 350.592, provides in relevant

“1. There must be levied annually in due season a special tax on all property, both real and personal, subject to taxation within the boundaries of the municipality, fully sufficient, together with the revenue which will result from application of the rate to the net proceeds of minerals, without regard to any statutory or charter tax limitations other than the limitation set forth in NRS 361.453, to pay the interest on the general obligation municipal securities and to pay and retire the securities as provided in the Local Government Securities Law and in any act supplemental hereto. The amount of money to be raised by the tax must be included in the annual estimate or budget for each county within the state for each year for which the tax is hereby required to be levied. The tax must be levied and collected in the same manner and at the same time as other taxes are levied and collected.

2. The proceeds thereof levied to pay interest on the securities must be kept by the treasurer in a special fund, separate and apart from all other funds, and the proceeds of the tax levied to pay the principal of the securities must be kept by the treasurer in a special fund, separate and apart from all other funds. The two special funds must be used for no other purpose than the payment of the interest on the securities and the principal thereof, respectively, when due;”

TIMES OF LEVIES: NRS 350.594 provides:

“Such tax shall be levied immediately after the issuance of any general obligation securities issued in accordance with the provisions of the Local Government Securities Law, and annually thereafter, at the times and in the manner provided by law, until all of the securities, and the interest thereon, have been fully discharged. Such tax may be first levied after the municipality has contracted to sell any securities but before their issuance.”

USE OF GENERAL FUND: NRS 350.596 provides:

“Any sums coming due on any general obligation municipal securities at any time when there are not on hand from such tax levy or levies sufficient funds to pay the same shall be promptly paid when due from the general fund of the municipality, reimbursement to be made to such general fund in the sums thus advanced when the taxes herein provided for have been collected.”

USE OF OTHER FUNDS: NRS 350.598 provides:

“Nothing contained in the Local Government Securities Law shall be so construed as to prevent the municipality from applying any funds (other than taxes) that may be available for that purpose to the payment of the interest on or the principal of any general obligation municipal securities as the same respectively mature, and regardless of

whether the payment of the general obligation municipal securities is additionally secured by a pledge of revenues, and upon such payments, the levy or levies of taxes provided in the Local Government Securities Law may thereupon to that extent be diminished.”

STATUTORY APPROPRIATIONS: NRS 350.602 provides:

“There is by the Local Government Securities Law, and there shall be by ordinance authorizing the issuance of any indebtedness contracted in accordance with the provisions of the Local Government Securities Law, specially appropriated the proceeds of such taxes to the payment of such principal and interest; and such appropriations shall not be repealed nor the taxes postponed or diminished (except as herein otherwise expressly provided) until the principal of and interest on the municipal securities evidencing such debt have been wholly paid.”

CHARTER DEBT LIMITATION: Section 7.040 of the Charter provides:

“1. The city may not issue or have outstanding at any time bonds which, when taken together with all of the notes, warrants, scrip or other evidences of indebtedness which are then outstanding, will create a total indebtedness in an amount greater than 20 percent of the total assessed valuation of the taxable property within its boundaries, as shown by the last preceding tax list or assessment roll.

“2. In determining any debt limitation under this section, the following may not be considered as indebtedness:

“(a) Revenue bonds, unless the full faith and credit of the city is also pledged to their payment;

“(b) Special assessment bonds, although a deficiency in the proceeds of the assessments is required to be paid from the general fund of the city;

“(c) Short-term securities which are issued in anticipation of and payable from the property taxes which are levied for the current fiscal year;

“(d) Interim warrants which are issued pursuant to chapter 271 of NRS; and

“(e) Securities which are described in subsection 4 of section 8.240 of this charter.”

NO PLEDGE OF PROPERTY: The payment of the Bonds is not secured by an encumbrance, mortgage or other pledge of property of the City.

IMMUNITY OF INDIVIDUALS: NRS 350.606 provides:

“No recourse shall be had for the payment of the principal of, any interest on, and any prior redemption premiums due in connection with any bonds or other municipal securities or for any claim based thereon or otherwise upon the ordinance authorizing their issuance or other instrument appertaining thereto, against any individual member of the governing body or any officer or other agent of the municipality, past, present or future, either directly or indirectly through the governing body or the municipality, or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of the securities and as a part of the consideration of their issuance specially waived and released.”

ACTS IRREPEALABLE: NRS 350.610 provides:

“The faith of the State is hereby pledged that the Local Government Securities Law, any law supplemental or otherwise appertaining thereto, and any other act concerning the bonds or other municipal securities, taxes or the pledged revenues or any combination of such securities, such taxes and such revenues shall not be repealed nor amended or otherwise directly or indirectly modified in such a manner as to impair adversely any outstanding municipal securities, until all such securities have been discharged in full or provision for their payment and redemption has been fully made, including without limitation the known minimum yield from the investment or reinvestment of moneys pledged therefor in federal securities.”

TERMS OF SALE

EQUAL OPPORTUNITY: IT IS THE POLICY OF THE CITY TO PROVIDE MINORITY BUSINESS ENTERPRISES, WOMEN BUSINESS ENTERPRISES AND ALL OTHER BUSINESS ENTERPRISES AN EQUAL OPPORTUNITY TO PARTICIPATE IN THE PERFORMANCE OF ALL CITY CONTRACTS. BIDDERS ARE REQUESTED TO ASSIST THE CITY IN IMPLEMENTING THIS POLICY BY TAKING ALL REASONABLE STEPS TO ENSURE THAT ALL AVAILABLE BUSINESS ENTERPRISES, INCLUDING MINORITY AND WOMEN BUSINESS ENTERPRISES, HAVE AN EQUAL OPPORTUNITY TO PARTICIPATE IN CITY CONTRACTS.

BID PROPOSALS: The Bonds will be sold using the PARITY System as otherwise provided below in “ELECTRONIC BIDDING”. Any bid in any other form may be disregarded. A bidder is required to submit an unconditional bid for all of the Bonds specifying the lowest rate or rates of interest and any premium at which the bidder will purchase all of the Bonds.

It is also requested for informational purposes only, but is not required, that each bid disclose:

(1) The True Interest Cost (i.e, actuarial yield) on the Bonds expressed as a nominal annual percentage rate. (See “Basis of Award,” below).

(2) The municipal bond insurer, if any; the premium to be paid by the bidder for insuring the Bonds; and which maturities of the Bonds, if any, are being insured.

ELECTRONIC BIDDING: By utilizing the PARITY System, a prospective electronic bidder represents and warrants to the City that such bidder's bid for the purchase of the Bonds (if a bid is submitted in connection with the sale) is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid and enforceable contract for the purchase of the Bonds. Bids must be submitted electronically by means of the PARITY System for the purchase of the Bonds by 9:00 a.m., local time, on January 23, 2019. Once the bids are communicated electronically via the PARITY System, each bid will constitute an irrevocable offer to purchase all of the Bonds on the terms set forth in this Official Notice of Bond Sale and any amendments thereto.

Each prospective electronic bidder shall be solely responsible to register to bid via the PARITY System as described above. Each qualified prospective electronic bidder shall be solely responsible to make necessary arrangements to access the PARITY System for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Bond Sale. Neither the City nor the Municipal Advisors shall have any duty or be obligated to provide or assure such access to any qualified prospective bidder, and neither the City nor the Municipal Advisors shall be responsible for proper operation of, or have any liability for any malfunction, any delays or interruptions of, or any damages caused by the PARITY System. The City is using the PARITY System as a communication mechanism, and not as the City's agent, to conduct the electronic bidding for the Bonds. If any provision of this Official Notice of Bond Sale conflicts with information provided by the PARITY System, this Official Notice of Bond Sale will control.

Each electronic bidder is required to transmit electronically via the PARITY System an unconditional bid specifying the lowest rate or rates of interest and the premium, or discount, as applicable, at which the bidder will purchase all of the Bonds. Each bid must be for all of the Bonds herein offered for sale.

For informational purposes only, the electronic bid will show the effective interest rate for the Bonds represented on a True Interest Cost (TIC) basis, as described under "BASIS OF AWARD" below, represented by the rate or rates of interest and the bid price specified in the bid. No bid will be received after the time for receiving such bids specified above.

Each bidder is required to transmit electronically via the PARITY System an unconditional bid specifying the lowest rate or rates of interest and the premium, at which the bidder will purchase the Bonds. Each bid must be for all of the Bonds herein offered for sale.

For informational purposes only, the electronic bid will show the effective interest rate for the Bonds represented on a TIC basis, as described under "BASIS OF AWARD" below, represented by the rate or rates of interest and the bid price specified in the bids. No bid will be received after the time for receiving such bids specified above.

GOOD FAITH DEPOSIT: Within 90 minutes of the notice by the Municipal Advisor to the apparent winning bidder of the award of the Bonds, the apparent winning bidder shall provide a good faith deposit (the "Deposit") for the Bonds in the form of a certified or cashier's check or federal wire transfer made payable to:

City of Las Vegas, Nevada

in the amount of:

\$350,000

The Bonds will not be officially awarded to the apparent winning bidder until such time as the bidder has provided a Federal wire reference number for the Deposit to the Municipal Advisor or the Deposit in the form of a check.

No interest on the Deposit will accrue to any bidders, except as otherwise provided under “MANNER AND TIME OF DELIVERY”, below. The Deposit of the winning bidder for the Bonds will be applied to the purchase price of the Bonds. In the event the winning bidder for the Bonds fails to honor its accepted bid, the Deposit for the Bonds plus any interest accrued on the Deposit will be retained by the City. Deposits accompanying bids other than the bid(s) for the Bonds which is accepted will be returned promptly upon the determination of the best bidder.

CUSIP NUMBERS: It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser to accept delivery of and pay for the Bonds in accordance with the terms of the purchase contract. All expenses relating to printing the CUSIP numbers on the Bonds will be paid by the City. However, the CUSIP Service Bureau charge for the assignment of the numbers will be the responsibility of and must be paid by the purchaser.

SALES RESERVATIONS: The City reserves the privilege of:

- A. waiving any irregularity or informality in any bid;
- B. rejecting any and all bids; and
- C. reoffering the Bonds for public sale or private sale as provided by law.

In addition, the City reserves the privilege of changing the date and/or time of sale of the Bonds. Any change in the date and/or time of sale of the Bonds will be communicated via PARITY.

BASIS OF AWARD: The Bonds, subject to such sale reservations, will be sold by the City to the responsible bidder making the best bid for all of the Bonds. The best bid will be determined by computing the True Interest Cost on the Bonds (i.e, using an actuarial or TIC method) for each bid received and an award will be made (if any is made) to the responsible bidder submitting the bid which results in the lowest true interest cost for the Bonds. “True Interest Cost” on the Bonds as used herein means that yield which if used to compute the present worth as of the date of the Bonds of all payments of principal and interest to be made on the Bonds from their date to their respective maturity dates using the interest rates specified in the bid and the principal amounts maturing as shown in the Maturity Schedule, produces an amount equal to the principal amount of the Bonds plus any premium or less any discount bid. Such calculation shall be based on a 360 day year and a semiannual compounding interval. If there are two or more equal bids for the Bonds and such equal bids are the best bids received, the City will determine which bid will be accepted, if any.

PLACE AND TIME OF AWARD: Bids will be received, and in the case of sealed bids, opened on behalf of the City at the time and place stated. The City’s Chief Financial Officer or City Manager will take action awarding the Bonds or rejecting all bids not later than 48 hours after the time stated for receiving the bids. An award may be made after the stated period if the bidder shall not have given to the City’s Chief Financial Officer notice in writing of the withdrawal of its bid.

MANNER AND TIME OF DELIVERY: The Deposit will be credited to the purchaser at the time of delivery of the Bonds (without accruing interest). If the successful bidder for the Bonds fails, neglects, or refuses to complete the purchase of the Bonds on the date on which such Bonds are made ready and are tendered by the City for delivery, the amount of its Deposit and any interest thereon will be forfeited (as liquidated damages for noncompliance with the bid) to the City. In that event, the City may reoffer such Bonds for sale, as provided by law. The applicable purchaser of the Bonds will not be required to accept delivery of any of such Bonds if they are not made ready and are not tendered by the City for delivery within 60 days from the date for opening bids; and if such Bonds are not so tendered as a result of the inability of the City to tender the Bonds within such period of time, the Deposit will be returned to the purchaser upon request. The Bonds, registered in the name of Cede & Co., will be made available for delivery by the Council to the purchasers of the Bonds as soon as reasonably possible after the date of the sale. The Council contemplates delivering the Bonds on or about February 13, 2019. The purchasers of the Bonds will be given 72 hours' notice of the time fixed for tendering the Bonds for delivery.

PAYMENT AT AND PLACE OF DELIVERY: The successful bidders will be required to accept delivery of the Bonds at DTC in New York, New York. Payment of the balance of the purchase price due for the Bonds at the time of their delivery must be made in Federal Reserve Bank funds or other funds acceptable to the Council for immediate and unconditional credit to the account of the City as directed by the Council at a bank designated by the City Treasurer so that such Bond proceeds may be deposited or invested, as the Council may determine, simultaneously with the delivery of such Bonds. The balance of the purchase price must be paid in such funds and not by any waiver of interest, and not by any other concession as a substitution for such funds.

INFORMATION: This Official Notice of Bond Sale, and financial and other information concerning the City and the Bonds may be obtained prior to the sale from the City Director of Finance and Treasurer:

**Venetta Appleyard
City Director of Finance and Treasurer
City of Las Vegas, Nevada
495 South Main Street
Las Vegas, Nevada 89101
(702) 229-6823**

or the City's Municipal Advisor:

**Zions Public Finance
Attn: Andrew Artusa
230 Las Vegas Blvd. South, Suite 200
Las Vegas, Nevada 89101
(702) 796-7080 or (702) 569-1555
andrew.artusa@zionsbank.com**

LEGAL OPINION, BONDS AND TRANSCRIPT: The validity and enforceability of the Bonds will be approved by:

**Sherman & Howard L.L.C.
3960 Howard Hughes Parkway, Suite 500
Las Vegas, Nevada 89169
(702) 387-6073**

whose final, approving opinion, together with the printed Bonds, a certified transcript of the legal proceedings, including a certificate stating that there is no litigation pending affecting the validity of such Bonds as of the date of their delivery (the "Closing Date"), and other closing documents, will be furnished to the initial purchasers of such Bonds without charge by the City. The form of the approving opinion will be substantially in the form set forth in Appendix D to the Preliminary Official Statement.

CITY REPRESENTED BY INDEPENDENT REGISTERED MUNICIPAL ADVISOR:

The City has engaged, is represented by and will rely on the advice of the Municipal Advisor, an independent registered municipal advisor, to advise it on the issuance of the Bonds and other aspects of the financing for which the Bonds are being issued. The City intends that this statement constitutes the "required representation" for purposes of the independent registered municipal advisor exemption set forth in SEC Rule 15Ba1-1(d)(3) and prospective bidders and other market participants may rely on this written statement and receive and use it for purposes of that exemption. Each bidder should consult with its own advisors in determining whether the exemption is available to that bidder and other requirements applicable for the exemption to be available to that bidder.

OFFICIAL STATEMENT: The City has prepared a Preliminary Official Statement relating to the Bonds which is deemed by the City to be final as of its date for purposes of allowing bidders to comply with Rule 15c2-12(b)(1) of the Securities Exchange Commission (the "Rule"), except for the omission of certain information as permitted by the Rule. The Preliminary Official Statement is subject to revision, amendment and completion in a Final Official Statement, as defined below.

The City will prepare a Final Official Statement, dated as of the date of its delivery to the winning bidders, as soon as practicable after the date of award to the winning bidders. The City will provide to the winning bidder of the Bonds not more than 25 copies of the Final Official Statement on or before seven business days following the date of the award to the winning bidder. The Final Official Statements will be delivered to the winning bidder at the offices of the Municipal Advisor at the address listed above. If the winning bidder fails to pick up the Final Official Statements at the offices of the Municipal Advisor, the Final Official Statements will be forwarded to the winning bidder by mail or another delivery service mutually agreed to between the winning bidder and the Municipal Advisor. The winning bidder may obtain additional copies of the Final Official Statement at the expense of the winning bidder.

The City authorizes the winning bidder to distribute the Final Official Statement in connection with the offering of the Bonds.

For a period beginning on the date of the Final Official Statement and ending twenty-five days following the date the winning bidder shall no longer hold for sale any of the Bonds (which date shall be the Closing Date unless the winning bidder otherwise notifies the City in writing), if any event concerning the affairs, properties or financial condition of the City shall occur as a result of which it is necessary to supplement the Final Official Statement in order to make the statements therein, in light of the circumstances existing at such time, not misleading, at the request of the winning bidder, the City shall forthwith notify the winning bidder of any such event of which it has knowledge and shall cooperate fully in the preparation and furnishing of any supplement to the Final Official Statement necessary, in the reasonable opinion of the City and the winning bidder, so that the statements therein as so supplemented will not be misleading in the light of the circumstances existing at such time.

CONSENT TO JURISDICTION: A bid submitted by electronically via the PARITY System, if accepted by the Chief Financial Officer or the City Manager on behalf of the City, forms a contract between each winning bidder and the City subject to the terms of this Official Notice of Bond

Sale. By submitting a bid, the bidder consents to the exclusive jurisdiction of any court of the State of Nevada located in Clark County or the United States District Court for the State of Nevada for the purpose of any suit, action or other proceeding arising as a result of the submittal of the bid, and the bidder irrevocably agrees that all claims in respect to any such suit, action or proceeding may be heard and determined by such court. The bidder further agrees that service of process in any such action commenced in such State or Federal court shall be effective on such bidder by deposit of the same as registered mail addressed to the bidder at the address set forth in the bid.

CONTINUING DISCLOSURE UNDERTAKING: Pursuant to the Rule, the City will undertake in a continuing disclosure certificate which is authorized in the Bond Ordinance to provide certain ongoing disclosure, including annual operating data and financial information, audited financial statements and notices of the occurrences of certain material events. A copy of the continuing disclosure certificate is included as Appendix C to the Preliminary Official Statement.

CLOSING CERTIFICATES: The closing certificates for the Bonds included in the transcript of legal proceedings will include:

A certificate, dated as of the Closing Date, and signed by the Mayor, the City Manager, the City Treasurer and the City Attorney, or a deputy thereof, in which each of them states, after reasonable investigation, that to the best of his or her knowledge (a) no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, public board, or body, is pending, or, to the best of the knowledge of each of them, threatened, in any way contesting the completeness or accuracy of the Final Official Statement, (b) the Final Official Statement as it pertains to the City and the Bonds does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and (c) no event affecting the City has occurred since the date of the Final Official Statement which should be disclosed therein for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any respect; provided, however, that the City does not make any representation concerning the pricing information contained in the Final Official Statement.

By order of the City Council of the City of Las Vegas, Nevada, this January 11, 2019.

/s/ Gary Ameling
City Chief Financial Officer

Exhibit A
Purchaser's Certificate

IT IS HEREBY CERTIFIED by the undersigned on behalf of _____ (the "Purchaser"), as representative of the underwriters for the City of Las Vegas, Nevada, General Obligation (Limited Tax) Building Bonds (Additionally Secured by Pledged Revenues), Series 2019A (the "Bonds"):

1. We acknowledge receipt of the Bonds in the aggregate principal amount of \$_____, bearing interest and maturing as provided in an authorizing ordinance of the City Council of the City of Las Vegas, Nevada (the "City") adopted and approved on January 16, 2019, (the "Bond Ordinance"), and the instruments described therein, and such Bonds being in the denominations and registered in the name of Cede & Co., as nominee of The Depository Trust Company, as requested by us.

2. A bona fide public offering was made for all of the Bonds on the Sale Date at the Prices shown on the inside cover page of the Official Statement for the Bonds. Those Prices are the reasonably expected initial offering Prices of each maturity of the Bonds to the Public which were used by the Purchaser in formulating its bid to purchase the Bonds. For purposes of Paragraphs 2, 3 and 4, the following defined terms shall have the meanings assigned thereto as set forth below.

"Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party. The term "Related Party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

"Sale Date" means the date the Purchaser's bid for the Bonds was accepted on behalf of the City.

"Underwriter" means (i) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

If a yield is shown on the inside cover page of the Official Statement for any maturity, "Price" herein means the dollar price that produces that yield.

3. The Purchaser was not given the opportunity to review other bids prior to submitting its bid.

4. The bid submitted by the Purchaser constituted a firm bid to purchase the Bonds.

5. The City and its counsel may rely on these certifications in concluding that the Bonds meet certain requirements of the Internal Revenue Code of 1986 as amended (the “Code”), relating to tax-exempt bonds; however, nothing herein represents our interpretation of any law and we are not providing any interpretations of law or regulations in executing and delivering this certificate.

DATED as of _____, 2019.

_____, as Representative of the Underwriters

By: _____

Title: _____

Exhibit B
Purchaser's Certificate

IT IS HEREBY CERTIFIED by the undersigned on behalf of _____ (the "Purchaser"), as representative of the underwriters for the City of Las Vegas, Nevada, General Obligation (Limited Tax) Building Bonds (Additionally Secured by Pledged Revenues), Series 2019A (the "Bonds"):

1. We acknowledge receipt of the Bonds in the aggregate principal amount of \$_____, bearing interest and maturing as provided in an authorizing ordinance of the City Council of the City of Las Vegas (the "City") adopted and approved on January 16, 2019, (the "Bond Ordinance"), and the instruments described therein, and such Bonds being in the denominations and registered in the name of Cede & Co., as nominee of The Depository Trust Company, as requested by us.

2. A bona fide public offering was made for all of the Bonds on the Sale Date at the Prices shown [on the inside cover page of the Official Statement for the Bonds][in Exhibit 1]. The first Price at which a Substantial Amount of each maturity of the Bonds was sold to the Public is the Price shown [on the inside cover page of the Official Statement][in Exhibit 1] for that maturity of the Bonds. For purposes of this Paragraph 2, the following defined terms shall have the meanings assigned thereto as set forth below:

"Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party. The term "Related Party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

"Sale Date" means the date the Purchaser's bid for the Bonds was accepted on behalf of the City.

"Substantial Amount" is 10% or more of each maturity.

"Underwriter" means (i) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

If a yield is shown on the inside cover page of the Official Statement for any maturity, "Price" herein means the dollar price that produces that yield.

3. The City and its counsel may rely on these certifications in concluding that the Bonds meet certain requirements of the Internal Revenue Code of 1986 as amended (the “Code”), relating to tax-exempt bonds; however, nothing herein represents our interpretation of any law and we are not providing any interpretations of law or regulations in executing and delivering this certificate.

DATED as of _____, 2019.

_____, as Representative of the Underwriters

By: _____

Title: _____

Attach Exhibit 1 to Purchaser's Certificate
(Offering Prices of Bonds)

OFFICIAL NOTICE OF BOND SALE

\$6,295,000*
CITY OF LAS VEGAS, NEVADA
GENERAL OBLIGATION (LIMITED TAX)
MEDIUM-TERM BONDS
SERIES 2019B

PUBLIC NOTICE IS HEREBY GIVEN that the City Council of the City of Las Vegas, in the State of Nevada (the “Council,” the “City,” and the “State,” respectively), on

Wednesday, January 23, 2019

at the hour of 9:30 a.m., local time, or such other date and at such other time as is announced via PARITY, a Division of Thomson Financial Municipals Group, Inc. (“PARITY System”) to the

Chief Financial Officer
c/o Office of Zions Public Finance
230 Las Vegas Blvd South, Suite 200
Las Vegas, NV 89101

will receive and cause to be received electronically via the PARITY System for the purchase of the bonds of the City described below. See “MANNER OF BID SUBMITTAL” and “ELECTRONIC BIDDING” below.

BOND PROVISIONS

ISSUE: The City of Las Vegas, Nevada, General Obligation (Limited Tax) Medium-Term Bonds, Series 2019B in the aggregate principal amount of \$6,295,000* (the “Bonds”) will be dated as of the date of delivery of the Bonds. The Bonds will be issued by means of a book entry system with no physical distribution of bond certificates to the public. See “BOOK ENTRY TRANSFER AND EXCHANGE” below. The City contemplates delivering the Bonds on or about February 13, 2019.

MATURITIES: The Bonds will mature as provided in the Maturity Schedule (the “Maturity Schedule”) set forth in the preliminary official statement relating to the Bonds (the “Preliminary Official Statement”). Changes to the Maturity Schedule will be announced via PARITY. The amounts of the Bonds maturing in each year may be changed from those listed in the Maturity Schedule as described in “ADJUSTMENT OF MATURITIES AFTER DETERMINATION OF BEST BID” below.

ADJUSTMENT OF MATURITIES AFTER DETERMINATION OF BEST BID: The aggregate principal amount and the principal amount of each maturity of the Bonds are subject to adjustment by the City, after the determination of the best bid. Changes to be made will be communicated to the successful bidder by the time of written award of the Bonds, and will not reduce or increase the aggregate principal amount of the Bonds by more than 15% of the aggregate principal amount of the Bonds shown in the Maturity Schedule. The City may change the price to be paid for the Bonds (i.e., par less the discount bid or plus the premium bid) by a successful bidder as described below, but the interest rates specified by the successful bidder for all maturities of the Bonds will not change. A successful bidder may not withdraw its bid as a result of any changes made within these limits. The price

* Preliminary, subject to change.

to be paid for the Bonds will be changed so that the percentage net compensation to the successful bidder (i.e., the percentage resulting from dividing (i) the aggregate difference between the offering price of the Bonds to the public and the price to be paid to the City (excluding accrued interest, if any), less any bond insurance premium to be paid by the bidder, by (ii) the principal amount of the Bonds) does not increase or decrease from what it would have been if no adjustment was made to applicable principal amounts shown in the Maturity Schedule for the Bonds.

To facilitate any adjustment in the principal amounts, the successful bidder for the Bonds is required to indicate to Gary Ameling, the Chief Financial Officer of the City (the "Chief Financial Officer"), to the office of Zions Public Finance, the City's Municipal Advisor (the "Municipal Advisor"), via email to Andrew.Artusa@ZionsBank.com no later than one-half hour after the time of the bid opening, the amount of any original issue discount or premium on each maturity of the Bonds, the amount received from the sale of the Bonds to the public that will be retained by the successful bidder as its compensation, and in the case of a bid submitted with bond insurance, the amount of the insurance premium. A bidder who intends to insure the Bonds shall also state, in that email transmission, whether the amount of the insurance premium will change as a result of changes in the principal amount of the Bonds and the method used to calculate any such change in the insurance premium.

SUCCESSFUL BIDDER'S REOFFERING PRICES: Within one-half hour of the bid opening, the successful bidder or bidders (or manager of the purchasing account or accounts) shall notify the Chief Financial Officer and the City's Municipal Advisor at Andrew.Artusa@ZionsBank.com, by electronic transmission of the initial offering prices of such Bonds to the public. The notification must be confirmed in writing in the form and substance satisfactory to Bond Counsel prior to the delivery of the Bonds. The confirmation will be part of the "Purchaser's Certificate" which will be in substantially the same form as Exhibit A in the event the City receives 3 or more bids that conform to the requirements of this Official Notice of Sale for the Bonds; or in substantially the same form as Exhibit B in the event the City does not receive 3 or more such bids for the Bonds.

OPTIONAL PRIOR REDEMPTION FOR THE BONDS: The Bonds, or portions thereof, are not subject to optional redemption prior to their respective maturities.

INTEREST RATES AND LIMITATIONS: The following interest limitations are applicable to the Bonds:

A. Interest on the Bonds will be payable on February 1 and August 1 of each year commencing on August 1, 2019.

B. The interest rate on any Bond and the True Interest Cost for the Bonds (see "BASIS OF AWARD," below) may not exceed by more than 3% the "Index of Twenty Bonds" most recently published in The Bond Buyer before the bids are received.

C. Each interest rate specified must be stated in a multiple of 1/8th or 1/20th of 1% per annum.

D. Only one interest rate can be stated for any maturity of the Bonds, i.e., all Bonds with the same maturity date must bear the same rate of interest. No zero (0) rate of interest may be bid.

E. Each Bond as initially issued will bear interest from its dated date to its stated maturity date at the interest rate stated in the bid.

It is permissible to bid different interest rates for the Bonds, but only as stated in the bid and subject to the above limitations. If any Bond is not paid upon presentation at maturity, it will draw interest at the same rate until principal is paid in full.

PREMIUM/DISCOUNT: A bidder may offer to purchase the Bonds at par, or at a premium.

PAYMENT: The principal of the Bonds shall be payable at the office of The Bank of New York Mellon Trust Company, N.A., as Paying Agent, to the registered owner thereof (i.e., Cede & Co.) as shown on the registration records of The Bank of New York Mellon Trust Company, N.A., as Registrar, upon maturity thereof and upon presentation and surrender of such Bonds at such Paying Agent. Payment of interest on any Bond shall be made to the registered owner thereof (i.e., Cede & Co.) by the Paying Agent, on each interest payment date (or, if such interest payment date is not a business day, on the next succeeding business day), to the registered owner thereof at his or her address as it appears on the registration records of the Registrar for such Bonds as of the close of business on the 15th day of the calendar month preceding such interest payment date (or by such other arrangement as may be mutually agreed to by the Paying Agent and The Depository Trust Company). All such payments shall be made in lawful money of the United States of America.

BOOK ENTRY/TRANSFER AND EXCHANGE: The Bonds will be issued as fully registered book entry bonds, in the denomination of \$5,000 or any integral multiple thereof. The Bonds will be issued in registered form to The Depository Trust Company, New York, New York ("DTC"), registered in the name of its nominee, Cede & Co., and immobilized in its custody, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The successful bidder, as a condition to delivery of the Bonds, will be required to deposit the Bond certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Bonds will be payable by the Paying Agent by wire transfer or in same day funds to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC. Transfer of principal and interest payments to the beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. Neither the City nor the Paying Agent will be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

FORM OF BOND ORDINANCE; AUTHORIZATION OF BONDS: The form of the Bond Ordinance, is on file with the City Clerk in her office at 495 South Main Street, Las Vegas, Nevada, or may be obtained from the Chief Financial Officer or Municipal Advisor at the addresses listed under "INFORMATION" herein.

The City is operating as a City pursuant to Nevada Revised Statutes ("NRS") Chapter 268 and Chapter 517, Statutes of Nevada 1983, as amended (the "Charter"). Pursuant to Section 7.020 of the Charter (the "Charter") Pursuant to Section 7.020 of the Charter (the "Project Act"), NRS 350.500 through 350.720, inclusive (the "Bond Act"), and NRS 350.087 through 350.095, inclusive (the Medium-Term Act"), the City is authorized to issue the Bonds.

SECURITY AND PAYMENT: The Bonds will, in the opinion of Sherman & Howard L.L.C. ("Bond Counsel"), be direct general obligations of the City, payable as to principal, interest and any redemption premiums (the "Bond Requirements") from annual general (ad valorem) taxes (herein "General Taxes") levied against all taxable property within the City, and other moneys are legally available therefor), subject to the limitations imposed by the statutes and the Constitution of the State (see

“CONSTITUTIONAL TAX LIMITATIONS” and “STATUTORY TAX LIMITATION” below). The Bonds will be a debt of the City, and the Council, on behalf of the City, will pledge the full faith and credit of the City for their payment. The City is obligated to levy ad valorem taxes against taxable property within the City to pay the Bond Requirements and any ad valorem taxes levied are subject to the limitations imposed by the statutes and the Constitution of the State applicable to the Bonds (see “CONSTITUTIONAL TAX LIMITATIONS,” “STATUTORY TAX LIMITATION” AND “LEGAL OPINION, BONDS AND TRANSCRIPT” below). The Bonds will be a debt of the City, and the City shall pledge the full faith and credit of the City for their payment.

BOND INSURANCE/RATING LETTERS: A municipal bond insurance policy to insure payment of the principal of and interest on any of the Bonds, when due, may be provided at bidder’s option and expense. Regardless of whether any of the Bonds are insured, the City will pay for ratings on the Bonds from Moody’s Investors Service and S&P Global Ratings.

ADDITIONAL BONDS: The City reserves the privilege of issuing additional general obligation bonds previously or hereafter authorized at any time and from time to time for any lawful purpose, as permitted by law.

FEDERAL TAX MATTERS: In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described in the Preliminary Official Statement, interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the “Tax Code”), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code under federal income tax laws. See “TAX MATTERS” in the Preliminary Official Statement.

STATE TAX EXEMPTION: In the opinion of Bond Counsel, under present laws of the State, the Bonds, their transfer, and the income therefrom are free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to Chapter 375A of NRS and the tax on generation-skipping transfers imposed pursuant to Chapter 375B of NRS.

CONSTITUTIONAL TAX LIMITATION: Sec. 2, art. 10, Constitution of the State, provides:

“The total tax levy for all public purposes including levies for bonds, within the state, or any subdivision thereof, shall not exceed five cents on one dollar of assessed valuation.”

STATUTORY TAX LIMITATION: NRS 361.453 provides:

“Except as otherwise provided in this section and NRS 354.705, 354.723 and 450.760, the total ad valorem tax levy for all public purposes must not exceed \$3.64 on each \$100 of assessed valuation, or a lesser or greater amount fixed by the State Board of Examiners if the State Board of Examiners is directed by law to fix a lesser or greater amount for that fiscal year.”

STATUTORY PRIORITY FOR BONDS: NRS 361.463:

“1. In any year in which the total taxes levied by all overlapping units within the boundaries of the State exceed the limitation imposed by NRS 361.453, and it becomes necessary for that reason to

reduce the levies made by any of those units, the reduction so made must be in taxes levied by those units (including the State) for purposes other than the payment of bonded indebtedness, including interest thereon.

“2. The taxes levied for the payment of bonded indebtedness and the interest thereon enjoy a priority over taxes levied by each such unit (including the State) for all other purposes where reduction is necessary to comply with the limitation imposed by NRS 361.453.”

part: STATUTORY PROVISION FOR TAX LEVIES: NRS 350.592, provides in relevant

“1. There must be levied annually in due season a special tax on all property, both real and personal, subject to taxation within the boundaries of the municipality, fully sufficient, together with the revenue which will result from application of the rate to the net proceeds of minerals, without regard to any statutory or charter tax limitations other than the limitation set forth in NRS 361.453, to pay the interest on the general obligation municipal securities and to pay and retire the securities as provided in the Local Government Securities Law and in any act supplemental hereto. The amount of money to be raised by the tax must be included in the annual estimate or budget for each county within the state for each year for which the tax is hereby required to be levied. The tax must be levied and collected in the same manner and at the same time as other taxes are levied and collected.

2. The proceeds thereof levied to pay interest on the securities must be kept by the treasurer in a special fund, separate and apart from all other funds, and the proceeds of the tax levied to pay the principal of the securities must be kept by the treasurer in a special fund, separate and apart from all other funds. The two special funds must be used for no other purpose than the payment of the interest on the securities and the principal thereof, respectively, when due;”

TIMES OF LEVIES: NRS 350.594 provides:

“Such tax shall be levied immediately after the issuance of any general obligation securities issued in accordance with the provisions of the Local Government Securities Law, and annually thereafter, at the times and in the manner provided by law, until all of the securities, and the interest thereon, have been fully discharged. Such tax may be first levied after the municipality has contracted to sell any securities but before their issuance.”

USE OF GENERAL FUND: NRS 350.596 provides:

“Any sums coming due on any general obligation municipal securities at any time when there are not on hand from such tax levy or levies sufficient funds to pay the same shall be promptly paid when due from the general fund of the municipality, reimbursement to be made to

such general fund in the sums thus advanced when the taxes herein provided for have been collected.”

USE OF OTHER FUNDS: NRS 350.598 provides:

“Nothing contained in the Local Government Securities Law shall be so construed as to prevent the municipality from applying any funds (other than taxes) that may be available for that purpose to the payment of the interest on or the principal of any general obligation municipal securities as the same respectively mature, and regardless of whether the payment of the general obligation municipal securities is additionally secured by a pledge of revenues, and upon such payments, the levy or levies of taxes provided in the Local Government Securities Law may thereupon to that extent be diminished.”

STATUTORY APPROPRIATIONS: NRS 350.602 provides:

“There is by the Local Government Securities Law, and there shall be by ordinance authorizing the issuance of any indebtedness contracted in accordance with the provisions of the Local Government Securities Law, specially appropriated the proceeds of such taxes to the payment of such principal and interest; and such appropriations shall not be repealed nor the taxes postponed or diminished (except as herein otherwise expressly provided) until the principal of and interest on the municipal securities evidencing such debt have been wholly paid.”

CHARTER DEBT LIMITATION: Section 7.040 of the Charter provides:

“1. The city may not issue or have outstanding at any time bonds which, when taken together with all of the notes, warrants, scrip or other evidences of indebtedness which are then outstanding, will create a total indebtedness in an amount greater than 20 percent of the total assessed valuation of the taxable property within its boundaries, as shown by the last preceding tax list or assessment roll.

“2. In determining any debt limitation under this section, the following may not be considered as indebtedness:

“(a) Revenue bonds, unless the full faith and credit of the city is also pledged to their payment;

“(b) Special assessment bonds, although a deficiency in the proceeds of the assessments is required to be paid from the general fund of the city;

“(c) Short-term securities which are issued in anticipation of and payable from the property taxes which are levied for the current fiscal year;

“(d) Interim warrants which are issued pursuant to chapter 271 of NRS; and

“(e) Securities which are described in subsection 4 of section 8.240 of this charter.”

NO PLEDGE OF PROPERTY: The payment of the Bonds is not secured by an encumbrance, mortgage or other pledge of property of the City.

IMMUNITY OF INDIVIDUALS: NRS 350.606 provides:

“No recourse shall be had for the payment of the principal of, any interest on, and any prior redemption premiums due in connection with any bonds or other municipal securities or for any claim based thereon or otherwise upon the ordinance authorizing their issuance or other instrument appertaining thereto, against any individual member of the governing body or any officer or other agent of the municipality, past, present or future, either directly or indirectly through the governing body or the municipality, or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of the securities and as a part of the consideration of their issuance specially waived and released.”

ACTS IRREPEALABLE: NRS 350.610 provides:

“The faith of the State is hereby pledged that the Local Government Securities Law, any law supplemental or otherwise appertaining thereto, and any other act concerning the bonds or other municipal securities, taxes or the pledged revenues or any combination of such securities, such taxes and such revenues shall not be repealed nor amended or otherwise directly or indirectly modified in such a manner as to impair adversely any outstanding municipal securities, until all such securities have been discharged in full or provision for their payment and redemption has been fully made, including without limitation the known minimum yield from the investment or reinvestment of moneys pledged therefor in federal securities.”

TERMS OF SALE

EQUAL OPPORTUNITY: IT IS THE POLICY OF THE CITY TO PROVIDE MINORITY BUSINESS ENTERPRISES, WOMEN BUSINESS ENTERPRISES AND ALL OTHER BUSINESS ENTERPRISES AN EQUAL OPPORTUNITY TO PARTICIPATE IN THE PERFORMANCE OF ALL CITY CONTRACTS. BIDDERS ARE REQUESTED TO ASSIST THE CITY IN IMPLEMENTING THIS POLICY BY TAKING ALL REASONABLE STEPS TO ENSURE THAT ALL AVAILABLE BUSINESS ENTERPRISES, INCLUDING MINORITY AND WOMEN BUSINESS ENTERPRISES, HAVE AN EQUAL OPPORTUNITY TO PARTICIPATE IN CITY CONTRACTS.

BID PROPOSALS: The Bonds will be sold using the PARITY System as otherwise provided below in “ELECTRONIC BIDDING”. Any bid in any other form may be disregarded. A bidder is required to submit an unconditional bid for all of the Bonds specifying the lowest rate or rates of interest and any premium at which the bidder will purchase all of the Bonds.

It is also requested for informational purposes only, but is not required, that each bid disclose:

(1) The True Interest Cost (i.e, actuarial yield) on the Bonds expressed as a nominal annual percentage rate. (See “Basis of Award,” below).

(2) The municipal bond insurer, if any; the premium to be paid by the bidder for insuring the Bonds; and which maturities of the Bonds, if any, are being insured.

ELECTRONIC BIDDING: By utilizing the PARITY System, a prospective electronic bidder represents and warrants to the City that such bidder’s bid for the purchase of the Bonds (if a bid is submitted in connection with the sale) is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid and enforceable contract for the purchase of the Bonds. Bids must be submitted electronically by means of the PARITY System for the purchase of the Bonds by 9:30 a.m., local time, on January 23, 2019. Once the bids are communicated electronically via the PARITY System, each bid will constitute an irrevocable offer to purchase all of the Bonds on the terms set forth in this Official Notice of Bond Sale and any amendments thereto.

Each prospective electronic bidder shall be solely responsible to register to bid via the PARITY System as described above. Each qualified prospective electronic bidder shall be solely responsible to make necessary arrangements to access the PARITY System for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Bond Sale. Neither the City nor the Municipal Advisors shall have any duty or be obligated to provide or assure such access to any qualified prospective bidder, and neither the City nor the Municipal Advisors shall be responsible for proper operation of, or have any liability for any malfunction, any delays or interruptions of, or any damages caused by the PARITY System. The City is using the PARITY System as a communication mechanism, and not as the City’s agent, to conduct the electronic bidding for the Bonds. If any provision of this Official Notice of Bond Sale conflicts with information provided by the PARITY System, this Official Notice of Bond Sale will control.

Each electronic bidder is required to transmit electronically via the PARITY System an unconditional bid specifying the lowest rate or rates of interest and the premium, or discount, as applicable, at which the bidder will purchase all of the Bonds. Each bid must be for all of the Bonds herein offered for sale.

For informational purposes only, the electronic bid will show the effective interest rate for the Bonds represented on a True Interest Cost (TIC) basis, as described under “BASIS OF AWARD” below, represented by the rate or rates of interest and the bid price specified in the bid. No bid will be received after the time for receiving such bids specified above.

Each bidder is required to transmit electronically via the PARITY System an unconditional bid specifying the lowest rate or rates of interest and the premium, at which the bidder will purchase the Bonds. Each bid must be for all of the Bonds herein offered for sale.

For informational purposes only, the electronic bid will show the effective interest rate for the Bonds represented on a TIC basis, as described under “BASIS OF AWARD” below, represented by the rate or rates of interest and the bid price specified in the bids. No bid will be received after the time for receiving such bids specified above.

GOOD FAITH DEPOSIT: Within 90 minutes of the notice by the Municipal Advisor to the apparent winning bidder of the award of the Bonds, the apparent winning bidder shall provide a good faith deposit (the “Deposit”) for the Bonds in the form of a certified or cashier’s check or federal wire transfer made payable to:

City of Las Vegas, Nevada

in the amount of:

\$70,000

The Bonds will not be officially awarded to the apparent winning bidder until such time as the bidder has provided a Federal wire reference number for the Deposit to the Municipal Advisor or the Deposit in the form of a check.

No interest on the Deposit will accrue to any bidders, except as otherwise provided under “MANNER AND TIME OF DELIVERY”, below. The Deposit of the winning bidder for the Bonds will be applied to the purchase price of the Bonds. In the event the winning bidder for the Bonds fails to honor its accepted bid, the Deposit for the Bonds plus any interest accrued on the Deposit will be retained by the City. Deposits accompanying bids other than the bid(s) for the Bonds which is accepted will be returned promptly upon the determination of the best bidder.

CUSIP NUMBERS: It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser to accept delivery of and pay for the Bonds in accordance with the terms of the purchase contract. All expenses relating to printing the CUSIP numbers on the Bonds will be paid by the City. However, the CUSIP Service Bureau charge for the assignment of the numbers will be the responsibility of and must be paid by the purchaser.

SALES RESERVATIONS: The City reserves the privilege of:

- A. waiving any irregularity or informality in any bid;
- B. rejecting any and all bids; and
- C. reoffering the Bonds for public sale or private sale as provided by law.

In addition, the City reserves the privilege of changing the date and/or time of sale of the Bonds. Any change in the date and/or time of sale of the Bonds will be communicated via PARITY.

BASIS OF AWARD: The Bonds, subject to such sale reservations, will be sold by the City to the responsible bidder making the best bid for all of the Bonds. The best bid will be determined by computing the True Interest Cost on the Bonds (i.e, using an actuarial or TIC method) for each bid received and an award will be made (if any is made) to the responsible bidder submitting the bid which results in the lowest true interest cost for the Bonds. “True Interest Cost” on the Bonds as used herein means that yield which if used to compute the present worth as of the date of the Bonds of all payments of principal and interest to be made on the Bonds from their date to their respective maturity dates using the interest rates specified in the bid and the principal amounts maturing as shown in the Maturity Schedule, produces an amount equal to the principal amount of the Bonds plus any premium or less any discount bid. Such calculation shall be based on a 360 day year and a semiannual compounding interval. If there

are two or more equal bids for the Bonds and such equal bids are the best bids received, the City will determine which bid will be accepted, if any.

PLACE AND TIME OF AWARD: Bids will be received, and in the case of sealed bids, opened on behalf of the City at the time and place stated. The City's Chief Financial Officer or City Manager will take action awarding the Bonds or rejecting all bids not later than 48 hours after the time stated for receiving the bids. An award may be made after the stated period if the bidder shall not have given to the City's Chief Financial Officer notice in writing of the withdrawal of its bid.

MANNER AND TIME OF DELIVERY: The Deposit will be credited to the purchaser at the time of delivery of the Bonds (without accruing interest). If the successful bidder for the Bonds fails, neglects, or refuses to complete the purchase of the Bonds on the date on which such Bonds are made ready and are tendered by the City for delivery, the amount of its Deposit and any interest thereon will be forfeited (as liquidated damages for noncompliance with the bid) to the City. In that event, the City may reoffer such Bonds for sale, as provided by law. The applicable purchaser of the Bonds will not be required to accept delivery of any of such Bonds if they are not made ready and are not tendered by the City for delivery within 60 days from the date for opening bids; and if such Bonds are not so tendered as a result of the inability of the City to tender the Bonds within such period of time, the Deposit will be returned to the purchaser upon request. The Bonds, registered in the name of Cede & Co., will be made available for delivery by the Council to the purchasers of the Bonds as soon as reasonably possible after the date of the sale. The Council contemplates delivering the Bonds on or about February 13, 2019. The purchasers of the Bonds will be given 72 hours' notice of the time fixed for tendering the Bonds for delivery.

PAYMENT AT AND PLACE OF DELIVERY: The successful bidders will be required to accept delivery of the Bonds at DTC in New York, New York. Payment of the balance of the purchase price due for the Bonds at the time of their delivery must be made in Federal Reserve Bank funds or other funds acceptable to the Council for immediate and unconditional credit to the account of the City as directed by the Council at a bank designated by the City Treasurer so that such Bond proceeds may be deposited or invested, as the Council may determine, simultaneously with the delivery of such Bonds. The balance of the purchase price must be paid in such funds and not by any waiver of interest, and not by any other concession as a substitution for such funds.

INFORMATION: This Official Notice of Bond Sale, and financial and other information concerning the City and the Bonds may be obtained prior to the sale from the City Director of Finance and Treasurer:

**Venetta Appleyard
City Director of Finance and Treasurer
City of Las Vegas, Nevada
495 South Main Street
Las Vegas, Nevada 89101
(702) 229-6823**

or the City's Municipal Advisor:

Zions Public Finance
Attn: Andrew Artusa
230 Las Vegas Blvd. South, Suite 200
Las Vegas, Nevada 89101
(702) 796-7080 or (702) 569-1555
andrew.artusa@zionsbank.com

LEGAL OPINION, BONDS AND TRANSCRIPT: The validity and enforceability of the Bonds will be approved by:

Sherman & Howard L.L.C.
3960 Howard Hughes Parkway, Suite 500
Las Vegas, Nevada 89169
(702) 387-6073

whose final, approving opinion, together with the printed Bonds, a certified transcript of the legal proceedings, including a certificate stating that there is no litigation pending affecting the validity of such Bonds as of the date of their delivery (the "Closing Date"), and other closing documents, will be furnished to the initial purchasers of such Bonds without charge by the City. The form of the approving opinion will be substantially in the form set forth in Appendix D to the Preliminary Official Statement.

CITY REPRESENTED BY INDEPENDENT REGISTERED MUNICIPAL ADVISOR:

The City has engaged, is represented by and will rely on the advice of the Municipal Advisor, an independent registered municipal advisor, to advise it on the issuance of the Bonds and other aspects of the financing for which the Bonds are being issued. The City intends that this statement constitutes the "required representation" for purposes of the independent registered municipal advisor exemption set forth in SEC Rule 15Ba1-1(d)(3) and prospective bidders and other market participants may rely on this written statement and receive and use it for purposes of that exemption. Each bidder should consult with its own advisors in determining whether the exemption is available to that bidder and other requirements applicable for the exemption to be available to that bidder.

OFFICIAL STATEMENT: The City has prepared a Preliminary Official Statement relating to the Bonds which is deemed by the City to be final as of its date for purposes of allowing bidders to comply with Rule 15c2-12(b)(1) of the Securities Exchange Commission (the "Rule"), except for the omission of certain information as permitted by the Rule. The Preliminary Official Statement is subject to revision, amendment and completion in a Final Official Statement, as defined below.

The City will prepare a Final Official Statement, dated as of the date of its delivery to the winning bidders, as soon as practicable after the date of award to the winning bidders. The City will provide to the winning bidder of the Bonds not more than 25 copies of the Final Official Statement on or before seven business days following the date of the award to the winning bidder. The Final Official Statements will be delivered to the winning bidder at the offices of the Municipal Advisor at the address listed above. If the winning bidder fails to pick up the Final Official Statements at the offices of the Municipal Advisor, the Final Official Statements will be forwarded to the winning bidder by mail or another delivery service mutually agreed to between the winning bidder and the Municipal Advisor. The winning bidder may obtain additional copies of the Final Official Statement at the expense of the winning bidder.

The City authorizes the winning bidder to distribute the Final Official Statement in connection with the offering of the Bonds.

For a period beginning on the date of the Final Official Statement and ending twenty-five days following the date the winning bidder shall no longer hold for sale any of the Bonds (which date shall be the Closing Date unless the winning bidder otherwise notifies the City in writing), if any event concerning the affairs, properties or financial condition of the City shall occur as a result of which it is necessary to supplement the Final Official Statement in order to make the statements therein, in light of the circumstances existing at such time, not misleading, at the request of the winning bidder, the City shall forthwith notify the winning bidder of any such event of which it has knowledge and shall cooperate fully in the preparation and furnishing of any supplement to the Final Official Statement necessary, in the reasonable opinion of the City and the winning bidder, so that the statements therein as so supplemented will not be misleading in the light of the circumstances existing at such time.

CONSENT TO JURISDICTION: A bid submitted by electronically via the PARITY System, if accepted by the Chief Financial Officer or the City Manager on behalf of the City, forms a contract between each winning bidder and the City subject to the terms of this Official Notice of Bond Sale. By submitting a bid, the bidder consents to the exclusive jurisdiction of any court of the State of Nevada located in Clark County or the United States District Court for the State of Nevada for the purpose of any suit, action or other proceeding arising as a result of the submittal of the bid, and the bidder irrevocably agrees that all claims in respect to any such suit, action or proceeding may be heard and determined by such court. The bidder further agrees that service of process in any such action commenced in such State or Federal court shall be effective on such bidder by deposit of the same as registered mail addressed to the bidder at the address set forth in the bid.

CONTINUING DISCLOSURE UNDERTAKING: Pursuant to the Rule, the City will undertake in a continuing disclosure certificate which is authorized in the Bond Ordinance to provide certain ongoing disclosure, including annual operating data and financial information, audited financial statements and notices of the occurrences of certain material events. A copy of the continuing disclosure certificate is included as Appendix C to the Preliminary Official Statement.

CLOSING CERTIFICATES: The closing certificates for the Bonds included in the transcript of legal proceedings will include:

A certificate, dated as of the Closing Date, and signed by the Mayor, the City Manager, the City Treasurer and the City Attorney, or a deputy thereof, in which each of them states, after reasonable investigation, that to the best of his or her knowledge (a) no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, public board, or body, is pending, or, to the best of the knowledge of each of them, threatened, in any way contesting the completeness or accuracy of the Final Official Statement, (b) the Final Official Statement as it pertains to the City and the Bonds does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and (c) no event affecting the City has occurred since the date of the Final Official Statement which should be disclosed therein for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any respect; provided, however, that the City does not make any representation concerning the pricing information contained in the Final Official Statement.

By order of the City Council of the City of Las Vegas, Nevada, this January 11, 2019.

/s/ Gary Ameling

City Chief Financial Officer

Exhibit A
Purchaser's Certificate

IT IS HEREBY CERTIFIED by the undersigned on behalf of _____
(the "Purchaser"), as representative of the underwriters for the City of Las Vegas, Nevada, General
Obligation (Limited Tax) Medium-Term Bonds, Series 2019B (the "Bonds"):

1. We acknowledge receipt of the Bonds in the aggregate principal amount of \$_____, bearing interest and maturing as provided in an authorizing ordinance of the City Council of the City of Las Vegas, Nevada (the "City") adopted and approved on January 16, 2019, (the "Bond Ordinance"), and the instruments described therein, and such Bonds being in the denominations and registered in the name of Cede & Co., as nominee of The Depository Trust Company, as requested by us.

2. A bona fide public offering was made for all of the Bonds on the Sale Date at the Prices shown on the inside cover page of the Official Statement for the Bonds. Those Prices are the reasonably expected initial offering Prices of each maturity of the Bonds to the Public which were used by the Purchaser in formulating its bid to purchase the Bonds. For purposes of Paragraphs 2, 3 and 4, the following defined terms shall have the meanings assigned thereto as set forth below.

"Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party. The term "Related Party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

"Sale Date" means the date the Purchaser's bid for the Bonds was accepted on behalf of the City.

"Underwriter" means (i) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

If a yield is shown on the inside cover page of the Official Statement for any maturity, "Price" herein means the dollar price that produces that yield.

3. The Purchaser was not given the opportunity to review other bids prior to submitting its bid.

4. The bid submitted by the Purchaser constituted a firm bid to purchase the Bonds.

5. The City and its counsel may rely on these certifications in concluding that the Bonds meet certain requirements of the Internal Revenue Code of 1986 as amended (the “Code”), relating to tax-exempt bonds; however, nothing herein represents our interpretation of any law and we are not providing any interpretations of law or regulations in executing and delivering this certificate.

DATED as of _____, 2019.

_____, as Representative of the Underwriters

By: _____

Title: _____

Exhibit B
Purchaser's Certificate

IT IS HEREBY CERTIFIED by the undersigned on behalf of _____
(the "Purchaser"), as representative of the underwriters for the City of Las Vegas, Nevada, General
Obligation (Limited Tax) Medium-Term Bonds, Series 2019B (the "Bonds"):

1. We acknowledge receipt of the Bonds in the aggregate principal amount of
\$_____, bearing interest and maturing as provided in an authorizing ordinance of the City Council
of the City of Las Vegas (the "City") adopted and approved on January 16, 2019, (the "Bond
Ordinance"), and the instruments described therein, and such Bonds being in the denominations and
registered in the name of Cede & Co., as nominee of The Depository Trust Company, as requested by us.

2. A bona fide public offering was made for all of the Bonds on the Sale Date at the
Prices shown [on the inside cover page of the Official Statement for the Bonds][in Exhibit 1]. The first
Price at which a Substantial Amount of each maturity of the Bonds was sold to the Public is the Price
shown [on the inside cover page of the Official Statement][in Exhibit 1] for that maturity of the Bonds.
For purposes of this Paragraph 2, the following defined terms shall have the meanings assigned thereto as
set forth below:

"Public" means any person (including an individual, trust, estate, partnership, association,
company, or corporation) other than an Underwriter or a Related Party. The term "Related Party" for
purposes of this certificate generally means any two or more persons who have greater than 50 percent
common ownership, directly or indirectly.

"Sale Date" means the date the Purchaser's bid for the Bonds was accepted on behalf of
the City.

"Substantial Amount" is 10% or more of each maturity.

"Underwriter" means (i) any person that agrees pursuant to a written contract with the
City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of
the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly
with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the
Public (including a member of a selling group or a party to a retail distribution agreement participating in
the initial sale of the Bonds to the Public).

If a yield is shown on the inside cover page of the Official Statement for any maturity,
"Price" herein means the dollar price that produces that yield.

3. The City and its counsel may rely on these certifications in concluding that the
Bonds meet certain requirements of the Internal Revenue Code of 1986 as amended (the "Code"), relating
to tax-exempt bonds; however, nothing herein represents our interpretation of any law and we are not
providing any interpretations of law or regulations in executing and delivering this certificate.

DATED as of _____, 2019.

_____, as Representative of the Underwriters

By: _____

Title: _____

Attach Exhibit 1 to Purchaser's Certificate
(Offering Prices of Bonds)