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PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 1, 2019

**NEW ISSUE
BOOK-ENTRY ONLY**

**RATINGS: S&P: "A+"
Moody's: "A1"
See "RATINGS"**

In the opinion of Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the 2019B Bonds and 2019C Bonds (together, the "2019B&C 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 2019B&C Bonds (the "Tax Code"), and interest on the 2019B&C 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" herein.

\$200,000,000
Clark County School District, Nevada
General Obligation (Limited Tax)
Building Bonds
Series 2019B

\$45,040,000*
Clark County School District, Nevada
General Obligation (Limited Tax)
Various Purpose Medium-Term Bonds
Series 2019C

Dated: Date of Delivery

Due: June 15, as shown herein

The 2019B&C Bonds are issued as fully registered bonds in denominations of \$5,000, or any integral multiples thereof. The 2019B&C 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 2019B&C Bonds. Purchases of the 2019B&C Bonds are to be made in book-entry form only. Purchasers will not receive certificates representing their beneficial ownership interest in the 2019B&C Bonds. See "THE 2019B&C BONDS--Book-Entry Only System." The 2019B&C Bonds bear interest at the rates set forth herein, payable semiannually on June 15 and December 15 of each year, commencing June 15, 2020, to and including the maturity dates shown herein (unless the 2019B&C Bonds are redeemed earlier), to the registered owners of the 2019B&C Bonds (initially Cede & Co.). The principal of the 2019B&C 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 2019B&C Bonds. See "THE 2019B&C BONDS." Capitalized terms used on this cover page have the definitions stated herein.

The maturity schedule for each series of the 2019B&C Bonds appears on the inside cover page of this Official Statement.

The 2019B&C Bonds are subject to redemption prior to maturity at the option of the District as described in "THE 2019B&C Bonds - Prior Redemption." The 2019B&C Bonds are also subject to mandatory sinking fund redemption as described in "THE 2019B&C BONDS – Prior Redemption."

Proceeds of the 2019B Bonds will be used to: (i) acquire, construct, improve and equip school facilities of the District; and (ii) pay the costs of issuing the 2019B Bonds. Proceeds of the 2019C Bonds will be used to: (i) acquire, construct, improve and equip school facilities of the District, including transportation; (ii) refund the 2013A Bonds (defined herein); and (iii) pay the costs of issuing the 2019C Bonds. See "SOURCES AND USES OF FUNDS."

The 2019B Bonds constitute direct and general obligations of the District. The full faith and credit of the District is pledged for the payment of principal and interest, subject to State constitutional and statutory limitations on the aggregate amount of ad valorem taxes and further subject to statutory limitations on the amount of redemption premium that may be paid. See "SECURITY FOR THE 2019B BONDS." The 2019C Bonds constitute direct and general obligations of the District. The principal of and interest on the 2019C Bonds will be payable from all funds of the District legally available for the purpose of making such payment, and provisions of such payment will be made as provided in the Project Act (defined herein). The full faith and credit of the District is pledged for the payment of principal and interest on the 2019C Bonds, subject to the limitations on the District's operating levies and on the aggregate amount of ad valorem taxes imposed by the constitution and laws of the State. See "SECURITY FOR THE 2019C 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 2019B&C Bonds are offered when, as, and if issued by the District, subject to the approval of legality of the 2019B&C 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 District in connection with the preparation of this Official Statement. Certain legal matters will be passed upon for the District by its General Counsel. Zions Public Finance, Las Vegas, Nevada, is acting as Municipal Advisor to the District. It is expected that the 2019B&C Bonds will be available for delivery through the facilities of DTC, on or about October 31, 2019.

Official Statement dated October __, 2019.

* Preliminary; subject to change.

MATURITY SCHEDULES
(CUSIP© 6-digit issuer number: 181059)

\$200,000,000
CLARK COUNTY SCHOOL DISTRICT, NEVADA
GENERAL OBLIGATION (LIMITED TAX) BUILDING BONDS
SERIES 2019B

Maturing (June 15)	Principal <u>Amount</u>	Interest <u>Rate</u>	Yield	CUSIP© Issue <u>Number</u>	Maturing (June 15)	Principal <u>Amount</u>	Interest <u>Rate</u>	Yield	CUSIP© Issue <u>Number</u>
2021	\$7,295,000				2031	\$10,695,000			
2022	7,515,000				2032	11,125,000			
2023	7,815,000				2033	11,570,000			
2024	8,125,000				2034	12,030,000			
2025	8,450,000				2035	12,510,000			
2026	8,790,000				2036	13,010,000			
2027	9,140,000				2037	13,535,000			
2028	9,510,000				2038	14,075,000			
2029	9,890,000				2039	14,635,000			
2030	10,285,000								

\$45,040,000*
CLARK COUNTY SCHOOL DISTRICT, NEVADA
GENERAL OBLIGATION (LIMITED TAX)
VARIOUS PURPOSE MEDIUM-TERM BONDS
SERIES 2019C

Maturing (June 15)	Principal <u>Amount</u>	Interest <u>Rate</u>	Yield	CUSIP© Issue <u>Number</u>
2020	\$4,495,000			
2021	5,610,000			
2022	5,780,000			
2023	5,955,000			
2024	3,500,000			
2025	3,635,000			
2026	3,785,000			
2027	3,935,000			
2028	4,090,000			
2029	4,255,000			

* 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 2019B&C Bonds (defined herein) 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 2019B&C Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by District. The District 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 2019B&C Bonds.

The information set forth in this Official Statement has been obtained from the District and from the sources referenced throughout this Official Statement, which the District believe to be reliable. No representation is made by the District, however, as to the accuracy or completeness of information provided from sources other than the District. This Official Statement contains, in part, estimates and matters of opinion which 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 2019B&C Bonds shall, under any circumstances, create any implication that there has been no change in the affairs of the District, 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 2019B&C Bonds and may not be reproduced or used in whole or in part for any other purpose.

The 2019B&C 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 2019B&C 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 2019B&C BONDS ARE OFFERED TO THE PUBLIC BY THE INITIAL PURCHASERS (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 PURCHASERS MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS. IN ORDER TO FACILITATE DISTRIBUTION OF THE 2019B&C BONDS, THE INITIAL PURCHASERS MAY ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICE OF THE 2019B&C BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

CLARK COUNTY SCHOOL DISTRICT, NEVADA

Board of Trustees

Lola Brooks, President
Linda P. Cavazos, Vice President
Chris Garvey, Clerk
Irene A. Cepeda, Board Member
Danielle Ford, Board Member
Deanna L. Wright, Board Member
Dr. Linda E. Young, Board Member

District Officials

Jesus F. Jara, Ed.D., Superintendent
Diane V. Gullett, Ed.D., Deputy Superintendent
Jason Goudie, Chief Financial Officer
Eleissa Lavelle, Esq., General Counsel

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

\$200,000,000
CLARK COUNTY SCHOOL DISTRICT, NEVADA
GENERAL OBLIGATION (LIMITED TAX) BUILDING BONDS
SERIES 2019B

\$45,040,000*
CLARK COUNTY SCHOOL DISTRICT, NEVADA
GENERAL OBLIGATION (LIMITED TAX)
VARIOUS PURPOSE MEDIUM-TERM BONDS
SERIES 2019C

INTRODUCTION

General

This Official Statement, including the cover page, the inside cover page and the appendices, is furnished by the Clark County School District, Nevada (the “District” and the “State,” respectively), to provide information about the District and its \$200,000,000 General Obligation (Limited Tax) Building Bonds, Series 2019B (the “2019B Bonds”) and its \$45,040,000* General Obligation Limited Tax Various Purpose Medium-Term Bonds, Series 2019C (the “2019C Bonds” and together with the 2019B Bonds, the “2019B&C Bonds”). The 2019B&C Bonds will be issued pursuant to separate bond resolutions adopted by the Board of Trustees of the District (the “Board”) on September 26, 2019. The Board resolution which approved the 2019B Bonds is referred to herein as the “2019B Bond Resolution” and the Board resolution which approved the 2019C Bonds is referred to herein as the “2019C Bond Resolution.” The 2019B Bond Resolution and the 2019C Bond Resolution are referred to collectively as the “2019B&C Bond Resolutions.”

The offering of the 2019B&C 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 2019B&C 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

General. The District is a political subdivision of the State organized pursuant to Nevada Revised Statutes (“NRS”) Chapter 386. The District’s boundaries are coterminous with those of Clark County, Nevada (the “County”). The District covers an area of approximately 8,012 square miles in the southern portion of the State. The District serves the unincorporated areas of the County and the following incorporated municipalities located within the District: Las Vegas,

* Subject to change.

North Las Vegas, Henderson, Boulder City and Mesquite. See “CLARK COUNTY SCHOOL DISTRICT.”

Ongoing Reorganization. Pursuant to Assembly Bill No. 394 (“AB 394”), enacted in 2015, Assembly Bill No. 469 (“AB 469”) enacted in 2017 and a Plan of Reorganization adopted by the Nevada Legislative Counsel Bureau on September 9, 2016 (the “Reorganization Plan”), the District is being reorganized beginning with the 2017-2018 school year. Although the District has incurred and is expected to continue to incur expenses in connection with the reorganization, the reorganization is not expected to have any impact on the security for the 2019B&C Bonds or the District’s ability to repay the 2019B&C Bonds or its outstanding debt. See “CLARK COUNTY SCHOOL DISTRICT—District Organization and Divisions--Ongoing Reorganization.”

Authority for Issuance

The 2019B&C Bonds are issued pursuant to the constitution and laws of the State, including: the Local Government Securities Law, Nevada Revised Statutes (“NRS”) 350.500 through 350.720, as amended (the “Bond Act”); chapter 348 of NRS (the “Supplemental Bond Act”); NRS 350.105 through 350.195 (the “Bond Sale Act”); NRS 350.087 through 350.195 (2019C Bonds only, the “Project Act”); and the respective 2019B&C Bond Resolutions.

Purpose

2019B Bonds. Proceeds of the 2019B Bonds will be used to (i) finance the acquisition, construction, improvement, and equipment of school facilities of the District (the “2019B Project”); and (ii) pay the costs of issuing the 2019B Bonds. See “SOURCES AND USES OF FUNDS.”

2019C Bonds. Proceeds of the 2019C Bonds will be used to (i) finance the acquisition, construction, improvement, and equipment of school facilities of the District, including transportation (the “2019C Project”); (ii) refund the 2013A Bonds (defined herein); and (iii) pay the costs of issuing the 2019C Bonds. See “SOURCES AND USES OF FUNDS.”

Security for the 2019B&C Bonds

2019B Bonds. All of the 2019B Bonds, as to principal and interest and any prior redemption premiums thereon (the “2019B Bond Requirements”), shall constitute general obligations of the District. The full faith and credit of the District is pledged for the payment of the 2019B Bond Requirements, subject to State constitutional and statutory limitations on the aggregate amount of ad valorem taxes and further subject to statutory limitations on the amount of redemption premium that may be paid, as described herein. Generally, the combined overlapping tax rate is limited by statute to \$3.64 per \$100 of assessed valuation. See “SECURITY FOR THE 2019B BONDS--General Obligations.” Pursuant to State law, taxes levied for the payment of bonded indebtedness, including the 2019B Bonds, enjoy a priority over taxes levied by each overlapping taxing unit for all other purposes where reduction is necessary in order to comply with the statutory limitations described in “PROPERTY TAX INFORMATION--Property Tax Limitations.”

2019C Bonds. All of the 2019C Bonds, as to the principal thereof, the interest thereon and any prior redemption premiums (the “2019C Bond Requirements”), shall constitute general obligations of the District payable from all legally available revenues of the District, and provision for such payment will be made as provided in the Project Act. The full faith and credit of the District is pledged for the payment of the 2019C Bond Requirements, subject to State statutory and constitutional limits on the amount of ad valorem taxes the District may levy, including, without limitation, the limitations on the levy of ad valorem taxes imposed by NRS 387.195(1), which requires the Board of County Commissioners of the County to levy a tax of \$0.7500 per \$100 of assessed valuation of taxable property within the County for District operating purposes. *The District is not authorized to levy ad valorem taxes which are exempt from the limitations of this statute to pay the 2019C Bond Requirements.* See “SECURITY FOR THE 2019C BONDS.”

Outstanding Bonds. For information on the District’s currently outstanding general obligation bonds, see “DEBT STRUCTURE--Outstanding Bonded Indebtedness and Other Obligations.” The District may issue additional bonds, including refunding bonds, at any time legal requirements are satisfied.

The 2019B&C Bonds; Prior Redemption

The 2019B&C Bonds are issued solely as fully registered certificates in denominations of \$5,000, or any integral multiples thereof. The 2019B&C Bonds initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), the securities depository for the 2019B&C Bonds. Purchases of the 2019B&C Bonds are to be made in book-entry form only. Purchasers will not receive certificates representing their beneficial ownership interest in the 2019B&C Bonds. See “THE 2019B&C BONDS--Book-Entry Only System.” The 2019B&C Bonds are dated as of the date of their delivery and 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 hereof. The payment of principal and interest on the 2019B&C Bonds is described in “THE 2019B&C BONDS--Payment Provisions.”

The 2019B&C Bonds are subject to redemption prior to maturity at the option of the District as described in “THE 2019B&C BONDS--Prior Redemption.” The 2019B&C Bonds also are subject to mandatory sinking fund redemption as described in “THE 2019B&C BONDS--Prior Redemption.”

Professionals

Sherman & Howard L.L.C., Las Vegas, Nevada, has acted as Bond Counsel in connection with the 2019B&C Bonds and also has acted as special counsel to the District in connection with the preparation of this Official Statement. Certain legal matters will be passed on for the District by its General Counsel. Zions Public Finance, Las Vegas, Nevada, is acting as the municipal advisor (the “Municipal Advisor”) to the District. See “MUNICIPAL ADVISOR.” The audited basic financial statements of the District, attached to this Official Statement as Appendix A, include the report of Eide Bailly LLP, 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 2019B&C Bonds (the “Registrar” and “Paying Agent”).

Tax Matters

In the opinion of Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the 2019B&C 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 2019B&C Bonds (the “Tax Code”), and interest on the 2019B&C 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.”

In the opinion of Bond Counsel, the 2019B&C 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.”

Continuing Disclosure Undertaking

The District will execute a continuing disclosure certificate (the “Disclosure Certificate”) at the time of the closing for the 2019B&C Bonds. See “CONTINUING DISCLOSURE” and Appendix C – Form of Continuing Disclosure Certificate.

Certain Risks

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

Risks Related to Ongoing District Reorganization. The Reorganization Plan was initiated for the 2017-2018 school year. See “INTRODUCTION--The Issuer--Ongoing Reorganization” above. It is not yet possible to determine the final impact of the Reorganization Plan and AB 469 on the District. The Reorganization Plan is described in more detail in “CLARK COUNTY SCHOOL DISTRICT—District Organization and Divisions--Ongoing Reorganization.”

General Risks Related to Property Taxes. Due to the statutory process required for the levy of taxes, there may be a delay in the availability of revenues to pay debt service on the 2019B&C Bonds. Such delays could result in a delay in the payment of debt service on the 2019B&C Bonds. See “PROPERTY TAX INFORMATION--Property Tax Collections.” Numerous other factors over which the District 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 District, 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.

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

Limitations on Remedies - Bankruptcy, Federal Lien Power and Police Power. The enforceability of the rights and remedies of the owners of the 2019B&C Bonds and the obligations incurred by the District in issuing the 2019B&C 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 (including the imposition of tax liens by the federal government), if initiated, could subject the owners of the 2019B&C 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.

Changes in Laws. Various State laws apply to the imposition, collection, and expenditure of ad valorem property taxes as well as to the operation and finances of the District, including State funding of education.

The Nevada Legislature determines the amount of State funds that will be distributed to school districts in each year pursuant to statutory funding formulas. In response to the difficult economic situation experienced in the State during approximately 2008-2013, the Nevada Legislature took action to reduce the amount of State funding to school districts (including the District). These actions included reducing the per-pupil amounts paid to the District and providing that specified amounts on deposit in the District's Capital Projects Fund could be applied as local funds in the General Fund and used for operating purposes for the 2009-2011 and 2011-2013 bienniums rather than for capital projects. For fiscal years 2014-2019, however, State funding for school districts has maintained consistently higher levels than in the 2009-2013 period, and is expected to increase in fiscal year 2020, based upon the 2020 Final Budget. See "DISTRICT FINANCIAL INFORMATION--General Operating Fund."

As discussed in "DISTRICT FINANCIAL INFORMATION—General Operating Fund," effective with the 2021-2023 biennium, the method by which District operations will be funded will change. Future actions taken by the Legislature will impact the District's operations and finances to an extent that cannot be determined at this time.

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 District and the imposition, collection, and expenditure of its revenues, including property taxes.

Fiscal Watch Status. In January 2018, the Committee on Local Government Finance approved a recommendation of the State Department of Taxation to place the District on “fiscal watch status,” which requires the District to send monthly statements and provide periodic updates to the Committee on Local Government Finance. The recommendation was based in part on the District’s recent declines in ending fund balances in the General Operating Fund. See “History of Revenues and Expenditures and Budget Information – General Operating Fund.”

Forward-Looking Statements

This Official Statement, particularly (but not limited to) the sections entitled “CERTAIN RISKS,” “DISTRICT FINANCIAL INFORMATION--Chief Financial Officer’s Analysis of Material Financial Trends and Recent Developments,” and statements throughout this Official Statement referring to budgeted or estimated information for fiscal years 2019, 2020 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 occur as assumed 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 2019B&C Bonds and could impact the availability of revenues to pay debt service on the 2019B&C Bonds.

Additional Information

This introduction is only a brief summary of the provisions of the 2019B&C Bonds and the 2019B&C Bond Resolutions; a full review of the entire Official Statement should be made by potential investors. Brief descriptions of the 2019B&C Bonds, the 2019B&C Bond Resolutions and the District are included in this Official Statement. All references herein to the 2019B&C Bonds, the 2019B&C Bond Resolutions 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 referred to herein are available from the District and the Municipal Advisor:

District:

Clark County School District, Nevada
Attn: Chief Financial Officer
5100 West Sahara Avenue
Las Vegas, Nevada 89146
Telephone: (702) 799-5452

Municipal Advisor:

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

SOURCES AND USES OF FUNDS

Sources and Uses of Funds

The proceeds of the 2019B&C Bonds are expected to be applied in the manner set forth in the following table.

<u>Sources and Uses of Funds*</u>			
	<u>2019B Bonds</u>	<u>2019C Bonds</u>	<u>Total</u>
SOURCES:			
Principal amount.....	\$200,000,000.00	\$45,040,000.00	\$245,040,000.00
Net reoffering premium			
Total.....			
USES:			
2019B Project			
2019C Improvement Project.....			
2019C Refunding Project			
Costs of issuance (including underwriting discount) ⁽¹⁾			
Total.....			

(1) See “UNDERWRITING.”

Source: The Municipal Advisor.

The Projects

The 2019B Project. The net proceeds of the 2019B Bonds will be used to acquire, construct, improve, and equip school facilities of the District. See “CLARK COUNTY SCHOOL DISTRICT--District Facilities and Capital Improvement Plan.”

The 2019C Projects. The net proceeds of the 2019C Bonds will be used to: (a) finance the acquisition, construction, improvement, and equipment of school facilities of the District, including transportation (the “2019C Improvement Project”), and (b) refund the District’s General Obligation (Limited Tax) Medium-Term Bonds, Series 2013A (the “2013A Bonds”) (the “2019C Refunding Project”). See “CLARK COUNTY SCHOOL DISTRICT--District Facilities and Capital Improvement Plan.”

* Subject to change.

THE 2019B&C BONDS

General

The 2019B&C Bonds will be issued as fully registered bonds in denominations of \$5,000 and any integral multiples thereof. The 2019B&C 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 2019B&C Bonds initially will be registered in the name of “Cede & Co.,” as nominee for DTC, the securities depository for the 2019B&C Bonds. Purchases of the 2019B&C Bonds are to be made in book-entry only form. Purchasers will not receive certificates evidencing their beneficial ownership interest in the 2019B&C Bonds. See “Book-Entry Only System” below.

Payment Provisions

Interest on the 2019B&C Bonds is payable on each June 15 and December 15, commencing June 15, 2020. Payment of interest on any 2019B&C 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 (*i.e.*, Cede & Co.), at the address as shown on the registration records kept by the Registrar as of the close of business on the last day of the calendar month next preceding such interest payment date (other than a special interest payment date hereafter fixed for payment of defaulted interest) (the “Regular Record Date”); but any such interest not so timely paid or duly provided for shall cease to be payable to the registered owner thereof as shown on the registration records of the Registrar as of the close of business on the Regular Record Date and shall be payable to the person who is the registered owner thereof, as shown on the registration records of the Registrar as of the close of business on a special record date fixed for the purpose of paying any such defaulted interest (the “Special Record Date”). Such 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 not less than ten days prior thereto by first-class mail to each registered owner as shown on the Registrar’s registration records as of 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 2019B&C Bond by such alternative means as may be mutually agreed upon between the registered owner of such 2019B&C Bond and the Paying Agent (but the District shall not be required to make funds available to the Paying Agent prior to the date on which such funds are due for payment to the owners of the 2019B&C Bonds). The principal of and redemption premium, if any, on any 2019B&C Bond shall be payable to the registered owner thereof as shown on the registration records kept by the Registrar, upon maturity or prior redemption and upon presentation and surrender at the corporate trust office of the Paying Agent, or such other office as designated by the Paying Agent. If any 2019B&C 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 2019B&C Bond until the principal thereof is paid in full. All such payments shall be made in lawful money of the United States of America without deduction for any service charges of the Paying Agent or Registrar.

Notwithstanding the foregoing, payments of the principal of and interest on the 2019B&C 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 2019B&C Bonds. Disbursement of such payments to DTC’s Participants (defined in Appendix B) is the responsibility of DTC, and disbursements of such payments to the Beneficial Owners (defined in Appendix B) is the responsibility of DTC’s Participants and the Indirect Participants (defined in Appendix B), as more fully described herein. See “Book-Entry Only System” below.

Prior Redemption

Optional Redemption – 2019B Bonds.* The 2019B Bonds, or portions thereof (\$5,000 or any integral multiple), maturing on and after June 15, 2030, shall be subject to redemption prior to their respective maturities, at the option of the District, as directed by the Chief Financial Officer, on and after June 15, 2029, in whole or in part at any time, from such maturities as are selected by the District, as directed by the Chief Financial Officer, and if less than all of the 2019B Bonds of a maturity are to be redeemed, the 2019B Bonds of such maturity are to be redeemed by lot within a maturity (giving proportionate weight to 2019B Bonds in denominations larger than \$5,000), in such manner as the Paying Agent may determine, at a price equal to the principal amount of each 2019B Bond or portion thereof so redeemed and accrued interest thereon to the redemption date, without a redemption premium.

Optional Redemption – 2019C Bonds.* 2019C Bonds, or portions thereof, maturing on and after June 15, 2025, shall be subject to redemption prior to their respective maturities, at the option of the District as directed by the Chief Financial Officer on and after June 15, 2024, in whole at any time or in part at any time, from such maturities as are selected by the District as directed by the Chief Financial Officer, and if less than all of the 2019C Bonds of a maturity are to be redeemed, the 2019C Bonds of such maturity are to be redeemed by lot within a maturity (giving proportionate weight to 2019C Bonds in denominations larger than \$5,000), in such manner as the Paying Agent may determine, at a price equal to the principal amount of each 2019C Bond or portion thereof so redeemed and accrued interest thereon to the redemption date, without a redemption premium.

Mandatory Sinking Fund Redemption – 2019B Bonds.* The 2019B Bonds maturing on June 15, 20__ (the “2019B Term Bonds”), are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof and accrued interest to the redemption date. As and for a sinking fund for the redemption of the 2019B Term Bonds, there shall be deposited into the Principal Account on or before each June 15, a sum which, together with other moneys available therein is sufficient to redeem (after credit is provided below) on the following dates and the principal amounts, plus accrued interest to the redemption date:

June 15	Amount
---------	--------

* Subject to change.

Mandatory Sinking Fund Redemption – 2019C Bonds.* The 2019C Bonds maturing on June 15, 20__ (the “2019C Term Bonds”), are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof and accrued interest to the redemption date. As and for a sinking fund for the redemption of the 2019C Term Bonds, there shall be deposited into the Bond Fund on or before each June 15, a sum which, together with other moneys available therein is sufficient to redeem (after credit is provided below) on the following dates and the principal amounts, plus accrued interest to the redemption date:

June 15	Amount
---------	--------

Not more than 60 days nor less than 30 days prior to the sinking fund payment dates for the 2019B Term Bonds and the 2019C Term Bonds (together, the “Term Bonds”), the Registrar shall proceed to select for redemption (by lot in such a manner as the Registrar may determine) from all outstanding Term Bonds, a principal amount of the Term Bonds equal to the aggregate principal amount of the Term Bonds redeemable with the required sinking fund payments, and shall call such Term Bonds or portions thereof for redemption from the sinking fund on the next principal payment date, and give notice of such call as provided in the 2019B&C Bond Resolutions.

At the option of the District to be exercised by delivery of a written certificate to the Registrar not less than sixty days next preceding any sinking fund redemption date, it may (i) deliver to the Registrar for cancellation Term Bonds, or portions thereof (\$5,000 or any integral multiple thereof) in an aggregate principal amount desired by the District or, (ii) specify a principal amount of Term Bonds, or portions thereof (\$5,000 or any integral multiple thereof) which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and canceled by the Registrar and not theretofore applied as a credit against any sinking fund redemption obligation. Each Term Bond or portion thereof so delivered or previously redeemed which is a part of the maturity which would be subject to mandatory redemption on the following principal payment date shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the District on the sinking fund redemption dates and any excess shall be so credited against future sinking fund redemption obligations in such manner as the District determines. In the event the District shall avail itself of the provisions of clause (i) of the first sentence of this paragraph, the certificate required by the first sentence of this paragraph shall be accompanied by the respective Term Bonds or portions thereof to be canceled, or in the event the Term Bonds are registered in the name of Cede & Co., as provided in the 2019B&C Bond Resolutions, the certificate required by the first sentence of this paragraph shall be accompanied by such direction and evidence of ownership as is satisfactory to The Depository Trust Company.

Notice of Redemption. Unless waived by any registered owner of a 2019B&C Bond to be redeemed, notice of prior redemption shall be given by the Registrar, electronically as long as the nominee of DTC or a successor depository is the registered owner of the 2019B&C Bonds, and otherwise by first class mail, at least 20 days but not more than 60 days prior to the redemption

* Subject to change.

date to the Municipal Securities Rulemaking Board (the “MSRB”) via its Electronic Municipal Market Access System and to the registered owner of any 2019B&C Bond (initially Cede & Co.) all or a part of which is called for prior redemption at his or her address as it last appears on the registration records kept by the Registrar. The notice shall identify the applicable 2019B&C Bonds and state that on such date the principal amount thereof, and premium, if any, thereon will become due and payable at the office designated by the Paying Agent (accrued interest to the redemption date being payable by mail or as otherwise provided in the 2019B&C Bond Resolutions), and that after such redemption date interest will cease to accrue. After such notice and presentation of said 2019B&C Bonds, the 2019B&C Bonds called for redemption will be paid. Actual receipt of the notice by the MSRB or any registered owner of 2019B&C Bonds shall not be a condition precedent to redemption of such 2019B&C Bonds. Failure to give such notice to the MSRB or to the registered owner of any 2019B&C Bond designated for redemption, or any defect therein, shall not affect the validity of the proceedings for the redemption of any other 2019B&C Bond. A certificate by the Registrar that notice of call and redemption has been given as provided in the 2019B&C Bond Resolutions shall be conclusive as against all parties; and no owner whose 2019B&C Bond is called for redemption or any other owner of any 2019B&C Bond may object thereto or may object to the cessation of interest on the redemption date on the ground that he failed actually to receive such notice of redemption.

Notwithstanding the provisions of the 2019B&C Bond Resolutions, any notice of redemption may contain a statement that the redemption is conditioned 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 2019B&C 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 2019B&C Bonds called for redemption in the same manner as the original redemption notice was given.

Tax Covenant

In each 2019B&C Bond Resolution, the District covenants for the benefit of the registered owners of the applicable series of 2019B&C Bonds that it will not take any action or omit to take any action with respect to the 2019B&C Bonds, the proceeds thereof, any other funds of the District or any project financed or refinanced with the proceeds of the 2019B&C Bonds if such action or omission (i) would cause the interest on the 2019B&C 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 2019B&C 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 2019B&C Bonds until the date on which all obligations of the District in fulfilling the above covenant under the Tax Code have been met.

Defeasance

When all Bond Requirements (as defined in the 2019B&C Bond Resolutions) of any 2019B&C Bond have been duly paid, the pledge and lien and all obligations thereunder as to that 2019B&C Bond shall thereby be discharged and the 2019B&C Bonds shall no longer be deemed to be Outstanding within the meaning of the applicable 2019B&C Bond Resolution. There shall be deemed to be due payment of any Outstanding 2019B&C Bond or other security when the

District has placed in escrow or in trust with a trust bank an amount sufficient (including the known minimum yield available for such purpose from Federal Securities in which such amount wholly or in part may be initially invested) to meet all Bond Requirements of the 2019B&C Bond or other security, as the same become due to the final maturity of the 2019B&C Bond or other security, or upon any redemption date as of which the District shall have exercised or shall have obligated itself to exercise its prior redemption option by a call of the 2019B&C Bond or other security 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 District 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 owners thereof to assure availability as so needed to meet the schedule.

For the purpose of the previous paragraph, “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, shall include only Federal Securities which are not callable for redemption prior to their maturities except at the option of the holder thereof.

Book-Entry Only System

The 2019B&C Bonds will be available only in book-entry form in the principal amount of \$5,000 or any integral multiple thereof. DTC will act as the initial securities depository for the 2019B&C Bonds. The ownership of one fully registered 2019B&C Bond for each maturity in each series, as set forth on the inside cover page of this Official Statement, in the aggregate principal amount of such maturity coming due thereon, will be registered in the name of Cede & Co., as nominee for DTC. See Appendix B - Book-Entry Only System.

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

Neither the District nor the Registrar and Paying Agent will have any responsibility or obligation to DTC’s Direct Participants or Indirect Participants (each as defined in Appendix B), or the persons for whom they act as nominees, with respect to the payments to or the providing of notice for the Direct Participants, the Indirect Participants or the beneficial owners of the 2019B&C Bonds as further described in Appendix B to this Official Statement.

DEBT SERVICE REQUIREMENTS

The following table sets forth the debt service requirements for the 2019B&C Bonds in each fiscal year. See “DEBT STRUCTURE--District Debt Service Requirements” for information on the debt service due on all of the District’s outstanding general obligation bonds.

Debt Service Requirements^{(1)*}

Fiscal Year ⁽²⁾	2019B Bonds			2019C Bonds		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ --			\$4,495,000		
2021	7,295,000			5,610,000		
2022	7,515,000			5,780,000		
2023	7,815,000			5,955,000		
2024	8,125,000			3,500,000		
2025	8,450,000			3,635,000		
2026	8,790,000			3,785,000		
2027	9,140,000			3,935,000		
2028	9,510,000			4,090,000		
2029	9,890,000			4,255,000		
2030	10,285,000			--		
2031	10,695,000			--		
2032	11,125,000			--		
2033	11,570,000			--		
2034	12,030,000			--		
2035	12,510,000			--		
2036	13,010,000			--		
2037	13,535,000			--		
2038	14,075,000			--		
2039	14,635,000			--		
Total	\$200,000,000			\$45,040,000		

(1) Totals may not add due to rounding.

(2) The District’s fiscal year ends on June 30 of each calendar year shown. Debt service in each fiscal year includes the payment of principal and interest on June 15 in each calendar year shown and the payment of interest on the preceding December 15.

Source: The Municipal Advisor.

* Subject to change.

SECURITY FOR THE 2019B BONDS

General Obligations

General. The 2019B Bonds are direct and general obligations of the District, and the full faith and credit of the District is pledged for the payment of the principal of, any prior redemption premiums and the interest on, the 2019B Bonds, 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 payable by the District from any source legally available therefor at the times such payments are due, including the General Fund of the District. Historically, the District has paid debt service on its general obligation (limited tax) bonds with proceeds of its \$0.5534 tax rate for debt service (described below), and expects to pay debt service on the 2019B Bonds in a similar manner; however, in the event that such legally available sources of funds are insufficient, the District is obligated to levy a general (ad valorem) tax (the “General Tax”) on all taxable property within the District for payment of the 2019B 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 District is required to levy a General Tax, there may be a delay in the availability of revenues to pay debt service on the 2019B Bonds. See “PROPERTY TAX INFORMATION--Property Tax Collections.”

Limitations on Property Tax Revenues; Priorities for 2019B Bonds. 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 (including the State, the County, any city, any special district, and the District) in each year. For example, generally, pursuant to NRS 387.195(1), the combined overlapping tax rate is limited by statute to \$3.64 per \$100 of assessed valuation. Those limitations are described in “PROPERTY TAX INFORMATION--Property Tax Limitations.” In any year in which the total property taxes levied within the County 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 the 2019B Bonds), including interest on such indebtedness. See “PROPERTY TAX INFORMATION--Property Tax Limitations.”

District Tax Levies

The District’s property tax rate has been \$1.3034 since fiscal year 1998, consisting of the \$0.5534 tax rate for debt service and the District’s statutorily mandated \$0.7500 tax rate for operating purposes (tax rates generally are expressed herein as a number equal to \$x.xxxx per \$100 of assessed value). See “PROPERTY TAX INFORMATION.” At an election held on November 3, 1998 (the “1998 Election”), District voters approved a proposal that allowed the District to issue general obligation bonds for school construction purposes until June 30, 2008 (extended through March 4, 2025, as explained below), provided that the Board made a finding that the proposed bonds (including the 2019B Bonds) could be paid within the existing \$0.5534 tax rate for debt service. Those findings required approval of the County Debt Management Commission and the County Oversight Panel for School Facilities. The District currently expects to repay all outstanding bonds issued pursuant to such authorization (including the 2019B Bonds) without increasing its tax rate for debt service of \$0.5534. However, the District may increase that rate to pay debt service on such bonds, subject to the State constitutional and statutory limitations

discussed throughout this Official Statement. In 2015, the Nevada Legislature adopted Senate Bill No. 119 (“SB 119”) and Senate Bill No. 207 (“SB 207”), which authorize school districts with prior voter approval (such as the 1998 Election) to issue general obligation bonds in certain circumstances for an additional ten year period (which expires on March 4, 2025) so long as existing tax rates are not increased to pay such bonds. See the discussion in “DISTRICT FINANCIAL INFORMATION—Chief Financial Officer’s Analysis of Material Financial Trends and Recent Developments.” The 2019B Bonds are issued pursuant to SB 119 and SB 207.

2019B Bond Resolution Irrepealable

The 2019B Bond Resolution provides that after the 2019B Bonds are issued, the 2019B Bond Resolution shall constitute an irrevocable contract between the District and the registered owner or owners of the 2019B Bonds; and the 2019B Bond Resolution shall be and shall remain irrepealable until the related 2019B Bonds, as to all 2019B Bond Requirements, shall be fully paid, canceled and discharged as provided in the 2019B Bond Resolution.

Other 2019B Bond Security Matters

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.

No Pledge of Property. The 2019B Bonds are general obligations of the District, subject to the limitations described herein, but the payment of the 2019B Bonds is not secured by an encumbrance, mortgage or other pledge of property of the District.

No Recourse. No recourse shall be had for the payment of the 2019B Bond Requirements or for any claim based thereon or otherwise upon the 2019B Bond Resolution or any other instrument relating thereto, against any individual member of the Board or any officer or other agent of the Board or District, past, present or future, either directly or indirectly through the Board or the District, or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any penalty or otherwise.

Amendment of 2019B Bond Resolution

The 2019B Bond Resolution may be amended by the District without the consent of or notice to the holders of the 2019B Bonds for the purpose of curing any ambiguity or formal defect or omission therein. No such amendment, unless consented to by the 2019B Bondholder adversely affected thereby, shall permit: (1) a change in the maturity or in the terms of redemption of the principal of any outstanding 2019B Bond or any installment of interest thereon; (2) a reduction in the principal amount of any 2019B Bond, the rate of interest thereon, or any prior redemption premium payable in connection therewith; or (3) the establishment of priorities as between 2019B Bonds issued and outstanding under the provisions of the 2019B Bond Resolution.

SECURITY FOR THE 2019C BONDS

General Obligations

General. The 2019C Bonds constitute general obligations of the District payable from revenues legally available for the purpose of making such payment, the full faith and credit of the District is pledged for the payment of the 2019C Bond Requirements, and provision for the payment of the 2019C Bond Requirements will be made as provided in the Project Act. Historically, the District has paid debt service on its medium-term bonds, such as the 2019C Bonds, with proceeds of the Room Tax and Transfer Tax (both as defined in “DISTRICT FINANCIAL INFORMATION—Room Tax and Transfer Tax”), although such taxes are not pledged to the payment of medium-term bonds. Further, in the event that any legally available sources of funds (such as the Room Tax and the Transfer Tax) are insufficient, the District is required to impose a special property tax pursuant to NRS 350.095 to pay the 2019C Bond Requirements, subject, however, to the limitations described below.

Notwithstanding the foregoing, special property taxes levied pursuant to NRS 350.095 for the purpose of paying the 2019C Bond Requirements are subject to the limitations contained in the constitution and statutes of the State, including, without limitation, the limitations on the levy of ad valorem taxes imposed by NRS 387.195(1), which requires the Board of County Commissioners of the County to levy a tax of \$0.7500 per \$100 of assessed valuation of taxable property within the County for District operating purposes. Without additional voter approval, the District is not authorized to levy ad valorem taxes (including the special property tax authorized by NRS 350.095 for the payment of medium-term bonds) which are exempt from the limitations of this statute. Accordingly, the ad valorem tax revenues available to pay debt service on the 2019C Bonds is effectively limited to the District’s \$0.7500 tax rate for operating purposes plus any additional voter-approved tax rates that may be available in the future (such additional tax rates are referred to as “override” rates). See “Priorities for 2019C Bonds” below and “PROPERTY TAX INFORMATION--Property Tax Limitations.”

In the 2019C Bond Resolution, the District irrevocably covenants with the registered owners of the 2019C Bonds from time to time that it will make sufficient provisions annually in the budget to pay the 2019C Bond Requirements, when due.

Sources of Revenue; Limitations on Property Tax Revenues. Any legally available revenues of the District may be used to pay debt service on the 2019C Bonds. See “DISTRICT FINANCIAL INFORMATION--History of Revenues and Expenditures - General Operating Fund.”

The 2019C Bond Resolution provides that, if necessary, the 2019C Bond Requirements shall be paid out of a general fund of the District or out of any other funds that may be available for such purpose, including, without limitation, any proceeds of any general (ad valorem) taxes legally available therefor. *Currently, the general ad valorem taxes available are limited to the District’s \$0.7500 tax rate for operating purposes.* For the purpose of repaying any moneys so paid from any such fund or funds (other than any moneys available without replacement for the payment of such 2019C Bond Requirements on other than a temporary basis), and for the purpose of creating funds for the payment of the 2019C Bond Requirements, the 2019C

Bond Resolution creates the “Medium-Term Debt Service Fund” for the 2019C Bonds. Pursuant to State law, except to the extent other funds are legally available therefor, there shall be duly levied immediately after the issuance of the 2019C Bonds and annually thereafter, until all of the 2019C Bond Requirements shall have been fully paid, satisfied and discharged, a special property tax on all property, both real and personal, subject to taxation within the boundaries of the District, including the net proceeds of mines, fully sufficient to reimburse such fund or funds for any such amounts temporarily advanced to pay such initial installment of interest, and to pay the interest on the 2019C Bonds becoming due after such initial installment, and to pay and retire the 2019C Bonds provided in the 2019C Bond Resolution, after there are made due allowances for probable delinquencies. The foregoing special property tax is authorized by NRS 350.095 and is required by the 2019C Bond Resolution to be imposed to the extent other legally available funds are insufficient to pay the 2019C Bond Requirements. The proceeds of the special property tax are required to be credited to the Medium-Term Debt Service Fund for the payment of such 2019C Bond Requirements. In the preparation of the annual budget or appropriation resolution or the 2019C Bond Resolution for the District, the Board shall first make proper provisions through the levy of sufficient general taxes for the payment of the interest on and the retirement of the principal of the bonded indebtedness of the District, including, without limitation, the 2019C Bonds, subject to the limitations imposed by NRS 387.195(1) (regarding the maximum \$0.7500 tax rate for operating purposes) and NRS 361.453 (regarding the maximum \$3.64 tax rate for all overlapping governmental units), and Article X, Section 2, of the State constitution (regarding the maximum \$5.00 tax rate for all overlapping governmental units), and the amount of money necessary for this purpose shall be a first charge against all the legally available revenues received by the District. See “PROPERTY TAX INFORMATION--Property Tax Limitations.”

Priorities for 2019C Bonds. As described in the preceding paragraph, 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 (including the State, the County, the District, the cities of Boulder City, Henderson, Las Vegas, Mesquite and North Las Vegas, and any special districts) in each year. Those limitations are described in more detail in “PROPERTY TAX INFORMATION--Property Tax Limitations.” The 2019C Bond Resolution provides that in any year in which the total property taxes levied within the County by all applicable taxing units exceed such property tax limitations, and it becomes necessary by reason thereof to reduce the levies made by any and all such units, the reductions so made shall be in general taxes levied by such unit or units (including, without limitation, the District and the State) for purposes other than the payment of bonded indebtedness, including the 2019C Bonds, and the interest thereon. The general taxes levied for the payment of such bonded indebtedness (including the 2019C Bonds) and the interest thereon shall always enjoy a priority over general taxes levied by each such unit (including, without limitation, the District and the State) for all other purposes where reduction is necessary in order to comply with the statutory property tax limitations of NRS 387.195(1) and NRS 361.453. The District’s \$.7500 tax rate for operating purposes is not subject to reduction in order to meet the property tax limitations described in “PROPERTY TAX INFORMATION--Property Tax Limitations.”

2019C Bond Resolution Irrepealable

The 2019C Bond Resolution provides that after any of the 2019C Bonds are issued, the 2019C Bond Resolution shall constitute an irrevocable contract between the District and the registered owner or owners of the 2019C Bonds; and the 2019C Bond Resolution shall be and shall remain irrepealable until the related 2019C Bonds, as to all 2019C Bond Requirements, shall be fully paid, canceled and discharged as provided in the 2019C Bond Resolution.

Other 2019C Bond Security Matters

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

No Pledge of Property. The payment of the 2019C Bonds is not secured by an encumbrance, mortgage or other pledge of property of the District, except the proceeds of General Taxes and any other monies pledged under the 2019C Bond Resolution for the payment of the 2019C Bonds. Other than the items specifically pledged under the 2019C Bond Resolution, no property of the District shall be liable to be forfeited or taken in payment of the 2019C Bonds.

No Recourse. No recourse shall be had for the payment of the 2019C Bond Requirements or for any claim based thereon or otherwise upon the 2019C Bond Resolution or any other instrument relating thereto, against any individual member of the Board or any officer or other agent of the Board or District, past, present or future, either directly or indirectly through the Board or the District, or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any penalty or otherwise.

Amendment of 2019C Bond Resolution

The 2019C Bond Resolution may be amended by the District without the consent of or notice to the holders of the 2019C Bonds for the purpose of curing any ambiguity or formal defect or omission therein. No such amendment, unless consented to by the 2019C Bondholder adversely affected thereby, shall permit: (1) a change in the maturity or in the terms of redemption of the principal of any outstanding 2019C Bond or any installment of interest thereon; (2) a reduction in the principal amount of any 2019C Bond, the rate of interest thereon, or any prior redemption premium payable in connection therewith; or (3) the establishment of priorities as between 2019C Bonds issued and outstanding under the provisions of the 2019C Bond Resolution.

PROPERTY TAX INFORMATION

Property Tax Base

The State Department of Taxation reports the assessed valuation of property within the District for the fiscal year ending June 30, 2020, to be \$95,588,746,597 (including the valuation attributable to the Redevelopment Agencies). That assessed valuation represents an increase of 9.3% from the assessed valuation for fiscal year 2019.

State law requires that the County assessor reappraise at least once every five years all real and secured personal property (other than certain utility owned property which is centrally appraised and assessed by the State 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 policy of the Clark County Assessor to reappraise all real and secured personal property in the District each year. State law requires that property be assessed at 35% of taxable value; that percentage may be adjusted upward or downward by the Nevada Legislature. Based on the assessed valuation for fiscal year 2020, the taxable value of all taxable property within the District is \$273,110,704,563 (including the taxable value attributable to the Redevelopment Agencies).

“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 State 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. 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 property owned by railroads, airlines and utility companies.

History of Assessed Value

The following table illustrates a history of the assessed valuation in the District, including the assessed values attributable to the Boulder City Redevelopment Agency, the Clark County Redevelopment Agency, the Henderson Redevelopment Agency, the Las Vegas Redevelopment Agency, the Mesquite Redevelopment Agency and the North Las Vegas Redevelopment Agency (collectively, the “Redevelopment Agencies”). However, 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 and Property Tax Revenues

Fiscal Year ⁽²⁾	Assessed Value			Property Tax Revenues ⁽¹⁾		
	District	Redevelopment Agencies	Total	Percent Change	Amount	Percent Change
2011	\$63,926,261,627	\$1,832,364,244	\$65,758,625,870	--	\$812,060,101	--
2012	57,878,335,897	1,176,499,255	59,054,835,152	(10.2)%	742,388,877	(8.6)%
2013	54,195,268,097	1,030,444,078	55,225,712,175	(6.5)	695,417,741	(6.3)
2014	55,220,637,749	1,076,210,139	56,296,847,888	1.9	694,355,521	(0.2)
2015	62,904,942,089	1,347,691,561	64,252,633,650	14.1	718,576,365	3.5
2016	69,266,468,466	1,788,784,767	71,055,253,233	10.6	754,356,464	5.0
2017	74,597,622,262	2,035,576,833	76,633,199,095	7.9	776,047,719	2.9
2018	78,890,801,494	2,415,329,758	81,306,131,252	6.1	818,051,992	5.4
2019	84,428,728,091	3,004,128,483	87,432,856,574	7.5	861,280,512 ⁽³⁾	5.3
2020	92,239,056,371	3,349,690,226	95,588,746,597	9.3	914,943,000 ⁽⁴⁾	6.2

- (1) Represents the District's total ad valorem property tax revenues (General Fund and Debt Service Fund) each fiscal year, presented in this table to show the relationship between the annual percentage change in assessed value and the annual percentage change in ad valorem property tax revenues. See "Property Tax Collections--Effect of Abatement" below.
- (2) Represents fiscal years ending June 30 of each year indicated.
- (3) Unaudited.
- (4) Reflects budgeted property tax revenues for fiscal year 2019-2020; actual property tax revenues are likely to vary from the amount budgeted. See "INTRODUCTION—Forward-Looking Statements."

Sources: Property Tax Rates for Nevada Local Governments - State of Nevada Department of Taxation, 2010-2011 through 2019-2020, District financial statements and 2020 Final Budget.

Property taxes received as a result of the District's \$0.7500 tax rate for operating purposes on the assessed value of Redevelopment Agencies (as shown in the table above) are not transferred to the District, but rather are transferred to the Redevelopment Agencies to be used for redevelopment purposes; however, property taxes levied on the assessed value of the Redevelopment Agencies for all bonded indebtedness approved by the voters (currently consisting of the District's current \$0.5534 tax rate for debt service) have been retained by the District since the beginning of fiscal year 2017.

Property Tax Collections

In Nevada, county assessors are responsible for assessments in the counties except for property centrally assessed by the State. County treasurers are responsible for the collection of property taxes and forwarding the allocable portions thereof to the overlapping taxing units within the counties.

A history of the County's tax roll collection record appears in the following table. *This table reflects all amounts collected by the County, including amounts levied by the District, the County, the cities within the County and certain special taxing districts. The figures in the following table include property taxes that are not available to pay debt service on the 2019B&C Bonds.* The table below provides information with respect to the historic collection rates for the County and the District but may not be relied upon to depict the amounts of ad valorem property taxes available to the District in each year. There is no assurance that collection rates will be similar to the historic collection rates depicted below.

Property Tax Levies, Collections and Delinquencies - Clark County, Nevada⁽¹⁾

Fiscal Year Ending June 30	Net Secured Roll Tax Levy ⁽²⁾	Current Tax Collections	% of Levy (Current) Collected	Delinquent Tax Collections	Total Tax Collections	Total Tax Collections as % of Current Levy ⁽³⁾
2014	\$1,467,919,747	\$1,453,556,514	99.02%	\$14,183,344	\$1,467,739,858	99.99%
2015	1,515,684,709	1,506,108,484	99.37	9,332,504	1,515,440,988	99.98
2016	1,582,454,104	1,572,448,659	99.37	9,605,426	1,582,054,085	99.97
2017	1,630,091,272	1,620,819,654	99.43	8,532,915	1,629,352,569	99.95
2018	1,719,444,018	1,709,647,885	99.43	6,864,907	1,716,512,792	99.83
2019 ⁽⁴⁾	1,842,015,335	1,830,055,636	99.35	n/a ⁽⁵⁾	1,830,055,636	99.35

- (1) Subject to revision. Represents the real property tax roll levies and collections.
- (2) Adjusted county tax levied for the fiscal year.
- (3) Percentage of taxes collected within the fiscal year of the levy (calculated on the Net Secured Roll Tax Levy).
- (4) Collections as of June 30, 2019 (unaudited).
- (5) Collections are still in progress.

Source: Clark County Treasurer's Office.

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 4 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.

Required Property Tax Abatements

General. In 2005, the Nevada Legislature approved the Abatement Act (NRS 361.471 to 361.475), 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 fiscal year 2019-2020, 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 4.8%.

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 (i) the tax-secured obligations were issued before July 1, 2005; or (ii) 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.

Ad valorem tax rate increases to pay debt service for the 2019B Bonds are exempt from the Abatement Act formulas because this debt was approved by the County Debt Management Commission. Ad valorem tax rate increases to pay debt service on the 2019C Bonds are not exempt from the Abatement Act formulas because such debt was issued after July 1, 2005, and was not approved by the County Debt Management Commission.

Overall Effect of Abatement. Because of the effect of the Abatement Act, the change in assessed value occurring after fiscal year 2005 does not produce a corresponding increase in tax revenues, even if the tax rate is constant. The District's tax rate has remained constant since 1998, with \$0.7500 per \$100 of assessed value being levied for operating purposes and \$0.5534 per \$100 of assessed value being levied for debt service. As illustrated in the table "History of Assessed Value and Property Tax Revenues" above, the rates of increase in the District's property tax revenues in recent years have been less than the rates of increase in assessed valuation.

Largest Taxpayers in the District

The following table represents the ten largest property-owning taxpayers in the County (which has boundaries coterminous with the District) based on fiscal year 2019 assessed valuations. The assessed valuations in this table represent both the secured tax roll (real property) and the unsecured tax roll (generally personal property). 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 County.

Principal Property-Owning Taxpayers in the District Fiscal Year 2018-2019

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Value</u>	<u>% of Total Assessed Value⁽¹⁾</u>
MGM Resorts International	Hotels/Casinos	\$ 4,499,272,037	5.15%
Caesars Entertainment Corporation ⁽²⁾	Hotels/Casinos	2,144,272,433	2.45
NV Energy	Utility	1,803,093,727	2.06
Wynn Resorts Limited	Hotels/Casinos	1,112,597,471	1.27
Las Vegas Sands Corporation	Hotels/Casinos	1,036,719,867	1.19
Station Casinos Incorporated	Hotels/Casinos	857,275,430	0.98
Boyd Gaming Corporation	Hotels/Casinos	521,614,079	0.60
Howard Hughes Corporation	Developer	432,051,425	0.49
Eldorado Energy LLC	Solar Energy	398,697,770	0.46
Nevada Property 1 LLC	Hotels/Casinos	398,201,833	0.45
Total		<u>\$13,203,796,072</u>	<u>15.10%</u>

(1) Based on the District's fiscal year 2019 assessed valuation of \$87,432,856,574 (which includes the assessed valuation attributable to the Redevelopment Agencies).

(2) Caesars Entertainment Corporation was purchased by El Dorado Resorts in mid-2019.

Source: Nevada Department of Taxation, Division of Local Government, *Ten Highest Assessed Taxpayers Statewide and all Counties, 2018-2019 Secured Roll / 2017-2018 Unsecured Roll*.

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 (\$5.00 per \$100 of assessed valuation) of the property being taxed. Further, the combined overlapping tax rate is limited by statute (NRS 361.453) 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 of 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 of 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 law (NRS 361.453) provides a priority for taxes levied for the payment of general obligation bonded indebtedness (including the District's tax rate for debt service of \$0.5534 and its \$.7500 tax rate for operating purposes, to the extent such tax is used to pay debt

service) 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. If such reductions are insufficient, property taxes levied to pay general obligation indebtedness would also need to be reduced.

Local Government Property Tax Revenue Limitation. State statutes limit the revenues school districts may receive from ad valorem property taxes for operating purposes. Pursuant to NRS 387.195, each board of county commissioners levies a tax of \$0.7500 per \$100 of assessed valuation for school district operating purposes. School districts are also allowed additional levies for voter-approved debt service and voter-approved tax overrides for capital projects. The District has no such voter-approved overrides currently in effect.

Due to the State constitution (Article X, Section 2) and State statutes (NRS 361.453), the revenue produced by property tax rates of other local governments is also limited, for purposes other than paying certain general obligation indebtedness. These revenue limitations do not apply to school districts and do not apply to the ad valorem taxes levied to repay the 2019B Bonds, which are exempt from such ad valorem revenue limits; however, they are relevant to understand the overall property tax rate limitation in effect in the County. See the following section, “Overlapping Property Tax Rates and General Obligation Indebtedness.” The overall property tax 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. In addition, the Executive Director of the Department of Taxation is required to add to the allowed revenue from ad valorem taxes, the amount approved by the Nevada Legislature for the costs to a local government of any substantial programs or expenses required by legislative enactment. Further, in the event sales tax estimates from the State Department of Taxation exceed actual revenues available to local governments, the local governments receiving such sales tax may levy a property tax to make up the revenue shortfall.

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 Nevada 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 six 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 any property tax as described above.

Overlapping Property Tax Rates and General Obligation Indebtedness

Overlapping Property Tax Rates. As described in the preceding section, the overlapping property tax rates of local governments are limited by State law. The following table presents a history of statewide average tax rates and a representative overlapping tax rate for several taxing districts located in Las Vegas, the County seat and the most populous city in the County. The overlapping rates for incorporated and unincorporated areas within the County vary depending on the rates imposed by applicable taxing jurisdictions. The highest overlapping tax rate in the County currently is \$3.4030 in Mt. Charleston Town.

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

<u>Fiscal Year Ended June 30,</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Average Statewide rate	<u>\$3.1360</u>	<u>\$3.1500</u>	<u>\$3.1615</u>	<u>\$3.1572</u>	<u>\$3.2218</u>
Clark County	\$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-Clark County Library District	0.0942	0.0942	0.0942	0.0942	0.0942
Las Vegas Metro Police	0.2850	0.2850	0.2850	0.2850	0.2850
State of Nevada ⁽²⁾	<u>0.1700</u>	<u>0.1700</u>	<u>0.1700</u>	<u>0.1700</u>	<u>0.1700</u>
Total ⁽²⁾	<u>\$3.2782</u>	<u>\$3.2782</u>	<u>\$3.2782</u>	<u>\$3.2782</u>	<u>\$3.2782</u>

(1) Per \$100 of assessed valuation.

(2) Generally, the overlapping tax rate may not exceed \$3.64 pursuant to NRS 361.453; however, \$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, 2015-2016 through 2019-2020.

Estimated Overlapping General Obligation Indebtedness. In addition to the general obligation indebtedness of the District, other taxing entities are authorized to incur general obligation debt within boundaries that overlap or partially overlap the boundaries of the District. In addition to the entities listed below, other governmental entities may overlap the District but have no general obligation debt outstanding. The following chart sets forth the estimated overlapping

general obligation debt (including general obligation medium-term bonds) chargeable to property owners within the District as of October 1, 2019.

Estimated Overlapping Net General Obligation Indebtedness
As of October 1, 2019

Entity ⁽¹⁾	Total General Obligation Indebtedness	Presently Self-Supporting General Obligation Indebtedness	Net Direct General Obligation Indebtedness	Percent Applicable ⁽²⁾	Overlapping Net General Obligation Indebtedness ⁽³⁾
Clark County	\$3,956,553,000	\$3,951,153,000	\$5,400,000	100.00%	\$5,400,000
Henderson	170,150,163	155,515,163	14,635,000	100.00	14,635,000
Las Vegas	520,393,812	426,090,000	94,303,812	100.00	94,303,812
Mesquite	18,065,846	12,541,846	5,524,000	100.00	5,524,000
North Las Vegas	415,417,784	412,822,784	2,595,000	100.00	2,595,000
Clark County Water Reclamation District	421,329,181	421,329,181	0	100.00	0
Las Vegas Valley Water District	3,029,102,622	3,029,102,622	0	100.00	0
Big Bend Water District	2,487,929	2,487,929	0	100.00	0
Virgin Valley Water District	14,893,400	12,324,400	2,569,000	100.00	2,569,000
State of Nevada	1,251,390,000	273,233,000	978,157,000	70.90	693,513,313
TOTAL	\$9,799,783,737	\$8,696,599,925	\$1,103,183,812		\$818,540,125

- (1) Other taxing entities overlap the District and may issue general obligation debt in the future.
- (2) Based on fiscal year 2018-2019 assessed valuation (excluding the assessed valuations attributable to the Redevelopment Agencies) in the respective jurisdiction. The percent applicable is derived by dividing the assessed valuation of the governmental entity into the assessed valuation of the District.
- (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; percentages calculated using information from Property Tax Rates for Nevada Local Governments - State of Nevada - Department of Taxation, 2018-2019.

The following table sets forth the total net direct and overlapping general obligation indebtedness attributable to the District as of October 1, 2019 (after taking the issuance of the 2019B&C Bonds into account).

Net Direct & Overlapping General Obligation Indebtedness⁽¹⁾

Total General Obligation Indebtedness	\$2,925,095,000
Less: Self-supporting General Obligation Indebtedness	<u>(516,010,000)</u>
Net Direct General Obligation Indebtedness	2,409,085,000
Plus: Overlapping Net General Obligation Indebtedness	<u>818,540,125</u>
Net Direct & Overlapping Net General Obligation Indebtedness	\$3,227,625,125

- (1) Assumes the issuance of the 2019B&C Bonds. See "DISTRICT FINANCIAL INFORMATION AND DEBT STRUCTURE--Outstanding Indebtedness and Other Obligations."

Selected Debt Ratios

The following table sets forth historical (and, for fiscal year 2019, projected) information relating to the District's outstanding general obligation debt as compared to the population, assessed valuation, taxable value and per capita personal income within the District.

Select 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⁽⁷⁾</u>
Population ⁽¹⁾	2,118,353	2,166,181	2,193,818	2,251,175	2,285,997
Assessed Value ⁽²⁾	\$64,252,633,650	\$71,055,253,233	\$76,633,199,095	\$81,306,131,252	\$87,432,856,574
Taxable Value ⁽²⁾	\$183,578,953,286	\$203,015,009,237	\$218,951,997,414	\$232,303,232,149	\$249,808,161,640
Per Capita Income ⁽³⁾	\$41,915	\$42,284	\$42,284	\$42,284	\$42,284
<u>Gross Direct G.O. Debt⁽⁴⁾</u>	\$2,548,890,000	\$2,590,805,000	\$2,438,120,000	\$2,546,995,000	\$2,925,095,000 ⁽⁵⁾
<u>RATIO TO:</u>					
Per Capita	\$1,203.24	\$1,196.02	\$1,111.36	\$1,131.41	\$1,279.57
Percent of Assessed Value	3.97%	3.65%	3.18%	3.13%	3.35%
Percent of Taxable Value	1.39%	1.28%	1.11%	1.10%	1.17%
Percent of Per Capita Income ⁽⁶⁾	2.87%	2.83%	2.63%	2.68%	3.03%
<u>Net Direct G.O. Debt⁽⁴⁾</u>	\$1,964,995,000	\$1,881,385,000	\$1,798,485,000	\$1,968,030,000	\$2,409,085,000
<u>RATIO TO:</u>					
Per Capita	\$927.61	\$868.53	\$819.80	\$874.22	\$1,053.84
Percent of Assessed Value	3.06%	2.65%	2.35%	2.42%	2.76%
Percent of Taxable Value	1.07%	0.93%	0.82%	0.85%	0.96%
Percent of Per Capita Income ⁽⁶⁾	2.21%	2.05%	1.94%	2.07%	2.49%

(1) Reflects State Demographer estimates for the County as of July 1 of each year shown. The population figures for 2015-2018 represent certified estimates; the population figure for 2019 is projected as of March 1, 2019. See "ECONOMIC AND DEMOGRAPHIC INFORMATION—Population and Age Distribution."

(2) See "PROPERTY TAX INFORMATION--Property Tax Base" for a description of assessed valuation and taxable value. Includes the assessed values attributable to the Redevelopment Agencies.

(3) See "ECONOMIC AND DEMOGRAPHIC INFORMATION--Income." The 2016 figure also is used in 2017, 2018 and 2019 as no information is yet available for those years.

(4) See "DEBT STRUCTURE--Outstanding Bonded Indebtedness and Other Obligations."

(5) Fiscal year 2019 debt represents the District's outstanding debt as of October 1, 2019, but assuming the issuance of the 2019B&C Bonds. See "INTRODUCTION—Forward-Looking Statements."

(6) Per capita debt as a percent of per capita personal income.

(7) Except for assessed value and taxable value, the information in this column contains projections which are subject to material change. See "INTRODUCTION—Forward-Looking Statements."

Sources: Population data: Nevada State Demographer's Office (2015-2018 certified estimates as of July 1st) (2019 projection as of March 1, 2019); per capita income amounts: United States Department of Commerce, Bureau of Economic Analysis; and debt information: the Municipal Advisor.

CLARK COUNTY SCHOOL DISTRICT

General

All school districts in the State are organized under the terms of legislation enacted in 1956. There is one school district in each county with responsibility for all public education from pre-kindergarten through the twelfth grade. The District is located in the County and has boundaries that are coterminous with those of the County. The incorporated municipalities located within the District are Las Vegas, North Las Vegas, Henderson, Boulder City and Mesquite. According to the State Demographer's office, the certified estimated population of the County is 2,251,175 for 2018.

Board of Trustees

The District is governed by an elected, seven-member Board. Board members represent specific geographic areas and are elected for four-year overlapping terms by the voters in the District. The Board elects one of its members as president, one of its members as vice president and one of its members as clerk. Board members are limited to 12 years in office pursuant to State constitutional term limitations. Regular Board meetings are held on the second and fourth Thursday of each month at the Edward A. Greer Education Center in the District; special meetings are held as needed.

The present members of the Board, the year each began service as trustee, and the expiration of their respective terms are as follows:

<u>Board Member and Title</u>	<u>Director District</u>	<u>First Term Began</u>	<u>Current Term Expires (January)</u>
Lola Brooks, President	E	January 2017	2021
Linda P. Cavazos, Vice President	G	August 2017	2023
Chris Garvey, Clerk	B	January 2009	2021
Irene A. Cepeda, Board Member	D	January 2019	2023
Danielle Ford, Board Member	F	January 2019	2023
Deanna L. Wright, Board Member	A	January 2009	2021
Dr. Linda E. Young, Board Member	C	January 2009	2021

District Management Philosophy

The Vision of the District and Superintendent. The vision of the District is to ensure that all students progress in school and graduate prepared to succeed and contribute in a global diverse society. To achieve this vision, on February 28, 2019, the Board approved FOCUS: 2024, which sets for a set of five priorities. These priorities are:

- Priority 1: Student Success

Student academic performance predicated on strong, rigorous, standards-based instruction with appropriate opportunities for support and enrichment for all students

Measurements of success include increasing achievement in English language arts, mathematics, and science; decreasing student proficiency gaps in English language arts, mathematics, and science; increasing access and equity to rigorous curriculum and instruction for all students; and ensuring students and staff are sage and engaged at school.

- Priority 2: Teachers, Principals, Staff

Educator recruitment, support, and effectiveness based on the understanding that education is a people business, and the quality of teachers, principals, staff, and resources available to them has a direct impact on student results.

Measurement of success is to ensure all students have access to highly effective teachers, principals, and school staff.

- Priority 3: Balanced Governance and Leadership

Communication and collaboration founded on knowing that governance and leadership must allow for the work of education to be completed with fidelity and with the support of the communities we serve.

Measurement of success is to enhance the District's governance and leadership structures to reflect the needs of the community.

- Priority 4: Sound Fiscal Management

Financial and operational stability - financial stability and operational efficiencies will drive funds into classrooms and ensure schools and educators have materials to achieve all goals.

Measurements of success include improving quality, communication, and understanding of district financial information; improving financial equity and stability and ensure regulatory compliance with finance and budget related requirements; ensuring operational effectiveness and efficiency of school and district facilities and operational resources; and reducing the general fund impact caused by safety concerns resulting in injury or damage.

- Priority 5: Parent and Community Support

Perception of the District based on the understanding that partnering and communicating with parents and community members is imperative to connecting home, school, and community. We must engage our partners to ensure all of our efforts and resources are focused on increasing student outcomes.

Measurements of success include leveraging internal resources to help parents/guardians support student achievement and attendance, secure strategic external resources and community partners, and improve trust in and perception of the District.

Administration

The Board establishes District policy and oversees the budget. The Board appoints the Superintendent as its Chief Executive Officer to administer the day-to-day operations of the District. The Chief Financial Officer reports directly to the Superintendent. Brief biographies for the Superintendent and the Chief Financial Officer are set forth below.

Jesus F. Jara, Ed.D., Superintendent. Dr. Jara was appointed as the District's Superintendent on May 2, 2018, and joined the District on June 19, 2018. Since August 2012, he has served as the Deputy Superintendent for the Orange County Public Schools in Florida, the 9th largest school district in the nation serving over 208,000 students. Prior to his Deputy role, he served as the Chief Operations Officer and then Superintendent of Monroe County Public Schools in Florida. Over his career, he has been an instructor, adjunct professor, teacher, dean of students, assistant principal, principal, senior educational manager, and Executive Director of College Board Partnerships in Florida and Massachusetts. Dr. Jara received his Bachelor of Science, Sports Medicine and Exercise Science from Barry University; his Masters of Science in Science Education from Nova Southeastern University; and his Doctorate in Education, Educational Policy, Leadership, and Administration from the University of Massachusetts-Amherst.

Jason Goudie, Chief Financial Officer. Mr. Goudie became the Chief Financial Officer for the District in July 2017. Prior to joining the District, Mr. Goudie was the Vice President of Finance and Chief Financial Officer of Tropicana Las Vegas, Inc. where he was in charge of the finance and accounting department, cage operations and the purchasing department. He also led the financial reporting for the Tropicana, which had filing requirements with the Securities and Exchange Commission. Previously, he served as the Chief Financial Officer for Aristocrat Technologies, Inc. for North and South America, which was an international manufacturing company located in Las Vegas with operations and sales throughout North, Central and South America. His experiences prior to this position included serving as Chief Financial Officer for The M Resort and three other properties with common ownership. Mr. Goudie also held the Chief Financial Officer position for Black Gaming and the position of Director of Audit Research, Training and Special Projects for the Internal Audit Department of Caesars Entertainment Inc. Prior to this work, Mr. Goudie was with Arthur Andersen, LLP where he spent over eight years in the audit division and five of those years working in the Las Vegas office, with concentration primarily in the gaming industry. During his tenure at Andersen, he worked on several due diligence projects, several public offerings and a multitude of projects and audits for several gaming and non-gaming companies. He graduated from the University of Nevada – Las Vegas in 1993 with a Bachelor of Science degree in Business Administration (Accounting major). Mr. Goudie is a Certified Public Accountant in Nevada.

District Organization and Divisions

Ongoing Reorganization. In 2017, Assembly Bill No. 469 (“AB 469,” codified as NRS 388G.500 – 388G.810) was enacted. AB 469 applies to any large school district, defined as a

school district that has an enrollment of 100,000 or more students. AB 469 required the District to reorganize in the manner required by the statute.

AB 469 contains no provisions which alter current law regarding the District's ability to issue future debt or its ability to impose and collect the taxes pledged to its existing debt (including the 2019B&C Bonds). Accordingly, the District expects that its existing debt will continue to be repaid from the ad valorem property taxes and other taxes and revenues which are pledged to such debt, as applicable to the particular type and series of outstanding debt.

Under AB 469, District schools are deemed local school precincts ("schools"), to be operated under site-based decision-making, providing the authority to carry out certain responsibilities. The law requires that the District transfer to schools the authority to select and supervise staff, procure equipment, services, and supplies, and develop a balanced budget for the school. AB 469 also provides for a mechanism to transfer additional authority to schools, through recommendation by the Superintendent and approval by the Board, with the exception of capital programs. If this mechanism is carried out, the District is required to transfer to schools "an amount equal to the amount that would otherwise be paid by the large school district to carry out the responsibility."

AB 469 requires the District to allocate financial resources on a weighted per-pupil basis, applying a greater weight for certain students, and requires that the District "apply the same weights and distribution of weights established by the [Nevada Department of Education] for the state funding formula." However, AB 469 allows the District to submit a request for a variance to use a different weight or distribution of weights. The District made such a request to the Nevada Department of Education for the 2018-2019 fiscal year which was granted, and the District has made a similar request for the 2019-2020 fiscal year which is pending.

During the initial phase of the implementation of the Reorganization Plan, any costs incurred by the District in carrying out the reorganization were paid for through the redistribution of existing District funds. As of August, 2019 (most recent estimate available), the total estimate for AB 469 expenses through fiscal year 2022-2023 was approximately \$23.3 million, comprised of approximately \$3.8 million in fiscal year 2017-2018; approximately \$8.5 million in fiscal year 2018-2019; approximately \$4.5 million in fiscal year 2019-2020; and approximately \$6.5 million through fiscal year 2022-2023. Approximately \$17.0 million of this amount consists of the cost of acquiring a human resources software system which is being funded by the Nevada Legislature. These amounts are only estimates and are subject to change; however, the estimates remain materially accurate as of the date hereof.

The District is required to make financial estimates and determinations regarding the schools on a yearly basis. Each school is overseen by the school's principal, who is responsible for the school's Plan of Operation, which includes the School Performance Plan and the School Strategic Budget. AB 469 also required the establishment of a new position, the "School Associate Superintendent." Each School Associate Superintendent previously oversaw a group of no more than 25 schools and, in conjunction with the Deputy Superintendent, reported directly to the Superintendent. In 2019, however, the Nevada Legislature approved Senate Bill 469 that removed the 25 school oversight limit for school associate superintendents. This change has been made to NRS 388G.620. The District has been reorganized into three regions which are led

by Region Superintendents, and each Region Superintendent has two School Associate Superintendents reporting to them.

Each school is also required to establish a “School Organizational Team” made up of licensed, support, and administrative employees, as well as parents, students (at middle and high schools), and optionally, other community members. The School Organizational Team’s main functions are to (a) provide advice and assistance to the principal in establishing the School Plan of Operation, (b) provide advice and assistance to the principal in carrying out the School Plan of Operation, (c) provide input to the Superintendent’s recommendations for additional authority to be transferred to schools, and (d) participate in the selection of the next principal in the case of a vacancy. Under AB 469, the principal is required to, using specific processes outlined in the law, (a) establish a School Organizational Team, (b) develop the plan of operation with the assistance and advice of the School Organizational Team, (c) submit the plan of operation for approval to the School Associate Superintendent, and (d) select staff for the school.

The District implemented the reorganization, as required by AB 469, in the 2017-2018 school year. Accordingly, District officials trained all central office administrators and principals, who in turn trained thousands of teachers, support staff, and parents. No additional authority was transferred to schools in the 2017-2018 school year. The District has developed a process to transfer responsibilities to local schools, and recommendations to the Board for authority to be transferred for the 2018-2019 school year were presented on October 26, 2017, and January 11, 2018. The Board required that services provided to meet responsibilities must be purchased from the District for the 2018-2019 school year and documented through Service Level Agreements. There were certain responsibilities requested to be considered for “requests for proposals” that were presented to the Board for fiscal year 2019-2020, but the Board did not approve these requests. Accordingly, these services are still required to be purchased through the District through fiscal year 2019-2020.

Administration. District operations are administered by the Superintendent, the Deputy Superintendent, the Chief Operating Officer, the Chief Curriculum, Instruction and Assessment Officer, the Chief College Career, Equity, and School Choice Officer, the Chief Financial Officer, the Chief Communications and Government Relations Officer, the Chief of Facilities, the Chief Human Resources Officer, and the Chief of Staff, together with administrative staff, through various divisions and programs.

Magnet Schools/Career and Technical Academies. Magnet Schools and Career and Technical Academies offer learning opportunities related to various themes for interested students. Students from across the District may apply to a Magnet School or Career and Technical Academy, regardless of the geographic area in which they reside. The purposes of these schools are to improve student achievement, promote diversity, and create an awareness of career opportunities relative to the fields of study in which students may be interested.

Magnet Schools/Career and Technical Academies offer coursework associated with a variety of pathways leading to both careers and opportunities for higher education, such as aerospace and aviation, information technologies, performing and fine arts, communications, law preparatory, health services, travel and tourism, and engineering.

Strategic Budgeting. Strategic Budgeting is designed to improve learning and student performance through increased school autonomy of spending and decision making. Strategic Budgeting was implemented as part of the 2016-2017 Final Budget. Strategic Budgeting allows schools to understand the financial implications of all decisions in order to ensure student success. The mission of Strategic Budgeting is to purposely allocate and expend resources dispersed to all worksites in order to carry out the Superintendent’s five-year strategic plan FOCUS:2024 (described under “District Management Philosophy” above). Strategic Budgeting is expected to align to FOCUS:2024 by its focus on deploying budget and resources in support of the five priorities: (a) Student Success; (b) Teachers, Principals, and Staff; (c) Balanced Governance and Leadership; (d) Sound Fiscal Management; and (e) Parent and Community Support. With Strategic Budgeting, school communities have a greater role in diagnosing their own school specific needs, implementing their plans by working outside the normal mechanics of Central Services, engaging all stakeholders in the budgetary planning process, dedicating resources to growth and development of staff and allowing for transparency in return on investment at each site. Rather than being recipients of funds with predetermined uses, Strategic Budgeting gives schools the autonomy to deploy their resources for maximum impact, according to the needs of their individual communities.

Enrollment

The following table presents a historical record of school enrollment within the District and projected enrollment for the current school year. Note that the methodology used in this table to calculate enrollment history varies from the methodology of past Official Statements of the District. In the past, actual student enrollment figures were used. Kindergarten students only accounted for 60% of a student for State funding purposes prior to fiscal year 2017-2018; so the District changed the methodology to show student enrollment figures counting Kindergarten students as 60% of a student for fiscal years prior to fiscal year 2017-2018. Beginning in fiscal year 2017-2018, Kindergarten students began attending full day Kindergarten and therefore are counted as full students.

Enrollment History and Projection

<u>School Year Ending June 30</u>	<u>Weighted Enrollment (Funded)⁽¹⁾⁽²⁾</u>	<u>Percent Change</u>
2013	300,082	--
2014	303,447	1.1%
2015	306,832	1.1
2016	307,974	0.4
2017	309,965	0.6
2018	319,311	3.0
2019	317,306 ⁽³⁾	(0.6)
2020	316,963 ⁽⁴⁾	(0.1)

(1) All years prior to fiscal year 2018 reflect Kindergarten as 60% of a student.

(2) Starting in fiscal year 2016, Average Daily Enrollment (“ADE”), defined and described below, became the standard enrollment calculation.

(3) Represents projected ADE.

(4) Represents 2020 Final Budget ADE.

Source: The District.

The District experienced enrollment growth through school year 2017-2018. In school year 2018-2019, however, this trend changed and ADE decreased 0.6%. For school year 2019-2020, the District has budgeted for ADE to decrease an addition 0.1%. The decrease in enrollment is attributed primarily to the growth of charter school enrollment.

Senate Bill No. 508, passed in the 2015 legislative session, changed the Distributive School Account (“DSA”) (see “DISTRICT FINANCIAL INFORMATION--General Operating Fund”) reporting from a single annual official count day to a quarterly Average Daily Enrollment (“ADE”). The annual ADE reporting days are October 1, January 1, April 1, and July 1. ADE represents the District’s total number of pupils enrolled in and scheduled to attend school divided by the number of days school is in session for that quarter. School year 2015-2016 was the first year of the legislatively mandated change.

Employees; Benefits and Pension Matters

Employees. As of September 10, 2019, the District had 26,296 full-time equivalent employees, which is an increase of 246 full-time equivalent employees from September 10, 2018. The District’s administrators, teachers, support staff, school police and school police administrators are represented by separate bargaining units, and collective bargaining agreements are in effect for four of the units. Currently, all bargaining units’ contracts are under negotiation.

The following table illustrates the type and number of personnel employed by the District as of September 10, 2018 and September 10, 2019:

District Employees⁽¹⁾

<u>Type</u>	<u>Number of Employees</u>	
	<u>September 10, 2018</u>	<u>September 10, 2019</u>
Licensed Personnel ⁽²⁾	23,057	23,040
Administrators	1,097	1,071
Professional/Technical	249	240
School Police	155	152
Support Staff Personnel	<u>16,856</u>	<u>16,967</u>
TOTAL	<u>41,414</u>	<u>41,470</u>

(1) Headcount. Includes full-time, part-time, temporary substitute staff, and student workers.

(2) Approximately 75% of the District’s licensed personnel hold advanced degrees (master’s or higher).

Source: The District.

Collective Bargaining Agreements. The District is a party to the following collective bargaining agreements with several groups of its employees. Unless otherwise indicated, each of these agreements expires each June 30. In formulating its budget each year, the Board makes certain assumptions regarding pending and future collective bargaining negotiations. For a discussion of the assumptions used in formulating the 2019 Final Budget, see “DISTRICT FINANCIAL INFORMATION—Chief Financial Officer’s Analysis of Material Financial Trends and Recent Developments.”

Clark County Education Association (“CCEA”). On September 13, 2018, the Board approved a multi-year collective bargaining agreement between the District and CCEA. The memorandum of understanding covers fiscal years 2019 through fiscal year 2021 and is based on the following stipulations:

- The District paid the fiscal year 2018 portion and is currently paying the fiscal year 2019 portion of a March 30, 2018, arbitrated decision of \$50.7 million in General Operating Fund money to provide step increases and increased health funds for licensed personnel contracts.
- The District paid an estimated \$17.9 million (of which \$14.8 million was General Operating Fund money) for the first year of implementation of the Professional Growth System.
- The memorandum of understanding only addressed the financial impact to teachers and requires the parties to agree on base minimum funding levels required by the District before monies are allocated for potential pay or benefit increases. The three-year period covered by the contract is the longest period agreed to by the District and CCEA in at least 10 years and was reached with the hopes of the District and CCEA working collaboratively in the coming years on a joint strategy to adequately pay employees and improve working conditions for educators by reducing class sizes.

An amendment to the September 13, 2018 agreement was approved on September 12, 2019 between the District and the CCEA. The amendment covers the economic provisions for the 2019-2021 school years and includes the following:

- For the 2019-2021 school years, an adjustment would be made for every employee in the bargaining unit in the amount of three percent (3%) starting on the first pay period of each covered employee's contract in 2019-2020 school year.
- Step increases would be applied to each eligible employee for both 2019-2020 and 2020-2021 school years. Effective dates of such step increases would be on the first pay period of each covered employee's contract in each year.
- A four percent (4%) increase in the District's contribution to monthly health insurance premiums per employee would be made effective August 1 of each year: 2019-2020 and 2020-2021.
- A column advancement for every employee who has completed certain Professional Growth System requirements for each year of the current contract. Effective column advancement shall be the first pay period of each school year for that employee pursuant to their contract.
- The fiscal impact of the amendment to the District is estimated to be approximately \$124.5 million.

The CCEA had approximately 18,817 bargaining unit employees (full and part-time licensed personnel, excluding substitute teachers) as of September 10, 2019, approximately 54.4% of which pay CCEA dues in the form of payroll deductions.

Education Support Employees Association ("ESEA"). Arbitration with ESEA's bargaining unit for the 2017-2018 and 2018-2019 school years has been completed. On July 23, 2018, an arbitrator ruled that the District was not required to pay for salary increases and higher health insurance contributions and confirmed that no pay scale modifications needed to be made due to a lack of funds being available for fiscal year 2017-2018. On October 4, 2018, the District approved a financial agreement with ESEA providing a one-time 3% payment for support staff professionals across all funds costing approximately \$11 million for fiscal year 2018-2019, which was paid on December 19, 2018. The District and the ESEA are currently negotiating a collective bargaining agreement for fiscal years 2019-2020 and 2020-2021, and the Board approved a memorandum of agreement with ESEA on September 26, 2019, pending the ratification from the members of the ESEA. This memorandum of agreement includes a three percent (3%) salary increase, a step increase in each year of the contract (2019-2020 and 2020-2021), a four percent (4%) increase in insurance contribution each year of the two year agreement, and a new provision that waives the cost of fingerprinting. The fiscal impact is approximately \$34.0 million. The ESEA had approximately 12,308 bargaining unit employees as of September 10, 2019.

Clark County Association of School Administrators and Professional-Technical Employees ("CCASAPE"). On October 4, 2018, the District approved a financial agreement with CCASAPE providing a one-time 3% payment for administrators across all funds, costing approximately \$4.1 million settling compensation through June 30, 2019 and paid on December 10, 2018. The District is currently in negotiations regarding non-compensatory matters with CCASAPE's bargaining unit for the 2017-2018 and 2018-2019 school years, and is currently

negotiating a collective bargaining agreement for fiscal years 2019-2020 and 2020-2021. The CCASAPE had approximately 1,303 bargaining unit employees as of September 10, 2019.

Police Officer's Association ("POA"). The District is covered by a collective bargaining agreement through fiscal year 2018-2019 and is currently in negotiations with the POA's bargaining unit for the 2019-2020 school year. The POA had approximately 150 bargaining unit employees as of September 10, 2019.

Police Administrator Association ("PAA"). On October 4, 2018, the District approved a financial agreement to settle contracts for the 2015-2016 and 2016-2017 school years by providing retroactive pay to the School Police administrators to align with increases provided to other District administrators. The agreement also settled the 2017-2018 and 2018-2019 contracts by providing a one-time 3% payment to the 7 bargaining unit employees for a total cost of approximately \$390,000 which was paid on December 21, 2018.

An agreement was approved at the September 12, 2019 Board meeting between the District and the PAA. The agreement covers the 2019-2021 school years and includes the following:

- The term of the agreement is extended until June 30, 2021.
- The salary tables would be revised to increase the salaries of all employees by three percent (3%) and the salary tables have been revised to provide a starting salary for a new lieutenant to be more than the highest salary of a sergeant.
- The District would pay steps for any eligible employee for each year 2019-2020 and 2020-2021.
- The District would increase insurance monthly contributions for each employee by four percent (4%).

The fiscal impact of the amendment is approximately \$206,000.

In addition to collective bargaining, the District holds frequent discussions with the leaders of the employee groups. The District is committed to maintaining competitive salaries for all employees within available funding.

Benefits. The District offers its employees a comprehensive health benefits package. All District employees receive the following benefits: medical, dental, vision and prescription drug insurance; life and long-term disability insurance (except that the licensed personnel group does not receive long-term disability as part of the benefits package). Additional voluntary benefits are available via payroll deduction. The District also pays retirement contributions through Nevada Public Employees' Retirement System (see "Pension Matters" below), provides workers' compensation insurance as required by law, and provides certain retirees with healthcare benefits (see "Retirement Healthcare Benefits" below).

Licensed District employees are offered a comprehensive benefits package through the Teachers Health Trust (the "Trust") established by the CCEA and the District in 1983. The

Trust documents do not obligate the District to provide benefit payments if the Trust does not have sufficient assets to do so, and the District does not have management responsibility for the Trust. The Trust was established to administer health benefits for its participants. In 2015, the Trust announced that it was facing financial difficulties due to rising costs and flat revenue. Effective July 23, 2015, the Trust implemented a new coinsurance requirement whereby participants are responsible for 20% of medical expenses plus the preexisting copays.

Pension Matters. The State’s Public Employees’ Retirement System (“PERS”) covers substantially all public employees of the State, its agencies and its political subdivisions, including the District. PERS, established by the Nevada 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 District specific information set forth below, the information in this section has been obtained from publicly-available documents provided by PERS. The District 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 50/50 employer/employee cost sharing, multiple-employer defined benefit plan. Benefits, as required by statute, are determined by the number of years of accredited service at the time of retirement and the member’s highest average compensation over 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.

PERS Benefit Multiplier

	Service Term Multiplier	Highest Contiguous Average Over
Before July 1, 2001	2.50%	36 months
After July 1, 2001, before January 1, 2010	2.67%	36 months
After January 1, 2010, before July 1, 2015	2.50%	36 months
After July 1, 2015 ⁽¹⁾	2.25%	36 months

⁽¹⁾ Regular members only.

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

Nevada PERS Retirement Eligibility

Membership Date	Regular		Police/Fire	
	Age	Years of Service	Age	Years of Service
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	33 ^{1/3}

State 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 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

Key Valuation Results	June 30, 2018	June 30, 2017	June 30, 2016
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	\$41.43 billion	\$38.69 billion	\$35.00 billion
Assets Actuarial Value	\$41.34 billion	\$38.72 billion	\$35.90 billion

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 is 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. The PERS Board also adopted a five-year asset smoothing policy for net deferred gains/losses.

GASB Statement No. 67. For the year ended June 30, 2014, PERS adopted Governmental Accounting Standards Board (“GASB”) Statement No. 67, *Financial Reporting for Pension Plans* (“GASB 67”). This GASB statement replaces the requirements of GASB statements 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, 2014-2016. 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 \$13.30 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 75.24% as of June 30, 2018, as compared to 74.42% as of June 30, 2017.

GASB Statements No. 68 and 71. For the fiscal year ended June 30, 2015, the District adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. 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. The effect of implementation of these standards on net position resulted in a negative net position of \$471,532,787 in fiscal year 2016 on the District’s Government-wide Statement of Net Position, a negative net position of \$384,660,947 in fiscal year 2017, and a negative net position of \$640,081,070 in fiscal year 2018.

Among other requirements, the District 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 performed by PERS for fiscal year 2016, the District’s proportionate share of PERS’s NPL in fiscal year 2017 was 24.65%, resulting in the recording of a June 30, 2017 pension liability of \$3,316,590,666. As a result of an actuarial study performed by PERS for fiscal year 2017, the District’s proportionate share of PERS’s NPL in

fiscal year 2018 was 24.39%, resulting in the recording of a June 30, 2018 pension liability of \$3,243,379,812. As stated above, the transition to this standard resulted in a negative net position of \$384,660,947 on the District’s Government-wide Statement of Net Position in fiscal year 2017, and a negative net position of \$640,081,070 in fiscal year 2018. The implementation of this standard has no effect at the individual fund statement level. The District 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 Nevada Legislature.

GASB Statement No. 82. In March 2016, GASB issued Statement No. 82, *Pension Issues* (“GASB 82”) with the objective of addressing some issues raised with previous GASB statements 67, 68 and 73. More specifically, GASB 82 addressed the following issues: (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The District implemented GASB 82 in its fiscal year 2018 CAFR.

PERS Contributions by the District. As described above, State statute requires contribution rates be determined on the State’s biennium budget cycle based on an actuary study. While the District 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 District 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.

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

The District’s contribution to PERS for the years ended June 30, 2016, 2017, 2018 and 2019 were \$417,945,381, \$437,647,395, \$447,976,526, and \$449,958,578 respectively, equal to the required contributions for each year. Those contributions include the employee’s portion.

See Note 12 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.

Retiree Healthcare Benefits.

Public Employees’ Benefit Program. The 2003 Nevada Legislature adopted Assembly Bill No. 286 (“AB 286”), which required local governments, including school districts, to subsidize the health insurance premiums of its retired employees who enrolled in the State’s

Public Employees' Benefit Program ("PEBP"). Prior to this, the District did not provide for any post-employment benefits to retirees. The 2007 Nevada Legislature adopted Senate Bill No. 544 ("SB 544"), which eliminated the ability of a retiree to receive coverage for health insurance under the PEBP unless the retiree's last employer was actively participating in the plan. Since the District does not utilize the plan for active employees, the practical effect of SB 544 was that, after November 30, 2008, retired District personnel were no longer eligible to receive health insurance coverage through the PEBP, ensuring that the District would no longer be required to subsidize premiums for retirees after that date. Any members already enrolled in the plan at that date were grandfathered in and were not subject to any benefit terminations.

In the 2007 Nevada Legislature, Senate Bill No. 457 created a procedure which allows local governments to authorize investments to fund their OPEB through trust funds with broader investments powers than the District has. The District has not established such a fund and does not presently plan to do so, and did not pre-fund any portion of the plan.

Accounting for Costs of Retiree Healthcare Benefits. Beginning in fiscal year 2007-2008, Governmental Accounting Standards Board ("GASB") Statement No. 45 required the District to begin recognizing the cost of other postemployment benefits ("OPEB") in the period in which the benefits are incurred, rather than its previous approach in which the cost of benefits was not reported until after employees retired. The District anticipated that the UAAL would be made up primarily of OPEB costs related to retired District personnel who chose benefits provided by the PEBP through AB 286 prior to November 30, 2008; thereafter, OPEB costs would primarily consist of costs attributable to retired employees covered by the District's health benefits plan who decided to continue with that plan. The members of CCASAPE (administrators) and CCEA (licensed teachers) have bargaining unit-sponsored health plans. Members of these bargaining units had the choice of participating in the health benefit program provided by their bargaining units, rather than participating in the PEBP, until November 30, 2008; since that date, those employees will only be covered by the bargaining unit health plans. Other employees did not have such a choice but may have chosen not to participate in PEBP or the District's health plan because of other alternatives (*e.g.*, insurance provided through another source, such as the spouse's employer). In addition, the UAAL includes OPEB costs associated with an "implicit rate subsidy" because retirees are allowed to pay the same premium as active employees.

For the year ended June 30, 2018, the District adopted GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions. This statement replaces the requirements of GASB No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and GASB No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans. The implementation of this standard requires governments calculate and report the costs and obligations associated with other postemployment benefits in their basic financial statements. Employers are required to recognize OPEB amounts for all benefits provided through the plans which include the total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense.

Both Standards require a calculation of a present liability for future non-pension benefits for employees and retirees, also known as the "Actuarial Accrued Liability" in GASB 45 and the "Total OPEB Liability" in GASB 75. Since the District's plan is untrusted (*i.e.*, there is no

trust holding assets for the beneficiaries), GASB 75 prescribes a discount rate equivalent to tax-exempt, high-quality municipal bond. The two standards differ in how the liability is disclosed on the financial statements. Under GASB 75 the OPEB obligation is moved to the plan sponsor's balance sheet versus the notes in the financial statements. GASB 45 recognizes the liability within a footnote of the financial statements, with only a portion of the total liability going on the books through the Net OPEB Obligation. GASB 75 does away with the Net OPEB Obligation, requiring the full liability to be recognized immediately on the balance sheet.

For the purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense have been determined on the same basis as they are reported by the Public Employees' Benefits Program (PEPB). For this purpose, benefit payments are recognized by the District when due and payable in accordance with the benefit terms.

For fiscal year 2019, the District contributed \$13,359,125 to all four plans combined for current premiums and recognized a Total OPEB Liability at year-end of \$216,126,300, which is recorded on the statement of net position.

The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87 percent) or 1-percentage point higher (4.87 percent) than the current discount rate:

	1% Decrease 2.87%	Current Rate 3.87%	1% Increase 4.87%
PEPB Plan	\$148,615,900	\$135,776,200	\$124,776,300
Support Staff/Police Plan	22,861,300	21,264,500	19,811,900
Administrative Plan	18,064,900	16,798,800	15,629,300
Licensed Teach Plan	45,915,400	42,286,800	38,918,300
Total OPEB Liability	\$235,457,500	\$216,126,300	\$199,135,800

The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.5 percent decreasing to 3.5 percent) or 1-percentage-point higher (8.5 percent decreasing to 5.5 percent) than the current healthcare cost trend rates:

	1% Decrease 6.5% decreasing to 3.5%	Trend Rate 7.5% decreasing to 4.5%	1% Increase 8.5% decreasing to 5.5%
PEPB Plan	\$131,655,300	\$135,776,200	\$140,500,100
Support Staff/Police Plan	19,096,800	21,264,500	23,805,500
Administrative Plan	15,155,500	16,798,800	18,691,100
Licensed Teach Plan	35,812,300	42,286,800	49,940,100
Total OPEB Liability	\$201,719,900	\$216,126,300	\$232,936,800

See Note 16 and the Required Supplementary Information in the audited financial statements attached hereto as Appendix A for further information on the District’s OPEB obligations.

District Facilities and Capital Improvement Plan

Existing Facilities and 1998 Capital Program. The District experienced rapid growth over much of the last 20 years and engaged in extensive planning to blend the best utilization of existing facilities with the construction of additional facilities. The District issued bonds during the period 1998-2008 in the amount of \$4.9 billion. Proceeds of those bonds were used to construct 101 new schools, expand or replace 38 schools and provide technology and equipment upgrades and other modernization improvements for 229 schools.

As of the beginning of the 2019-2020 school year, the District operates 362 school programs servicing students in grades kindergarten through 12. Approximately 92% of the District’s educational programs, a total of 332, are located in urban areas of Clark County, Las Vegas, North Las Vegas and Henderson. Approximately 8% of the District’s educational programs, a total of 28, are located in rural Clark County. The following table illustrates the type of schools and the number of each type of school within the District:

<u>District Schools⁽¹⁾</u>	
Elementary	228
Middle	59
Senior High	49
Special	7
Alternative Schools	<u>19</u>
Total	<u>362</u>

(1) As of September 2019. In August 2019, the District opened two additional elementary schools.

In addition to its school buildings, the District owns and operates a variety of facilities in order to accommodate its educational program for the school-age children residing within its boundaries, including administrative facilities, food service facilities, maintenance facilities, transportation centers and a school safety services center.

There are approximately 1,380 acres of vacant land in the District’s inventory; this includes approximately 481 acres of land owned by the District and approximately 899 acres of Bureau of Land Management property consisting of 300 acres in patent; 484 acres under lease; and 115 acres pending lease status. The District also owns numerous vehicles, including a fleet of school buses. Pursuant to District policy, school buses are generally replaced on a 14-year replacement program.

The 2015 Capital Improvement Program. In 2015, two Senate Bills critical to funding capital projects for the District, SB 119 and SB 207, were adopted by the Nevada Legislature. These bills allow the District to issue additional bonds secured by the debt levy approved in the 1998 Election for an additional ten years, through March 4, 2025. See “SECURITY FOR THE 2019B BONDS—District Tax Levies.” After taking SB 119 and SB 207

into account, on September 24, 2015, the Board adopted a \$4.1 billion ten-year capital improvement plan (the “2015 Capital Improvement Program”).

Early in the 2015 legislative session, the District estimated that it could quickly build 12 new schools in the areas where they were most needed and replace two of the District’s oldest elementary schools, for a total of 14 schools to be constructed. The list of school building construction projects was provided to the Nevada Legislature. Based on early examinations of the sites, it was determined that due to the nature or complexity of some of the locations, school construction would be completed in phases. Six new schools and two replacement schools were completed in August 2017 and one new school opened in January 2018. Fiscal year 2020’s timeline includes two new schools and two replacement schools expected to be completed by August 2019. Two phased replacements are also planned in the fiscal year.

On June 6, 2018, the Board revised the 2015 Capital Improvement Program. The revision allocated \$1.6 billion of the \$4.1 billion described above to address the District’s capacity needs. These dollars will allow the District to construct 17 new elementary schools, 1 new middle school, 2 new high schools, 1 new alternative school, and school additions at approximately 41 elementary schools and 3 high schools, providing the equivalent of 16 new elementary schools and 0.6 of a new high school, respectively. The plan may be revised if enrollment growth projections do not continue at the current level. The revision allocated the remaining \$2.5 billion of the \$4.1 billion described above to address replacement of aging schools, and modernization, life cycle and technology needs of the District over the next ten years. The District currently plans to finance approximately 90% of the 2015 Capital Improvement Program with future bond issues.

It is expected that the 2015 Capital Improvement Program will be a dynamic capital program initially defined by guiding principles that will be shaped by the community, District leadership, and Board management. As such, there will be potential changes to future and current construction projects whenever data suggests that there are better suited alternatives or when the principles guiding the strategy of the program are revised or changed in any way.

Five-Year Official Capital Improvement Plan. Pursuant to State law, the District is required to adopt a five-year Capital Improvement Plan (the “Five Year CIP”) in conjunction with its budget process. The Five Year CIP provides information about anticipated capital expenditures and funding sources. The Five Year CIP is a planning tool, and projects may be reprioritized, altered, added or deleted from the Five Year CIP at the discretion of the Board. The current Five Year CIP was adopted on July 11, 2019.

The current Five Year CIP includes approximately \$2.754 billion of projects, including construction of 6 new elementary schools (2 opened in August 2019); 1 new middle school; 1 new high school; 2 new career and technical academies, 1 new alternative school; 11 replacement elementary schools (2 opened in August 2019); 1 replacement middle school; 2 replacement K-8 schools; phased replacement of 2 elementary schools (1 opened in August 2019), 1 career and technical academy and Sandy Valley elementary/secondary classrooms, and 14 elementary school classroom additions for capacity (4 opened in August 2019), as well as replacement of aging technology in schools.

Planned spending under the current Five Year CIP is as follows:

Five Year CIP Summary (in millions)

<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>	<u>Total</u>
\$500.0	\$607.3	\$611.1	\$604.3	\$431.3	\$2,754.0

Planned sources of funding include bond proceeds, Room Tax, Transfer Tax and governmental service tax revenues, available District funds and available fund balance.

Compliance With Federal Laws

General. As a public entity, the District is subject to various federal laws, including, without limitation, those related to the following: environmental matters, accommodation of those with disabilities, the Americans with Disabilities Act, federal regulations relating to instructional aides, etc. The District has a safety and environmental protection section within the Risk Management Division that handles hazardous material issues on an ongoing basis and other than asbestos-containing materials has found no other environmental problems.

The District is also subject to the Americans with Disabilities Act. The District has an ongoing plan for bringing District facilities into compliance with the Act, much of which is being funded from the District’s capital programs. The District believes that the plan it has in place will, upon completion of the steps outlined therein, bring the District’s facilities into compliance with the Americans with Disabilities Act.

Federal regulations relating to instructional aides in Title I classrooms were developed under the No Child Left Behind Act (the “NCLB”). On December 10, 2015, President Obama signed legislation to rewrite the Elementary and Secondary Education Act called the Every Student Succeeds Act (“ESSA”), which replaced the NCLB. ESSA continues to provide services in areas such as reading/language arts to meet academic needs of educationally disadvantaged students in school attendance areas with high concentrations of children from low-income families. Absent sequestration (described below) or other changes to federal law, federal funding is expected to cover most costs associated with ESSA.

Under ESSA, the State accountability system must set long-term student achievement goals with measurements of interim progress. Accountability indicators include test scores, a measure of student growth, English language proficiency, and a four-year graduation rate. The State has received a waiver from the NCLB. The waiver now gives the State the authority to use the State’s accountability system in place of key federal accountability requirements. The State accountability system includes a different method of measuring student achievement, more rigorous national standards and new school and teacher evaluation systems. The State accountability system is used to meet many of the NCLB requirements, including the requisite to annually determine school and District progress in meeting performance targets.

Sequestration. The District is subject to developments at the federal level with respect to the Budget Control Act of 2011 (“sequestration”). The District currently has outstanding the 2010A Bonds and the 2010D Bonds, both of which are qualified school construction bonds

("QSCB") under federal law, thereby entitling the District to certain subsidy payments from the federal government. See the table "Outstanding Bonded Indebtedness" in "DEBT STRUCTURE-- Outstanding Bonded Indebtedness and Other Obligations." As a result of sequestration, the District's QSCB subsidy has been impacted as follows:

Fiscal Year	Date of Subsidy Payment	Percentage of Subsidy Reduction Due to Sequestration	Approximate Negative Financial Impact to District
2014	6/15/14	7.2%	\$437,309
2015	6/15/15	7.3	443,383
2016	6/15/16	6.8	412,691
2017	6/15/17	6.9	418,760
2018	6/15/18	6.6	400,553
2019	6/15/19	6.2	376,277
2020 ⁽¹⁾	6/15/20	5.9	358,070

(1) On August 6, 2019, the Internal Revenue Service announced that the sequestration amount for Federal fiscal year 2020 (which begins October 1, 2019) will be 5.9%. This will impact the amount of the subsidy payment due to the District on June 15, 2020.

Included in that amount are cuts to Title I, Individuals with Disabilities Education Act, Title II, Title III, the 21st Century grant, the Striving Readers grant, the School Improvement grant and numerous grant programs available to school districts. Unless Congress takes the necessary action to avoid sequestration, the District will be forced to reduce programs, projects and spending of federal funds.

Impact of Federal Legislation. The laws described above and other federal laws presently in effect or enacted in the future may require the expenditure of funds on programs without necessarily providing sufficient resources (in the form of federal grants or otherwise) to pay for the mandates of those requirements. The District cannot predict the ultimate effect of this federal legislation on the District.

DISTRICT FINANCIAL INFORMATION

Budgeting

General. Prior to April 15 of each year, the District is required to submit to the State Department of Taxation the tentative budget for the next fiscal year, commencing on July 1. The tentative budget contains the proposed expenditures and means of financing them. After reviewing the tentative budget, the State Department of Taxation is required to notify the District upon its acceptance of the budget. Following acceptance of the proposed budget by the State Department of Taxation, the District is required to conduct public hearings on its budget on the third Wednesday in May and adopt the final budget on or before June 8.

The District is authorized to transfer budgeted amounts subject to Board approval in accordance with statute. Increases to a fund's budget other than by transfers are accomplished through formal action of the Board. With the exception of money appropriated for specific capital projects or Federal and State grant expenditures, all unencumbered appropriations lapse at the end of the fiscal year.

Awards. Government Finance Officers Association of the United States and Canada (the "GFOA") presented the District with its 25th consecutive award for Distinguished Budget Presentation for its annual budget for the fiscal year ending June 30, 2017. In order to receive this award, a governmental unit must publish a public document that meets program criteria in a policy document, as an operations guide, as a financial plan, and a communications device. As of the fiscal year ending June 30, 2018, the GFOA revised their evaluation and submission process. As a result, the GFOA no longer provides an award for Distinguished Budget Presentation. Instead, the GFOA now provides an award for Best Practices in School Budgeting. The District received recognition for "Implementing the Best Practices in School Budgeting" demonstrating progress towards implementing GFOA's budget process guidelines. While the application for the award met some required elements, not all elements were determined to have been implemented; however, the GFOA recognizes that "Implementing the Best Practices in School Budgeting" process improvements are a significant, multi-year undertaking that require broad collaboration and support, which the District continues to work towards. Based on the District reorganization related to AB 469, coupled with the timing of the hiring of Dr. Jara as Superintendent, the Chief Financial Officer made the decision to postpone submitting for an award from the GFOA until the time at which executive staff is confident the new criteria can be submitted to obtain the new designation.

The Association of School Business Officials International awarded the District its Meritorious Budget Award ("MBA") in excellence in budget presentation during the 2017-2018 budget year for the 8th consecutive year. The MBA promotes and recognizes excellence in school budget presentation and enhances school business officials' skills in developing, analyzing and presenting a school budget system. After a review by professional auditors, the award is conferred only on school districts that have met or exceeded the program's criteria. The submission for this award was postponed as well since the requirements needed for this award do not align with the requirements for the GFOA award.

Annual Reports

General. The District prepares a comprehensive annual financial report (“CAFR”) setting forth the financial condition of the District as of June 30 of each fiscal year. The CAFR, which includes the District’s basic audited financial statements, is the official financial report of the District. It is prepared following generally accepted accounting principles (“GAAP”). The latest completed report is for the year ended June 30, 2018. See Note 1 in the audited financial statements attached hereto as Appendix A for a summary of the District’s significant accounting policies.

The audited basic financial statements for the year ended June 30, 2018, which are attached hereto as Appendix A, are excerpted from the CAFR and represent the most recent audited financial statements of the District. Financial statements for prior years may be obtained from the sources listed in “INTRODUCTION--Additional Information.

Certificate of Achievement. The District received the GFOA Certificate of Achievement for Excellence in Financial Reporting for its comprehensive financial report for the fiscal year ended June 30, 2018. This is the 33rd consecutive year the District has received this recognition. 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 acceptable legal requirements.

Accounting

All governmental funds are accounted for using the modified accrual basis of accounting in which revenues are recognized when they become measurable and available as net current assets. Sales and use taxes, hotel room taxes, real property transfer taxes and governmental services taxes are considered “measurable” when in the hands of intermediary collecting governments and are recognized as revenue for the period in which the underlying transaction occurs. Ad valorem taxes are recognized as revenue when due and collected from the taxpayer within 60 days of the fiscal year end.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. The exception to this general rule is principal and interest on general long term debt which are recognized when due. All proprietary funds are accounted for using the accrual basis of accounting in which revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

Room Tax and Transfer Tax

Pursuant to State law, the District collects the proceeds of (a) a tax on lodging in the amount of 1.625% collected within the County (the “Room Tax”) and (b) a tax on the transfer of real property within the County equal to \$0.60 per \$500 of value (the “Transfer Tax”). The Room Tax and the Transfer Tax are currently pledged to certain general obligation (limited tax) bonds of the District, additionally secured by pledged revenue. See “GENERAL OBLIGATION REVENUE BONDS” in the table “Outstanding Bonded Indebtedness” in the section “DEBT STRUCTURE—Outstanding Indebtedness and Other Obligations.” The Room Tax and Transfer

Tax are restricted by statute for capital projects and are deposited to the Capital Projects Fund. See the table “History of Revenues and Expenditures and Budget Information - Capital Projects Fund” in “DISTRICT FINANCIAL INFORMATION—Capital Projects Fund.” Historically, the District has paid debt service with proceeds of the Room Tax and the Transfer Tax on its: (i) its general obligation (limited tax) bonds which are additionally secured by the Room Tax and the Transfer Tax; and (ii) its medium-term bonds, although such taxes are not specifically pledged to the payment of medium-term bonds. In the event that the Room Tax and the Transfer Tax is insufficient to pay debt service on general obligation (limited tax) bonds additionally secured by the Room Tax and Transfer Tax, the District is required to use the proceeds of its \$0.5543 tax rate for debt purposes to pay such debt service. In the event that any legally available sources of funds (such as the Room Tax and the Transfer Tax) are insufficient to pay debt service on medium-term bonds, the District is required to use the proceeds of its \$0.7500 tax rate for operating purposes to pay such debt service.

Potential Additional Sales Tax Revenue

In 2019, the Nevada Legislature adopted Assembly Bill 309 (“AB 309”). AB 309 provides additional financial aid to certain education and training programs and programs to address truancy, homelessness, and affordable housing. AB 309 specifically enables Nevada counties to levy up to 0.25% additional sale tax for the following purposes: 1) one or more programs of early childhood education, 2) one or more programs of adult education, 3) one or more programs to reduce truancy, 4) one or more programs to reduce homelessness, 5) certain matters relating to affordable housing, 6) incentives for the recruitment or retention of licensed teachers for high-vacancy schools, and 7) certain programs for workforce training.

On September 3, 2019, the Clark County Board of Commissioners approved an ordinance increasing the County sales tax by 0.125%, and directed County staff to develop a program of grants and potential recipients (e.g., the District) which would need to apply for them while setting related measurable goals. Although AB 309 does not have a sunset, the County ordinance does have a June 2021 sunset. While the District intends to respond with applications to participate in this new program, it is unclear what if any funding will be made available to the District.

General Operating Fund

General. The General Operating Fund consists of two funds, the General Fund and the Special Education Fund. The General Operating Fund includes the budgets necessary for the basic instruction of students and the day-to-day operational activities of the District.

The purpose of the General Fund is to finance the ordinary operations of the District (including debt service on general obligation (limited tax) bonds such as the 2019B Bonds to the extent that the ad valorem tax levy is not sufficient to service outstanding debt, and including debt service on medium-term bonds to the extent other legally available revenues such as Room Taxes and Transfer Taxes are not sufficient to service outstanding debt) and to finance those operations not provided for in other funds. The purpose of the District’s Special Education Fund is to separately account for revenues and expenditures related to the education of students with special needs. Although the Special Education Fund is a special revenue fund for accounting purposes, the

District budgets it in conjunction with the General Fund because a large portion (approximately 72.1% in fiscal year 2018) of its operating revenues are contributed by the General Fund. However, in the District's government-wide financial statements, the Special Education Fund is a Major Special Revenue Fund separate from the General Fund.

Sources of Funding. The operating revenues of school districts are derived primarily from local and State sources as dictated by State law. School districts also receive federal revenues and miscellaneous revenues.

Local Sources. The District's local operating revenue sources are comprised largely of its \$0.7500 tax rate for operating purposes and the Local School Support sales and use taxes (the "LSST"), a sales and use tax equal to 2.60% of taxable sales. See "ECONOMIC AND DEMOGRAPHIC INFORMATION—Retail Sales."

As shown below in the table "History of Revenues and Expenditures and Budget Information – General Operating Fund," the District received \$442,399,386, \$465,877,789 and \$491,280,512 from ad valorem property taxes (including net proceeds of mines) in fiscal years 2017, 2018 and 2019 (unaudited), respectively, accounting for approximately 20.2%, 20.0% and 20.9% of General Operating Fund revenues in those years. The District has budgeted \$521,243,000 in fiscal year 2020, accounting for approximately 21.7% of General Operating Funds.

As shown below in the table "History of Revenues and Expenditures and Budget Information – General Operating Fund" in the line item "Sales Taxes," the District received \$948,930,571, \$998,300,029 and \$1,058,818,375 from the LSST for fiscal years 2017, 2018 and 2019 (unaudited), respectively, accounting for approximately 43.3%, 42.9% and 45.1% of General Operating Fund revenues in those years. The District has budgeted \$1,100,530,000 in fiscal year 2020. All of the property tax revenues and the LSST revenues are accounted for in the General Fund.

Other local operating sources in the General Operating Fund include revenues received from a governmental services tax (motor vehicle license fees), utility franchise fees, earnings on investments, tuition and summer school fees, athletic proceeds, facility rentals, donations and grants and miscellaneous sources. None of these sources of revenue account for significant amounts of General Operating Fund revenues.

State Sources. State revenue sources consist primarily of payments from the State Distributive School Account (the "DSA") received pursuant to the Nevada Plan for School Finance (the "Nevada Plan"). The revenue for the DSA is received statewide from the following seven sources: (a) appropriation from the State General Fund; (b) a portion of the annual excise tax of \$250 for each slot machine operated in the State; (c) revenue from mineral leases on federal land; (d) interest earned on the Permanent School Fund established by the State constitution; (e) sales tax currently at a rate of 2.6% on out-of-state sales that cannot be attributed to a particular county; (f) recreational and medical marijuana excise taxes; and (g) a transient lodging tax at a rate of 3% due to Initiative Petition 1.

Each school district’s share of State aid is set by the Nevada Legislature for the biennium in accordance with a formula set forth in the Nevada Plan. The Nevada Plan was adopted by the Nevada Legislature in 1967 to compensate for wide local variations in resources and in cost per pupil. It is designed to provide reasonable equal educational opportunity and can be expressed in a formula partially on a per-pupil basis and partially on a per-program basis. The formula in the Nevada Plan contains four basic calculations: equalized basic support ratios, wealth adjustment factors, transportation allotments, and guaranteed basic support. To protect districts during times of declining enrollment, State law contains a “hold-harmless” provision which provides that the guaranteed level of funding is based on the higher of the current or the previous year’s enrollment (unless the decline in enrollment is more than 5%, in which case the funding is based on the higher of the current or the previous two years’ enrollment).

Set forth in the following table is a five-year history of per-pupil State guaranteed support for the District and historical District DSA revenue, as well as budgeted 2020 information.

Historical Per-Pupil Support and DSA Revenue

Fiscal Year ⁽¹⁾	Per-Pupil State Support		District DSA Revenue		
	<u>Amount</u>	<u>Percent Change</u>	<u>Amount</u>	<u>Percent Change</u>	<u>Percent of General Operating Fund Revenue</u>
2015	\$5,527	--	\$736,734,504	--	34.8%
2016	5,512	(0.3)%	700,582,079	(4.9)%	32.7
2017	5,574	1.1	706,134,626	0.8	32.2
2018	5,700	2.3	757,944,673	7.3	32.6
2019	5,781	1.4	697,498,911	(8.0)	29.7
2020	5,863 ⁽²⁾	1.4	671,033,000	(3.8)	28.0

(1) Represents fiscal years ending June 30 of each year indicated.

(2) Budgeted.

Sources: District financial statements; 2020 Final Budget.

The District also receives special State appropriations for various purposes; however, those appropriations generally do not represent significant amounts of General Operating Fund revenues.

The Nevada Plan provides a substantial guarantee of revenue support for the District’s General Operating Fund budget. Under the Nevada Plan, the District is generally protected from fluctuations in receipts of the LSST (see “Local Sources” above) and from fluctuations in receipts with respect to one-third of the revenues generated by the \$0.7500 (*i.e.*, as to \$0.2500) tax rate for operating purposes (see “Local Sources” above) by virtue of the State’s guarantee of such receipts from those tax sources to the District. The effect of this guarantee is that over 75% of the District’s budgeted General Operating Fund revenue is statutorily fixed as a State obligation and is therefore not generally subject to revenue fluctuations during the course of the school year. Also see “PROPERTY TAX INFORMATION--Required Property Tax Abatements.”

Replacement of the Nevada Plan with the Pupil-Centered Funding Plan. Effective with the 2021-2023 biennium, Senate Bill 543 (“SB 543”), which was adopted by the Legislature

in its 2019 legislative session, will replace the Nevada Plan with the “Pupil-Centered Funding Plan.” The Pupil-Centered Funding Plan will combine money raised pursuant to State law at the local level with State money to provide a certain basic level of support to each pupil in the State which is adjusted: (1) to account for variation in the local costs to provide a reasonably equal educational opportunity to pupils; and (2) for the costs of providing a reasonably equal educational opportunity to pupils with certain additional educational needs. SB 543 creates the State Education Fund and identifies numerous sources of revenues to be deposited into the State Education Fund, in addition to direct legislative appropriations from the State General Fund, and also authorizes the Superintendent of Public Instruction to create one or more accounts in the State Education Fund for the purpose of administering money received from the federal government. SB 543 directs certain sources of revenues to the State Education Fund and makes conforming changes for the direction of such sources of revenues to the State Education Fund and the replacement of the State Distributive School Account with the State Education Fund. The New State Education Fund will eventually replace the current DSA.

SB 543 directs all major local sources of school district funding, including the operating portion of locally collected property taxes and the school districts’ portion of the LSST, to the State Education Fund. Thus, the distinction in the current Nevada Plan between State sources of revenues, which are held in the DSA and are guaranteed, and local revenue sources, which are not guaranteed, will cease effective on July 1, 2021. At that point, the State will make equal monthly distributions to school districts from the State Education Fund, which will equal one-twelfth of budgeted revenues less any amount set aside as a reserve.

Further, under SB 543, school districts’ base per-pupil funding amount will no longer be guaranteed. SB 543 creates the Education Stabilization Account in the State Education Fund and provides for the funding of the Education Stabilization Account. Once the Education Stabilization Account is funded, SB 543 provides for possible use of the money in such account to provide relief to school districts when collection of revenues will result in the State Education Fund receiving less than 97 percent of what has been budgeted.

SB 543 requires the Legislature, after making a direct legislative appropriation to the State Education Fund, to determine the statewide base per pupil funding amount for each fiscal year of the biennium, based on numerous factors. SB 543 further requires the Legislature to appropriate the State Education Fund, less the money in the Education Stabilization Account or certain potential federal funds, amounts deemed sufficient by the Legislature to finance various educational needs of the State. Additional weighted funding will be applied to the base per pupil funding amount based on certain factors, including English learners, at-risk pupils, pupils with a disability, and gifted and talented pupils.

Due to its recent passage, it is not possible for the District to predict how SB 543 will influence its operations or finances. Further, the Nevada Legislature may amend the provisions of the Pupil-Centered Funding Plan at any time, including the various funding formulas embedded within it. As adopted, however, SB 543 is not expected to have any impact on the revenues pledged to the District’s limited tax general obligation debt (including the 2019B Bonds) or medium-term bonds (including the 2019C Bonds).

Federal Sources. The District also receives General Operating Fund revenues from various federal sources, including federal impact aid and federal forest reserve funds.

Other Sources. The District also receives General Operating Fund revenues from sales of District property, proceeds from insurance and other miscellaneous sources.

History of Revenues and Expenditures; Budget Summary. The following table (“History of Revenues and Expenditures and Budget Information – General Operating Fund”) sets forth a history of the financial operations for the General Operating Fund (which includes the General Fund and the Special Education Fund), the 2019 Amended Final Budget, 2019 estimated actual results, and the 2020 Final Budget. The information for fiscal years 2014-2018 was derived from the District’s audited financial statements for each of those years. The 2019 Amended Final Budget was approved by the Board on December 13, 2018. The 2020 Final Budget was approved by the Board on May 20, 2019. See “Chief Financial Officer’s Analysis of Material Financial Trends and Recent Developments” below for a description of factors used in formulating the 2019 Final Budget.

The information in this table should be read together with the District’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.” This table is not presented in accordance with GAAP, as the two funds contained in the General Operating Fund are different fund types for accounting purposes. Further, State law requires that all funds used for special education purposes be segregated; the District accounts for those funds in the Special Education Fund. Accordingly, 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 2019B&C Bonds.

The expenditures in the Special Education Fund exceed the revenues in each year. The District transfers funds from the General Fund to the Special Education Fund in an amount sufficient to cover the deficiency; the Special Education Fund does not have a fund balance.

General Fund Reserve Policy. It is the District’s policy (set forth in District Regulation 3110) to maintain budgeted reserves in the General Fund in an amount equal to 2% of General Fund revenues as an unassigned fund balance. Due to limited funding resources, and in order to achieve balanced budgets, in each fiscal year since fiscal year 2010, the Board has been required to temporarily suspend Regulation 3110, although it remains the goal of the Board to meet this regulation in the future. The District’s unassigned ending fund balances for the past five fiscal years and the District’s budgeted unassigned ending fund balances for the current and next fiscal years are described below.

Unassigned General Fund Balance, Fiscal Years 2014-2016. As part of a multiple year plan to restore the unassigned ending fund balance back to the 2% requirement, the District increased reserves in fiscal years 2013 through 2016, resulting in unassigned ending fund balances equal to 1.25%, 1.50%, and 1.75%, respectively, of General Fund revenues.

Unassigned General Fund Balance, Fiscal Year 2017. The District experienced a series of events in fiscal year 2017, after the adoption of its 2018 Final Budget, that deteriorated the progress achieved in increasing reserves from 2014 through 2016, including a May 2017 CCASAPE arbitration settlement, the reduction of special education contingency funds, a higher Risk Management obligation, and the non-receipt of all anticipated Full-Day Kindergarten revenue. As a result, the 2018 Amended Final Budget's beginning fund balance decreased \$37.7 million to \$42.3 million, with an unassigned ending fund balance of 0.29% of General Operating Fund revenues. In response, the District implemented approximately \$60.0 million in budget cuts.

Unassigned General Fund Balance, Fiscal Year 2018. In fiscal year 2018, the Board waived the 2.0% unassigned ending fund balance requirement and implemented budget cuts which resulted in an unassigned ending fund balance of 0.81% of revenues, or \$18.9 million, while attaining an ending fund balance of \$66.8 million, a \$24.5 million improvement over fiscal year 2017.

Budgeted Unassigned General Fund Balance, Fiscal Year 2019. The District is currently on track to achieve a 1.75%, or \$41.0 million, unassigned ending fund balance for fiscal year 2019. This would represent a 117.4% improvement over fiscal year 2018. The ending fund balance is projected to be \$103.5 million. The foregoing is based upon actual (unaudited) results through April 30, 2019, and District projections, and is not guaranteed to occur. See "INTRODUCTION – Forward-Looking Statements."

Budgeted Unassigned General Fund Balance, Fiscal Year 2020. The District has budgeted in fiscal year 2020 a 2.0% unassigned fund balance, which equates to \$47.9 million on projected revenue of \$2.4 billion. This budgeted amount is subject to future unknown events and is not guaranteed to occur.

The actual audited (for fiscal years 2014-2018), actual unaudited (for fiscal year 2019) and budgeted (for fiscal years 2019-2020) ending unassigned General Fund balance is shown in the following table.

History of Revenues and Expenditures and Budget Information - General Operating Fund⁽¹⁾

<u>Fiscal Year Ending June 30</u>	<u>Actual</u> <u>2014</u>	<u>Actual</u> <u>2015</u>	<u>Actual</u> <u>2016</u>	<u>Actual</u> <u>2017</u>	<u>Actual</u> <u>2018</u>	<u>Amended</u> <u>Final Budget</u> <u>2019</u>	<u>Actual</u> <u>(Unaudited)</u> <u>2019⁽⁵⁾</u>	<u>Final</u> <u>Budget</u> <u>2020</u>
Beginning Fund Balance	\$92,596,487	\$119,902,569	\$105,624,469	\$71,835,199	\$42,315,495	\$66,829,399	\$66,829,399	\$103,450,000
<u>Revenues</u>								
Local Sources								
Property Taxes	397,118,677	410,706,438	430,830,444	442,399,386	465,877,789	489,384,000	491,280,512	521,243,000
Sales Taxes	832,511,729	881,056,204	914,035,783	948,930,571	998,300,029	1,018,449,000	1,058,198,031	1,100,530,000
Other	85,755,058	85,980,359	96,305,224	92,118,421	102,226,954	93,866,000	93,810,250	100,652,000
State Sources ⁽²⁾	752,389,804	736,734,504	700,582,079	706,134,626	757,944,673	740,431,000	697,498,911	671,033,000
Federal Sources	237,429	340,659	157,399	4,072,320	1,437,235	1,600,000	1,523,716	1,191,000
Total Revenues	<u>2,068,012,697</u>	<u>2,114,818,164</u>	<u>2,141,910,929</u>	<u>2,193,655,324</u>	<u>2,325,786,680</u>	<u>2,343,730,000</u>	<u>2,342,311,420</u>	<u>2,394,649,000</u>
<u>Expenditures</u>								
Regular Programs	960,048,587	972,713,565	981,258,909	987,684,954	1,043,843,942	1,085,192,340	1,056,818,375	1,143,169,100
Special Programs	325,796,722	339,846,969	354,634,990	375,695,936	387,629,637	392,279,417	395,247,518	417,454,261
Vocational Programs	6,964,108	7,123,998	6,799,367	6,332,565	6,738,232	6,879,248	6,151,022	6,826,273
Other Instructional Programs	40,079,397	42,676,997	48,398,023	45,890,619	43,579,987	51,899,574	40,180,879	50,484,956
Undistributed Expenditures	<u>763,272,305</u>	<u>800,810,362</u>	<u>818,522,138</u>	<u>810,368,833</u>	<u>847,406,674</u>	<u>866,127,834</u>	<u>845,193,761</u>	<u>857,877,410</u>
Total Expenditures	<u>2,096,161,119</u>	<u>2,163,171,891</u>	<u>2,209,613,427</u>	<u>2,225,972,907</u>	<u>2,329,198,472</u>	<u>2,402,378,413</u>	<u>2,343,591,555</u>	<u>2,475,812,000</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(28,148,422)</u>	<u>(48,353,727)</u>	<u>(67,702,498)</u>	<u>(32,317,583)</u>	<u>(3,411,792)</u>	<u>(58,648,413)</u>	<u>(1,280,135)</u>	<u>(81,163,000)</u>
<u>Other Financing Sources (Uses)</u>								
Net Transfers to Other Funds ⁽³⁾	(4,909,472)	(2,052,025)	(5,817,053)	(29,314,664)	--	(358,986)	--	--
Sale of Medium-Term Bonds	--	--	33,470,000	29,935,000	23,945,000	35,750,000	35,750,000	30,000,000
Premium on GO Bonds	1,576,637	--	6,260,281	2,177,543	2,738,996	1,556,000	1,556,125	--
GO Refunding Bonds	32,855,000	--	--	--	--	--	--	--
Gain/Loss on Disposal of Assets	--	--	--	--	1,241,700	700,000	594,611	414,000
Transfers from Other Funds ⁽⁴⁾	<u>25,932,339</u>	<u>36,127,652</u>	--	--	--	--	--	--
Total Other	<u>55,454,504</u>	<u>34,075,627</u>	<u>33,913,228</u>	<u>2,797,879</u>	<u>27,925,696</u>	<u>37,647,014</u>	<u>37,900,736</u>	<u>30,414,000</u>
Net Change in Fund Balance	<u>27,306,082</u>	<u>(14,278,100)</u>	<u>(33,789,270)</u>	<u>(29,519,704)</u>	<u>24,513,904</u>	<u>(21,001,399)</u>	<u>36,620,600</u>	<u>(50,749,000)</u>
<u>Ending Fund Balance</u>								
Nonspendable Fund Balance	5,260,902	5,227,043	4,792,828	3,661,692	3,551,143	4,000,000	4,000,000	4,000,000
Restricted Fund Balance	202,114	198,492	10,645,907	31,543,840	37,943,423	--	57,650,000	--
Assigned Fund Balance	88,589,394	68,476,662	18,913,023	742,017	6,465,750	800,000	800,000	800,000
Unassigned Fund Balance	25,850,159	31,722,272	37,483,441	6,367,946	18,869,083	41,028,000	41,000,000	47,901,000
Unassigned Fund Balance % of Revenues	1.25%	1.50%	1.75%	0.29%	0.81%	1.75%	1.75%	2.00%

(Footnotes on following page)

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- (1) Includes combined information for the District's General Fund and Special Education Fund.
 - (2) See "General Operating Fund—Sources of Funding—State Sources" above.
 - (3) Net of the transfer between the General Fund and the Special Education Fund. In 2016, transfer represents a transfer (\$5.8 million) to the State Grant Fund for Full Day Kindergarten. In 2017, transfer represents a transfer (\$29 million) to the State Grant Fund for Full Day Kindergarten.
 - (4) The 2014 transfer represents a transfer (\$25.9 million) from the Special Revenue Funds for class size reduction. The 2015 transfer represents a transfer from the Special Revenue Fund for class size reduction.
 - (5) Based upon unaudited actual financial statements through April 30, 2019, and estimates derived from the 2020 Final Budget.

Sources: District's CAFRs for fiscal years 2014-2018; Amended 2019 Final Budget; unaudited financial statements for the period July 1, 2018, through April 30, 2019; and the 2020 Final Budget.

Debt Service Fund

The Debt Service Fund is used to accumulate moneys for payment of voter-approved general obligation bonds and general obligation bonds additionally secured by certain pledged revenues consisting of the Room Tax and Transfer Tax. NRS 350.020 requires the District to establish and maintain a debt reserve account (described under “DISTRICT FINANCIAL INFORMATION—Statutory Reserve”). The District uses the combined fund balances in the Debt Service Fund and in the Capital Projects Fund to comply with this requirement.

The following table sets forth a history of the financial operations for the District’s Debt Service Fund, the 2019 Amended Final Budget and the 2020 Final Budget. The information for fiscal years 2014-2018 was derived from the District’s audited financial statements for each of those years. The 2019 Amended Final Budget was approved by the Board on December 13, 2018. The 2020 Final Budget was approved by the Board on May 20, 2019. See “Chief Financial Officer’s Analysis of Material Financial Trends and Recent Developments” below for a description of factors used in formulating the 2020 Final Budget.

The information in this table should be read together with the District’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.”

History of Revenues and Expenditures and Budget Information - Debt Service Fund

<u>Fiscal Year Ending June 30</u>	<u>Actual 2014</u>	<u>Actual 2015</u>	<u>Actual 2016</u>	<u>Actual 2017</u>	<u>Actual 2018</u>	<u>Amended Final Budget 2019</u>	<u>Actual (Unaudited) 2019⁽²⁾</u>	<u>Final Budget 2020</u>
<u>Revenues</u>								
Local Sources								
Property Taxes	\$297,236,844	\$307,869,927	\$323,526,020	\$333,648,333	\$352,174,204	\$369,000,000	\$370,000,000	\$393,700,000
Other Local Sources	10,198	35,625	26,830	75,899	147,645	25,000	125,000	125,000
Investment Income	<u>1,675,687</u>	<u>886,757</u>	<u>1,007,666</u>	<u>634,344</u>	<u>1,619,575</u>	<u>1,000,000</u>	<u>1,500,000</u>	<u>1,500,000</u>
Total Revenues	298,922,729	308,792,309	324,560,516	334,358,576	353,941,424	370,025,000	371,625,000	395,325,000
<u>Expenditures</u>								
Debt Service								
Bond Principal Retirement	339,665,000	312,475,000	276,190,000	295,730,000	309,535,000	292,390,000	292,390,000	254,490,000
Interest on Bonds	151,995,089	131,837,127	132,195,695	125,602,981	121,907,789	131,084,685	131,084,685	137,867,209
Bond Issuance Costs	432,508	450,089	2,991,744	2,035,489	140,663	--	--	--
Purchased Services	<u>124,561</u>	<u>125,283</u>	<u>124,823</u>	<u>125,102</u>	<u>124,186</u>	--	--	--
Total Expenditures	492,217,158	444,887,499	411,502,262	423,493,572	431,707,638	423,474,685	423,474,685	392,357,209
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(193,294,429)</u>	<u>(136,095,190)</u>	<u>(86,941,746)</u>	<u>(89,134,996)</u>	<u>(77,766,214)</u>	<u>(53,449,685)</u>	<u>(51,849,685)</u>	<u>2,967,791</u>
Other Financing Sources⁽¹⁾	95,919,160	84,513,632	103,529,365	101,571,941	97,445,383	94,415,915	94,415,915	88,851,465
Net Change in Fund Balance	(97,375,269)	(51,581,558)	16,587,619	12,436,945	19,679,169	40,966,230	42,566,230	91,819,256
Beginning Fund Balance	<u>175,795,693</u>	<u>78,420,424</u>	<u>26,838,866</u>	<u>43,426,485</u>	<u>55,863,430</u>	<u>75,542,599</u>	<u>75,542,599</u>	<u>118,108,829</u>
Ending Fund Balance	<u>\$78,420,424</u>	<u>\$26,838,866</u>	<u>\$43,426,485</u>	<u>\$55,863,430</u>	<u>\$75,542,599</u>	<u>\$116,508,829</u>	<u>\$118,108,829</u>	<u>\$209,928,085</u>

(1) Represents the net effect of transfers to/from the Capital Projects Fund and other funds for debt service and the debt service reserve (including transfers permitted under prior law to the Capital Projects Fund for asbestos removal).

(2) Based upon unaudited actual financial statements through April 30, 2019, and estimates derived from the 2020 Final Budget.

Sources: District's CAFRs for fiscal years 2014-2018; Amended 2019 Final Budget; unaudited financial statements for the period July 1, 2018, through April 30, 2019; and the 2020 Final Budget.

Capital Projects Fund

The statutorily required Capital Projects Fund is used to account for the revenues pledged to certain outstanding bonds of the District which are general obligation bonds secured by additional pledged revenues consisting primarily of the Room Tax and Transfer Tax. The District has historically paid debt service on medium-term bonds from the Capital Projects Fund. The Capital Projects Fund is a component of the District's Bond Fund. Accordingly, the Capital Projects Fund is not reflected as a stand-alone fund in the audited financial statements attached hereto as Appendix A.

NRS 350.020 requires the District to establish and maintain a debt reserve account (described under "DISTRICT FINANCIAL INFORMATION—Statutory Reserve"). The District uses the combined fund balances in the Debt Service Fund and in the Capital Projects Fund to comply with this requirement.

The following table provides a history of the financial operations for the Capital Projects Fund, the 2019 Amended Final Budget and the 2020 Final Budget. The information for fiscal years 2014-2018 was derived from the District's audited financial statements for each of those years. The 2019 Amended Final Budget was approved by the Board on December 13, 2018. The 2020 Final Budget was approved by the Board on May 20, 2019. See "Chief Financial Officer's Analysis of Material Financial Trends and Recent Developments" below for a description of factors used in formulating the 2020 Final Budget.

The information in this table should be read together with the District'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."

History of Revenues and Expenditures and Budget Information - Capital Projects Fund⁽¹⁾

<u>Fiscal Year Ending June 30</u>	<u>Actual 2014</u>	<u>Actual 2015</u>	<u>Actual 2016</u>	<u>Actual 2017</u>	<u>Actual 2018</u>	<u>Amended Final Budget 2019</u>	<u>Actual (Unaudited) 2019⁽⁵⁾</u>	<u>Final Budget 2020</u>
Revenues								
Real Estate Transfer Tax ⁽²⁾	\$21,311,525	\$22,146,920	\$26,522,633	\$29,070,252	\$35,704,237	\$36,500,000	\$36,500,000	\$38,600,000
Room Tax	74,067,663	81,297,840	88,585,165	95,672,595	96,752,890	96,800,000	96,800,000	96,800,000
Investment Income ⁽³⁾	1,115,327	1,203,992	1,766,165	1,103,570	4,178,956	2,600,000	5,100,000	4,600,000
Federal Sources ⁽⁴⁾	<u>5,636,421</u>	<u>5,630,347</u>	<u>5,656,298</u>	<u>5,650,229</u>	<u>5,668,436</u>	<u>5,650,000</u>	<u>5,650,000</u>	<u>5,650,000</u>
Total Revenues	<u>102,130,936</u>	<u>110,279,099</u>	<u>122,530,261</u>	<u>131,496,646</u>	<u>142,304,519</u>	<u>141,550,000</u>	<u>144,050,000</u>	<u>145,650,000</u>
Expenditures								
	--	--	--	--	--	--	--	--
Other Financing (Uses)								
Transfer to Capital Fund	--	(917,776)	--	--	--	--	--	--
Transfer to Building & Sites Fund	(1,499,207)	--	--	--	--	--	--	--
Transfer to Debt Service Fund	<u>(83,151,333)</u>	<u>(83,188,392)</u>	<u>(99,700,893)</u>	<u>(98,459,758)</u>	<u>(97,165,318)</u>	<u>(94,415,915)</u>	<u>(94,415,915)</u>	<u>(88,851,465)</u>
Total	<u>(84,650,540)</u>	<u>(84,106,168)</u>	<u>(99,700,893)</u>	<u>(98,459,758)</u>	<u>(97,165,318)</u>	<u>(94,415,915)</u>	<u>(94,415,915)</u>	<u>(88,851,465)</u>
Net Change in Fund Balance	17,480,396	26,172,931	22,829,368	33,036,888	45,139,201	47,134,085	49,634,085	56,798,535
Beginning Fund Balance	<u>99,314,658</u>	<u>116,795,054</u>	<u>142,967,985</u>	<u>165,797,353</u>	<u>198,834,241</u>	<u>243,973,442</u>	<u>243,973,442</u>	<u>293,607,527</u>
Ending Fund Balance	<u>\$116,795,054</u>	<u>\$142,967,985</u>	<u>\$165,797,353</u>	<u>\$198,834,241</u>	<u>\$243,973,442</u>	<u>\$291,107,527</u>	<u>\$293,607,527</u>	<u>\$350,406,062</u>

(1) The Capital Projects Fund is comprised of certain revenues of the District's Bond Fund and is used to account for the revenues pledged to certain general obligation bonds which are additionally secured by pledged revenues, consisting primarily of the Room Tax and the Transfer Tax. This fund constitutes the Capital Projects Fund required to be established pursuant to State law.

(2) Defined herein as the Transfer Tax. See "Room Tax and Transfer Tax" above.

(3) Includes investment earnings and net changes in the fair value of investments.

(4) Represents interest subsidy payments received or expected to be received from the U.S. Treasury and applied or expected to be applied toward the interest payments on debt incurred on direct-pay QSCBs issued by the District, currently comprised of the 2010A Bonds and the 2010D Bonds. See "CLARK COUNTY SCHOOL DISTRICT—Compliance With Federal Laws—Sequestration."

(5) Based upon unaudited actual financial statements through April 30, 2019, and estimates derived from the 2020 Final Budget.

Sources: District's CAFRs for fiscal years 2014-2018; Amended 2019 Final Budget; unaudited financial statements for the period July 1, 2018, through April 30, 2019; and the 2020 Final Budget.

Other District Funds

As illustrated by the audited basic financial statements attached hereto as Appendix A, the District maintains numerous other funds, including additional governmental, special revenue, capital projects, enterprise, internal service and agency funds. See Note 1 in the audited financial statements attached hereto as Appendix A for a description of the various fund types and the District's significant accounting policies.

Statutory Reserve Requirement

NRS 350.020 requires the Board to establish a reserve account within its debt service fund for payment of the outstanding bonds of the District (the "Statutory Reserve"). NRS 387.328 permits school districts to use funds in a capital projects fund to pay debt service on bonds. Accordingly, the Statutory Reserve requirement is satisfied through the combined total ending fund balance in the District's Debt Service Fund (see the table "History of Revenues and Expenditures and Budget Information – Debt Service Fund") and the District's Capital Projects Fund (see the table "History of Revenues and Expenditures and Budget Information – Capital Project Fund"). The Statutory Reserve must be established and maintained in an amount at least equal to the lesser of: 25% of the amount of principal and interest payments, net of any subsidies, due on all of the outstanding bonds of the District in the next fiscal year, or 10% of the outstanding principal amount of the District's bonds, or any other amount required by statute (the "Statutory Reserve Requirement").

If the amount in the Statutory Reserve falls below the Statutory Reserve Requirement, NRS 350.020(6) provides that: (a) the Board shall not issue additional bonds pursuant to NRS 350.020(4) until the Statutory Reserve is restored to an amount equal to the Statutory Reserve Requirement; and (b) the Board shall apply all of the taxes levied by the District for payment of bonds of the District that are not needed for payment of the principal and interest on bonds of the District in the current fiscal year to restore the Statutory Reserve to an amount equal to the Statutory Reserve Requirement.

The funds in the Statutory Reserve are not pledged to pay debt service on the 2019B&C Bonds or other outstanding bonds of the District. Funds in excess of the Statutory Reserve may be used to fund capital projects on a pay-as-you-go basis.

After the issuance of the 2019B&C Bonds, the amount required to be on deposit in the Statutory Reserve in order to meet the Statutory Reserve Requirement is estimated to be \$97,737,260.* The estimated combined fund balances available for the Statutory Reserve Requirement is \$411,716,356 as of June 30, 2019. Therefore, the District estimates that it will have approximately \$313,979,096* in excess reserves as of June 30, 2019. The calculation of the Statutory Reserve Requirement is shown in the following table:

* Subject to change.

Statutory Reserve Requirement

Estimated Debt Service Fund Balance as of 6/30/19	\$118,108,829
Estimated Capital Projects Fund Balance as of 6/30/19	<u>293,607,527</u>
Total Estimated Available for Statutory Reserve Requirement	411,716,356
25% of 2019-2020 estimated debt service* ⁽¹⁾⁽²⁾	\$ 97,737,260
10% of Outstanding and Proposed Par Amount as of 10/1/19 ⁽²⁾	292,509,500
Lesser of 25% of debt service or 10% of outstanding par amount (i.e., the Statutory Reserve Requirement)	<u>(97,737,260)</u>
Excess Over Statutory Reserve Requirement	\$313,979,096

(1) Includes full interest payments due on the Series 2010A Bonds and Series 2010D Bonds, which were issued as direct-pay QSCBs.

(2) Includes all outstanding general obligation bonds as of such date, but including the issuance of the 2019B&C Bonds.

Chief Financial Officer’s Analysis of Material Financial Trends and Recent Developments

General; Recent Bonding Authority. The District has historically benefitted from an increasing tax base that has partially enabled the District to respond to associated growth in enrollment, although the District experienced a significant decline in its tax base during fiscal years 2009-2013. See “CLARK COUNTY SCHOOL DISTRICT--Enrollment” and “PROPERTY INFORMATION--Property Tax Base” and “Property Tax Collections.” The derived benefits were evidenced by the approval of voters in 1998 to maintain the property tax rate, which enabled the District to continue to issue bonds until 2008 in support of its school construction program. Original projections estimated that approximately \$3.5 billion of bond capacity would be available to the District during the 1998-2008 period as a result of this approval and the legislation authorizing it. However, the revenues that were available resulted in an actual capacity of approximately \$4.9 billion during that period.

In response to the District’s continued facility needs, in 2015 the Nevada Legislature passed SB 119 and SB 207 that extended the District’s bonding authority, granted in 1998, to issue bonds against the local property tax debt rate for the next ten years. Specific projects related to the extended bond authority are discussed in “CLARK COUNTY SCHOOL DISTRICT—District Facilities and Capital Improvement Plan.”

Statutory Reserve Requirement. Included in the 2015 legislation was the Statutory Reserve Requirement discussed in “Statutory Reserve Requirement” above. As noted above, the District satisfies the Statutory Reserve Requirement with balances in its Debt Service Fund and Capital Projects Fund, which may by State statute be applied only toward debt service and capital projects. This combined fund balance was \$169.8 million in fiscal year 2015, \$209.2 million in fiscal year 2016, \$254.7 million in fiscal year 2017, and \$319.5 million in fiscal year 2018.

The Debt Service Fund and Capital Projects Fund ending balances are budgeted to increase by approximately \$148.6 million in fiscal year 2019. While the Statutory Reserve Requirement as of June 30, 2019 (after taking into account the issuance of the 2019B&C Bonds) is estimated to be approximately \$97.7 million,* the combined fund balances available to satisfy

* Subject to change.

the Statutory Reserve Requirement are estimated to be approximately \$411.7 million as of June 30, 2019. It is the District's goal to continue to maintain reserves in excess of the Statutory Reserve Requirement. These balances, being restricted from other use by State law, provide both a margin of security for the District's bonds and the opportunity to support increases in bonded debt while maintaining stability in property tax rates.

District Budget Development. The District bases its annual budgets on estimated revenues and expenditures for the coming budget year. These revenues and expenditures include numerous factors, including but not limited to, current assessed valuation, State per pupil support, federal support, Room Tax and Transfer Tax projections, debt service on bonds, labor negotiations, and enrollment. Due to these dynamic factors, the District adopts a final budget no later than June 8 of each year, and adopts an amended final budget in December of each year.

Recent Increases in Assessed Valuation. Since 2013, taxable assessed valuation has increased each year, most recently increasing by 6.1% from 2017 to 2018, by 7.5% from 2018 to 2019, and by 9.3% from 2019 to 2020. Due to State law constraints, however, District ad valorem property tax revenues (General Fund and Debt Service Fund combined) have increased by a smaller percentage since 2013 than the percentage by which District assessed value has increased. See the table "History of Assessed Value and Property Tax Revenues" in "PROPERTY TAX INFORMATION—History of Assessed Value."

2019 Amended Final Budget. The Board adopted the 2019 Amended Final Budget on December 13, 2018. This budget reflects a \$45.8 million ending fund balance, a \$22.9 million increase over the 2018 Amended Final Budget. \$41.0 million, or 1.75%, is unassigned, and reflects a \$24.5 million beginning fund balance increase; a \$17.0 million revenue increase; a \$10.6 medium-term financing proceeds increase; and a \$29.2 million expense increase, comprised primarily of salary and benefit increases.

Prior budget challenges include the March 30, 2018, CCEA arbitration decision described herein (expected to negatively impact the District in the approximate amount of \$38.4 million in fiscal year 2019); the April 30, 2018, arbitration decision to award retroactive pay for teachers who received advanced academic degrees in fiscal year 2015-2016 (expected to negatively impact the District in the approximate amount of \$3.0 million in fiscal year 2019); and the July 13, 2017, County Labor Relations Board mandate to fund the \$17.9 million implementation cost of the Professional Growth System. These rulings necessitated reopening the 2019 Final Budget and formulating future budget cuts of approximately \$68.0 million in the 2019 Amended Final Budget, comprised of approximately \$47.0 million for schools, approximately \$14.0 for Special Education, and approximately \$7.0 million in other areas outside of the General Operating Fund. As communicated in Board of School Trustee meetings over the past few months, the Chief Financial Officer has noted that the District is forecasted to end the 2019 fiscal year in a better financial position than budget.

2020 Final Budget. The Board adopted the 2020 Final Budget on May 20, 2019. The 2020 Final Budget was based upon estimated fiscal year 2019 results and estimated fiscal year 2019 revenues and expenditures. The District's state basic support (i.e., the DSA) per student in the 2020 Final Budget was expected to be \$5,863 per pupil. This represents an \$82 increase from the prior year's DSA per pupil support of \$5,781. See the table "Historical Per-Pupil Support and DSA Revenue" in "General Operating Fund—Sources of Funding—State Sources" above. The 2020 Final Budget was developed with a total weighted Average Daily

Enrollment projection of 316,963 students, a decrease of 436 students, or (0.1%) from the total enrollment in the prior school year. Based on the funding in the 2019 legislative session, the District expects to update the revenue projections in the Amended Final Budget to be filed by December 31, 2019, to a DSA per pupil support of \$6,067 for 2019-2020. The District also expects to receive additional revenue in the amount of \$13.1 million in a block grant from Assembly Bill 309 and \$25.9 million from Senate Bill 551 (both described below), which can both be used for operations.

At the time of adoption of the 2020 Final Budget, the District expected to realize more than \$52.3 million in fiscal year 2020 in additional revenues above that of the fiscal year 2019 (estimated) primarily a result of three events: (1) Local School Support Tax (LSST) is projected to increase \$42.3 million to \$1,100.5 billion from \$1,058.2 billion, expected to be offset by a corresponding decrease to the state's basic support guarantee contribution of DSA funding as provided in the Nevada Plan; (2) property tax revenues are projected to increase \$30.0 million to \$521.3 million compared to \$491.3 million (one-third or \$10 million of the property tax increase is expected to offset a corresponding decrease to the State's basic support guarantee contribution of DSA); and (3) DSA funding is projected to decrease by \$26.5 million, due to the above mentioned increases in LSST and property taxes that offset State funding under the DSA.

Expenditures for the 2020 Final Budget were projected to increase approximately \$132.0 million from estimated fiscal year 2019. The majority of this increased spending is related to the utilization of the 2019 restricted funding balance for school strategic budgets as required by NRS 388G.650 and due to fully funding school strategic budgets totaling \$81.0 million. Another \$43.0 million of expenditure increases is due to a \$18.0 million rate increase in the PERS, an increase in Special Education costs of \$17.0 million, and \$8.0 million in other expenses such as an increase in Risk Management Assessment, inflation, and other expenditures; however, these costs were offset by one-time payroll reductions and General Fund staffing of \$36.0 million, lower bus purchases of \$11.0 million, \$2.0 million related to anticipated additional class size reduction funding, and \$2.0 million resulting from a reorganization of the Teaching & Learning division.

The District received a significant increase in operational funding as a result of the 2019 (80th) Session of the Nevada Legislature. The additional funding came from an increase in the State DSA funding, additional funding from Assembly Bill 309 (\$13.1 million), and additional funding from Senate Bill 551 (although a lawsuit was filed in July 2019 challenging Senate Bill 551 (\$25.9 million), the Governor has stated that the funding provided by this bill will be provided from other funds if the lawsuit is successful). The additional funding, along with some minor cuts in the District totaling approximately \$17 million in 2019-2020, is expected to allow the District to budget for pay increases as well as increases in the contribution to employees' medical plans. The District has already identified the \$17 million in required cuts and will submit the Amended Final Budget reflecting the increases in revenues and expenditures prior to the deadline of December 31, 2019.

Assessed Values and Property Taxes. Legislation was enacted in 2005 (in a period of property value inflation) to provide partial abatement of ad valorem taxes to provide relief from escalating assessments resulting from previous increases to the market values of real property in the County. The cap limits each property's tax increase pursuant to a formula described in "PROPERTY TAX INFORMATION--Required Property Tax Abatements."

Subsequently, during the Great Recession in approximately 2008-2013 (a period of real estate deflation), the abatement law became a mechanism that often resulted in a mandatory increase in property taxes. Even when property values fell by over 50%, local governments continued to see increases in property tax revenues for certain properties. The tax cap for fiscal year 2020 is 3.0% for residential property and 4.8% for non-residential property, and District property tax revenues are budgeted to increase 6.0%. See the table “History of Assessed Value and Property Tax Revenues” in “PROPERTY TAX INFORMATION—History of Assessed Value.”

Investment Policy

The District’s Chief Financial Officer, in conjunction with the District’s Investment Committee, develops investment guidelines for managing substantially all District funds in accordance with State law and regulations approved by the Board. The District’s policy allows investments only in U.S. Treasury obligations; obligations of Agencies of the U.S.; “AAA” rated collateralized mortgage obligations; “AAA” rated asset-backed securities; FDIC insured or collateralized certificates of deposit; pooled investment funds for local governments operated by the state treasurer; short term bankers acceptance notes, short term repurchase agreements and short term commercial paper, each in limited amounts; and certain “AAA” rated money market mutual funds.

The District’s Cash and Investment Management Unit manages the District investment portfolios in accordance with investment guidelines recommended by the GFOA and reports in accordance with the standards established by GASB. In addition, internal controls and investment transactions are reviewed regularly by the District’s Investment Committee.

See Note 3 in the audited basic financial statements attached hereto as Appendix A for a description of permitted and actual District investments as of June 30, 2018.

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and/or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District accounts for such losses through its Insurance and Risk Management Internal Service Fund. The District maintains insurance coverage which the District administration believes is sufficient to cover losses generally experienced by school districts similar in size to the District. Additionally, the District self-insures for certain liabilities. See Note 13 in the audited financial statements attached hereto as Appendix A for a further description of the District’s risk management program, including coverages for fiscal year 2018. The District’s current policies, which became effective on July 1, 2019, are substantially similar to those described in Appendix A.

DEBT STRUCTURE

Debt Limitation

State statutes limit the aggregate principal amount of the District's general obligation debt to 15% of the District's total assessed valuation. In addition to the District's legal debt limit as a percentage of its total assessed value, the District's ability to issue future property tax supported debt is also constrained by constitutional and statutory limits of total property taxes that may be levied. See "PROPERTY TAX INFORMATION--Property Tax Limitations."

The following table presents a record of the District's outstanding general obligation indebtedness with respect to its statutory debt limitation.

Statutory Debt Limitation⁽¹⁾

Fiscal Year Ended June 30	Total Assessed Valuation ⁽¹⁾	Debt Limit	Outstanding General Obligation Debt ⁽²⁾	Additional Statutory Debt Capacity ⁽³⁾
2016	\$71,055,253,233	\$10,658,287,985	\$2,590,805,000	\$ 8,067,482,985
2017	76,633,199,095	11,494,979,864	2,438,120,000	9,056,859,864
2018	81,306,131,252	12,195,919,688	2,546,995,000	9,648,924,688
2019	87,432,856,574	13,114,928,486	2,982,745,000	10,132,183,486
2020	95,588,746,597	14,338,311,990	2,925,095,000 ⁽⁴⁾	11,413,216,990

(1) Includes the assessed valuation of the Redevelopment Agencies. See "PROPERTY TAX INFORMATION--History of Assessed Value." Property taxes levied against the assessed value in redevelopment areas are made available to the District to pay bonded indebtedness approved by the voters of the District on and after November 5, 1996, but not for bonded indebtedness approved by the voters of the District before that date. See the discussion in "History of Assessed Value."

(2) Excludes short term notes (of which none are currently outstanding), leases and installment purchases.

(3) Additional debt issuance may be further limited by property tax limitations. See "PROPERTY TAX INFORMATION--Property Tax Limitations."

(4) Fiscal year 2020 debt represents the debt outstanding on October 1, 2019, but assuming the issuance of the 2019B&C Bonds.

Source: Property Tax Rates for Nevada Local Governments - State of Nevada Department of Taxation, 2015-2016 through 2017-2020; debt information compiled by the Municipal Advisor.

The District may issue general obligation bonds by means of authority granted to it by its electorate or the Nevada Legislature, or, under certain circumstances without an election as provided in existing statutes.

Outstanding Bonded Indebtedness and Other Obligations

Outstanding Bonded Indebtedness. The following table presents the District's outstanding obligations as of October 1, 2019 (after taking the issuance of the 2019B&C Bonds into account).

Outstanding Bonded Indebtedness⁽¹⁾⁽²⁾
As of October 1, 2019

	<u>Dated</u>	<u>Maturing</u>	<u>Original Amount</u>	<u>Outstanding Principal Amount</u>
<u>GENERAL OBLIGATION BONDS</u> ⁽³⁾				
Refunding Bonds, Series 2012A	10/04/12	06/15/21	\$159,425,000	\$61,595,000
Refunding Bonds, Series 2014A	04/29/14	06/15/20	131,175,000	11,470,000
Building and Refunding Bonds, Series 2015C	11/23/15	06/15/35	338,445,000	323,800,000
Refunding Bonds, Series 2016A	06/16/16	06/15/25	186,035,000	186,035,000
Refunding Bonds, Series 2016D	12/15/16	06/15/24	257,215,000	212,435,000
Building & Refunding Bonds, Series 2017A	06/28/17	06/15/37	407,900,000	355,805,000
Building & Refunding Bonds, Series 2017C	12/07/17	06/15/37	291,785,000	288,585,000
Building Bonds, Series 2018A	06/26/18	06/15/38	200,000,000	200,000,000
Building Bonds, Series 2018B	11/01/18	06/15/38	200,000,000	200,000,000
Building Bonds, Series 2019A	06/26/19	06/15/39	200,000,000	200,000,000
Building Bonds, Series 2019B (<i>this issue</i>)	10/31/19	06/15/39	200,000,000	<u>200,000,000</u>
TOTAL GENERAL OBLIGATION BONDS				2,239,725,000
<u>GENERAL OBLIGATION REVENUE BONDS</u> ⁽⁴⁾				
<i>Parity Lien Bonds</i>				
Refunding Bonds, Series 2014B	04/29/14	06/15/20	62,200,000	10,670,000
Refunding Bonds, Series 2015B	03/18/15	06/15/22	129,080,000	61,010,000
School Bonds, Series 2015D	11/23/15	06/15/35	200,000,000	169,670,000
Refunding Bonds, Series 2016B	06/16/16	06/15/27	90,775,000	90,675,000
Refunding Bonds, Series 2016E	12/15/16	06/15/26	59,510,000	59,510,000
Refunding Bonds, Series 2017B	06/28/17	06/15/20	59,315,000	<u>20,575,000</u>
Total Parity Lien Bonds				412,110,000
<i>Subordinate Bonds</i> ⁽⁵⁾				
School Bonds, Series 2010A (QSCB) ⁽⁶⁾	07/08/10	06/15/24	104,000,000	<u>103,900,000</u>
TOTAL GENERAL OBLIGATION REVENUE BONDS				516,010,000
<u>GENERAL OBLIGATION MEDIUM-TERM BONDS</u> ⁽⁷⁾				
Medium-Term Bonds, Series 2010D (QSCB) ⁽⁶⁾	07/08/10	06/15/20	6,245,000	6,245,000
Medium-Term Bonds, Series 2013A	07/31/13	06/15/23	32,855,000	0* ⁽⁸⁾
Medium-Term Bonds, Series 2016C	06/16/16	06/15/26	33,470,000	25,000,000
Various Purpose Medium-Term Bonds, Series 2016F	12/15/16	06/15/26	50,435,000	38,940,000
Various Purpose Medium-Term Bonds, Series 2017D	12/07/17	06/15/27	23,945,000	21,775,000
Various Purpose Medium-Term Bonds, Series 2018C	11/01/18	06/15/28	35,750,000	32,360,000
Various Purpose Medium-Term Bonds, Series 2019C (<i>this issue</i>)	10/31/19	06/15/29	45,040,000*	<u>45,040,000*</u>
TOTAL GENERAL OBLIGATION MEDIUM-TERM BONDS				169,360,000
Total General Obligation Bonds				\$2,925,095,000

(Footnotes on following page)

* Subject to change.

- (1) After taking the issuance of the 2019B&C Bonds into account, expected to close on October 31, 2019.
- (2) Excludes short term notes, leases and installment purchase obligations.
- (3) General obligation bonds secured by the full faith, credit and taxing power of the District. The ad valorem tax available to pay these bonds is limited by the \$3.64 statutory and the \$5.00 constitutional limits. See “PROPERTY TAX INFORMATION - Property Tax Limitations.”
- (4) General obligation bonds secured by the full faith, credit and taxing power of the District. The ad valorem tax available to pay these bonds is limited to the \$3.64 statutory and the \$5.00 constitutional limits. These bonds are additionally secured by pledged revenues consisting primarily of the Room Tax and the Transfer Tax. If revenues are not sufficient, the District is obligated to pay the difference between such revenues and debt service requirements of the respective bonds, on the same basis as the general obligation bonds described in Note 3. See “PROPERTY TAX INFORMATION - Property Tax Limitations.”
- (5) The 2010A Bonds have a lien on the Room Tax and the Transfer Tax that is subordinate to the lien of the Parity Lien Bonds listed in this table.
- (6) The 2010A Bonds and the 2010D Bonds were issued as direct-pay QSCBs. The District expects to receive an interest subsidy on the QSCBs in each year equal to the interest rate payable on the QSCBs (the “QSCB Subsidy”). However, receipt of the subsidy is dependent on numerous factors and it is possible that the District may not receive the QSCB Subsidy in future years. The District is required to pay all of the interest of the 2010A Bonds and the 2010D Bonds even if the QSCB Subsidy is not received. See “CLARK COUNTY SCHOOL DISTRICT—Compliance With Federal Laws—Sequestration.”
- (7) General obligation bonds secured by the full faith and credit of the District and payable from any legally available funds of the District. The ad valorem tax rate available to pay these bonds is limited by the \$3.64 statutory and the \$5.00 constitutional limits as well as by the \$0.7500 limit on the District’s tax rate for operating purposes. See “PROPERTY TAX INFORMATION - Property Tax Limitations.” With respect to the 2010D Bonds, the District currently plans to pay debt service from the Room Tax and Transfer Tax revenues remaining after payment of the debt service on the Parity Lien Bonds listed in this table (if any) and from any available amounts on deposit in the Capital Projects Fund (which is comprised of Room Tax and Transfer Tax revenues collected in the past); however, such revenues are not specifically pledged to the 2010D Bonds.
- (8) Expected to be refunded with the 2019C Bonds.

Source: Compiled by the Municipal Advisor.

Other Obligations. The District also leases a fiber optical wide area network under a noncancellable operating lease. Lease payments are approximately \$2.4 million per year through fiscal year 2024 (based on the current number of sites served). The District does not own this equipment and will need to lease or acquire new equipment at the end of the lease term or implement an alternative connectivity strategy.

The District also records a liability for compensated absences. See Notes 1 and 10 in the audited financial statements attached hereto as Appendix A for a further description.

District Debt Service Requirements

Set forth below is a summary of the combined annual debt service requirements on the District's outstanding general obligation bonds.

Annual Debt Service Requirements – District’s Outstanding General Obligation Bonds⁽¹⁾

Fiscal Year Ended June 30	General Obligation Bonds* ⁽²⁾		General Obligation Revenue Bonds ^{(3) (4)}		Medium-Term General Obligation Bonds* ^{(4) (5)}		Grand Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2020	\$169,205,000	\$105,072,983	\$60,535,000	\$25,535,740	\$23,885,000	\$6,715,318	\$390,949,041
2021	180,430,000	101,363,000	71,250,000	22,494,940	19,410,000	6,195,150	401,143,090
2022	156,250,000	92,282,250	71,340,000	18,820,240	20,270,000	5,336,850	364,299,340
2023	164,600,000	84,406,950	58,935,000	15,141,040	21,175,000	4,438,950	348,696,940
2024	173,225,000	76,110,400	59,870,000	12,051,133	19,475,000	3,439,750	344,171,283
2025	183,285,000	67,378,600	32,320,000	8,909,350	20,315,000	2,595,750	314,803,700
2026	157,645,000	58,139,550	33,910,000	7,293,350	21,100,000	1,813,350	279,901,250
2027	130,435,000	50,178,000	26,665,000	5,597,850	11,185,000	960,300	225,021,150
2028	104,270,000	43,572,200	10,595,000	4,264,600	8,290,000	480,800	171,472,600
2029	68,465,000	38,269,600	11,125,000	3,734,850	4,255,000	170,200	126,019,650
2030	71,990,000	34,751,950	11,685,000	3,178,600	--	--	121,605,550
2031	75,260,000	31,478,550	12,265,000	2,711,200	--	--	121,714,750
2032	78,930,000	27,809,550	12,880,000	2,220,600	--	--	121,840,150
2033	82,780,000	23,958,700	13,525,000	1,705,400	--	--	121,969,100
2034	86,820,000	19,916,950	14,200,000	1,164,400	--	--	122,101,350
2035	90,955,000	15,787,750	14,910,000	596,400	--	--	122,249,150
2036	84,095,000	11,594,550	--	--	--	--	95,689,550
2037	87,915,000	7,778,300	--	--	--	--	95,693,300
2038	61,730,000	4,097,650	--	--	--	--	65,827,650
2039	31,440,000	1,450,500	--	--	--	--	32,890,500
Total	\$2,239,725,000	\$895,397,983	\$516,010,000	\$135,419,691	\$169,360,000	\$32,146,418	\$3,988,059,092

(1) Totals may not add due to rounding.

(2) General obligation bonds secured by the full faith, credit and taxing power of the District. The ad valorem tax available to pay these bonds is limited by the \$3.64 statutory and the \$5.00 constitutional limits. See “PROPERTY TAX INFORMATION--Property Tax Limitations.” ***Includes the issuance of the 2019B Bonds at assumed interest rates; subject to change upon final pricing of the 2019B Bonds.***

(3) General obligation bonds secured by the full faith, credit and taxing power of the District. The ad valorem tax available to pay these bonds is limited to the \$3.64 statutory and the \$5.00 constitutional limits. These bonds are additionally secured by pledged revenues primarily consisting of the Room Tax and the Transfer Tax. If revenues are not sufficient, the District is obligated to pay the difference between such revenues and debt service requirements of the respective bonds. See “PROPERTY TAX INFORMATION - Property Tax Limitations.” Includes the 2010A Bonds, which have a subordinate lien on such pledged revenues.

(4) The 2010A Bonds and the 2010D Bonds were issued as direct-pay QSCBs. The District expects to receive the QSCB Subsidy in each year equal to the interest rate payable on the QSCBs. However, receipt of the subsidy is dependent on numerous factors and it is possible that the District may not receive the QSCB Subsidy in future years. The amounts shown reflect total interest due on the QSCB; the amounts are *not net* of the QSCB Subsidy. The District is required to pay all of the interest of the 2010A Bonds and the 2010D Bonds even if the QSCB Subsidy is not received. See “CLARK COUNTY SCHOOL DISTRICT—Compliance With Federal Laws—Sequestration.”

(5) General obligation bonds secured by the full faith and credit of the District and payable from all legally available funds of the District. The ad valorem tax rate available to pay these bonds is limited to the statutory and the constitutional limit as well as to the District’s maximum operating levy. See “PROPERTY TAX INFORMATION--Property Tax Limitations.” ***Includes the issuance of the 2019C Bonds at assumed interest rates; subject to change upon final pricing of the 2019C Bonds and the effect of the 2019C Refunding Project.***

Source: Compiled by the Municipal Advisor.

* Subject to change.

Additional General Obligation Bonds and Other Proposed Financings

General Obligation Bonds. Pursuant to NRS 387.335, the District has the authority, subject to the approval of the registered voters of the District, to issue general obligation bonds to finance various projects including, but not limited to, constructing or purchasing new buildings, enlarging, remodeling or repairing existing buildings or grounds, acquiring sites for new buildings and purchasing necessary furniture and equipment.

By June 2008, the District had issued all of the general obligation bonds authorized by voters at the 1998 Election. However, due to legislation approved in March 2015, the District is authorized to issue additional general obligation indebtedness until March 4, 2025. In July 2018, the District sought and received approval from the Clark County Debt Management Commission (“DMC”) to issue \$400,000,000 in general obligation bonds, which was issued as the 2018B Bonds and the 2019A Bonds. See “CLARK COUNTY SCHOOL DISTRICT-- District Facilities and Capital Improvement Plan.”

On July 11, 2019, the District sought and received approval from the DMC to issue an additional \$400,000,000 of general obligation bonds during fiscal year 2020, not including refunding bonds. The District anticipates issuing \$200,000,000 of this authorization in the form of the 2019B Bonds, and to issue the remaining authorization in approximately June 2020. However, the District reserves the right to issue general obligation bonds, including general obligation bonds supported by pledged revenues, refunding bonds or medium-term bonds, at any time legal requirements are satisfied.

General Obligation Revenue Bonds. Pursuant to State law, the District receives the proceeds of the Room Tax and the Transfer Tax. See “DISTRICT FINANCIAL INFORMATION—Room Tax and Transfer Tax.” The District may issue additional general obligation bonds additionally secured by these revenues at any time legal requirements are satisfied. The District currently has no authorization from the DMC to issue general obligation revenue bonds. The District has taken no action towards issuing any additional general obligation revenue bonds.

General Obligation Medium-Term Bonds. The District may issue additional general obligation medium-term bonds at any time legal requirements are satisfied. The District currently has no authorization to issue general obligation medium-term bonds. The District currently expects (subject to Board discussion and approval) to request approval from the Department of Taxation to issue an additional \$35,000,000* of general obligation medium-term bonds in the last quarter of calendar year 2019, consisting of the new money portion of the 2019C Bonds, for the purchase of District white fleet vehicles and school buses, and to pay costs of issuance. The District reserves the right to sell additional general obligation medium-term bonds, including refunding bonds, at any time legal requirements are satisfied.

* Subject to change.

ECONOMIC AND DEMOGRAPHIC INFORMATION

This portion of the Official Statement contains general information concerning the historic economic and demographic conditions in the County and the District. This portion of the Official Statement is intended only to provide prospective investors with general information regarding the District’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 District makes no representation as to the accuracy or completeness of data obtained from parties other than the District.

Population and Age Distribution

Population. The table below sets forth the population growth of the County and the State since 1980.

Year	<u>Population</u>			
	Clark County	Percent Change ⁽¹⁾	State of Nevada	Percent Change
1980	463,087	--	800,493	--
1990	741,459	60.1%	1,201,833	50.1%
2000	1,375,765	85.5	1,998,257	66.3
2010	1,951,269	41.8	2,700,551	35.1
2018	2,251,175	15.4	3,057,582	13.2

(1) For 1980-2010, represents the percentage change for the previous 10 years. For 2018, represents the percentage change from 2010.

Sources: United States Department of Commerce, Bureau of Census (1970-2010 as of April 1st), and Nevada State Department of Taxation (2018 estimate). Populations are subject to periodic revision.

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

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

Source: Claritas, © 2019 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 Estimates⁽¹⁾

Year	Clark County	State of Nevada	United States
2015	\$43,603	\$44,110	\$45,448
2016	45,634	46,230	46,738
2017	47,610	47,914	48,043
2018	48,977	50,009	50,620
2019	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 Environics Analytics (EA).

Percent of Households by Effective Buying Income Groups – 2019 Estimates

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

Source: Claritas, ©2019 Environics Analytics (EA).

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

<u>Per Capita Personal Income⁽¹⁾</u>			
<u>Year</u>	<u>Clark County</u>	<u>State of Nevada</u>	<u>United States</u>
2013	\$38,423	\$39,576	\$44,851
2014	40,459	41,654	47,060
2015	42,665	44,247	48,985
2016	43,005	44,783	49,883
2017	44,217	46,557	51,731
2018	n/a	48,225	53,712

(1) County figures posted November 2018; state and national figures posted March 2019. 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 boundaries of Las Vegas - Henderson - Paradise MSA match those of Clark County.

<u>Average Annual Labor Force Summary</u>						
Las Vegas-Henderson-Paradise MSA, Nevada						
(Estimates in Thousands) ⁽¹⁾						
<u>Calendar Year</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019⁽²⁾</u>
TOTAL LABOR FORCE	1,015.1	1,034.0	1,046.1	1,069.5	1,098.1	1,114.0
Unemployment	81.1	70.7	61.4	56.4	52.6	46.9
Unemployment Rate ⁽³⁾	8.0%	6.8%	5.9%	5.3%	4.8%	4.2%
Total Employment	934.0	963.3	984.7	1,013.1	1,045.4	1,067.1

(1) All figures are subject to change.

(2) Averaged figures through June 30, 2019.

(3) The annual average U.S. unemployment rates for the years 2014 through 2018 are 6.2%, 5.3%, 4.9%, 4.4%, and 3.9%, 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.

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

<u>Calendar Year</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u> ⁽²⁾
Natural Resources and Mining	0.4	0.3	0.4	0.4	0.4	0.5
Construction	45.4	51.1	54.7	58.8	65.8	67.2
Manufacturing	21.1	21.6	22.2	23.1	24.3	25.2
Trade (Wholesale and Retail)	124.0	128.1	128.7	130.6	132.4	128.9
Transportation, Warehousing & Utilities	38.3	40.6	41.7	44.1	46.2	48.0
Information	10.6	10.6	11.0	11.4	11.0	11.2
Financial Activities	43.6	46.0	48.4	50.8	51.2	55.3
Professional and Business Services	117.8	126.7	134.0	138.9	140.9	148.1
Education and Health Services	82.3	86.6	91.6	96.7	101.0	103.4
Leisure and Hospitality (casinos excluded)	115.7	121.4	127.8	132.4	137.2	139.8
Casino Hotels and Gaming	162.6	161.1	158.3	157.1	156.7	157.7
Other Services	25.6	26.9	30.8	31.4	33.2	33.3
Government	<u>96.4</u>	<u>98.0</u>	<u>99.9</u>	<u>101.7</u>	<u>107.4</u>	<u>104.4</u>
TOTAL ALL INDUSTRIES ⁽¹⁾	<u>883.6</u>	<u>919.0</u>	<u>949.4</u>	<u>977.5</u>	<u>1007.8</u>	<u>1022.9</u>

(1) Added numbers may not match total due to rounding. All numbers are subject to periodic revision.

(2) Averaged figures through June 30, 2019.

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

The following table lists the firm employment size breakdown for the County.

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

<u>CALENDAR YEAR</u>	<u>4th Qtr.</u> <u>2018</u>	<u>4th Qtr.</u> <u>2017</u>	<u>Percent Change</u> <u>2018/2017</u>	<u>Employment Totals</u> <u>4th Qtr. 2018</u>
TOTAL NUMBER OF WORKSITES	56,096	54,586	2.8%	914,156
Less Than 10 Employees	41,375	40,436	2.3	109,689
10-19 Employees	6,899	6,594	4.6	93,338
20-49 Employees	4,863	4,752	2.3	146,220
50-99 Employees	1,614	1,503	7.4	110,643
100-249 Employees	949	934	1.6	138,799
250-499 Employees	220	196	12.2	75,128
500-999 Employees	106	99	7.1	72,140
1000+ Employees	70	72	(2.8)	168,199

(1) Subject to revisions.

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

Retail Sales

The following table presents a record of taxable sales in the 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 – Jun 18	\$42,569,371,984	--	\$58,947,823,520	--
Jul 18 – Jun 19	45,901,464,346	7.8%	62,561,025,875	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 plans check fees. Construction valuation has no relationship to assessed valuation. Set forth in the following table is a summary of the number and valuation of new single-family (including townhomes and condos) building permits within the County and its incorporated areas.

Residential Building Permits

Clark County, Nevada

(Values in Thousands)

Calendar Year	2015		2016		2017		2018		2019 ⁽¹⁾	
	<u>Permits</u>	<u>Value</u>	<u>Permits</u>	<u>Value</u>	<u>Permits</u>	<u>Value</u>	<u>Permits</u>	<u>Value</u>	<u>Permits</u>	<u>Value</u>
Las Vegas ⁽²⁾	1,663	\$ 243,674	1,510	\$ 333,438	1,622	\$ 295,421	1,733	\$ 321,739	1,438	\$355,590
North Las Vegas	698	91,462	816	118,951	925	153,474	1,438	194,305	1,032	105,013
Henderson ⁽³⁾	1,696	255,663	2,197	317,413	2,391	340,826	2,373	332,205	1,707	232,306
Mesquite	206	40,564	246	56,274	329	73,396	340	76,843	221	49,467
Unincorporated										
Clark County ⁽⁴⁾	3,847	492,320	4,048	518,263	4,592	527,303	4,553	630,849	2,572	390,757
Boulder City ⁽⁵⁾	22	6,977	3	962	21	4,633	75	17,644	13	4,323
TOTAL	8,132	\$1,130,660	8,820	\$1,345,301	9,880	\$1,395,053	10,512	\$1,573,585	6,983	\$1,137,456

(1) As of August 31, 2019.

(2) After the City of Las Vegas 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) After unincorporated Clark County implemented a new reporting system, permit data in 2017-2019 are not comparable to prior years.

(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 permits issued within the County and its incorporated areas.

Total Building Permits

Calendar Year	2014	2015	2016	2017	2018	2019 ⁽¹⁾
Las Vegas ⁽²⁾	\$ 596,103,559	\$ 602,775,475	\$ 789,497,387	\$ 885,061,960	\$ 875,847,083	\$ 972,888,116
North Las Vegas	263,192,557	262,266,938	394,803,755	572,555,197	725,898,756	418,558,311
Henderson ⁽³⁾	385,009,871	423,923,070	595,334,431	564,711,541	576,186,779	457,481,673
Mesquite	38,059,247	45,697,056	66,907,918	86,004,824	98,796,620	62,532,576
Unincorporated						
Clark County ⁽⁴⁾	1,987,655,692	2,251,507,323	2,306,747,407	2,280,233,271	4,453,805,000	1,784,130,589
Boulder City ⁽⁵⁾	29,391,159	18,566,548	92,521,659	10,921,222	51,333,177	9,889,083
TOTAL	\$3,299,412,085	\$3,604,736,410	\$4,245,812,557	\$4,399,488,015	\$6,781,867,415	\$3,705,480,348
Percent Change	7.66%	9.25%	17.78%	3.88%	54.15%	--

(1) As of August 31, 2019.

(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) After unincorporated Clark County implemented a new reporting system, permit data in 2017-2019 are not comparable to prior years.

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

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 June 30	Gross Taxable Gaming Revenue ⁽²⁾		% Change Clark County	State Gaming Collection ⁽³⁾		% Change Clark County
	State Total	Clark County		State Total	Clark County	
	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	11,330,605,257	9,691,796,383	2.91	866,305,681	737,181,676	(2.03)
July 17 - June 18	\$11,330,605,257	\$9,691,796,383	--	\$866,305,681	\$737,159,428	--
July 18 - June 19	11,358,393,335	9,702,397,579	0.11%	919,517,317	789,848,137	7.14%

(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. Historically, the availability of these forms of gaming in other states has not had any significant impact on gaming in the County. Nonetheless, neither the County nor the Commission can predict the impact of legalization of legalized gaming in other states or other countries on the future economy of the County.

Tourism

Tourism is an important industry in the County. Hoover Dam, Lake Mead, Mt. Charleston and other tourist attractions are in the 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.

One reflection of the status of tourism in Southern Nevada is the number of hotel and motel rooms available for occupancy as shown in the following table. 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 2014.

Visitor Volume and Room Occupancy Rate

Calendar Year	Total Visitor Volume	Number of Las Vegas Rooms Available	Occupancy Rates		Average Daily Room Rates – Las Vegas	
			Las Vegas ⁽¹⁾	National	The Strip	Downtown
2014	41,126,512	150,544	86.8%	64.4%	\$111.63	\$51.79
2015	42,312,216	149,213	87.7	65.6	115.28	50.37
2016	42,936,109	149,339	89.1	65.5	135.87	65.53
2017 ⁽²⁾	42,208,200	148,896	88.6	65.9	137.22	69.86
2018	42,116,800	147,238	88.2	66.2	138.82	69.95
2019 ⁽³⁾	24,825,400	148,789	89.6	65.9	144.42	71.74

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

(2) Average Daily Room Rates for 2017 have been restated to reflect the implementation of new accounting rules at some properties in 2018.

(3) As of July 31, 2019. Total visitor volume reflects a 0.6% increase over the same time period in 2018.

Sources: LVCVA (Las Vegas data) and STR Inc. (national rate).

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

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

Calendar Year	Revenue	Percent Change
2014	\$232,443,537	--
2015	254,438,208	9.5%
2016	273,079,478	7.3
2017	282,497,036	3.4
2018	282,596,040	0.0
2019 ⁽²⁾	128,489,608	--

(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 May 31, 2019. Revenue total reflects a 5.7% increase over the same time period in 2018.

Source: LVCVA

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 1.9 million-square-foot facility, to ease congestion within garages, ticketing lobbies and security checkpoints. McCarran reported 49.7 million arriving and departing passengers in 2018, making the year the busiest in the airport’s 70-year history. McCarran has posted a year-over-year increase for the eighth consecutive year. A history of passenger statistics is set forth in the following table.

McCarran International Airport Enplaned & Deplaned Passenger Statistics

Calendar Year	Scheduled Carriers	Charter, Commuter & Other Aviation	Total	Percent Change
2014	41,327,024	1,558,326	42,885,350	--
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	47,755,296	1,961,288	49,716,584	2.5
2019 ⁽¹⁾	24,238,096	1,035,437	25,273,533	--

(1) As of June 30, 2019. Total passenger statistics reflect a 3.1% increase over the same time period in 2018.

Source: McCarran International Airport.

A major railroad crosses Clark County. There are nine federal highways in the State, 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.

LEGAL MATTERS

Litigation

There are a number of lawsuits pending in courts within the State to which the District is a party. In the opinion of the District's General Counsel, however, there is no litigation or controversy of any nature now pending, or to the actual knowledge of the District's General Counsel, threatened: (i) restraining or enjoining the issuance, sale, execution or delivery of the 2019B&C Bonds or (ii) in any way contesting or affecting the validity of the 2019B&C Bonds or any proceedings of the District taken with respect to the issuance or sale thereof, the pledge or application of any moneys or security provided for the payment of the 2019B&C Bonds. Further, the District's General Counsel is of the opinion that the current litigation pending against the District will not materially affect the District's ability to perform its obligations to the owners of the 2019B&C Bonds.

Approval of Certain Legal Proceedings

The approving opinion of Sherman & Howard L.L.C., as Bond Counsel, will be delivered with each series of the 2019B&C Bonds. A form of each of the Bond Counsel opinions is attached to this Official Statement as Appendix D. The opinions will include a statement that the obligations of the District are subject to the reasonable exercise in the future by the State and its governmental bodies of the police power 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, including bankruptcy. Sherman & Howard L.L.C. has also acted as Special Counsel to the District in connection with this Official Statement. Certain matters will be passed upon for the District by its General Counsel.

Police Power

The obligations of the District 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 (including bankruptcy).

Sovereign Immunity

Pursuant to State statute (NRS 41.035), an award for damages in an action sounding in tort against the District 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.

TAX MATTERS

Federal Tax Matters

In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described below, interest on the 2019B&C 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 2019B&C Bonds (the “Tax Code”), and interest on the 2019B&C 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 2019B&C Bonds in order for the interest thereon to be excluded from gross income and alternative minimum taxable income (except to the extent of the aforementioned adjustment applicable to corporations). Certain of these requirements must be met on a continuous basis throughout the term of the 2019B&C Bonds. These requirements include: (a) limitations as to the use of proceeds of the 2019B&C Bonds; (b) limitations on the extent to which proceeds of the 2019B&C 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 2019B&C Bonds above the yield on the 2019B&C Bonds to be paid to the United States Treasury. The District will covenant and represent in the 2019B&C Bond Resolutions that: it will not take any action or omit to take any action with respect to the applicable series of 2019B&C Bonds, any funds of the District, or any facilities financed with the proceeds of the applicable series of 2019B&C Bonds, if such action or omission (i) would cause the interest on the applicable series of 2019B&C 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 applicable series of 2019B&C Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code. Bond Counsel’s opinions as to the exclusion of interest on the 2019B&C Bonds from gross income and alternative minimum taxable income is rendered in reliance on these covenants, and assumes continuous compliance therewith. The failure or inability of the District to comply with these requirements could cause the interest on the 2019B&C Bonds to be included in gross income, alternative minimum taxable income or both from the date of issuance. Bond Counsel’s opinions also are rendered in reliance upon certifications of the District 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 2019B&C Bonds. Owners of the 2019B&C 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 and state tax consequences. Under Section 3406 of the Tax Code, backup withholding may be imposed on payments on the 2019B&C 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 2019B&C Bonds may be sold at a premium, representing a difference between the original offering price of those 2019B&C 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 2019B&C 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 2019B&C Bonds. Owners of the 2019B&C Bonds should consult their own tax advisors as to the applicability of these consequences.

The opinions expressed by Bond Counsel are based on existing law as of the delivery date of the 2019B&C Bonds. No opinion is expressed as of any subsequent date nor is any opinion expressed with respect to pending or proposed legislation. Amendments to the federal or state tax laws may be pending now or could be proposed in the future that, if enacted into law, could adversely affect the value of the 2019B&C Bonds, the exclusion of interest on the 2019B&C Bonds from gross income or alternative minimum taxable income or both from the date of issuance of the 2019B&C Bonds or any other date, the tax value of that exclusion for different classes of taxpayers from time to time, or that could result in other adverse tax consequences. In addition, future court actions or regulatory decisions could affect the tax treatment or market value of the 2019B&C Bonds. Owners of the 2019B&C Bonds 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 2019B&C Bonds. If an audit is commenced, the market value of the 2019B&C Bonds may be adversely affected. Under current audit procedures the Service will treat the District as the taxpayer and the 2019B&C Bond owners may have no right to participate in such procedures. The District has covenanted in the 2019B&C Bond Resolutions not to take any action that would cause the interest on the applicable series of 2019B&C Bonds to lose its exclusion from gross income for federal income tax purposes or lose its exclusion from alternative minimum taxable income for the owners thereof for federal income tax purposes. None of the District, the Municipal Advisor, Bond Counsel or Special Counsel is responsible for paying or reimbursing any 2019B&C Bond holder with respect to any audit or litigation costs relating to the 2019B&C Bonds.

State Tax Exemption

The 2019B&C 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.

CONTINUING DISCLOSURE

The District will execute a continuing disclosure certificate (the “Disclosure Certificate”) at the time of the closing for the 2019B&C Bonds pursuant to the requirements of Securities and Exchange Commission (the “SEC”) Rule 15c2-12 (the “Rule”). The Disclosure Certificate will be executed for the benefit of the beneficial owners of the 2019B&C Bonds and the District will covenant in the 2019B&C Bond Resolutions to comply with its terms. The Disclosure Certificate will provide that so long as the 2019B&C Bonds remain outstanding, the District will annually provide the following information to the Municipal Securities Rulemaking Board (the “MSRB”), 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 C.

Within the past five years, the District has not failed to materially comply with any prior continuing disclosure undertakings entered into pursuant to the Rule.

RATINGS

Moody’s Investors Service (“Moody’s”) and S&P Global Ratings (“S&P”) have assigned the 2019B&C Bonds the respective ratings shown on the cover page of this Official Statement. An explanation of the significance of the ratings given by Moody’s may be obtained from Moody’s at 99 Church Street, New York, New York 10007 and from S&P at 55 Water Street, New York, New York 10041.

Such ratings reflect only the views of such rating agencies, and there is no assurance that any rating, once received, will continue for any given period of time or that either rating will not be revised downward or withdrawn entirely by the applicable rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the 2019B&C Bonds. Except for its responsibilities under the Disclosure Certificate, the District has not undertaken any responsibility to bring to the attention of the owners of the 2019B&C Bonds any proposed change in or withdrawal of such ratings once received or to oppose any such proposed revision.

INDEPENDENT AUDITORS

The audited basic financial statements of the District as of and for the year ended June 30, 2018, attached hereto as Appendix A, have been audited by Eide Bailly LLP, Las Vegas, Nevada, independent certified public accountants, to the extent and for the period indicated in their report thereon.

The audited basic financial statements of the District, 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 District has not requested consent from its auditors. Since the date of its report, Eide Bailly LLP 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.

MUNICIPAL ADVISOR

Zions Public Finance, Las Vegas, Nevada the “Municipal Advisor”) is serving as municipal advisor to the District in connection with the 2019B&C 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 this Official Statement, or any other related information available to the District, 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 this Official Statement or any other matter related to this Official Statement.

PUBLIC SALE

The District expects to offer the 2019B&C Bonds at public sale on October 10, 2019. See Appendix E - 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 2019B&C Bonds has been duly authorized by the Board.

CLARK COUNTY SCHOOL DISTRICT,
NEVADA

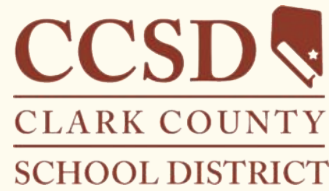
By: _____
Chief Financial Officer

APPENDIX A

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

NOTE: The audited basic financial statements of the District included in this Appendix A have been derived from the District's CAFR for the fiscal year ended June 30, 2018. The table of contents, introductory section, individual fund budgetary statements, and other items referred to in the auditor's report attached hereto has purposely been excluded from this Official Statement. Such information provides supporting details and is not necessary for a fair presentation of the basic financial statements of the District.

Financial Section



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Independent Auditor's Report

The Board of Trustees of the
Clark County School District
Clark County, Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Clark County School District (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these 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 financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Special Education Fund, and Federal Projects Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

What inspires you, inspires us. Let's talk. | eidebailly.com

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Correction of Errors

As discussed in Note 19 to the financial statements, certain errors occurred in the determination or classification of payments to satisfy employee contribution requirements in the adoption, as of July 1, 2016, of GASB Statement No. 82, *Pension Issues – An Amendment of GASB No. 67, No. 68, and No. 73* (“GASB 82”), resulting in the overstatement of amounts previously reported for deferred outflows of resources, net pension liability-related amounts for the year ended June 30, 2017, and were discovered by management during the current year based on communications from the Public Employees’ Retirement System of Nevada (PERS), including a restated Schedule of Employer Allocations for GASB 82 Implementation. Accordingly, amounts for deferred outflows of resources, net pension liability-related amounts, have resulted in a restatement of net position as of July 1, 2017. Net position as of July 1, 2017 was also restated for prior year allocation errors related to GASB Statement No. 68. Our opinions are not modified with respect to these matters.

Adoption of New Accounting Standard – GASB 75

As discussed in Note 1 to the financial statements, Clark County School District has adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* which has resulted in a restatement of the net position as of July 1, 2017. In accordance with GASB Statement No. 75. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages 6 through 17 as well as the schedule of District contributions for the District’s defined benefit pension plan, the schedule of the District’s proportionate share of the net pension liability, and the schedules of changes in the District’s total OPEB liability and related ratios on pages 88 through 93 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 opinions on the financial statements that collectively comprise the District’s basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, capital asset schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulation (CFR) Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is also not a required part of the financial statements.

The combining and individual fund statements and schedules, capital asset schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate 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 combining and individual fund statements and schedules, capital asset schedules, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections 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.

Prior Year Comparative Information

The financial statements of the District as of and for the year ended June 30, 2017, were audited by Eide Bailly LLP, whose report dated October 16, 2017, expressed unmodified audit opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. As discussed in Note 19 to the financial statements, certain errors resulting in overstatement of amounts previously reported for deferred outflows of resources, net pension liability-related amounts for the year ended June 30, 2017, were discovered by management of the District during the current year. Accordingly, the 2017 financial statements have been restated to correct this error.

The combining and individual fund schedules related to the 2017 financial statements are presented for purposes of additional analysis and were derived from and relate directly to the underlying accounting and other records used to prepare the 2017 financial statements, after considering the restatement described in Note 19 for the correction of errors. The information has been subjected to the auditing procedures applied in the audit of the 2017 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. After considering the restatement described in Note 19, the combining and individual fund schedules are consistent in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated October 17, 2018 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely 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 the effectiveness of the District's 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 District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Las Vegas, Nevada
October 17, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

The Management's Discussion and Analysis (MD&A) offers readers a narrative overview and analysis of the Clark County School District's (District) financial statements for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal, which precedes this report, and the financial statements, which immediately follow this report.

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2018

Following is an analysis of facts, descriptions and/or conditions of the District, in fiscal year 2018, that had a material effect on its financial position and/or operating results.

Government-wide Financial Statements

- The overall financial position of the District, as shown on the government-wide statement, decreased \$257 million during fiscal year 2018, from a negative \$382.7 million to a negative \$640.1 million. This negative balance is due to the effect of the Governmental Accounting Standards Board (GASB) Statement No. 68, amended by Statement No. 82, which requires the District to record their proportionate share of the net pension liability of the Public Employees' Retirement System of Nevada (PERS). GASB Statement No. 75 resulted in an increase in the Other Post-Employment Benefits (OPEB) liability. In addition, there was an increase in long term debt due to higher issuance of bonds from the previous year.
- Despite the overall decrease in net position, revenues increased \$133 million from \$3.312 billion in fiscal year 2017 to \$3.445 billion in fiscal year 2018, a 4.02% increase. This was mainly due to a rise in property tax, local school support tax, commonly referred to as sales tax, and state aid through the Distributive School Account (DSA).
- Certain local revenues such as the real estate transfer tax and the governmental services tax increased from fiscal year 2017 in the amount of \$6,633,985 and \$6,880,561, respectively, due to the growth in new/resale home sales, and vehicle registrations in Nevada. Other local sources rose 25.52% in the amount of \$4,417,385 in fiscal year 2018 due to the new grant, City of Henderson 2018 Educational Funds, and from the sale of buses and vehicles. Room tax rose 1.13% in the amount of \$1,080,295 in fiscal year 2018 due to the lodging tax rate increase.
- Total expenses increased 1.30% from \$3.224 billion in fiscal year 2017, to \$3.265 billion in fiscal year 2018. This is attributed to the increase in educational expenses associated with the Educate Students with Disabilities grant, an increase in Project Facilitators, expenses associated with the new Human Capital Management Information System, and an increase in electricity costs as a result of increased rates from fiscal year 2017 to fiscal year 2018. The pension expense adjustment recorded in fiscal year 2018 increased overall expenses in most funds. This pension expense, which is recorded as a result of GASB Statement No. 68, is recognized as the difference between the net pension liability from the prior fiscal year to the current fiscal year, with some adjustments, and is not based solely on contributions.

Fund Financial Statements

- The combined ending governmental fund balances increased to \$804 million in fiscal year 2018 from \$669 million in fiscal year 2017, a 20.18% increase.
- The \$135 million increase in the ending combined fund balance was mainly due to the increase in the Bond Fund, specifically, the bonds issued in 2018 which will finance the acquisition, construction, improvement, and equipment of school facilities within the District.
- As the local economy continues to improve, the combined revenues in the governmental funds recorded a \$134 million increase from the previous year predominantly in the General Fund, the new Nevada Education Plan Fund, Special Education Fund, and the Debt Service Fund. The General Fund recognized an increase of \$49 million in sales tax and \$23 million in property tax. The General Fund and the Special Education Fund recognized an increase in DSA revenue of \$40 million and \$11 million, respectively, due to the elimination of weighted kindergarten count and the basic support rate. The Nevada Education Plan established in 2018 recognized revenue of \$34 million for the support of certain pupils who perform below a designated level of proficiency and are English Language Learners or eligible for free or reduced lunches. The Debt Service Fund recognized an increase of \$19 million in property tax.
- One of the largest sources of revenue in the General Fund and the Special Education Fund is the DSA. The net increase of approximately \$51.8 million was due to the elimination of weighted kindergarten count and the basic support rate increase of \$126 per student. Revenues received from property tax and sales tax, are deducted from the guarantee, which determines the amount of state aid the District will receive. The effect of increases in property taxes and sales tax are generally offset by reduced DSA revenues.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

General Operating Fund Balance

- Ending fund balance in the General Fund increased from approximately \$42 million in fiscal year 2017 to approximately \$67 million in fiscal year 2018, a 57.93% increase. This was due to the increase in property tax, sales tax revenues, and the increase in DSA funds. Furthermore, a reduction of expenditures in areas such as central services, English Language Learner program, and the Gifted and Talented program positively impacted ending fund balance.
- Total General Fund revenues increased \$122 million to \$2.204 billion in fiscal year 2018. This was due to the increase in sales tax, property taxes, and DSA revenues related to the elimination of weighted kindergarten count.
- The District funded the unassigned (spendable) portion of fund balance to 0.81% of general operating revenue in fiscal year 2018. As a component of budget savings, it was recommended and the Board of School Trustees (the Board) approved on December 14, 2017 a waiver of the current unassigned fund balance requirement from the 2% established by District Regulation 3110 to 0.78%. Unassigned fund balance is reported at \$18.9 million in 2018.
- The District was able to assign funding in its General Fund for instructional supply appropriations, categorical indirect costs, and potential litigation for the next fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District's basic financial statements are comprised of government-wide financial statements, fund financial statements, and notes to the financial statements. Following is a brief discussion of the structure of the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with an assessment of the overall financial position and activities of the District as a whole. These statements are structured around the primary government, not including fiduciary funds. They are further divided into governmental activities and business-type activities. Governmental activities are those generally financed through taxes and intergovernmental revenues, while business-type activities are those financed to some degree by charging external parties for goods received. The statement of net position combines and consolidates all of the District's current financial resources (short-term spendable resources) with capital assets, deferred outflows of resources, long-term obligations, and deferred inflows of resources, using the accrual basis of accounting. The end result is net position that is segregated into three components: net investment in capital assets; restricted and unrestricted net position. The statement of activities presents information showing how the District's net position changed during fiscal year 2018. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, there are some revenues and expenses reported in this statement that will result in cash flows in future fiscal periods. All expenses are reported by related function as prescribed by the Nevada Department of Education *Nevada Common Elements for Accounting and Reporting K-12 Educational Finances* manual.

Fund Financial Statements

The District uses fund financial statements to provide detailed information about its most significant funds. All of the funds of the District can be divided into three categories:

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements described above. However, unlike the government-wide financial statements, governmental fund financial statements use the modified accrual basis of accounting, which focuses on near-term inflows and outflows of spendable resources and balances of spendable resources available at the end of the fiscal year. To provide a better understanding of the relationship between the fund statements and government-wide statements, a reconciliation is provided for a more comprehensive picture of the District's financial position.

Proprietary Funds – Funds that focus on the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows are reported in the proprietary funds. The District reports two types, enterprise funds and internal service funds. Enterprise funds are used to report an activity where a fee is charged to external users. The District's sole enterprise fund, the Food Service Enterprise Fund, is used to account for food service operations within the District. Internal service funds report activities that provide goods and services to the other departments of the District. The District reports two internal service funds, the Insurance and Risk Management Fund, and the Graphic Arts Production Fund.

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Fiduciary Funds – Funds that are used to report assets held in a trustee or agency capacity for others and, therefore, cannot be used to support the government’s own programs. The District currently holds assets related to student activities of various schools in its single fiduciary fund, the Student Activity Agency Fund.

Notes to the Financial Statements

The notes to the financial statements complement the financial statements by describing qualifying factors and changes throughout the fiscal year.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, the government-wide statements are structured to report financial information on the District as a whole, excluding fiduciary funds. Condensed financial information with comparative amounts from the prior year is presented along with accompanying analysis.

Clark County School District’s Net Position:

	Governmental activities		Business-type activities		Total	
	2018	2017	2018	2017	2018	2017
Current assets	\$ 1,327,342,937	\$ 1,172,341,100	\$ 97,526,994	\$ 84,067,463	\$ 1,424,869,931	\$ 1,256,408,563
Capital assets, net	4,558,408,797	4,356,760,065	11,076,414	11,501,137	4,569,485,211	4,368,261,202
Total assets	5,885,751,734	5,529,101,165	108,603,408	95,568,600	5,994,355,142	5,624,669,765
Deferred outflows of resources	517,954,249	857,391,513	6,487,807	7,723,074	524,442,056	865,114,587
Current liabilities	793,203,514	788,406,493	2,840,243	3,592,600	796,043,757	791,999,093
Long-term liabilities	6,069,579,340	5,811,490,795	43,728,174	43,381,679	6,113,307,514	5,854,872,474
Total liabilities	6,862,782,854	6,599,897,288	46,568,417	46,974,279	6,909,351,271	6,646,871,567
Deferred inflows of resources	246,355,913	222,773,750	3,171,084	2,846,954	249,526,997	225,620,704
Net position:						
Net investment in capital assets	2,069,995,924	1,964,072,870	11,076,414	11,501,137	2,081,072,338	1,975,574,007
Restricted	395,517,829	308,065,370	-	-	395,517,829	308,065,370
Unrestricted	(3,170,946,537)	(2,708,316,600)	54,275,300	41,969,304	(3,116,671,237)	(2,666,347,296)
Total net position	\$ (705,432,784)	\$ (436,178,360)	\$ 65,351,714	\$ 53,470,441	\$ (640,081,070)	\$ (382,707,919)

The District’s assets and deferred outflows of resources were less than liabilities and deferred inflows of resources by \$640,081,070 at the close of the current fiscal year and total net position decreased by 67.30% or \$257,373,151. The negative net position remains due to the effect of GASB Statement No. 68, amended by Statement No. 82, which requires the District to report its proportionate share of the net pension liability. In fiscal year 2018, the District implemented GASB Statement No. 75 which increased the liability reported for OPEB. In addition, there was an increase in long term debt due to the issuance of bonds.

Governmental Activities

The District’s total net position in governmental activities is a negative \$705,432,784, of which, unrestricted net position totaled a negative \$3,170,946,537. Included in this figure is the impact of recording the net pension liability and the total OPEB liability. The portion the District pays to PERS is for required contributions, but pursuant to statute, there is no obligation on the part of the employer to pay for their proportionate share of the unfunded liability.

Portions of total net position are subject to external restrictions on how the resources may be utilized. In the current fiscal year, restricted assets include assets for servicing long-term general obligation bonded debt in the amount of \$319,516,042; assets related to bond proceeds and other revenues to be used in the District’s capital projects programs in the amount of \$26,458,264; school bus appropriations in the amount of \$5,777,918; a certificate of deposit with the State of Nevada for the District’s workers’ compensation self-insurance program in the amount of \$9,769,000; school carryover and school based project carryover in the amounts of \$22,550,396 and \$7,970,469 respectively; and net position restricted for other purposes totaling \$3,475,740, which includes donations of \$471,329, City of Henderson Redevelopment Agency funds in the amount of \$358,986, funds for school technology in the amount of \$814,325, and a total of \$1,831,100 in term endowments made over time to Vegas PBS.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Business-type Activities

Business-type activities consist solely of the District's Food Service Enterprise Fund. Net position in this fund increased by 22.22% to \$65,351,714. This was due to the increase in federal subsidies, more efficient processing of school meals and a decrease of contracted employees. Revenues exceeded expenses by \$12,831,294. Food Service is reporting approximately \$54 million in unrestricted net position.

Clark County School District's Statement of Activities:

	Governmental activities		Business-type activities		Totals	
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenues:						
Charges for services	\$ 5,473,357	\$ 5,057,957	\$ 10,751,304	\$ 12,017,838	\$ 16,224,661	\$ 17,075,795
Operating grants and contributions	580,632,917	610,818,450	123,978,665	122,765,541	704,611,582	733,583,991
Capital grants and contributions	149,900	-	-	-	149,900	-
Total program revenues	586,256,174	615,876,407	134,729,969	134,783,379	720,986,143	750,659,786
General revenues:						
Property taxes	818,141,509	776,002,813	-	-	818,141,509	776,002,813
Local school support tax	998,300,029	948,930,571	-	-	998,300,029	948,930,571
Governmental services tax	98,805,028	91,924,467	-	-	98,805,028	91,924,467
Room tax	96,752,890	95,672,595	-	-	96,752,890	95,672,595
Real estate transfer tax	35,704,237	29,070,252	-	-	35,704,237	29,070,252
Franchise tax	4,685,819	3,386,039	-	-	4,685,819	3,386,039
Other local taxes	1,022,039	-	-	-	1,022,039	-
Unrestricted federal aid	147,916	117,622	-	-	147,916	117,622
Unrestricted state aid	634,565,228	594,241,240	-	-	634,565,228	594,241,240
Other local sources	21,691,615	17,264,191	38,490	48,529	21,730,105	17,312,720
Unrestricted investment earnings	13,740,508	4,775,007	817,747	175,919	14,558,255	4,950,926
Total general revenues	2,723,556,818	2,561,384,797	856,237	224,448	2,724,413,055	2,561,609,245
Total revenues	3,309,812,992	3,177,261,204	135,586,206	135,007,827	3,445,399,198	3,312,269,031
Expenses						
Instruction expenses	1,949,124,065	1,927,330,516	-	-	1,949,124,065	1,927,330,516
Support services:						
Student support	142,388,782	136,223,168	-	-	142,388,782	136,223,168
Instructional staff support	179,645,419	174,436,789	-	-	179,645,419	174,436,789
General administration	31,545,882	34,941,792	-	-	31,545,882	34,941,792
School administration	221,400,391	214,372,597	-	-	221,400,391	214,372,597
Central services	89,302,952	83,569,279	-	-	89,302,952	83,569,279
Operation and maintenance						
of plant services	274,654,943	267,089,898	-	-	274,654,943	267,089,898
Student transportation	141,204,271	137,485,952	-	-	141,204,271	137,485,952
Other support services	4,181,021	4,518,139	-	-	4,181,021	4,518,139
Community services	4,101,468	4,315,316	-	-	4,101,468	4,315,316
Facilities acquisition and						
construction services	16,544,906	19,680,467	-	-	16,544,906	19,680,467
Interdistrict payments	6,475,711	6,601,490	-	-	6,475,711	6,601,490
Interest on long-term debt	80,623,986	89,401,463	-	-	80,623,986	89,401,463
Food services	-	-	124,223,010	123,544,547	124,223,010	123,544,547
Total expenses	3,141,193,797	3,099,966,866	124,223,010	123,544,547	3,265,416,807	3,223,511,413
Change in net position before						
term endowments and transfers	168,619,195	77,294,338	11,363,196	11,463,280	179,982,391	88,757,618
Term endowment	16,250	67,250	-	-	16,250	67,250
Transfers in / (out)	(1,468,098)	-	1,468,098	-	-	-
Change in net position	167,167,347	77,361,588	12,831,294	11,463,280	179,998,641	88,824,868
Net position - beginning	(436,178,360)	(513,539,948)	51,517,413	42,007,161	(384,660,947)	(471,532,787)
Prior period restatement	(436,421,771)	-	1,003,007	-	(435,418,764)	-
Net position - beginning (as restated)	(872,600,131)	-	52,520,420	-	(820,079,711)	-
Net position - ending	\$ (705,432,784)	\$ (436,178,360)	\$ 65,351,714	\$ 53,470,441	\$ (640,081,070)	\$ (382,707,919)

Governmental Activities**Net Position**

Governmental activities decreased the District's net position by \$269,254,424 for fiscal year 2018. This can be attributed to the implementation of GASB Statement No. 75 which increased the liability reported for OPEB and an increase in long term debt due to higher issuance of bonds.

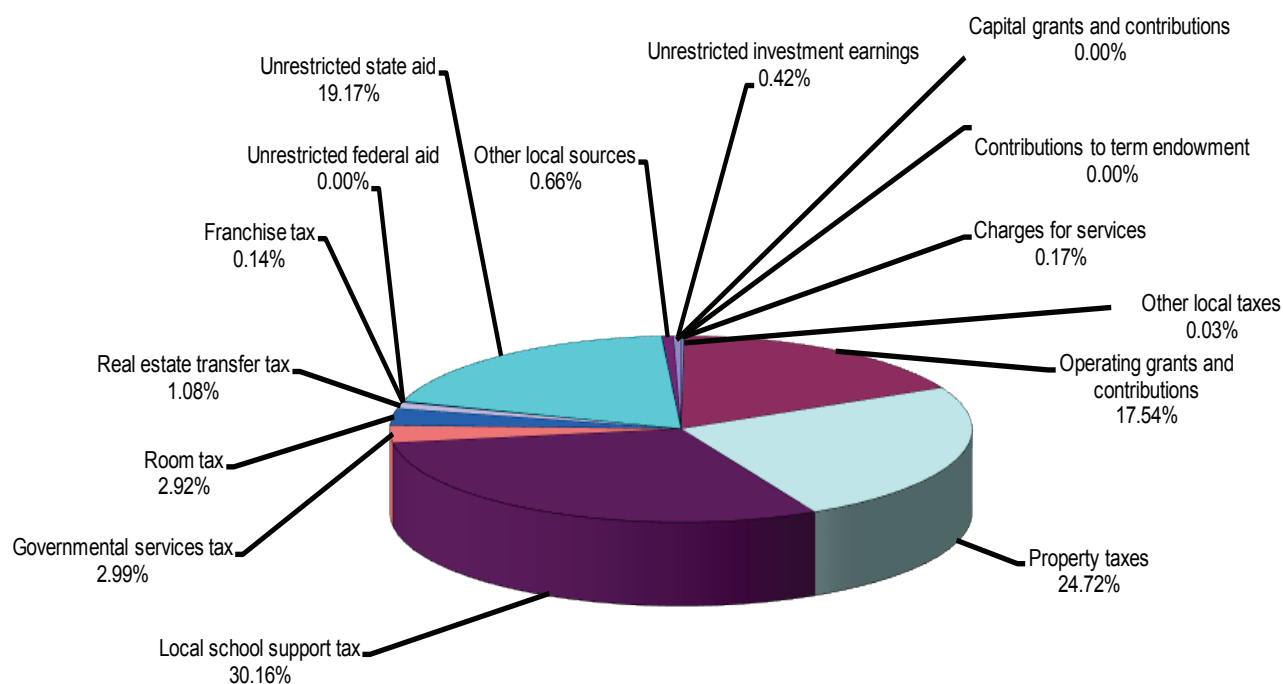
Revenues

- The largest general revenues received by the District include sales tax in the amount of \$998,300,029, aggregated property taxes in the amount of \$818,141,509, and unrestricted state aid in the amount of \$634,565,228. These revenues represent 30.16, 24.72, and 19.17%, respectively, of total governmental revenues for the current fiscal year.
- This year's unrestricted state aid in the General Fund increased by 6.79% and is guaranteed through a funding mechanism known as the Nevada Plan. The District is legislatively guaranteed to receive a specific amount of per-pupil funding from the state which is apportioned through components of both sales and property taxes. The per pupil rate for fiscal year 2018 was \$5,700, up from the prior year's amount of \$5,574 or 2.26%. The state is required to provide funding to meet the residual amount that is not collected through these taxes. Under the provision of this plan, the State formula is adjusted by the change in local sales tax and property tax revenues, which corresponds to an increase or decrease in the State's obligation.
- Sales tax increased 5.20% or \$49,369,458 over the prior year, with collections totaling \$998,300,029. This was due in part to the Sales and Use tax rate increase on April 1, 2017 from 8.15% to 8.25%. This increase reduces the DSA funds, therefore the District does not directly benefit from this increase in revenue.
- Sales tax and property tax collection are part of the Nevada Plan for school funding. When sales tax and property tax decreases, the state is required to make up the difference to meet its basic support obligation. However, when sales tax and property tax are higher than anticipated, as occurred this year, the District does not share in any surplus. It usually means the state reduces its state-aid payments through the DSA, but in 2018, due to the elimination of the weighted kindergarten count and the increase to the per pupil rate, the District recognized an increase in DSA revenue.
- As the Clark County economy continues to recover, many other revenue collections have experienced improvements over the previous year. In fiscal year 2018, the real estate transfer tax, a tax collected on transfers of real property, has experienced an increase of \$6,633,985 or 22.82% due to the positive change in the housing market over the last several years. The room tax, a tax associated with hotel lodging and deposited into the Bond Fund, experienced an increase of \$1,080,295 or 1.13% over the previous year. The real estate transfer tax, along with the property tax and room tax are the main components of repaying outstanding bond obligations. Property taxes continue to show improvement in recent years, the decline during the years of the recession reduced the ability of the District to fully meet the needs of the long term capital plan.
- In fiscal year 2018, governmental services tax revenue increased \$6,880,561 or 7.49%. Governmental services taxes are collected when residents register their vehicles each year. This tax is based on the original Manufactures Suggested Retail Price (MSRP) set when the vehicle was new.
- Franchise tax revenue increased by \$1,299,780 or 38.39% due to an increase in tax receipts this year as a result of higher net profits reported by a local utility company.
- Other local sources revenue increased by \$4,427,424 or 25.65% due in part to a new grant, City of Henderson 2018 Educational Funds which was used for web-based programs, Chromebooks, technology supplies, construction services, and professional development. The sale of buses and vehicles also contributed to this increase.
- The District has seen an increase in its unrestricted investment earnings as the Governmental Funds fund balance rose by \$134,985,472 and with it, a corresponding increase in interest income. Overall investment earnings have increased \$8,965,501 or 187.76% from fiscal year 2017.
- This year, revenue from charges for services increased by \$415,400 or 8.21% as the District received more in summer school fees from NV Learning Academy, an online secondary school enhancing learning experiences for grades 6 – 12.
- Operating grants and contributions revenues decreased \$30,185,533 or 4.94% due to full-day kindergarten. Full day kindergarten is now received through the DSA and is no longer a state grant. Offsetting the decrease in this classification is the New Nevada Education Funding Plan in the amount of \$34,178,097.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

- There are capital grants and contributions reported this year in the amount of \$149,900, for a land donation of \$124,900 by Inspirada Builders LLC and portables in the amount of \$25,000 donated by the City of North Las Vegas and the NV Health Center.

Governmental Activities – Revenue Sources



Governmental Activities - Change in Revenues

Revenues	2018	2017	Inc / (Dec) from 2017	% Inc / (Dec) from 2017
Charges for services	\$ 5,473,357	\$ 5,057,957	\$ 415,400	8.21%
Operating grants and contributions	580,632,917	610,818,450	(30,185,533)	-4.94%
Capital grants and contributions	149,900	-	149,900	100.00%
Property taxes	818,141,509	776,002,813	42,138,696	5.43%
Local school support tax	998,300,029	948,930,571	49,369,458	5.20%
Governmental services tax	98,805,028	91,924,467	6,880,561	7.49%
Room tax	96,752,890	95,672,595	1,080,295	1.13%
Real estate transfer tax	35,704,237	29,070,252	6,633,985	22.82%
Franchise tax	4,685,819	3,386,039	1,299,780	38.39%
Other local taxes	1,022,039	-	1,022,039	100.00%
Unrestricted federal aid	147,916	117,622	30,294	25.76%
Unrestricted state aid	634,565,228	594,241,240	40,323,988	6.79%
Other local sources	21,691,615	17,264,191	4,427,424	25.65%
Unrestricted investment earnings	13,740,508	4,775,007	8,965,501	187.76%
Contributions to term endowment	16,250	67,250	(51,000)	-75.84%
Total revenues	\$ 3,309,829,242	\$ 3,177,328,454	\$ 132,500,788	4.17%

Expenses

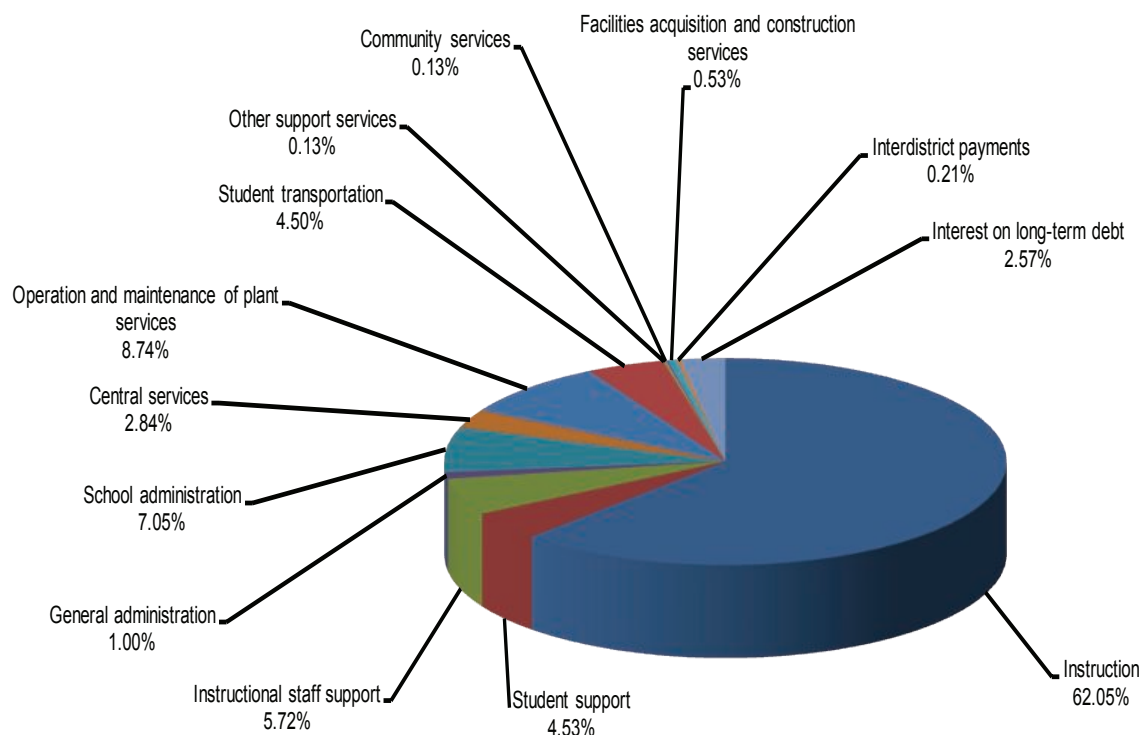
- Instruction related expenses represent 62.05% of total governmental expenses. They consist of regular, special, gifted and talented, vocational, other instruction, and adult program expenses, with 94.55% of these dollars spent on regular and special education.
- Instruction related expenses increased \$21,793,549 or 1.13% due to higher depreciation expenses for building and equipment and an increase to pension expense.
- Student support related expenses increased \$6,165,614 or 4.53%. There was an increase in education services

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

expenses associated with the Educate Students with Disabilities grant for interpreting services, occupational therapy, speech therapy, and psychological services of \$4.3 million and a \$1.2 million increase to pension expense.

- Operation and maintenance of plant services account for the next highest expenses comprising of approximately 8.74% of total expenses. The expenses consist of utility and maintenance costs intended to provide upkeep for the District's schools and administrative facilities. The increase of \$7,565,045 or 2.83% includes increased electricity costs as a result of higher rates from fiscal year 2017 to fiscal year 2018, and an increase to pension expense.
- General administration expenses decreased by \$3,395,910 or 9.72%. There was a decrease in other insurance and legal fees in the current year.
- Central services expenses increased by \$5,733,673 or 6.86% due to the new Human Capital Management Information System grant and an increase to pension expense.
- School administration function increased by \$7,027,794 or 3.28%. Included in these expenses is an increase to administrative salaries and benefits due to the arbitrated contract settlement, and a need for additional elementary school clerks for new schools.
- Instructional staff support expenses consist of staff training, library services, instruction related technology, and network systems. These expenses increased by \$5,208,630 or 2.99% due to additional Project Facilitators, and an increase in library books, furniture, and equipment for new schools.
- Student transportation expenses rose by \$3,718,319 or 2.70% due to the purchase of new school buses and an increase in field trips.
- Facilities acquisition and construction services decreased by \$3,135,561 or 15.93% due to the reduction in construction of new schools in FY18, four new schools compared to last year's seven new schools.
- Interest on long term debt decreased by \$8,777,477 or 9.82% due to lower interest payments in the Debt Service Fund, and the increase in amortization of premiums, an offset to interest expense.

Governmental Activities – Expenses by Function



MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Governmental Activities – Change in Expenses by Function

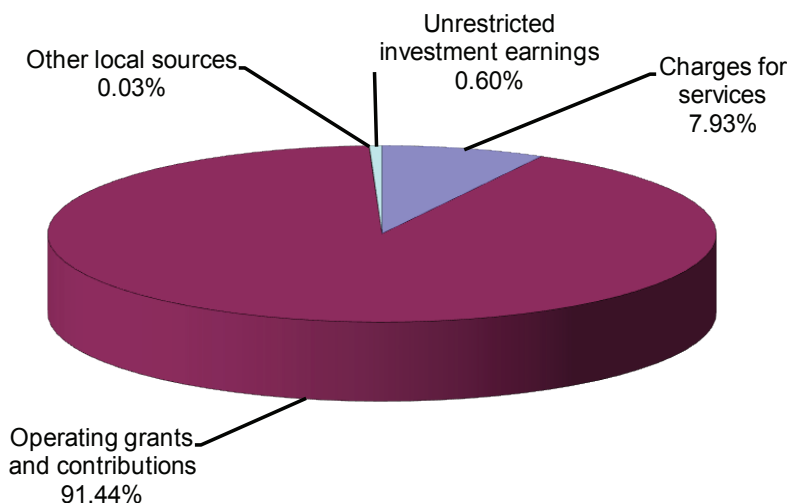
Expenses	2018	2017	Inc / (Dec) from 2017	% Inc / (Dec) from 2017
Instruction	\$ 1,949,124,065	\$ 1,927,330,516	\$ 21,793,549	1.13%
Student support	142,388,782	136,223,168	6,165,614	4.53%
Instructional staff support	179,645,419	174,436,789	5,208,630	2.99%
General administration	31,545,882	34,941,792	(3,395,910)	-9.72%
School administration	221,400,391	214,372,597	7,027,794	3.28%
Central services	89,302,952	83,569,279	5,733,673	6.86%
Operation and maintenance of plant services	274,654,943	267,089,898	7,565,045	2.83%
Student transportation	141,204,271	137,485,952	3,718,319	2.70%
Other support services	4,181,021	4,518,139	(337,118)	-7.46%
Community services	4,101,468	4,315,316	(213,848)	-4.96%
Facilities acquisition and construction services	16,544,906	19,680,467	(3,135,561)	-15.93%
Interdistrict payments	6,475,711	6,601,490	(125,779)	-1.91%
Interest on long-term debt	80,623,986	89,401,463	(8,777,477)	-9.82%
Total expenses	\$ 3,141,193,797	\$ 3,099,966,866	\$ 41,226,931	1.33%

Business-type Activities

Business-type activities consist solely of the District's Food Service Enterprise Fund. In the current fiscal year, this activity increased net position by \$12,831,294 before the prior period restatement, in large part due to the increase in Federal subsidies for lunch meals, a decrease to breakfast participation corresponding to a decrease in breakfast food costs, and a favorable allocation of the net pension liability.

Food service student charges and federal subsidies, including contributions of commodity food products, account for almost 100% of the revenues received by business-type activities, with student charges representing approximately 7.89% and federal subsidies accounting for 91.04%. The majority of the expenses in business-type activities are for food purchases and personnel expenses, including salary and benefits, to maintain the District's food service program.

Business-type Activities – Revenue Sources



Business-type Activities - Change in Revenues

Revenues	2018	2017	Increase / (Decrease) from 2017	% Increase / (Decrease) from 2017
Charges for services	\$ 10,751,304	\$ 12,017,838	\$ (1,266,534)	-10.54%
Operating grants and contributions	123,978,665	122,765,541	1,213,124	0.99%
Other local sources	38,490	48,529	(10,039)	-20.69%
Unrestricted investment earnings	817,747	175,919	641,828	364.84%
Total Revenues	\$ 135,586,206	\$ 135,007,827	\$ 578,379	0.43%

Revenues generated from charges for services declined \$1.3 million in fiscal year 2018, due to a drop in a la carte sales and a reduction in the total number of meals served. Federal proceeds increased in 2018 due to the expansion of supper meals (Child and Adult Care program) and an increase in the Federal reimbursement rate per meal, resulting in an additional \$1.2 million in proceeds.

ANALYSIS OF GOVERNMENTAL FUND BALANCES AND TRANSACTIONS

Governmental funds use fund accounting and follow the modified accrual basis of accounting which focuses on short-term sources and uses of spendable resources. Following is an analysis of individual fund balances and material transactions.

At the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$804 million, an increase of \$135 million from last year. This is mainly due to the Bond Fund proceeds from the issue of building and refunding and medium-term bonds in 2018. The General Fund reported higher revenue collections overall as a result of improvements in the local economy. Furthermore, a reduction of expenditures in areas such as central services, English Language Learner program, and the Gifted and Talented program positively impacted ending fund balance. Of the total governmental fund balance, \$3,885,600 is classified as nonspendable and \$763,203,164 as restricted. Committed fund balance totaled \$11,565,237 which included amounts for PBS programming fees and Medicaid programs. The assigned fund balance totaling \$6,465,750 is for various initiatives throughout the District including instructional supply appropriations, categorical indirect costs, and potential litigation. Unassigned fund balance, for all governmental funds (which serves as a useful measure of the District's net resources as a whole) available for spending is \$18,869,083.

The main operating fund of the District is the General Fund. At the end of the current fiscal year, the total fund balance in the General Fund was \$66,829,399; nonspendable portion totaled \$3,551,143 and the restricted portion was \$37,943,423. The unassigned portion which represents spendable resources was \$18,869,083, representing 28.23% of the total fund balance or 0.81% of the general operating budget resources.

Although reported separately, the Special Education Fund is budgeted for in combination with the General Fund and together they represent the general operating budget of the District. Any deficiencies of revenues under expenditures in the Special Education Fund are compensated for through a transfer from the General Fund. The transfer from the General Fund to cover special education expenditures in fiscal year 2018 was \$319,203,117. This is an increase of 1.26% over 2017, as Special Education instruction costs increased due to the continued enrollment growth of students qualifying for special education services and the increased salary and benefits for licensed personnel.

The District's Debt Service Fund reported an increase in fund balance by approximately \$20 million, from \$56 million in fiscal year 2017 to \$76 million in fiscal year 2018. This is a result of the increase in property tax revenue and investment income.

The District's Bond Fund reported an increase in fund balance of \$78 million due to the construction bonds authorized and issued in the amount of \$400 million. Real estate transfer tax and room tax increased in fiscal year 2018. The District received \$132 million in combined revenues from the room tax and real estate transfer tax. These taxes are pledged to reduce specific general obligation debts as it comes due. Most of these pledged revenues are reported as a transfer out of the Bond Fund in the amount of \$97.2 million and are shown as a transfer in to the Debt Service Fund. See **Note 4**.

The Federal Projects, State Grants, and Adult Education Funds reported no fund balance as draws, recorded as receivables, are requested from the grantor to cover any outstanding expenditures at year-end. Additionally, any revenues that were drawn down and not yet spent are considered unearned until the next fiscal year.

Towards the end of the current fiscal year, the grant/fiscal accountability department requested draws to cover several expenditures mainly in its Title I, Title II, Read by Grade 3, Southern NV Regional Professional Development Program, Zoom, Victory, and IDEA grants, but did not receive the funding until after the end of the current fiscal year. As of June 30, 2018, the Federal Projects Fund, State Grants Fund and Adult Education Fund are reporting \$40 million, \$32 million, and \$3 million receivables, respectively. Since these funds did not receive grant awards in time to cover the current expenditures, funding was provided by the General Fund. Liabilities are recorded in the Federal Projects Fund in the amount of \$21,692,705, \$16,603,103 in the State Grants Fund, and \$819,461 in the Adult Education Fund to recognize the payable; corresponding receivables are recorded in the General Fund.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

BUDGETARY HIGHLIGHTS

The Original Budget was approved on May 17, 2017. Budgeted appropriations were developed with certain assumptions remaining unknown or not finalized, namely average daily enrollment and beginning fund balance. For this reason, the Original Budget was approved and submitted according to NRS 354.598 on or before June 8 to commence District operations for the fiscal year beginning July 1, 2017.

An amendment to the 2017-2018 Original Budget (Final Budget) was approved on December 14, 2017, following recognition of the first quarter average daily enrollment (ADE), providing a more precise 2nd, 3rd, and 4th quarter projections, and the audited June 30, 2017, ending fund balance. Furthermore, the District was required to make several appropriation modifications, as a result of multiple events, leading to an approximately \$60.0 million budget shortfall, which included a lower than anticipated fiscal year 2018 beginning fund balance of \$42.3 million compared to the fiscal year 2018 projected beginning fund balance of \$80.0 million accounting for \$37.7 million, the Clark County Association of School Administrators and Professional-Technical Employees union arbitration settlement on May 26, 2017, requires an additional \$16.4 million in fiscal year 2018 for salaries and benefits, and a \$5.0 million downward revenue adjustment related to the distributive school account, enrollment changes, and the loss of the fiscal year 2018 special education contingency funds. On August 24, 2017, the Board of School Trustees approved the first phase of a series of budget modifications. The August 24, 2017, meeting was followed by additional Board of School Trustee meetings on September 14, September 28, and November 30, 2017, where the Board approved additional budget modifications.

The Final Budget reflects the District's best estimates and includes all transfers, additions, and deletions that have been approved through June 30, 2018, and more accurately denote total appropriation activity throughout the year.

Nevada Revised Statutes and District regulations require that school districts legally adopt budgets for all funds. Budgets are prepared in accordance with generally accepted accounting principles. Budgeted amounts reflected in the accompanying financial statements recognize amendments and transfers made during the year. The Final Budget is prepared by fund, program, and function. All appropriations lapse at year-end and certain allowable encumbrances will carry over and be appropriated in 2018-2019.

Revenues

Total General Operating Fund actual revenues came in lower than budget by \$0.4 million. The General Fund experienced revenues \$0.7 million less than projected, as a result of lower student enrollment and the Special Education Fund experienced revenues \$0.3 million greater than projected as result of residual funding provided by the State of Nevada.

Expenditures

Overall the General Operating Fund expenditures came in below budget by \$44.3 million which is primarily a result of four events. First, in the General Fund, schools elected not to spend \$30.5 million of their fiscal year 2018 budget and per Assembly Bill 469; this carry forward of funds has been placed as a restricted balance in the 2018 ending funding balance. Secondly, in the General Fund, \$5.8 million in buses ordered in fiscal year 2018 were not received in fiscal year 2018. The District will experience the bus expenditure in fiscal year 2019 and the bus order was placed into the 2018 ending fund balance as restricted. Third, in the General Fund, the District experienced a \$6.0 million savings as a result of vacant positions, primarily licensed positions. Finally, in the Special Education Fund, the District experienced a \$2.1 million savings as a result of vacant special education positions.

Ending Fund Balance

The Board adopted the Final Budget for 2017-2018 of the General Operating Fund in December 2017 that reflected total appropriations of \$2.3 billion and a projected ending fund balance of \$23.0 million. The actual fiscal year 2018 ending fund balance was \$66.8 million, a positive variance of \$43.9 million to the plan. Of this \$66.8 million ending fund balance; \$3.6 million is for nonspendable inventories; \$0.8 million is restricted for donations and the City of Henderson Redevelopment Agency; plus \$0.8 million in school technology; \$5.8 million is restricted for school bus appropriations; \$30.5 is restricted for school carryover; \$0.6 million is assigned for instructional supply appropriation; \$0.1 million is assigned to categorical indirect costs; and \$5.7 million is assigned for potential litigation. The remaining balance of \$18.9 million is unassigned and reflects a \$12.5 million increase from 2017. Board Regulation 3110 requires an unassigned ending fund balance of 2 percent of the Districts revenues for the general operating budget be established for each fiscal year. The District's unassigned balance for the 2018 fiscal year was 0.81 percent. On December 14, 2017, the Board approved a waiver of the 2 percent to 0.78 percent. An increase of \$27.7 million in the budget would have been required to be in compliance with Regulation 3110.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

At June 30, 2018, the District held approximately \$4.6 billion invested in a broad range of capital assets, net of depreciation, including land and improvements, buildings and improvements, and equipment. This amount represents a net increase (including additions, disposals, and depreciation) of \$202 million or 4.63% from last year. The following tables reflect additions and disposals of capital assets for governmental and business-type activities:

Governmental Activities Capital Assets:

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Land	\$ 265,613,200	\$ 132,490	\$ -	\$ 265,745,690
Land Improvements	1,310,543,642	67,340,538	-	1,377,884,180
Buildings	4,507,723,048	295,010,491	(1,392,251)	4,801,341,288
Building Improvements	933,061,923	8,976,110	(4,283,040)	937,754,993
Equipment	492,957,413	63,257,961	(29,120,152)	527,095,222
Construction in Progress	170,615,780	421,520,402	(410,150,461)	181,985,721
Less: Accumulated Depreciation	(3,323,754,941)	(242,844,162)	33,200,806	(3,533,398,297)
Total Capital Assets, Net	\$ 4,356,760,065	\$ 613,393,830	\$ (411,745,098)	\$ 4,558,408,797

The fiscal year 2017 balance for equipment and accumulated depreciation was adjusted in Governmental Activities by \$97,175,408 to remove minor equipment that was previously being depreciated. This adjustment had a zero net effect to total capital assets.

The majority of the increase in capital assets is due to the increase in buildings which represent the capitalized construction costs. In fiscal year 2018, the District opened seven new schools and two replacement schools. Additions to land, buildings, and building improvements include construction, expansions and renovations to new and existing District facilities. Construction in progress includes school renovations, improvements, expansions to existing schools, and work performed to completely replace some older existing schools.

Business-type Activities Capital Assets:

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Land Improvements	\$ 968,279	\$ -	\$ -	\$ 968,279
Buildings	1,737,413	-	-	1,737,413
Building Improvements	597,956	-	-	597,956
Equipment	23,022,049	1,816,635	(21,817)	24,816,867
Less: Accumulated Depreciation	(14,824,560)	(2,241,358)	21,817	(17,044,101)
Total Capital Assets, Net	\$ 11,501,137	\$ (424,723)	\$ -	\$ 11,076,414

Additional information on the District's capital assets can be found in note 5 on pages 63-64 of this report.

Long-term Debt

The District finalized one of the largest school construction programs in the United States, funded through the issuance of municipal bonds. Before bonds can be sold, the District provides information to various bond raters to obtain bond ratings for the proposed issue. Much of the information is focused on the financial stability of the District and how it responds to various financial situations. As the local economy has improved in Clark County, the District now has the following ratings with Standard and Poor (A+) and Moody's Investor Services (A1); Moody's with a stable outlook rating and Standard and Poor's with a negative outlook rating at year end.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

As of June 30, 2018, the District carried approximately \$2.9 billion in debt. The District has recently issued general obligation bonds to finance various projects including, but not limited to, constructing or purchasing new buildings, enlarging, remodeling or repairing existing buildings or grounds, acquiring sites for new buildings, and purchasing necessary furniture and equipment for schools including equipment used for student transportation. The following table summarizes long-term debt activity over the past fiscal year:

Long-term Debt Obligations:

	Balance June 30, 2017	Issuances	Retirements	Balance June 30, 2018
Governmental Activities:				
General Obligation Debt	\$ 2,438,120,000	\$ 515,730,000	\$ (406,855,000)	\$ 2,546,995,000
Less: Discounts	(4,467,553)	-	656,150	(3,811,403)
Plus: Premiums	318,581,356	63,900,989	(49,378,815)	333,103,530
General Obligation Debt, Net	<u>\$ 2,752,233,803</u>	<u>\$ 579,630,989</u>	<u>\$ (455,577,665)</u>	<u>\$ 2,876,287,127</u>

Per Nevada Revised Statute Chapter 387.400, the debt limitation for the District is equal to 15% of the assessed valuation of property, excluding motor vehicles. The debt limitation currently applicable at June 30, 2018 is \$12,195,919,688. It is expected that future increases in assessed valuation and the retirement of bonds will result, at all times, in a statutory debt limitation in excess of outstanding debt, subject to changes in assumptions, costs and revenues.

The District's liability for compensated absences increased this year with combined governmental and business-type activities reporting \$63,374,281 in compensated absences payable at June 30, 2018. This represents a 1.88% increase over the previous year.

Additional information on the District's long-term debt can be found in notes 8 and 10 on pages 65-69 of this report.

REQUESTS FOR INFORMATION

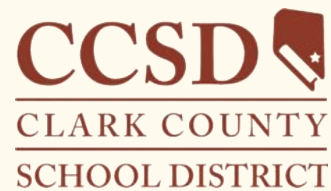
This financial report is designed to provide its users with a general overview of the Clark County School District's finances and to demonstrate the District's accountability for the revenues it receives. Additional information and an electronic copy of this report may be found at the District's website, www.ccsd.net. Any further questions, comments or requests for additional financial information should be addressed to:

Clark County School District
Accounting Department
4190 McLeod Drive
Las Vegas, NV 89121



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Basic Financial Statements



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CLARK COUNTY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities	Business-type Activities	Total
ASSETS			
Pooled cash and investments	\$ 1,013,162,864	\$ 78,592,843	\$ 1,091,755,707
Accounts receivable	305,797,329	11,895,294	317,692,623
Interest receivable	984,092	-	984,092
Inventories	3,551,143	7,038,857	10,590,000
Prepays	3,567,281	-	3,567,281
Prepaid bond insurance premium costs	47,944	-	47,944
Refundable deposits	232,284	-	232,284
Capital assets - not being depreciated	447,731,411	-	447,731,411
Capital assets - net of accumulated depreciation	<u>4,110,677,386</u>	<u>11,076,414</u>	<u>4,121,753,800</u>
Total assets	<u>5,885,751,734</u>	<u>108,603,408</u>	<u>5,994,355,142</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refundings	14,280,621	-	14,280,621
Deferred outflows of resources - pension related	490,090,535	6,421,165	496,511,700
Deferred outflows of resources - OPEB related	<u>13,583,093</u>	<u>66,642</u>	<u>13,649,735</u>
Total deferred outflows of resources	<u>517,954,249</u>	<u>6,487,807</u>	<u>524,442,056</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>6,403,705,983</u>	<u>115,091,215</u>	<u>6,518,797,198</u>
LIABILITIES			
Accounts payable	126,509,748	561,304	127,071,052
Accrued salaries and benefits	277,117,425	887,671	278,005,096
Unearned revenues	4,429,560	1,045,700	5,475,260
Interest payable	5,091,137	-	5,091,137
Construction contracts and retention payable	23,642,377	-	23,642,377
Liability insurance claims payable	7,905,886	-	7,905,886
Workers' compensation claims payable	4,669,605	-	4,669,605
Other current liabilities	21,701,230	-	21,701,230
Long term liabilities:			
Portion due or payable within one year:			
General obligation bonds payable	289,000,000	-	289,000,000
Compensated absences payable	33,136,546	345,568	33,482,114
Portion due or payable after one year:			
General obligation bonds payable	2,587,287,127	-	2,587,287,127
Compensated absences payable	29,130,487	761,680	29,892,167
Total OPEB liability	221,415,019	1,021,281	222,436,300
Net pension liability	3,201,434,599	41,945,213	3,243,379,812
Long term claims payable	<u>30,312,108</u>	<u>-</u>	<u>30,312,108</u>
Total liabilities	<u>6,862,782,854</u>	<u>46,568,417</u>	<u>6,909,351,271</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred gain on refundings	3,908,645	-	3,908,645
Deferred inflows of resources - pension related	238,343,277	3,122,775	241,466,052
Deferred inflows of resources - OPEB related	<u>4,103,991</u>	<u>48,309</u>	<u>4,152,300</u>
Total deferred inflows of resources	<u>246,355,913</u>	<u>3,171,084</u>	<u>249,526,997</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>7,109,138,767</u>	<u>49,739,501</u>	<u>7,158,878,268</u>
NET POSITION			
Net investment in capital assets	2,069,995,924	11,076,414	2,081,072,338
Restricted for:			
Debt service	319,516,042	-	319,516,042
Capital projects	26,458,264	-	26,458,264
School carryover	22,550,396	-	22,550,396
Certificate of deposit for self-insurance	9,769,000	-	9,769,000
School based project carryover	7,970,469	-	7,970,469
School bus appropriations	5,777,918	-	5,777,918
Other purposes	3,475,740	-	3,475,740
Unrestricted	<u>(3,170,946,537)</u>	<u>54,275,300</u>	<u>(3,116,671,237)</u>
TOTAL NET POSITION	<u>\$ (705,432,784)</u>	<u>\$ 65,351,714</u>	<u>\$ (640,081,070)</u>

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



CLARK COUNTY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Functions / Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
GOVERNMENTAL ACTIVITIES			
Instruction:			
Regular instruction	\$ (1,475,527,307)	\$ 1,137,881	\$ 274,542,859
Special instruction	(367,285,672)	-	188,444,635
Gifted and talented instruction	(13,193,392)	-	4,033,423
Vocational instruction	(28,891,625)	-	13,182,080
Other instruction	(57,816,705)	845,820	44,695,699
Adult instruction	(6,409,364)	-	4,232,369
Total instruction	<u>(1,949,124,065)</u>	<u>1,983,701</u>	<u>529,131,065</u>
Support services:			
Student support	(142,388,782)	-	13,948,165
Instructional staff support	(179,645,419)	2,023,874	22,675,484
General administration	(31,545,882)	-	-
School administration	(221,400,391)	-	-
Central services	(89,302,952)	1,064,367	8,858,254
Operation and maintenance of plant services	(274,654,943)	-	339,012
Student transportation	(141,204,271)	401,415	12,501
Other support services	(4,181,021)	-	-
Operation of non instructional services:			
Community services	(4,101,468)	-	-
Facilities acquisition and construction services ¹	(16,544,906)	-	-
Miscellaneous:			
Interdistrict payments-charter schools	(6,475,711)	-	-
Debt service:			
Interest on long-term debt	(80,623,986)	-	5,668,436
Total support services	<u>(1,192,069,732)</u>	<u>3,489,656</u>	<u>51,501,852</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>(3,141,193,797)</u>	<u>5,473,357</u>	<u>580,632,917</u>
BUSINESS-TYPE ACTIVITIES			
Food service	(124,223,010)	10,751,304	123,978,665
TOTAL SCHOOL DISTRICT	<u>\$ (3,265,416,807)</u>	<u>\$ 16,224,661</u>	<u>\$ 704,611,582</u>

General revenues:

- Property taxes, levied for general purposes
- Property taxes, levied for debt service
- Local school support taxes
- Governmental services tax
- Room tax
- Real estate transfer tax
- Two percent franchise tax
- Other local taxes

- Federal aid not restricted to specific purposes
- State aid not restricted to specific purposes
- Other local sources

- Unrestricted investment earnings
- Contributions to term endowment*
- Transfers*

Total general revenues and contributions to term endowment

Change in net position

- Net position - July 1
- Prior period restatement
- Net position - beginning (as restated)
- Net position - June 30

¹ This amount represents expenses incurred in connection with activities related to capital projects that are not otherwise capitalized and included as part of capital assets.

Net (Expenses) Revenues and Changes in Net Position			
Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
\$ -	\$ (1,199,846,567)	\$ -	\$ (1,199,846,567)
-	(178,841,037)	-	(178,841,037)
-	(9,159,969)	-	(9,159,969)
-	(15,709,545)	-	(15,709,545)
-	(12,275,186)	-	(12,275,186)
-	(2,176,995)	-	(2,176,995)
-	(1,418,009,299)	-	(1,418,009,299)
-	(128,440,617)	-	(128,440,617)
-	(154,946,061)	-	(154,946,061)
-	(31,545,882)	-	(31,545,882)
-	(221,400,391)	-	(221,400,391)
-	(79,380,331)	-	(79,380,331)
-	(274,315,931)	-	(274,315,931)
-	(140,790,355)	-	(140,790,355)
-	(4,181,021)	-	(4,181,021)
-	(4,101,468)	-	(4,101,468)
149,900	(16,395,006)	-	(16,395,006)
-	(6,475,711)	-	(6,475,711)
-	(74,955,550)	-	(74,955,550)
149,900	(1,136,928,324)	-	(1,136,928,324)
149,900	(2,554,937,623)	-	(2,554,937,623)
-	-	10,506,959	10,506,959
<u>\$ 149,900</u>	<u>(2,554,937,623)</u>	<u>10,506,959</u>	<u>(2,544,430,664)</u>
	465,903,936	-	465,903,936
	352,237,573	-	352,237,573
	998,300,029	-	998,300,029
	98,805,028	-	98,805,028
	96,752,890	-	96,752,890
	35,704,237	-	35,704,237
	4,685,819	-	4,685,819
	1,022,039	-	1,022,039
	147,916	-	147,916
	634,565,228	-	634,565,228
	21,691,615	38,490	21,730,105
	13,740,508	817,747	14,558,255
	16,250	-	16,250
	(1,468,098)	1,468,098	-
	<u>2,722,104,970</u>	<u>2,324,335</u>	<u>2,724,429,305</u>
	167,167,347	12,831,294	179,998,641
	(436,178,360)	51,517,413	(384,660,947)
	(436,421,771)	1,003,007	(435,418,764)
	(872,600,131)	52,520,420	(820,079,711)
	<u>\$ (705,432,784)</u>	<u>\$ 65,351,714</u>	<u>\$ (640,081,070)</u>



CLARK COUNTY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	MAJOR	
	General Fund	Special Education Fund
ASSETS		
Pooled cash and investments	\$ 115,753,586	\$ 49,618,525
Accounts receivable	196,253,891	14,447
Interest receivable	523,296	-
Due from other funds	39,115,269	-
Inventories	3,551,143	-
Prepays	-	-
Deposits	-	-
TOTAL ASSETS	<u>\$ 355,197,185</u>	<u>\$ 49,632,972</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ 72,497,437	\$ 326,577
Intergovernmental accounts payable	3,232,525	-
Accrued salaries and benefits	184,562,200	46,818,939
Unearned revenue	879,160	-
Construction contracts and retentions payable	-	-
Due to other funds	-	-
Other current liabilities	17,364,849	2,487,456
Total liabilities	<u>278,536,171</u>	<u>49,632,972</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - delinquent property taxes	6,600,452	-
Unavailable revenue - other	3,231,163	-
Total deferred inflows of resources	<u>9,831,615</u>	<u>-</u>
FUND BALANCES		
Nonspendable:		
Inventories	3,551,143	-
Prepays	-	-
Restricted for:		
Donations	471,329	-
City of Henderson RDA	358,986	-
School technology	814,325	-
School bus appropriations	5,777,918	-
School carryover	22,550,396	-
School based project carryover	7,970,469	-
Debt service reserve requirement per NRS 350.020	-	-
Debt service	-	-
Capital projects	-	-
Capital improvements	-	-
Term endowment	-	-
Committed to:		
PBS programming fees	-	-
Medicaid programs	-	-
Assigned to:		
Instructional supply appropriations	638,581	-
Categorical indirect costs	149,043	-
Potential litigation	5,678,126	-
Unassigned	<u>18,869,083</u>	<u>-</u>
Total fund balances	<u>66,829,399</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 355,197,185</u>	<u>\$ 49,632,972</u>

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

FUNDS				
Debt Service Fund	Bond Fund	Federal Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ 73,874,390	\$ 591,655,776	\$ -	\$ 129,995,144	\$ 960,897,421
6,474,315	23,780,419	40,390,095	38,884,162	305,797,329
242,321	206,290	-	-	971,907
-	-	-	-	39,115,269
-	-	-	-	3,551,143
-	-	-	334,457	334,457
-	232,284	-	-	232,284
<u>\$ 80,591,026</u>	<u>\$ 615,874,769</u>	<u>\$ 40,390,095</u>	<u>\$ 169,213,763</u>	<u>\$ 1,310,899,810</u>
\$ -	\$ 35,379,709	\$ 5,920,663	\$ 8,847,920	\$ 122,972,306
-	-	-	303	3,232,828
-	382,057	12,214,153	32,960,014	276,937,363
-	-	-	3,550,401	4,429,561
-	20,975,151	-	2,667,226	23,642,377
-	-	21,692,705	17,422,564	39,115,269
-	-	562,574	1,286,351	21,701,230
-	56,736,917	40,390,095	66,734,779	492,030,934
5,048,427	-	-	-	11,648,879
-	-	-	-	3,231,163
<u>5,048,427</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,880,042</u>
-	-	-	-	3,551,143
-	-	-	334,457	334,457
-	-	-	-	471,329
-	-	-	-	358,986
-	-	-	-	814,325
-	-	-	-	5,777,918
-	-	-	-	22,550,396
-	-	-	-	7,970,469
75,542,599	27,733,939	-	-	103,276,538
-	216,239,504	-	-	216,239,504
-	315,164,409	-	-	315,164,409
-	-	-	88,748,190	88,748,190
-	-	-	1,831,100	1,831,100
-	-	-	590,424	590,424
-	-	-	10,974,813	10,974,813
-	-	-	-	638,581
-	-	-	-	149,043
-	-	-	-	5,678,126
-	-	-	-	18,869,083
<u>75,542,599</u>	<u>559,137,852</u>	<u>-</u>	<u>102,478,984</u>	<u>803,988,834</u>
<u>\$ 80,591,026</u>	<u>\$ 615,874,769</u>	<u>\$ 40,390,095</u>	<u>\$ 169,213,763</u>	<u>\$ 1,310,899,810</u>

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CLARK COUNTY SCHOOL DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 JUNE 30, 2018

Total fund balances - governmental funds **\$ 803,988,834**

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets net of the related depreciation are not reported in the Governmental Funds financial statements because they are not current financial resources, but they are reported in the statement of net position. 4,557,827,373

Other long-term assets are not available to pay for current period expenditures and, therefore are unavailable in the funds. 14,880,042

Certain liabilities, deferred inflows of resources, and deferred outflows of resources (such as bonds payable and capital leases payable) are not reported in the Governmental Funds financial statements because they are not due and payable in the current period, but they are presented as liabilities or deferred inflows of resources in the statement of net position. (3,154,278,917)

Assets, deferred outflows of resources, liabilities and deferred inflows of resources of the District's Insurance and Risk Management Internal Service Fund and the Graphic Arts Internal Service Fund are not reported in the Governmental Funds financial statements because they are presented on a different accounting basis, but they are presented as assets, deferred outflows of resources, liabilities and deferred inflows of resources in the statement of net position. 7,221,574

Some liabilities, including net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds. Net pension liability obtained from the pension schedule. (3,195,859,646)

Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions and OPEB	502,820,174
Deferred inflows of resources related to pensions and OPEB	<u>(242,032,218)</u>

Total net position - governmental activities **\$ (705,432,784)**

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



CLARK COUNTY SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	MAJOR	
	General Fund	Special Education Fund
REVENUES		
Local sources	\$ 1,566,396,371	\$ 8,401
State sources	634,567,378	123,377,295
Federal sources	1,437,235	-
Other sources	1,241,700	-
TOTAL REVENUES	2,203,642,684	123,385,696
EXPENDITURES		
Current:		
Instruction:		
Regular instruction	1,005,214,423	-
Special instruction	2,208,170	341,647,871
Gifted and talented instruction	9,055,483	-
Vocational instruction	4,875,655	-
Other instruction	22,780,467	-
Adult instruction	56,600	-
Support services:		
Student support	86,268,908	21,688,079
Instructional staff support	92,593,555	7,944,910
General administration	29,170,540	854,765
School administration	212,729,406	182,279
Central services	56,629,912	526,324
Operation and maintenance of plant services	263,826,290	92,428
Student transportation	98,497,914	67,690,461
Other support services	-	-
Community services	-	-
Interdistrict payments	-	1,961,696
Capital outlay:		
Facilities acquisition and construction services	2,702,336	-
Debt service:		
Principal	-	-
Interest	-	-
Purchased services	-	-
Bond issuance costs	-	-
TOTAL EXPENDITURES	1,886,609,659	442,588,813
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	317,033,025	(319,203,117)
OTHER FINANCING SOURCES (USES)		
Transfers in	-	319,203,117
Transfers out	(319,203,117)	-
General obligation bonds issued	23,945,000	-
Premiums on general obligation bonds	2,738,996	-
General obligation refunding bonds issued	-	-
Payment to refunded bond escrow agent	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(292,519,121)	319,203,117
NET CHANGE IN FUND BALANCES	24,513,904	-
FUND BALANCES, JULY 1	42,315,495	-
FUND BALANCES, JUNE 30	\$ 66,829,399	\$ -

The notes to the financial statements are an integral part of this statement.
 Comprehensive Annual Financial Report

FUNDS				
Debt Service Fund	Bond Fund	Federal Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ 353,941,424	\$ 140,057,531	\$ -	\$ 42,268,732	\$ 2,102,672,459
-	-	-	268,548,192	1,026,492,865
-	5,668,436	169,302,364	6,362,429	182,770,464
-	-	-	-	1,241,700
<u>353,941,424</u>	<u>145,725,967</u>	<u>169,302,364</u>	<u>317,179,353</u>	<u>3,313,177,488</u>
-	25,849,718	62,911,418	173,584,860	1,267,560,419
-	-	16,734,748	1,676,349	362,267,138
-	-	-	3,978,956	13,034,439
-	-	1,969,221	7,738,921	14,583,797
-	-	3,263,867	31,062,678	57,107,012
-	-	183,926	6,063,027	6,303,553
-	-	20,312,113	11,826,215	140,095,315
-	1,013,026	35,208,323	36,877,258	173,637,072
-	-	-	341,333	30,366,638
-	-	21,306	4,929,686	217,862,677
-	2,735,970	17,661,545	7,447,173	85,000,924
-	-	321,622	4,238,637	268,478,977
-	-	558,404	1,029,279	167,776,058
-	-	3,589,245	6,541	3,595,786
-	-	3,213,034	830,777	4,043,811
-	-	3,353,592	1,160,480	6,475,768
-	391,091,810	-	11,572,913	405,367,059
309,535,000	-	-	-	309,535,000
121,907,789	-	-	-	121,907,789
124,186	-	-	-	124,186
140,663	-	-	-	140,663
<u>431,707,638</u>	<u>420,690,524</u>	<u>169,302,364</u>	<u>304,365,083</u>	<u>3,655,264,081</u>
<u>(77,766,214)</u>	<u>(274,964,557)</u>	<u>-</u>	<u>12,814,270</u>	<u>(342,086,593)</u>
97,165,318	-	-	-	416,368,435
-	(97,165,318)	-	-	(416,368,435)
-	400,000,000	-	-	423,945,000
11,053,989	50,108,004	-	-	63,900,989
91,785,000	-	-	-	91,785,000
<u>(102,558,924)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(102,558,924)</u>
<u>97,445,383</u>	<u>352,942,686</u>	<u>-</u>	<u>-</u>	<u>477,072,065</u>
19,679,169	77,978,129	-	12,814,270	134,985,472
55,863,430	481,159,723	-	89,664,714	669,003,362
<u>\$ 75,542,599</u>	<u>\$ 559,137,852</u>	<u>\$ -</u>	<u>\$ 102,478,984</u>	<u>\$ 803,988,834</u>



CLARK COUNTY SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Net change in fund balances - governmental funds **\$ 134,985,472**

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. 204,585,889

Revenues that are collected in time to pay obligations of the current period are reported as revenue in the fund statements. However, amounts that relate to prior periods that first become available in the current period should not be reported as revenue in the statement of activities. (3,519,173)

The issuance of long-term debt (e.g. bonds, leases) 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. (169,856,389)

The net revenues of the District's Insurance and Risk Management Internal Service Fund and the Graphic Arts Internal Service Fund are not reported in this fund financial statement because they are presented on a different accounting basis (in the proprietary fund financial statements), but they are presented in the statement of activities. 1,034,525

Generally expenditures recognized in the fund financial statements are limited to only those that use current financial resources but expenses are recognized in the statement of activities when incurred. 50,594,292

Gains, losses, and capital donations are not presented in this financial statement because they do not provide or use current financial resources, but they are presented in the statement of activities. (1,444,736)

Governmental funds report District pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. (49,212,533)

Change in net position of governmental activities **\$ 167,167,347**

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

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

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

(Continued)



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

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

(Continued)

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

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

(Continued)



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

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

(Continued)

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

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

(Continued)



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

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

(Continued)

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

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

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



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

	BUDGETED AMOUNTS			VARIANCES POSITIVE / (NEGATIVE)	
	Original Budget	Final Budget	Actual	Original to Final Budget	Final Budget to Actual
REVENUES					
Local sources:					
Donations and grants	\$ 10,000	\$ 10,000	\$ 8,401	\$ -	\$ (1,599)
State sources:					
State distributive fund	125,068,500	123,130,000	123,377,295	(1,938,500)	247,295
TOTAL REVENUES	125,078,500	123,140,000	123,385,696	(1,938,500)	245,696
EXPENDITURES					
Current:					
SPECIAL PROGRAMS					
Instruction:					
Salaries	252,171,327	233,087,159	231,598,655	(19,084,168)	1,488,504
Benefits	110,343,699	105,626,104	105,382,767	(4,717,595)	243,337
Purchased services	2,163,024	1,923,221	1,922,338	(239,803)	883
Supplies	3,455,778	2,556,473	2,557,449	(899,305)	(976)
Other	11,000	188,549	186,662	177,549	1,887
Total instruction	368,144,828	343,381,506	341,647,871	(24,763,322)	1,733,635
Support services:					
Student transportation:					
Purchased services	2,510,000	2,637,080	2,636,246	127,080	834
Other support services:					
Salaries	18,356,092	20,474,447	20,464,690	2,118,355	9,757
Benefits	7,530,644	8,243,203	8,240,466	712,559	2,737
Purchased services	716,233	1,790,339	1,784,191	1,074,106	6,148
Supplies	458,185	444,955	446,126	(13,230)	(1,171)
Other	6,832	16,223	15,937	9,391	286
Total other support services	27,067,986	30,969,167	30,951,410	3,901,181	17,757
Total support services	29,577,986	33,606,247	33,587,656	4,028,261	18,591
TOTAL SPECIAL PROGRAMS	397,722,814	376,987,753	375,235,527	(20,735,061)	1,752,226
UNDISTRIBUTED EXPENDITURES					
Support services:					
Student support:					
Salaries	163,913	178,913	175,184	15,000	3,729
Benefits	84,665	99,665	98,273	15,000	1,392
Total student support	248,578	278,578	273,457	30,000	5,121
Operation and maintenance of plant services:					
Salaries	77,800	47,000	42,759	(30,800)	4,241
Benefits	37,452	23,196	21,159	(14,256)	2,037
Total operation and maintenance of plant services	115,252	70,196	63,918	(45,056)	6,278

(Continued)

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

	BUDGETED AMOUNTS			VARIANCES POSITIVE / (NEGATIVE)	
	Original Budget	Final Budget	Actual	Original to Final Budget	Final Budget to Actual
EXPENDITURES - Continued					
Student transportation:					
Salaries	\$ 43,546,695	\$ 41,026,325	\$ 40,921,743	\$ (2,520,370)	\$ 104,582
Benefits	20,772,561	19,093,484	18,971,690	(1,679,077)	121,794
Purchased services	55,000	88,863	63,875	33,863	24,988
Supplies	4,117,205	5,182,992	5,096,584	1,065,787	86,408
Other	-	350	323	350	27
Total student transportation	<u>68,491,461</u>	<u>65,392,014</u>	<u>65,054,215</u>	<u>(3,099,447)</u>	<u>337,799</u>
Interdistrict payments:					
Other	<u>1,875,000</u>	<u>1,962,000</u>	<u>1,961,696</u>	<u>87,000</u>	<u>304</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>70,730,291</u>	<u>67,702,788</u>	<u>67,353,286</u>	<u>(3,027,503)</u>	<u>349,502</u>
TOTAL EXPENDITURES	<u>468,453,105</u>	<u>444,690,541</u>	<u>442,588,813</u>	<u>(23,762,564)</u>	<u>2,101,728</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(343,374,605)</u>	<u>(321,550,541)</u>	<u>(319,203,117)</u>	<u>(21,824,064)</u>	<u>2,347,424</u>
OTHER FINANCING SOURCES					
Transfers in	<u>343,374,605</u>	<u>321,550,541</u>	<u>319,203,117</u>	<u>21,824,064</u>	<u>(2,347,424)</u>
NET CHANGE IN FUND BALANCE	-	-	-	-	-
FUND BALANCE, JULY 1	-	-	-	-	-
FUND BALANCE, JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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



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

	BUDGETED AMOUNTS			VARIANCES POSITIVE / (NEGATIVE)	
	Original Budget	Final Budget	Actual	Original to Final Budget	Final Budget to Actual
REVENUES					
Federal sources:					
Federal-direct grants	\$ 1,375,540	\$ 1,806,120	\$ 1,010,984	\$ 430,580	\$ (795,136)
Federal-pass through	199,075,590	192,975,720	168,291,380	(6,099,870)	(24,684,340)
TOTAL REVENUES	200,451,130	194,781,840	169,302,364	(5,669,290)	(25,479,476)
EXPENDITURES					
Current:					
REGULAR PROGRAMS					
Instruction:					
Salaries	36,983,680	38,260,317	34,405,249	1,276,637	3,855,068
Benefits	12,661,080	13,364,808	12,729,576	703,728	635,232
Purchased services	2,452,060	2,404,305	2,147,895	(47,755)	256,410
Supplies	24,580,850	13,450,814	13,198,127	(11,130,036)	252,687
Property	309,280	297,816	294,229	(11,464)	3,587
Other	199,450	267,495	136,342	68,045	131,153
Total instruction	77,186,400	68,045,555	62,911,418	(9,140,845)	5,134,137
Support services:					
Other support services:					
Salaries	1,021,390	995,061	460,618	(26,329)	534,443
Benefits	145,440	157,771	102,439	12,331	55,332
Purchased services	640,950	274,208	264,380	(366,742)	9,828
Supplies	323,570	35,050	31,268	(288,520)	3,782
Total support services	2,131,350	1,462,090	858,705	(669,260)	603,385
TOTAL REGULAR PROGRAMS	79,317,750	69,507,645	63,770,123	(9,810,105)	5,737,522
SPECIAL PROGRAMS					
Instruction:					
Salaries	11,074,720	10,707,612	9,244,449	(367,108)	1,463,163
Benefits	5,777,810	5,679,615	5,552,460	(98,195)	127,155
Purchased services	822,500	982,811	301,787	160,311	681,024
Supplies	3,021,260	2,340,292	1,626,703	(680,968)	713,589
Property	-	9,085	9,085	9,085	-
Other	-	492	264	492	228
Total instruction	20,696,290	19,719,907	16,734,748	(976,383)	2,985,159
Support services:					
Student transportation:					
Purchased services	7,530	11,223	296	3,693	10,927
Other support services:					
Salaries	19,419,440	18,902,364	18,040,905	(517,076)	861,459
Benefits	7,643,450	7,898,369	7,373,507	254,919	524,862
Purchased services	2,457,680	6,238,636	6,205,353	3,780,956	33,283
Supplies	1,813,820	3,547,904	2,039,813	1,734,084	1,508,091
Property	12,260	166,486	142,103	154,226	24,383
Other	1,215,840	1,540,034	1,062,295	324,194	477,739
Total other support services	32,562,490	38,293,793	34,863,976	5,731,303	3,429,817

(Continued)

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

	BUDGETED AMOUNTS			VARIANCES POSITIVE / (NEGATIVE)	
	Original Budget	Final Budget	Actual	Original to Final Budget	Final Budget to Actual
EXPENDITURES - Continued					
Total support services	\$ 32,570,020	\$ 38,305,016	\$ 34,864,272	\$ 5,734,996	\$ 3,440,744
TOTAL SPECIAL PROGRAMS	53,266,310	58,024,923	51,599,020	4,758,613	6,425,903
GIFTED AND TALENTED PROGRAMS					
Support services:					
Other support services:					
Salaries	73,280	45,783	43,722	(27,497)	2,061
Benefits	1,740	1,750	1,008	10	742
Purchased services	21,000	24,944	24,586	3,944	358
Supplies	41,650	36,018	32,319	(5,632)	3,699
TOTAL GIFTED AND TALENTED PROGRAMS	137,670	108,495	101,635	(29,175)	6,860
VOCATIONAL PROGRAMS					
Instruction:					
Salaries	695,600	241,240	183,942	(454,360)	57,298
Benefits	387,140	79,393	72,925	(307,747)	6,468
Purchased services	2,000	22,780	15,816	20,780	6,964
Supplies	1,059,000	1,579,711	1,550,645	520,711	29,066
Property	150,260	145,893	145,893	(4,367)	-
Total instruction	2,294,000	2,069,017	1,969,221	(224,983)	99,796
Support services:					
Student transportation:					
Purchased services	153,260	127,960	123,387	(25,300)	4,573
Other support services:					
Salaries	1,214,840	1,300,282	1,294,532	85,442	5,750
Benefits	463,420	521,380	514,304	57,960	7,076
Purchased services	457,380	418,525	384,956	(38,855)	33,569
Supplies	46,130	28,107	23,974	(18,023)	4,133
Total other support services	2,181,770	2,268,294	2,217,766	86,524	50,528
Total support services	2,335,030	2,396,254	2,341,153	61,224	55,101
TOTAL VOCATIONAL PROGRAMS	4,629,030	4,465,271	4,310,374	(163,759)	154,897
OTHER INSTRUCTIONAL PROGRAMS					
English language learners:					
Instruction:					
Salaries	845,950	1,930,306	1,809,945	1,084,356	120,361
Benefits	43,960	76,666	65,222	32,706	11,444
Purchased services	200,000	-	-	(200,000)	-
Supplies	2,867,550	1,545,668	1,388,700	(1,321,882)	156,968
Total instruction	3,957,460	3,552,640	3,263,867	(404,820)	288,773
Support services:					
Student transportation:					
Purchased services	41,000	7,818	7,492	(33,182)	326

(Continued)



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

	BUDGETED AMOUNTS			VARIANCES POSITIVE / (NEGATIVE)	
	Original Budget	Final Budget	Actual	Original to Final Budget	Final Budget to Actual
EXPENDITURES - Continued					
Other support services:					
Salaries	\$ 2,038,820	\$ 3,236,496	\$ 2,402,254	\$ 1,197,676	\$ 834,242
Benefits	495,720	989,390	776,769	493,670	212,621
Purchased services	1,032,530	705,818	619,233	(326,712)	86,585
Supplies	376,850	172,128	45,216	(204,722)	126,912
Other	23,000	-	-	(23,000)	-
Total other support services	3,966,920	5,103,832	3,843,472	1,136,912	1,260,360
Total support services	4,007,920	5,111,650	3,850,964	1,103,730	1,260,686
TOTAL OTHER INSTRUCTIONAL PROGRAMS	7,965,380	8,664,290	7,114,831	698,910	1,549,459
ADULT EDUCATION PROGRAMS					
Instruction:					
Salaries	15,310	112,044	109,046	96,734	2,998
Benefits	420	45,469	43,622	45,049	1,847
Purchased services	-	1,800	132	1,800	1,668
Supplies	1,000	54,806	31,126	53,806	23,680
TOTAL ADULT EDUCATION PROGRAMS	16,730	214,119	183,926	197,389	30,193
COMMUNITY SERVICES PROGRAMS					
Community services:					
Salaries	1,953,480	1,949,852	1,787,847	(3,628)	162,005
Benefits	833,820	854,416	834,904	20,596	19,512
Purchased services	137,050	295,461	117,458	158,411	178,003
Supplies	635,410	470,006	467,996	(165,404)	2,010
Other	13,730	10,773	4,829	(2,957)	5,944
TOTAL COMMUNITY SERVICES PROGRAMS	3,573,490	3,580,508	3,213,034	7,018	367,474
UNDISTRIBUTED EXPENDITURES					
Support services:					
Student support:					
Salaries	4,553,400	2,174,033	393,031	(2,379,367)	1,781,002
Benefits	1,964,480	982,921	171,954	(981,559)	810,967
Purchased services	16,000	759,847	748,744	743,847	11,103
Supplies	79,630	31,003	28,952	(48,627)	2,051
Property	-	27,003	27,003	27,003	-
Other	2,870	-	-	(2,870)	-
Total student support	6,616,380	3,974,807	1,369,684	(2,641,573)	2,605,123
Instructional staff support:					
Salaries	20,170,070	17,275,268	15,997,438	(2,894,802)	1,277,830
Benefits	6,218,060	6,447,780	5,279,462	229,720	1,168,318
Purchased services	4,794,980	7,211,669	4,147,603	2,416,689	3,064,066
Supplies	1,581,850	567,946	474,599	(1,013,904)	93,347
Other	131,110	70,409	67,124	(60,701)	3,285
Total instructional staff support	32,896,070	31,573,072	25,966,226	(1,322,998)	5,606,846

(Continued)

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

	BUDGETED AMOUNTS		Actual	VARIANCES POSITIVE / (NEGATIVE)	
	Original Budget	Final Budget		Original to Final Budget	Final Budget to Actual
EXPENDITURES - Continued					
School administration:					
Salaries	\$ 44,820	\$ 36,945	\$ 20,354	\$ (7,875)	\$ 16,591
Benefits	3,390	3,258	952	(132)	2,306
Total school administration	48,210	40,203	21,306	(8,007)	18,897
Central services:					
Salaries	3,120,880	4,088,165	3,265,865	967,285	822,300
Benefits	1,457,260	1,862,009	1,559,142	404,749	302,867
Purchased services	317,490	299,680	55,967	(17,810)	243,713
Supplies	223,290	112,946	109,561	(110,344)	3,385
Property	-	28,000	25,970	28,000	2,030
Other	300	750	105	450	645
Total central services	5,119,220	6,391,550	5,016,610	1,272,330	1,374,940
Operation and maintenance of plant services:					
Salaries	97,550	156,626	87,293	59,076	69,333
Benefits	37,600	66,550	33,227	28,950	33,323
Purchased services	260,790	93,449	34,293	(167,341)	59,156
Supplies	-	195,824	164,579	195,824	31,245
Total operation and maintenance of plant services	395,940	512,449	319,392	116,509	193,057
Student transportation:					
Purchased services	350,820	248,720	189,623	(102,100)	59,097
Property	-	237,606	237,606	237,606	-
Total student transportation	350,820	486,326	427,229	135,506	59,097
Other support:					
Other	3,337,170	3,056,443	2,535,382	(280,727)	521,061
Interdistrict payments:					
Purchased services	2,780,960	1,204,202	808,579	(1,576,758)	395,623
Supplies	-	239,978	79,390	239,978	160,588
Other	-	2,737,559	2,465,623	2,737,559	271,936
TOTAL INTERDISTRICT PAYMENTS	2,780,960	4,181,739	3,353,592	1,400,779	828,147
TOTAL UNDISTRIBUTED EXPENDITURES	51,544,770	50,216,589	39,009,421	(1,328,181)	11,207,168
TOTAL EXPENDITURES	200,451,130	194,781,840	169,302,364	(5,669,290)	25,479,476
NET CHANGE IN FUND BALANCE	-	-	-	-	-
FUND BALANCE, JULY 1	-	-	-	-	-
FUND BALANCE, JUNE 30	\$ -	\$ -	\$ -	\$ -	\$ -

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



CLARK COUNTY SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018

	<u>MAJOR FUND</u>	
	<u>Business-type Activities Food Service Enterprise Fund</u>	<u>Governmental Activities Internal Service Funds</u>
ASSETS		
Current assets:		
Pooled cash and investments	\$ 78,592,843	\$ 42,496,442
Accounts receivable	11,895,294	-
Interest receivable	-	12,185
Inventories	7,038,857	-
Prepays	-	3,232,824
Total current assets	<u>97,526,994</u>	<u>45,741,451</u>
Noncurrent assets:		
Restricted pooled cash and investments:		
Certificate of deposit for self-insurance	-	9,769,000
Capital assets - net of accumulated depreciation	11,076,414	581,424
Total noncurrent assets	<u>11,076,414</u>	<u>10,350,424</u>
Total assets	<u>108,603,408</u>	<u>56,091,875</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources - pension related	6,421,165	853,454
Deferred outflows of resources - OPEB related	66,642	-
Total deferred outflows of resources	<u>6,487,807</u>	<u>853,454</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>115,091,215</u>	<u>56,945,329</u>
LIABILITIES		
Current liabilities:		
Accounts payable	561,304	304,613
Accrued salaries and benefits	887,671	180,061
Unearned revenues	1,045,700	-
Liability insurance claims payable	-	7,905,886
Workers compensation claims payable	-	4,669,605
Compensated absences liability	345,568	271,846
Total current liabilities	<u>2,840,243</u>	<u>13,332,011</u>
Noncurrent liabilities:		
Compensated absences liability	761,680	89,633
Total OPEB liability	1,021,281	-
Net pension liability	41,945,213	5,574,953
Long term claims payable	-	30,312,108
Total noncurrent liabilities	<u>43,728,174</u>	<u>35,976,694</u>
Total liabilities	<u>46,568,417</u>	<u>49,308,705</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources - pension related	3,122,775	415,050
Deferred inflows of resources - OPEB related	48,309	-
Total deferred inflows of resources	<u>3,171,084</u>	<u>415,050</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>49,739,501</u>	<u>49,723,755</u>
NET POSITION		
Net investment in capital assets	11,076,414	581,424
Restricted for certificate of deposit for self-insurance	-	9,769,000
Unrestricted	54,275,300	(3,128,850)
TOTAL NET POSITION	<u>\$ 65,351,714</u>	<u>\$ 7,221,574</u>

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

CLARK COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>MAJOR FUND</u>	
	<u>Business-type</u>	<u>Governmental</u>
	<u>Activities</u>	<u>Activities</u>
	<u>Food Service</u>	<u>Internal</u>
	<u>Enterprise Fund</u>	<u>Service Funds</u>
OPERATING REVENUES:		
Charges for sales and services:		
Daily food sales	\$ 10,289,803	\$ -
Catering sales	461,501	-
Graphic production sales	-	1,898,669
Insurance premiums	-	28,860,124
Subrogation claims	-	914,366
Other revenue	38,490	138,162
	<u>10,789,794</u>	<u>31,811,321</u>
TOTAL OPERATING REVENUES		
OPERATING EXPENSES:		
Salaries	30,436,740	2,847,269
Benefits	12,025,003	1,095,715
Purchased services	5,389,729	6,304,462
Food and supplies	70,015,026	1,064,666
Insurance claims	-	19,911,139
Depreciation	2,241,358	58,937
Other expenses	3,054,877	24,369
	<u>123,162,733</u>	<u>31,306,557</u>
TOTAL OPERATING EXPENSES		
OPERATING INCOME (LOSS)	<u>(112,372,939)</u>	<u>504,764</u>
NON-OPERATING REVENUES (EXPENSES):		
Federal subsidies	113,861,124	-
Commodity revenue	9,631,117	-
State matching funds	486,424	-
OPEB expense	(52,927)	-
Pension income (expense)	(1,007,350)	33,396
Investment income	817,747	563,130
	<u>123,736,135</u>	<u>596,526</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)		
CHANGE IN NET POSITION BEFORE CONTRIBUTIONS AND TRANSFERS	11,363,196	1,101,290
Capital contributions	1,468,098	-
OTHER FINANCING SOURCES (USES):		
Transfers in	-	66,769
Transfers out	-	(133,534)
	<u>-</u>	<u>(66,765)</u>
TOTAL OTHER FINANCING SOURCES (USES)		
CHANGE IN NET POSITION	12,831,294	1,034,525
NET POSITION, JULY 1	51,517,413	6,281,669
PRIOR PERIOD RESTATEMENT	1,003,007	(94,620)
NET POSITION, BEGINNING (AS RESTATED)	<u>52,520,420</u>	<u>6,187,049</u>
NET POSITION, JUNE 30	<u>\$ 65,351,714</u>	<u>\$ 7,221,574</u>

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



CLARK COUNTY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	MAJOR FUND	
	Business-type Activities Food Service Enterprise Fund	Governmental Activities Internal Service Funds
Cash flows from operating activities:		
Cash received from customers	\$ 10,122,797	\$ 30,821,227
Cash received from other operating sources	461,501	914,366
Cash paid for services and supplies	(65,280,939)	(8,062,095)
Cash paid for other operating uses	(3,054,877)	(12,802,291)
Cash paid to employees	(42,716,587)	(4,076,723)
Cash from other sources	38,490	138,162
Net cash provided by/(used in) operating activities	<u>(100,429,615)</u>	<u>6,932,646</u>
Cash flows from capital and related financing activities:		
Purchase of equipment	<u>(348,537)</u>	<u>(34,612)</u>
Cash flows from noncapital financing activities:		
Federal reimbursements	121,033,709	-
State matching funds	486,424	-
Net cash provided by noncapital financing activities	<u>121,520,133</u>	<u>-</u>
Cash flows from investing activities:		
Investment income	817,747	566,856
Sale of restricted investments	-	9,134,000
Purchase of restricted investments	-	(9,769,000)
Net cash provided by/(used in) investing activities	<u>817,747</u>	<u>(68,144)</u>
Net increase in cash and cash equivalents	21,559,728	6,829,890
Pooled cash and investments, July 1	57,033,115	35,666,552
Pooled cash and investments, June 30	78,592,843	42,496,442
Restricted investments	-	9,769,000
Pooled cash, investments, and restricted investments	<u>\$ 78,592,843</u>	<u>\$ 52,265,442</u>
Reconciliation of operating loss to net cash provided by/(used in) operating activities:		
Operating income (loss)	\$ (112,372,939)	\$ 504,764
Adjustments to reconcile operating loss to net cash provided by/(used in) operating activities:		
Depreciation	2,241,358	58,937
Commodity inventory used	9,631,117	-
Change in assets, deferred outflows, liabilities and deferred inflows:		
(Increase)/decrease in accounts receivable	(137,001)	62,434
Decrease in inventories	1,064,613	-
(Increase) in prepaids	-	(700,438)
Increase/(decrease) in accounts payable	(571,915)	7,467
(Decrease) in unearned revenues	(30,007)	-
(Decrease) in workers compensation claims payable	-	(673,698)
Increase in liability insurance claims payable	-	2,952,438
(Decrease) in liability for compensated absences	(33,004)	(48,334)
(Decrease) in accrued salaries and benefits	(221,837)	(85,401)
Increase in long term claims payable	-	4,854,477
Total adjustments	<u>11,943,324</u>	<u>6,427,882</u>
Net cash provided by/(used in) operating activities	<u>\$ (100,429,615)</u>	<u>\$ 6,932,646</u>
Noncash capital and financing activities:		
Contribution of capital assets ¹	\$ 1,468,098	\$ -
Commodity revenue ²	\$ 9,631,117	\$ -

¹ Contribution of capital assets represents an increase in capital assets contributed from governmental funds that did not affect cash.

² The District received the equivalent of \$9,631,117 in fair market value of commodity food inventory from the federal government. The net effect of this non-cash transaction increased the value of inventory. Consumption of commodity revenue throughout the year resulted in a reduction of inventory and a charge to operating expenses.

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

CLARK COUNTY SCHOOL DISTRICT
 STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - FIDUCIARY FUNDS
 JUNE 30, 2018

	STUDENT ACTIVITY AGENCY FUND
ASSETS	
Cash in bank	\$ <u>32,020,527</u>
LIABILITIES	
Due to student groups	\$ <u>32,020,527</u>

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

CLARK COUNTY SCHOOL DISTRICT**NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018****NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****REPORTING ENTITY**

The accompanying financial statements include all of the activities that comprise the financial reporting entity of the Clark County School District (District). The District is governed by an elected, seven-member Board of School Trustees (Board). The Board is legally separate and fiscally independent from other governing bodies; therefore, the District is a primary government and the District is not reported as a component unit by any other governmental unit. The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles.

Blended Component Unit

The District is the licensee for the local Public Broadcasting System affiliate, Vegas PBS. The Board is substantively the same as the governing body for Vegas PBS; therefore the District is required to finance deficits and has access to Vegas PBS resources. Also, there is sufficient representation of the District's governing body, with a financial benefit/burden relationship over Vegas PBS, to allow for complete control of Vegas PBS's activities. Therefore, the financial activities of Vegas PBS are included in these statements as a blended component unit. Blended component units, although legally separate, are, in substance, part of the government's operations. Separately issued financial statements for Vegas PBS can be obtained by accessing the website at: www.vegaspbs.org or contacting their financial department at the following address:

Vegas PBS
3050 East Flamingo Road
Las Vegas, NV 89121

A summary of the District's significant accounting policies follows:

BASIC FINANCIAL STATEMENTS

The District's basic financial statements consist of the government-wide statements, the fund financial statements, and the related notes to the financial statements. The government-wide statements include a statement of net position, a statement of activities, and the fund financial statements which include financial information for the three fund types: governmental, proprietary, and fiduciary. Reconciliations between the fund statements, the statement of net position, and the statement of activities are also included along with the statements of revenues, expenditures, and changes in fund balances that show an original to final budget comparison for the District's General Fund and its major special revenue funds: the Special Education Fund, and the Federal Projects Fund.

Government-wide Financial Statements

The government-wide financial statements are made up of the statement of net position and the statement of activities. These statements include the aggregated financial information of the District as a whole, except for fiduciary activity. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support. As a general rule, the effect of interfund activity has been removed from these statements; however, any interfund services provided and used are not eliminated in the process of consolidation.

The statement of net position presents the consolidated financial position of the District at year-end, in separate columns, for both governmental and business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or program are offset by program revenues. Direct expenses are those that are specifically associated with a program or service and are, therefore, clearly identifiable to a particular function. Program revenues include operating grants, contributions and investment earnings legally restricted to support a specific program. Taxes and other revenues, properly not included among

CLARK COUNTY SCHOOL DISTRICT

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

program revenues, are reported instead as general revenues. This statement provides a net cost or net revenue of specific programs and functions within the District. Those functions with a net cost are generally dependent on general-purpose tax revenues, such as property tax, to remain operational.

Fund Financial Statements

The financial accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts comprised of assets, liabilities, deferred outflows and inflows, fund equity, revenues, and expenditures or expenses, as appropriate. 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.

The presentation emphasis in the fund financial statements is on major funds, for both governmental and enterprise funds. The District's one enterprise fund, the Food Service Enterprise Fund, is considered a major fund. The District may also display other funds as major funds if it believes the presentation will provide useful information to the users of the financial statements.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds. 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 imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Gross receipts and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are then recognized as revenue. The government considers property tax revenues to be "available" if they are collected within 60 days of the end of the current fiscal period. Anticipated refunds of taxes are recorded as liabilities and reductions of revenue when they are measurable and the payment seems certain. In general, expenditures are recorded when liabilities are incurred. The exception to this rule is that principal and interest on debt service, as well as, liabilities related to compensated absences, claims, and judgments are recorded when payment is due.

In addition, the District's agency fund is reported under the accrual basis of accounting.

The major revenue sources of the District include state distributive fund revenue, local school support tax, property tax, real estate transfer tax, room tax, interest income, and the governmental services tax.

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all resources and cost of operations traditionally associated with governments, which are not required to be accounted for in other funds.

Special Revenue Funds - These funds are used to account for the proceeds of special revenue sources that are restricted or committed by law or administrative action to expenditures for specific purposes other than debt service or capital projects. The following special revenue funds are reported as major funds.

Special Education Fund - The Special Education Fund accounts for transactions of the District relating to educational services provided to children with special needs as supported by Distributive School Account (DSA) payments, donations, and grants.

CLARK COUNTY SCHOOL DISTRICT

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Federal Projects Fund - The Federal Projects Fund accounts for costs and operations of programs funded by federal direct and pass through grants.

Debt Service Fund - The Debt Service Fund is used to account for the collection of revenues, payment of principal and interest, and the cost of operations associated with debt service for general obligation debt.

Bond Fund - The Bond Fund accounts for the costs of capital improvements and constructing major capital facilities paid for by bond proceeds, related interest earnings, and proceeds from real estate transfer tax and room tax.

Additionally the District reports the following fund types:

Proprietary Funds

Enterprise Fund - The enterprise fund is used to account for operations financed and operated in a manner similar to a private business enterprise where the intent of the governing body is for the cost (expenses, including depreciation) of providing goods and services to the schools and other locations on a continuing basis to be financed or recovered primarily through charges or fees to customers. Currently, the District has one enterprise fund, and this year it is reported as a major fund.

Food Service Enterprise Fund - The Food Service Enterprise Fund accounts for transactions relating to food services provided to schools and other locations. Support is provided by customer fees and federal subsidies.

Internal Service Funds - Internal service funds are used to account for the financing of goods or services provided by one department to other departments of the District on a cost reimbursement basis. Currently, there are two District Internal Service Funds.

Insurance and Risk Management Fund - The Insurance and Risk Management Fund accounts for transactions relating to insurance and risk management services provided to other District departments on a cost reimbursement basis.

Graphic Arts Production Fund - The Graphic Arts Production Fund accounts for transactions relating to printing services provided to other District departments on a cost reimbursement basis.

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

Fiduciary Funds

Agency Fund - Agency funds are used to report assets held in a trustee or agency capacity for others, and therefore, cannot be used to support the government's own programs. All assets reported in an agency fund are offset by a liability to the party on whose behalf they are held.

Student Activity Agency Fund - The District's Student Activity Agency Fund reports assets held in an agency capacity for student groups and organizations.

BUDGETS AND BUDGETARY ACCOUNTING

Nevada Statutes and District policies and regulations require that school districts legally adopt budgets for all funds except Comprehensive Annual Financial Report

CLARK COUNTY SCHOOL DISTRICT**NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018****NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

fiduciary funds. The budgets are filed as a matter of public record with the County Auditor, and the State Departments of Taxation and Education. The District staff uses the following procedures to establish, modify, and control the budgetary data reflected in the financial statements:

1. The statutes provide for the following timetable in adoption of budgets:
 - (a) Before April 15, the Superintendent of Schools submits to the Board of School Trustees a tentative budget for the upcoming fiscal year. The tentative budget includes proposed expenditures and the means to finance them.
 - (b) Not sooner than the third Monday in May and not later than the last day in May, a minimum seven-day notice of public hearing on the final budget is published in a local newspaper.
 - (c) Before June 8, the Board of School Trustees must adopt a final budget.
2. On or before January 1, the Board of School Trustees adopts an amended final budget reflecting any adjustments necessary as a result of the average daily enrollment of pupils reported for the preceding quarter.
3. NRS 354.598005 provides that the Board of School Trustees may augment the budget at any time by a majority vote of the Board providing the Board publishes notice of its intention to act in a newspaper of general circulation in the county at least three days before the date set for adoption of the resolution.
4. NRS 354.598005 also allows appropriations to be transferred within or among any functions or programs within a fund without an increase in total appropriations. If it becomes necessary during the course of the year to change any of the departmental budgets, transfers are initiated by department heads and approved by the appropriate administrator. Transfers within program or function classifications can be made with appropriate administrative approval. The Board of School Trustees is advised of transfers between funds, program, or function classifications and the transfers are recorded in the official Board minutes, on a monthly basis.
5. Budgeted appropriations may not be exceeded by actual expenditures of the various programs and functions of the General Fund, Special Revenue Funds, and Capital Projects Funds, as described on pages 57-58, Expenditure Line Item Titles. The sum of operating and non-operating expenses in the Enterprise and Internal Service Funds may not exceed total appropriations.
6. Generally, budgets for all funds are adopted in accordance with generally accepted accounting principles. Budgeted amounts reflected in the accompanying financial statements recognize amendments made during the year. Individual amendments were not material in relation to the original appropriation.
7. Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are included in restricted, committed, or assigned fund balance, as appropriate, and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. See **Note 14**.

POOLED CASH AND INVESTMENTS

Cash includes cash deposited in interest-bearing accounts at banks and cash in custody of fiscal agents. Investments consist of United States Treasury bills and notes, government agency securities, commercial paper, negotiable certificates of deposit, and government money market funds. Investments are reported at fair value on the balance sheet. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale. Changes in the fair value of District investments are part of investment income that is included in revenues from local sources. See **Note 3**.

CLARK COUNTY SCHOOL DISTRICT

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments are based on the valuation inputs used to measure the fair value of the asset.

- Level 1 inputs are quoted prices in active markets for identical assets;
- Level 2 inputs are significant other observable inputs;
- Level 3 inputs are significant unobservable inputs.

The District has reviewed their investments and determined all investments are either Level 1 or 2 inputs and measured at their fair value levels as of June 30, 2018.

CASH AND CASH EQUIVALENTS

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, non-negotiable certificates of deposit, and short-term investments with original maturities of three months or less from the date of acquisition.

ACCOUNTS RECEIVABLE

The accounts receivable are shown net of any provision for doubtful accounts.

Property Taxes

All property taxes collected within 60 days of year end are reported as accounts receivable as of June 30, 2018, as well as those taxes assessed but not yet received. The Clark County Treasurer, based on the assessed valuation on January 1 of each year, levies taxes on real property. A lien is placed on the property subject to the payment of taxes on July 1 of each year and the taxes are due on the third Monday in August. Taxes may be paid in quarterly installments on or before the third Monday in August, and the first Monday in October, January, and March. If not paid, the County Treasurer is authorized to hold the property for two years, subject to redemption upon payment of taxes, penalties, interest, and costs. If delinquent taxes are not paid within the redemption period, the County Treasurer obtains a property deed free of encumbrances. Upon receipt of a deed, the County Treasurer may sell the property to satisfy the tax lien. Article X, Section 2, of the Nevada Constitution limits the taxes levied by all units of Clark County to an amount not to exceed \$5 per \$100 of assessed valuation. The 1979 Nevada Legislature enacted provisions whereby starting July 1, 1979, the combined overlapping tax rate was limited to \$3.64 per \$100 of assessed value. The assessed value is annually adjusted. The Nevada legislature also passed a property tax abatement law in 2005 that generally caps increases in property taxes received from any owner-occupied residential property to three percent per year, and eight percent per year for all other property.

INVENTORIES

Instructional materials and general supplies inventories (recorded in the General Fund) are valued at weighted average cost. Transportation supplies (recorded in the General Fund) and food service inventories (recorded in the Enterprise Fund) are valued using the first in, first out method. In all funds, the District follows the consumption method, thus, materials and supplies to be used in operations are reported as financial resources when acquired and recognized as expenditures when used. In the fund financial statements, the inventory amount is equally offset by a fund balance classification indicating it is *nonspendable*.

PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. Prepaid items are equally offset by a fund balance classification indicating they are *nonspendable*.

CAPITAL ASSETS

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type

CLARK COUNTY SCHOOL DISTRICT

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. If purchased or constructed, all capital assets are recorded at historical cost or estimated historical cost and updated for additions and retirements during the year. Donated capital assets are valued at their acquisition value per GASB 72, as of the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset life are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Capital Assets</u>	<u>Years</u>
Buildings	50
Building Improvements	20
Land Improvements	20
Vehicles	5
Heavy Trucks and Vans	7-10
Buses	10
Computer Hardware	5
Various Other Equipment	3-25

DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES

Deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred loss on refundings are unamortized balances resulting from advance bond refundings. The pension and OPEB related deferred outflows resulted from the District pension and OPEB related contributions made subsequent to the measurement date, but before the end of the fiscal year, and pension related changes in proportion since the prior measurement date.

Deferred inflow of resources represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The difference between projected and actual experience and investment earnings are related to the calculation of net pension liability. The governmental funds report unavailable revenue from two sources: delinquent property taxes and E-rate discounts. Property tax revenues are considered "delinquent" when the due date of an assessment has passed and any statutory appeal rights have expired. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

ACCRUED SALARIES AND BENEFITS

District salaries earned but not paid by June 30, 2018, have been accrued as liabilities and shown as expenses for the current year.

LONG-TERM OBLIGATIONS

In the government-wide financial statements, and proprietary fund types in the fund 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, as well as deferred losses and gains, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are immediately expensed in the government-wide financial statements. Deferred losses related to refundings of debt are reported as deferred outflows of resources and deferred gains related to refundings of debt are reported as deferred inflows of resources. They are amortized over the term of the related debt.

CLARK COUNTY SCHOOL DISTRICT

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. 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 issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Employers are required per Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, to recognize pension amounts for all benefits provided through the plan which include the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense.

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

In 2016, GASB issued Statement No. 82, *Pension Issues* with the objective of addressing some issues raised with previous GASB statements including Statement No. 68. More specifically, GASBS No. 82 addressed the following issues: (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

Because PERS is a state-wide multi-employer plan that covers substantially all public employees of the State, its agencies and its political subdivisions, including the employees of the District, it is the responsibility of the State Controller's office to perform the GASB calculations according to the applicable pension related statements and disseminate that information to the applicable agencies and political subdivisions for inclusion in their CAFRs. The eventual dissemination of the GASBS No. 82 information occurred after most of the State's political subdivisions had already issued and filed their CAFRs.

The District did not receive the GASBS No. 82 information in time to include in its fiscal year 2017 CAFR; accordingly, the District implemented in fiscal year 2018. The effect of implementation of these standards on beginning net position is disclosed in **Note 19**.

Postemployment Benefits Other Than Pensions (OPEB). For the year ended June 30, 2018, the District adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. This statement replaces the requirements of GASBS No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. The implementation of this standard requires governments calculate and report the costs and obligations associated with other postemployment benefits in their basic financial statements. Employers are required to recognize OPEB amounts for all benefits provided through the plans which include the total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense. The effect of implementation of these standards on beginning net position is disclosed in **Note 19**, additional disclosures are in **Note 16**, and required supplementary information related to OPEB are also included.

For the purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense have been determined on the same basis as they are reported by PEPB. For this purpose, benefit payments are recognized by the District when due and payable in accordance with the benefit terms.

COMPENSATED ABSENCES AND ACCUMULATED SICK LEAVE

Except for teachers and certain hourly employees, it is the District's policy to permit employees to accumulate earned but

CLARK COUNTY SCHOOL DISTRICT

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

unused vacation leave. All employee groups are allowed to accumulate earned but unused sick leave. However, the District only pays limited accumulated sick leave to certain employees upon retirement.

With no material liability for sick leave, nothing is recorded in the accompanying financial statements. All vacation pay is accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in governmental funds only if they have matured as a result of employee resignations and retirements.

FUND BALANCES

In the fund financial statements, the classifications of fund balance are based on limitations on their use, and the source and strength of those limitations. Assignments of fund balance represent tentative management plans that are subject to change. The following classifications have been implemented by the District's Regulation 3110:

- a. *Nonspendable fund balance:* These items are legally or contractually required to be maintained intact and are not in a spendable form, such as inventories and prepaids.
- b. *Restricted fund balance:* These amounts are constrained to being used for specific purposes by external parties, constitutional provisions or enabling legislation, such as debt service.
- c. *Committed fund balance:* These amounts can only be used for specific purposes as set forth by the Board of School Trustees. The Board must take formal action, by adoption of a resolution prior to the end of the reporting period, in order to establish an ending fund balance commitment for any specific purpose. A resolution by the Board is also required to modify or rescind an established commitment. Only the highest level action that constitutes the most binding constraint can be considered a commitment for fund balance classification purposes.
- d. *Assigned fund balance:* Assignments are neither restrictions nor commitments and represent the District's intent to use funds for a specific purpose. These assignments, however, are not legally binding and are meant to reflect intended future use of the District's ending fund balance. The Chief Financial Officer of the District has the responsibility of assigning amounts of ending fund balance per District Regulation 3110.
- e. *Unassigned fund balance:* The residual classification for the General Fund that is available to spend. The District's Regulation 3110 requires that an unassigned ending fund balance of not less than 2% of total General Operating Fund revenues be included in the budget. A Board waiver is required to adopt a budget that does not meet this requirement. On December 14, 2017, the Board approved a waiver to reduce the projected balance requirement to 0.78% for 2017-2018.

When an expenditure is incurred, and both restricted and unrestricted resources are available, the portion of the fund balance that was restricted for those purposes shall be reduced first. If no restricted resources exist, then the unrestricted fund balance shall be reduced. Furthermore, when an expenditure is incurred for purposes which amounts of committed, assigned, or unassigned are considered to have been spent, and any of these unrestricted fund balance classifications could be used, they are considered to be spent in the above order.

NET POSITION

In the government-wide statements, Net Position on the Statement of Net Position includes the following:

Net Investment in Capital Assets

The calculation of net investment in capital assets is similar to the prior calculation of investment in capital assets, net of related debt which reported the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended bond proceeds, that is directly attributable to the acquisition, construction, or improvement of those assets.

CLARK COUNTY SCHOOL DISTRICT

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt will also be included in this component of net position.

Restricted Net Position

The component of net position that reports the constraints placed on the use of assets by either external parties and/or enabling legislation. Currently, the District has restricted assets related to its Debt Service Fund, assets related to its Capital Projects Funds, and restricted assets in the General Fund for school bus appropriations, school technology, City of Henderson Redevelopment Agency (RDA) and school carryover. Reserve to self-insurance deposits related to the District's worker's compensation program accounted for in the Insurance and Risk Management Fund and term endowments to Vegas PBS are also restricted.

Unrestricted Net Position

The component of net position that is the difference between the assets, deferred outflows, liabilities, and deferred inflows not reported in Net Investment in Capital Assets and Restricted Net Position.

It is the District's policy to expend restricted resources first and use unrestricted resources when the restricted resources have been depleted.

Negative Net Position

The effect of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* which records the District's proportionate share of the fiduciary net pension liability on their financial statements resulted in a negative net position on the District's Statement of Net Position. Contributions are paid into PERS on behalf of the District's employees, and pursuant to statute, there is no obligation on the part of the employer to pay for their proportionate share of the unfunded liability.

This standard applies to both the government-wide and proprietary fund statements, including the Food Service, Insurance & Risk Management, and Graphic Arts Production Funds. The impact of recording the net pension liability could possibly result in a negative net position, which is the case for this fiscal year with the government-wide statement.

COMPARATIVE TOTAL DATA AND RECLASSIFICATIONS

The District follows the data classification guidelines provided in the Financial Accounting Handbook from the Nevada Department of Education, in conjunction with the U. S. Department of Education publication *Financial Accounting for Local and State School Systems*. Comparative total data for the prior year has been presented in the accompanying fund financial statements and schedules to provide an understanding of changes in the District's financial position and results of operations. Certain prior year amounts may have been reclassified to conform to the current year presentation.

USE OF ESTIMATES

The preparation of financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

REVENUE LINE ITEM TITLES

Local sources are monies generated from local school support (sales tax), ad valorem (property taxes), real estate transfer taxes, room tax, governmental services tax, franchise tax, investment income, and athletic proceeds.

State sources are revenues paid by the State of Nevada (through the Distributive School Account) to the District and state grants.

CLARK COUNTY SCHOOL DISTRICT

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Federal sources are mostly grants received from the federal government for specific educational programs and interest subsidized on the Qualified School Construction Bond Program.

Other sources are monies including proceeds from the sale of capital assets and other miscellaneous income.

EXPENDITURE LINE ITEM TITLES

The statements of revenues, expenditures, and changes in fund balances characterize expenditure data by major program classifications pursuant to the provisions of the Handbook II (Revised) Accounting System established by the Nevada Department of Education. Programs are further segregated by functional services provided within each program. Below is a brief description of these program and function classifications.

Programs:

Regular programs are activities designed to provide elementary and secondary students with learning experiences to prepare them for further education or training and for responsibilities as citizens, family members, and workers.

Special programs are activities designed primarily to serve students having special needs. Special programs include services for the mentally challenged, physically handicapped, emotionally disturbed, culturally different, learning disabled, bilingual, and special programs for other types of students at all levels.

Gifted and talented programs are activities available to students that show above average general and/or specific abilities, high levels of task commitment, and high levels of creativity. Gifted and Talented Education (GATE) services are available to students in third, fourth, and fifth grades. Students have the opportunity to develop their potential through curriculum that emphasizes complexity and higher-level thinking.

Vocational programs are learning experiences that will prepare students to meet challenging academic standards as well as industry skill standards for board-based careers.

Other instructional programs are activities that provide elementary and secondary students with learning experiences in school-sponsored activities, athletics, and summer school. This program also includes English for speakers of other languages (English Language Learners/Limited English Proficient/English-as-a-Second-Language) and alternative and at risk education programs.

Adult education programs are learning experiences designed to develop knowledge and skills to meet intermediate and long-range educational objectives for adults who, having completed or interrupted formal schooling, have accepted adult roles and responsibilities.

Community services programs are activities not directly related to the provision of educational services in a school district. These include such services as community recreation programs, civic activities, public libraries, programs of custody and care of children, and community welfare activities. This also includes parental training or related programs.

Undistributed expenditures are charges not readily assignable to a specific program. Student and instructional staff support and overall general and administrative costs are classified as undistributed expenditures. Also included are costs of operating, maintaining, and constructing the physical facilities of the District.

Functions:

Instruction includes all activities dealing directly with the interaction between teachers and students, including the activities of aides or classroom assistants who assist in the instructional process.

Student support includes activities designed to assess and improve the well-being of students and to supplement the teaching process.

CLARK COUNTY SCHOOL DISTRICT

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Instructional staff support includes activities associated with assisting the instructional staff with the content and process of providing learning experiences for students.

General administration includes activities concerned with establishing and administering policy in connection with operating the District.

School administration includes activities concerned with overall administrative responsibility for a school. This includes principals, assistants, and clerical staff involved in the supervision of operations at a school.

Central services include activities that support other administrative and instructional functions. In addition, this covers activities concerned with paying, transporting, exchanging, and maintaining goods and services for the District. Also included are the fiscal and internal services necessary for operating the District.

Operation and maintenance of plant services includes activities concerned with keeping the physical schools and associated administrative buildings open, comfortable, and safe for use. This also includes keeping the grounds, buildings, and equipment in effective working condition and state of repair. Additional activities include maintaining safety in buildings, on the grounds, and in the vicinity of schools.

Student transportation includes activities concerned with the conveyance of students to and from school, as provided by state and federal law. It includes trips between home and school as well as trips to school activities.

Other support services are all other support services not otherwise properly classified elsewhere.

Community services include activities concerned with providing community services to students, staff, or other community participants. This includes programs offering parental training.

Facilities acquisition and construction services are all activities concerned with the acquisition of land and buildings; the construction and/or remodeling of buildings and additions to buildings; initial installation or extension of service systems and other built-in equipment; and improvements to sites.

Food service includes activities concerned with providing food to students and staff within the District. This includes the preparation and serving of regular and incidental meals, lunches, or snacks.

Interdistrict payments are funds transferred to another school district, charter school, or other educational entities such as private schools.

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental funds balance sheet includes a reconciliation between fund balances – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “Certain liabilities, deferred inflows of resources, and deferred outflows of resources (such as bonds payable and capital leases payable) are not reported in the Governmental Funds financial statement because they are not due and payable in the current period, but they are presented as liabilities or deferred inflows of resources in the statement of net position.” The details of this \$3,154,278,917 difference are as follows (see following page):

CLARK COUNTY SCHOOL DISTRICT

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

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

Bonds payable	\$ 2,546,995,000
Bond discounts (net of amortization)	(3,811,403)
Prepaid bond insurance premium costs (net of amortization)	(47,944)
Deferred loss on refundings (net of amortization)	(14,280,621)
Deferred gain on refundings (net of amortization)	3,908,645
Bond premiums (net of amortization)	333,103,530
Interest payable	5,091,137
Compensated absences	61,905,554
Total OPEB liability	221,415,019
Net adjustment to decrease fund balance - total governmental funds to arrive at net position - governmental activities	\$ 3,154,278,917

Capital assets net of the related depreciation are not reported in the Governmental Funds financial statements because they are not current financial resources, but they are reported in the statement of net position. The details of this difference are as follows:

Capital Assets - Governmental Funds	\$ 4,558,408,797
Less: Capital Assets - Internal Service Funds	(581,424)
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	\$ 4,557,827,373

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

The governmental funds statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.” The details of this \$204,585,889 difference are as follows:

Capital outlay	\$ 447,371,114
Depreciation expense	(242,785,225)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	\$ 204,585,889

Another element of that reconciliation states that “The issuance of long-term debt (e.g. bonds, leases) 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.” The details of this \$169,856,389 difference are as follows (see following page):

CLARK COUNTY SCHOOL DISTRICT

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

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

Debt issued or incurred:	
Issuance of general obligation debt	\$ (515,730,000)
Plus: Bond premiums	(63,900,989)
General obligation debt principal payments	309,535,000
Payment to escrow agent for refunding	100,239,600
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u>\$ (169,856,389)</u>

Another element of that reconciliation states that “Generally, expenditures recognized in the fund financial statements are limited to only those that use current financial resources, but expenses are recognized in the statement of activities when incurred.” The details of this \$50,594,292 difference are as follows:

Change in accrued interest	\$ (935,660)
Amortization of deferred gain/loss on refunding	(2,905,508)
Amortization of issuance costs	(38,988)
Amortization of bond discounts	(656,151)
Amortization of bond premiums	45,647,587
Change in compensated absences	(1,253,520)
Change in OPEB liability expense	12,137,864
Capital assets transfers	(1,401,332)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u>\$ 50,594,292</u>

NOTE 3 - POOLED CASH AND INVESTMENTS

The District maintains a cash and investment pool that is available for use by all funds. At June 30, 2018, this pool is displayed in the statement of net position and major and other governmental funds on the governmental funds balance sheet as “Pooled Cash and Investments.” The District accounts for its debt issuance proceeds portfolio separately in the capital projects funds to aid in compliance with bond covenants and federal arbitrage regulations. See **Note 8**. As of June 30, 2018, the District had the total amounts reported as pooled cash and investments:

Combined Pooled Cash and Investments

Pooled Cash	\$ (6,884,720)
Non-negotiable Certificate of Deposit	9,769,000
Student Activity Agency Fund	32,020,527
Pooled Investments	979,863,229
Money Market Mutual Fund	106,359,852
Vegas PBS Endowment	<u>2,648,346</u>
Total Pooled Cash and Investments	<u>\$ 1,123,776,234</u>

Except for financial reporting purposes, the cash balances in the Student Activity Agency Fund are not normally considered part of the District’s pooled cash and investments. These amounts represent cash held in an agency capacity by the District for student groups and organizations and cannot be used in the District’s normal operations. The balance listed above for this fund is a consolidation of individual bank account balances held at schools across the District as of June 30, 2018.

CLARK COUNTY SCHOOL DISTRICT

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

NOTE 3 - POOLED CASH AND INVESTMENTS (continued)

As of June 30, 2018, the District had the following investments (*numbers stated in thousands*):

	Fair Value	Investment Maturities (In Years)			Interest Rec.	Total Value
		Less Than 1	1-5	6-10		
General Pooled Investments:						
U.S. Treasury Bills	\$ 69,792	\$ 69,792	\$ -	\$ -	\$ -	\$ 69,792
U.S. Treasury Notes	98,733	49,556	49,177	-	178	98,911
U.S. Agencies	364,081	334,318	29,763	-	118	364,199
Commercial Paper	29,980	29,980	-	-	-	29,980
NVEST Program:						
U.S. Treasury Notes	53,343	9,707	43,636	-	177	53,520
U.S. Agencies	4,949	4,949	-	-	9	4,958
Collateralized Mortgage Obligations	18,491	615	12,486	5,390	41	18,532
Asset Backed Securities	19,397	-	19,397	-	13	19,410
Subtotal Gen. Pooled Investments	658,766	498,917	154,459	5,390	536	659,302
Bond Proceed Investments:						
U.S. Treasury Bills	187,478	187,478	-	-	-	187,478
U.S. Treasury Notes	24,895	24,895	-	-	-	24,895
U.S. Agencies	79,302	79,302	-	-	-	79,302
Commercial Paper	29,422	29,422	-	-	-	29,422
Subtotal Bond Proceed Investments	321,097	321,097	-	-	-	321,097
Total Securites Held	\$ 979,863	\$ 820,014	\$ 154,459	\$ 5,390	\$ 536	\$ 980,399

Interest Rate Risk

While the District does not have an overall investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate risk, Nevada statutes and District policy do impose certain restrictions by investment instrument. These include limiting maturities on U.S. Treasuries and Agencies to less than 10 years, limiting bankers' acceptances to 180 days maturity, limiting commercial paper to 270 days maturity and repurchase agreements to 90 days. The District's approximate weighted average maturity is 0.59 years.

U.S. Agencies as reported above consist of securities issued by the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Farm Credit Bank, and Federal Home Loan Bank. Since investments in these agencies are in several cases backed by assets, such as mortgages, they are subject to prepayment risk.

Credit Risk

State statute and the District's own investment policy limit investment instruments to the top rating issued by one of the nationally recognized statistical rating organizations (NRSROs). The District's investment in commercial paper is limited to that rated P-1 by Moody's Investors Service, Standard and Poor's as A-1, and Fitch Investors Service as F-1. The District's money market investments are only with those funds rated by a nationally recognized rating service as AAA or its equivalent and invest only in securities issued by the Federal Government, U.S. Agencies, or repurchase agreements fully collateralized by such securities. Credit ratings for obligations of U.S. government agencies only implicitly guaranteed by the U.S. Government, such as, the Federal National Mortgage Association, the Federal Farm Credit Bank, the Federal Home Loan Bank, and the Federal Home Loan Mortgage Corporation, short- and long-term instruments are limited to those rated A-1 / AA, P-1 / Aaa or F1 / AAA, by Standard and Poor's, Moody's Investors Service, and Fitch Investors Service, respectively. The investment program through the State of Nevada, NVEST, is not rated by any investment service.

CLARK COUNTY SCHOOL DISTRICT

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

NOTE 3 - POOLED CASH AND INVESTMENTS (continued)

Vegas PBS received an initial term endowment in fiscal year 2003-2004 and has received additional contributions in each subsequent fiscal year, including the current year. The endowment is invested in various equity mutual funds with the Nevada Community Foundation. While the District’s investment policy does not allow it to directly invest in equities, endowment principal is restricted from use for a period of time. See **Note 17**.

Concentrations of Credit Risk

To limit exposure to concentrations of credit risk, the District’s investment policy limits investment in bankers’ acceptance notes to 15%, repurchase agreements to 25%, commercial paper to 15%, and money market mutual funds to 25%, of the entire portfolio on the day of purchase. As of June 30, 2018, more than 5% of the District’s investments are in Federal Home Loan Bank, Federal National Mortgage Association, JP Morgan Money Market Fund and Federal Home Loan Mortgage Corporation. These investments are 25%, 10%, 10%, and 7%, respectively, of the District’s total investments.

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

- U.S. Treasury securities of \$434 million are valued using quoted market prices (Level 1)
- Agency securities of \$448 million are valued using matrix pricing model (Level 2)
- Commercial paper of \$59 million are valued using matrix pricing model (Level 2)
- Asset-backed securities of \$19 million are valued using matrix pricing model (Level 2)
- Collateral mortgage-backed securities of \$18 million are valued using matrix pricing model (Level 2)

The District does not have recurring fair value measurement as of June 30, 2018, that is valued using significant unobservable inputs (Level 3).

NOTE 4 - INTERFUND BALANCES AND TRANSFERS

Interfund Balances:

The “due to/due from other funds” balance in the General Fund of \$39,115,269 was offset against the amounts reported in the Federal Projects Fund of \$21,692,705, the State Grants Fund of \$16,603,103, and the Adult Education Fund of \$819,461. These interfund balances represent funds that were transferred from the General Fund to the Federal Projects Fund, State Grants Fund and the Adult Education Fund to cover the negative cash balances, which are caused by timing issues of grant draws.

Interfund Transfers:

In the fund financial statements, interfund transfers are shown as other financing sources or uses. Transfers between funds during the year ended June 30, 2018, are as follows:

Transfers Out:	Transfers In:		
	Special Education Fund	Debt Service	Totals
General Fund	\$ 319,203,117	\$ -	\$ 319,203,117
Bond Fund	-	97,165,318	97,165,318
Total	\$ 319,203,117	\$ 97,165,318	\$ 416,368,435

Following are explanations of certain interfund transfers of significance to the District:

\$319,203,117 was transferred from the General Fund to the Special Education Fund for costs related to programs for special needs students. Separate accounting is required for revenues and expenditures associated with special education. The majority of the revenues are collected in the General Fund and transferred to the Special Education Fund to offset special education expenditures.

CLARK COUNTY SCHOOL DISTRICT

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

NOTE 4 - INTERFUND BALANCES AND TRANSFERS (continued)

The Bond Fund transferred a total of \$97,165,318 during fiscal year 2018 to the Debt Service Fund to service the current principal and interest on the District's revenue bonds. Pledged revenues for these bonds, which include a portion of the real estate transfer tax and room tax collected within the county are deposited within the Bond Fund and transferred on a monthly basis to the Debt Service Fund. See **Note 8**.

NOTE 5 - CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2018, follows:

Governmental Activities:

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Capital assets, not being depreciated:				
Land	\$ 265,613,200	\$ 132,490	\$ -	\$ 265,745,690
Construction in progress	170,615,780	421,520,402	(410,150,461)	181,985,721
Total capital assets, not being depreciated	<u>436,228,980</u>	<u>421,652,892</u>	<u>(410,150,461)</u>	<u>447,731,411</u>
Capital assets, being depreciated:				
Buildings	4,507,723,048	295,010,491	(1,392,251)	4,801,341,288
Building improvements	933,061,923	8,976,110	(4,283,040)	937,754,993
Land improvements	1,310,543,642	67,340,538	-	1,377,884,180
Equipment ¹	<u>492,957,413</u>	<u>63,257,961</u>	<u>(29,110,220)</u>	<u>527,105,154</u>
Total capital assets being depreciated	<u>7,244,286,026</u>	<u>434,585,100</u>	<u>(34,785,511)</u>	<u>7,644,085,615</u>
Less accumulated depreciation for:				
Buildings	(1,462,039,780)	(114,090,073)	1,175,173	(1,574,954,680)
Building improvements	(688,813,712)	(35,768,787)	3,666,600	(720,915,899)
Land improvements	(832,928,074)	(58,620,561)	-	(891,548,635)
Equipment ¹	<u>(339,973,375)</u>	<u>(34,364,741)</u>	<u>28,349,101</u>	<u>(345,989,015)</u>
Total accumulated depreciation	<u>(3,323,754,941)</u>	<u>(242,844,162)</u>	<u>33,190,874</u>	<u>(3,533,408,229)</u>
Total capital assets being depreciated, net	<u>3,920,531,085</u>	<u>191,740,938</u>	<u>(1,594,637)</u>	<u>4,110,677,386</u>
Governmental activities capital assets, net	<u>\$ 4,356,760,065</u>	<u>\$ 613,393,830</u>	<u>\$ (411,745,098)</u>	<u>\$ 4,558,408,797</u>

¹ The fiscal year 2017 balance for equipment and accumulated depreciation was adjusted in Governmental activities by \$97,175,408 to remove minor equipment that was previously being depreciated. This adjustment had a zero net effect to total capital assets.

CLARK COUNTY SCHOOL DISTRICT

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

NOTE 5 - CAPITAL ASSETS (continued)

Business-type activities:

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Capital assets, being depreciated:				
Buildings	\$ 1,737,413	\$ -	\$ -	\$ 1,737,413
Building improvements	597,956	-	-	597,956
Land improvements	968,279	-	-	968,279
Equipment	23,022,049	1,816,635	(21,817)	24,816,867
Total capital assets being depreciated	26,325,697	1,816,635	(21,817)	28,120,515
Less accumulated depreciation for:				
Buildings	(224,580)	(57,914)	-	(282,494)
Building improvements	(96,167)	(29,904)	-	(126,071)
Land improvements	(139,246)	(48,421)	-	(187,667)
Equipment	(14,364,567)	(2,105,119)	21,817	(16,447,869)
Total accumulated depreciation	(14,824,560)	(2,241,358)	21,817	(17,044,101)
Business-type activities capital assets, net	\$ 11,501,137	\$ (424,723)	\$ -	\$ 11,076,414

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

Governmental Activities:

Instruction:	
Regular instruction	\$ 193,102,082
Special instruction	358,298
Gifted and talented	14,955
Vocational instruction	14,605,209
Adult instruction	93,579
Other instruction	40,679
Support services:	
Student support	628,815
Instructional staff support	3,799,223
General administration	727,531
School administration	69,014
Central services	1,845,392
Operation and maintenance of plant services	4,160,672
Student transportation	19,584,570
Other support services	482,298
Facilities acquisition and construction services	3,331,845
	<u>\$ 242,844,162</u>

NOTE 6 - ACCOUNTS RECEIVABLE

Receivables as of June 30, 2018, for the government's individual major funds and nonmajor funds in the aggregate are as follows (see following page):

CLARK COUNTY SCHOOL DISTRICT

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

NOTE 6 - ACCOUNTS RECEIVABLE (continued)

	General Fund	Special Education Fund	Debt Service Fund	Bond Fund	Federal Projects Fund	Other Governmental Funds	Total
<u>Local Sources:</u>							
Property and Transfer Taxes	\$ 9,204,989	\$ -	\$ 6,474,315	\$ 6,681,497	\$ -	\$ -	\$ 22,360,801
Room Taxes	-	-	-	17,098,922	-	-	17,098,922
Governmental Services Tax	5,813,237	-	-	-	-	2,721,747	8,534,984
Local School Support Tax	175,724,729	-	-	-	-	-	175,724,729
Other Local Sources	1,316,666	-	-	-	-	-	1,316,666
<u>State Sources:</u>							
Grants	-	-	-	-	-	34,888,389	34,888,389
<u>Federal Sources:</u>							
Grants	-	-	-	-	40,390,095	-	40,390,095
Medicaid	329,082	-	-	-	-	-	329,082
<u>Other Sources:</u>							
E-rate Reimbursement	3,231,163	-	-	-	-	-	3,231,163
Miscellaneous	634,025	14,447	-	-	-	1,274,026	1,922,498
Total Receivables	\$ 196,253,891	\$ 14,447	\$ 6,474,315	\$ 23,780,419	\$ 40,390,095	\$ 38,884,162	\$ 305,797,329

NOTE 7 - UNEARNED REVENUES

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period and also in connection with resources that have been received but not yet earned. A summary of unearned revenues for the individual major governmental funds and nonmajor governmental funds in the aggregate at June 30, 2018, are as follows:

	General Fund	Nonmajor and Other Funds	Total
Summer School	\$ 526,235	\$ -	\$ 526,235
State Grants and Allotments	-	3,427,013	3,427,013
Miscellaneous	352,925	123,388	476,313
Total	\$ 879,160	\$ 3,550,401	\$ 4,429,561

In the General Fund, summer school unearned revenue represents monies collected for summer school tuition in advance of the fiscal year 2019 summer school program. The miscellaneous unearned revenue consists of \$352,925 for facility usage revenue which was received in advance for fiscal year 2019.

Nonmajor and other funds include state grants in the amount of \$3,427,013, which is state grant revenue received in advance of expenditures and the miscellaneous revenue of \$123,388 is for underwriting revenue received in advance for fiscal year 2019.

NOTE 8 - GENERAL OBLIGATION BONDS PAYABLE

General Obligation Bonds:

The District issues general obligation bonds to provide proceeds for the District's construction and modernization program and for other major capital acquisitions. These bonds are direct obligations and pledge the full faith and credit of the District. Bonds are often sold at a premium or a discount. These premiums and discounts are reported in the fund statements in the year incurred but are deferred and amortized over the life of the debt in the government-wide financial statements.

CLARK COUNTY SCHOOL DISTRICT

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

NOTE 8 - GENERAL OBLIGATION BONDS PAYABLE (continued)

Similarly, any gain or loss derived from an advance refunding is amortized in the government-wide financial statements. The Debt Service Fund services all of the bonds payable. The remaining principal and interest payment requirements for the general obligation debt as of June 30, 2018, are as follows:

General Obligation Bonds Schedule:

Series	Purpose	Date Issued	Date of Final Maturity	Interest	Original Issue	Balance June 30, 2018	Principal Due Within One Year	Interest Due Within One Year
2007A	Refunding	03/01/07	06/15/19	4.00%	\$ 473,045,000	\$ 27,000,000	\$ 27,000,000	\$ 1,215,000
2010D	Building (QSCB)	07/08/10	06/15/20	5.51%	6,245,000	6,245,000	-	344,099
2012A	Refunding	10/04/12	06/15/21	5.00%	159,425,000	87,705,000	26,110,000	4,385,250
2013A	Vehicles & Equip	07/31/13	06/15/23	3.00% - 4.00%	32,855,000	12,690,000	2,390,000	387,425
2013B	Refunding	07/31/13	06/15/19	5.00%	95,870,000	29,300,000	29,300,000	1,465,000
2014A	Refunding	04/29/14	06/15/20	5.00%	131,175,000	22,395,000	10,925,000	1,119,750
2015A	Refunding	03/18/15	06/15/19	5.00%	257,445,000	59,465,000	59,465,000	2,973,250
2015C	Building/Refunding	11/23/15	06/15/35	4.00% - 5.00%	338,445,000	328,905,000	5,105,000	15,866,000
2016A	Refunding	06/16/16	06/15/25	5.00%	186,035,000	186,035,000	-	9,301,750
2016C	Vehicles & Equip	06/16/16	06/15/26	4.00% - 5.00%	33,470,000	27,925,000	2,925,000	1,396,250
2016D	Refunding	12/15/16	06/15/24	5.00%	257,215,000	235,310,000	22,875,000	11,765,500
2016F	Various Purpose	12/15/16	06/15/26	3.00%-5.00%	50,435,000	43,520,000	4,580,000	1,870,600
2017A	Building/Refunding	06/28/17	06/15/37	4.00%-5.00%	407,900,000	387,805,000	32,000,000	18,909,900
2017C	Building/Refunding	12/07/17	06/15/37	3.00%-5.00%	291,785,000	289,785,000	1,200,000	14,094,100
2017D	Various Purpose	12/07/17	06/15/27	5.00%	23,945,000	23,945,000	2,170,000	1,197,250
2018A	Building	06/26/18	06/15/38	4.00%-5.00%	200,000,000	200,000,000	-	9,131,537
						<u>\$ 1,968,030,000</u>	<u>\$ 226,045,000</u>	<u>\$ 95,422,661</u>

General Obligation Revenue Bonds:

The District also issues general obligation debt that is additionally secured by a pledge of proceeds of taxes deposited in the District's Bond Fund. The District receives the proceeds of a 1 5/8% room tax collected within Clark County and this revenue is reflected in total in the Bond Fund. The proceeds of a tax equivalent to 60 cents for each \$500 of value on transferred real property are also deposited by the county. The District pledges the room tax and the real property transfer tax revenues to pay debt service on certain general obligation debt. In 2018, the District received \$132,457,127 and pledged 100% of these revenues to pay the principal and interest requirement. The remaining principal and interest payment requirements for the general obligation debt additionally secured by these pledged revenues as of June 30, 2018 are as follows:

General Obligation Revenue Bonds Schedule:

Series	Purpose	Date Issued	Date of Final Maturity	Interest	Original Issue	Balance June 30, 2018	Principal Due Within One Year	Interest Due Within One Year
2010A	Building (QSCB)	07/08/10	06/15/24	5.51%	\$ 104,000,000	\$ 103,900,000	\$ -	\$ 5,724,890
2011B	Refunding	03/22/11	06/15/19	5.00%	29,420,000	11,125,000	11,125,000	556,250
2014B	Refunding	04/29/14	06/15/20	5.00%	62,200,000	17,410,000	6,740,000	870,500
2015B	Refunding	03/18/15	06/15/22	5.00%	129,080,000	79,480,000	18,470,000	3,974,000
2015D	Building	11/23/15	06/15/35	4.00% - 5.00%	200,000,000	176,565,000	6,895,000	8,033,600
2016B	Refunding	06/16/16	06/15/27	5.00%	90,775,000	90,675,000	-	4,533,750
2016E	Refunding	12/15/16	06/15/26	5.00%	59,510,000	59,510,000	-	2,975,500
2017B	Refunding	06/28/17	06/15/20	5.00%	59,315,000	40,300,000	19,725,000	2,015,000
						<u>\$ 578,965,000</u>	<u>\$ 62,955,000</u>	<u>\$ 28,683,490</u>

CLARK COUNTY SCHOOL DISTRICT

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

NOTE 8 - GENERAL OBLIGATION BONDS PAYABLE (continued)

At year end, pledged future revenues totaled \$743,068,181, which was the amount of the remaining principal and interest on these bonds.

General obligation bonds payable is reported net of premiums and discounts on the statement of net position.

Summary of Debt Service:

Following are the annual requirements to amortize all general obligation bonds outstanding at year-end:

Fiscal Year	Principal	Interest	Total Requirements
2019	\$ 289,000,000	\$ 124,106,151	\$ 413,106,151
2020	248,615,000	110,126,765	358,741,765
2021	245,075,000	97,699,414	342,774,414
2022	220,550,000	85,384,164	305,934,164
2023	216,040,000	74,296,665	290,336,665
2024 - 28	825,545,000	217,561,933	1,043,106,933
2029 - 33	273,015,000	87,316,400	360,331,400
2034 - 37	229,155,000	23,858,850	253,013,850
Totals	<u>\$ 2,546,995,000</u>	<u>\$ 820,350,342</u>	<u>\$ 3,367,345,342</u>

A statutory limit of bonded indebtedness for school districts is set forth in Chapter 387.400 of the Nevada Revised Statutes. The limitation is based on 15% of the assessed valuation of property within the District, excluding motor vehicles. Based on the 2018 assessed valuation of \$81,306,131,252 the applicable debt limit is \$12,195,919,688 leaving the legal debt margin at \$9,648,924,688, notwithstanding the statutory tax rate limitation explained in **Note 1**. The District is in compliance with Chapter 387.400 as of June 30, 2018.

Authorized Unissued Debt:

In 1998, the District received both legislative and voter approval to issue a projected \$3.2 billion in long-term debt for school construction and modernization. The election authorized the District to issue general obligation bonds for school construction until June 30, 2008. In fiscal year 2018, the 1998 bond program was fully expended. In the 2015 legislative session, Senate Bill 207 was passed which allows an extension of bond rollover funds from property taxes for districts to keep pace with the need for new schools and major repairs on existing schools. The bill gives school boards the authority to continue issuing construction bonds for 10 years beyond the time period approved by voters, although districts would not be allowed to raise property tax rates to pay debt service on the bonds. As of June 30, 2018, there is \$400 million in authorized unissued debt.

Refunded Debt:

In December 2017, the District issued \$91,785,000 of general obligation (limited tax) Series 2017C refunding bonds (this issue also included \$200,000,000 of general obligation (limited tax) building bonds). This action was taken to achieve interest savings. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. With the Series 2017C refunding of bonds originally issued in 2007, the District was able to reduce the cost of future debt service by approximately \$9 million, which equates to a net present value savings of 8.711 percent and an economic gain of \$8,477,598.

Defeasement of Debt:

The District has defeased certain general obligation bonds by placing the proceeds of new bonds into irrevocable trust accounts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the

CLARK COUNTY SCHOOL DISTRICT

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

NOTE 8 - GENERAL OBLIGATION BONDS PAYABLE (continued)

liability for the defeased bonds are not included in the District’s financial statements. There is no outstanding defeased debt as of June 30, 2018.

Obligation for Arbitrage Payable:

The Tax Reform Act of 1986 established arbitrage guidelines that require a rebate of interest earned on bond funds in excess of interest paid. At June 30, 2018, the District is currently reporting negative arbitrage and thus no rebate of interest is required.

Debt Service Fund:

Nevada Revised Statute 350.020 requires that the Board establish a restricted account within its debt service fund for payment of the outstanding bonds of the District. In 2012, Assembly Bill 376 changed the amount of the reserves required to 10% of the outstanding principal or 25% (changed from 100%) of the principal and interest payments due on all outstanding bonds of the District in the next fiscal year, whichever is less. The amounts on deposit in this restricted account are not directly pledged to pay debt service on the debt, and if permitted, may be used for other purposes. As of June 30, 2018, the amount required to fund this account was \$103,276,538; which was fully funded by the District in the Debt Service Fund restricted amount of \$75,542,599 and the Bond Fund restricted amount of \$27,733,939.

NOTE 9 - LEASES

Operating Leases

Lessee

The District leases a fiber optical wide-area network under a non-cancelable operating lease. Total costs for this lease were \$2,579,956 for the year ending June 30, 2018. The future minimum lease payments for this lease are as follows:

<u>Year Ending, June 30</u>	<u>Amount</u>
2019	\$ 2,403,120
2020	2,403,120
2021	2,403,120
2022	2,403,120
2023	2,403,120
2024	2,403,120
Total	<u>\$ 14,418,720</u>

Lessor

In 2008, Vegas PBS entered into a lease agreement with Sprint Nextel, Inc. whereby Sprint Nextel leases available spectrum from Vegas PBS for commercial use. The term for this cancelable operating lease agreement is 15 years with automatic renewal of an additional 15 years, for a maximum of 30 years. The spectrum provided by the District carries no value on the financial statements. The revenue recognized for this period is \$1,361,916 which includes a monthly fee paid to the District by Sprint Nextel.

NOTE 10 - CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year-ended June 30, 2018 was as follows (see following page):

CLARK COUNTY SCHOOL DISTRICT

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

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

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

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

NOTE 11 - COMPLIANCE AND ACCOUNTABILITY

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

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

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

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

NOTE 12 - DEFINED BENEFIT PENSION PLAN

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

CLARK COUNTY SCHOOL DISTRICT

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

NOTE 12 - DEFINED BENEFIT PENSION PLAN (continued)

are entitled to a life-time monthly retirement benefit equal to the service time multiplier (STM) percentages listed below times the member's years of service to a maximum of 30 years. The schedule of Eligibility for Monthly Unreduced Retirement Benefits for regular members and police/fire members are as follows:

Eligibility for Regular Members:

Years of Service	Hired Prior to 7/01/01		Hired Between 7/01/01-12/31/09		Hired After 1/01/2010		Hired After 7/01/2015	
	Age	STM %	Age	STM %	Age	STM %	Age	STM %
5 Years	65	2.5	65	2.67	65	2.5	65	2.25
10 Years	60	2.5	60	2.67	62	2.5	62	2.25
30 Years	Any age	2.5	Any age	2.67	Any age	2.5	55	2.25
33 1/3 Years	-	-	-	-	-	-	Any age	2.25

Eligibility for Police/Fire Members:

Years of Service	Hired Prior to 7/01/01		Hired Between 7/01/01-12/31/09		Hired After 1/01/2010		Hired After 7/01/2015	
	Age	STM %	Age	STM %	Age	STM %	Age	STM %
5 Years	65	2.5	65	2.67	65	2.5	65	2.5
10 Years	55	2.5	55	2.67	60	2.5	60	2.5
20 Years	50	2.5	50	2.67	50	2.5	50	2.5
25 Years	Any age	2.5	Any age	2.67	-	-	-	-
30 Years	-	-	-	-	Any age	2.5	-	-
33 1/3 Years	-	-	-	-	-	-	Any age	2.25

The member's beginning retirement compensation is the average of their highest working compensation for 36 consecutive months. Benefits fully vest with 5 years of service. The Plan also provides death and disability benefits. Benefits are established by state statute and provisions may only be amended through legislation.

All District employees in the plan are enrolled under a non-contributory plan. District payment of what were formerly employee contributions, was made in lieu of equivalent salary increases. Per Chapter 286 of the Nevada Revised Statutes, the District's contribution was based on the actuarially determined statutory rate of 28.00% in 2017-18 for unified, licensed, and support employees and 40.50% for police employees of gross compensation and amounted to \$447,976,526, 24.08% of the \$1,860,538,855 total paid by all employees and employers into the Plan for the year ended June 30, 2018. The District's contributions include employer-paid member contributions. For purposes of GASB No. 82, the District recognized only the employer portion as a deferred outflow of resources.

At June 30, 2018, the District reported a liability of \$3,243,379,812 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017 and was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the level percentage-of-payroll contribution rates required to fund the Retirement System on an actuarial reserve basis. At June 30, 2018, the District's proportionate share of the net pension liability was 24.38660%, which was a decrease of 0.259% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$50,186,487. At June 30, 2018 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (see following page):

CLARK COUNTY SCHOOL DISTRICT

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

NOTE 12 - DEFINED BENEFIT PENSION PLAN (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 212,831,294
Changes of assumptions	215,167,381	-
Net difference between projected and actual earnings on pension plan investments	21,058,694	-
Changes in proportion and differences between District contributions and proportionate share of contributions	36,340,131	28,634,758
District contributions subsequent to the measurement date	223,945,494	-
Total	<u>\$ 496,511,700</u>	<u>\$ 241,466,052</u>

The amount of \$223,945,494 was reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows/(inflows) of resources related to pensions will be recognized in pension expense as follows:

<u>Reporting period ended June 30:</u>	
2019	\$ (49,904,137)
2020	82,546,895
2021	26,203,209
2022	(53,372,259)
2023	18,487,825
Thereafter	7,138,621

Actuarial assumptions. The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.75%
Payroll Growth	5.00%, including inflation
Investment return	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%
Other assumptions	Same as those used in the June 30, 2017 funding actuarial valuation

Mortality Rates (Regular and Police/Fire) – For healthy members it is the Headcount-Weighted RP-2014 Healthy Annuitant Table projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries. For ages less than 50,

CLARK COUNTY SCHOOL DISTRICT

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

NOTE 12 - DEFINED BENEFIT PENSION PLAN (continued)

mortality rates are based on the Headcount-Weighted RP-2014 Employee Mortality Tables. Those mortality rates are adjusted by the ratio of the mortality rate for healthy annuitants at age 50 to the mortality rate for employees at age 50. The mortality rates are then projected to 2020 with Scale MP-2016.

For disabled members it is the Headcount-Weighted RP-2014 Disabled Retiree Table, set forward four years.

For pre-retirement members it is the Weighted RP-2014 Employee Table, projected to 2020 with Scale MP-2016.

The RP-2014 Headcount-Weighted Mortality Tables, set forward one year for spouses and beneficiaries, reasonably reflect the projected mortality experience of the Plan as of the measurement date. The additional projection of 6 years is a provision made for future mortality improvement.

The actuarial assumptions and methods used in the June 30, 2017 actuarial valuation were adopted by the Public Employees' Retirement Board and were based on the results of the experience review completed in 2017.

The PERS Board evaluates and establishes expected real rates of return (expected returns, net of pension plan investment expenses and inflation) for each asset class. The PERS Board reviews these capital market expectations annually. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Geometric Expected Real Rate of Return*
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%.

Discount rate. The discount rate used to measure the total pension liability was 7.50% as of June 30, 2017. 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, 2017, 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, 2017.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what it would be using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease in Discount Rate (6.50%)	Discount Rate (7.50%)	1% Increase in Discount Rate (8.50%)
Net Pension Liability	\$ 4,903,084,736	\$ 3,243,379,812	\$ 1,864,968,893

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

CLARK COUNTY SCHOOL DISTRICT

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

NOTE 12 - DEFINED BENEFIT PENSION PLAN (continued)

Financial statements for the Plan are available on the PERS website at www.nvpers.org or by calling (775) 687-4200 or writing to:

Public Employees' Retirement System of Nevada
693 W. Nye Lane
Carson City, NV 89703-1599

NOTE 13 - RISK MANAGEMENT

Risk Management - The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. The District accounts for such losses through its Insurance and Risk Management Internal Service Fund. The District retains the risk of financial loss per occurrence as follows:

1. Worker's compensation up to \$1,250,000.
2. General liability and motor vehicle liability, with retention of \$3,000,000.
3. Errors and omissions and employment practices liability, with retention of \$3,000,000 per occurrence.
4. Property, including boiler and machinery and terrorism, with retention of \$250,000.
5. Broadcaster's liability, with retention of \$5,000.
6. Crime/employee dishonesty, with retention of \$50,000.
7. National Flood Insurance Program, with retention of \$50,000 for specific schools.
8. Pollution Liability – Environmental, with retention of \$50,000.
9. Cyber Liability, with retention of \$100,000 per claim.

The District purchases commercial insurance for occurrences in excess of the foregoing retention levels. The District's insurance program is evaluated annually, utilizing industry and claims data to ensure the coverage limits remain adequate. New policies are purchased as new loss exposures are identified. Retention levels are also reviewed annually to ensure that self-funded claim payments remain at a reasonable amount. The District has five pending claims that have been reported to the excess insurance carrier due to their estimated settlement amounts and the type of claim. It is anticipated that three claims involving seven claimants will likely be settled during fiscal year 2019 in excess of the \$3,000,000 retention. Based on these claims, the District has purchased additional excess liability coverage to increase the amount available per claim from \$10,000,000 to \$20,000,000 starting in fiscal year 2019. Procedural changes have also gone into effect to help prevent future claims of this nature.

The Insurance and Risk Management Internal Service Fund insures all operational activities of the District by charging premiums to other funds of the District. Premiums charged are based on estimates of the amounts needed to pay actual and projected claims, to support self-insurance operational costs, and to establish a self-insured reserve for incurred losses. The estimates of the liability insurance claims payable of \$23,721,357 and the worker's compensation claims payable of \$19,166,242 at June 30, 2018, were determined by the District with the assistance of an independent actuarial study as of that date and are reflected in the financial statements of the Insurance and Risk Management Internal Service Fund as claims payables and other long term liabilities.

The actuarial study, which is prepared annually, calculates the estimated future losses for the District. The current amount reflected represents the amount due in fiscal year 2018-2019.

The District relies upon a statistical measure known as a confidence level to determine its estimated outstanding losses as

CLARK COUNTY SCHOOL DISTRICT

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

NOTE 13 - RISK MANAGEMENT (continued)

calculated by the study. Estimated losses are recorded at their expected values, which correspond to an approximate 50%-55% confidence level. Information regarding actual claims expenses incurred and paid can be seen in the table below.

A summary of changes in the aggregate claims liabilities for the past two years follows:

	Fiscal 2018	Fiscal 2017
Beginning Balance - July 1, 2017 and 2016	\$ 35,754,382	\$ 29,953,979
Claims Incurred	12,237,496	13,566,276
Changes in Estimates for Claims of the Prior Periods	7,133,217	5,800,403
Claims Paid	(12,237,496)	(13,566,276)
Ending Balance - June 30, 2018 and 2017	\$ 42,887,599	\$ 35,754,382
Short term portion	\$ 12,575,491	\$ 10,296,751
Long term portion	\$ 30,312,108	\$ 25,457,631

The unrestricted net position in the Insurance and Risk Management Fund is negative due to the effect of GASB Statement No. 68 which required the District to record its proportionate share of the unfunded liability.

In December 2017, the District renewed its interest-bearing time certificate of deposit used for the self-insured workers' compensation program as a security deposit with the Nevada Division of Insurance. The amount of the deposit, \$9,769,000, is based on the total incurred cost of current and future claims as estimated by the office of the State Insurance Commissioner. See **Note 3**.

NOTE 14 - ENCUMBRANCES AND COMMITMENTS

Construction Commitments and Encumbrances

The District utilizes encumbrance accounting in its governmental funds. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which a purchase order, contract, or other commitment is issued. In general, unencumbered appropriations lapse at year end. Open encumbrances at fiscal year end are included in restricted, committed, or assigned fund balance, as appropriate. The following schedule outlines significant encumbrances included in governmental fund balances:

Major Funds	Restricted Fund Balance	Assigned Fund Balance
General Fund	\$ 5,777,918	\$ 638,581
Bond Fund	163,183,836	-
<u>Nonmajor Funds</u>		
Aggregate nonmajor funds	5,030,379	-
	\$ 173,992,133	\$ 638,581

Total encumbrances for General Fund and Capital Projects as of June 30, 2018 were \$174,630,714. In the General Fund, the total encumbrance balance of \$5,777,918 was restricted for the purchase of new buses and \$638,581 was assigned for the purchase of instructional supplies.

As of June 30, 2018, funds remain from 2015 bond program for the construction of new and replacement schools. The schedule on the following page outlines the programmed construction commitments as of June 30, 2018. The total restricted amount of \$315,164,409 is construction contracts from the 2015 bond program which is shown as a restriction for capital projects in the Bond Fund.

CLARK COUNTY SCHOOL DISTRICT

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

NOTE 14 - COMMITMENTS AND CONTINGENCIES (continued)

2015 CAPITAL IMPROVEMENT PLAN PROGRAM		
School	Capital Project	Project Value in Progress
NEW SCHOOLS FOR CAPACITY		
ALTERNATIVE & SPECIAL SCHOOLS		
Global Community AS	Construct New Global Community Alternative School (use as temporary school for replacement schools strategy) Global Community AS opens 08/01/2022	\$ 490,860
Old Bishop Gorman HS Site	Remediate Hazardous Materials and Demolish Old School in Preparation for New Global Community AS Construction	150,000
ELEMENTARY SCHOOLS		
Josh Stevens ES	Construct New Elementary School @ Dave Wood & Galleria	\$ 737,663
Jan Jones Blackhurst ES	Construct New Elementary School @ Chartan & Pioneer	2,158,566
Dr. Beverly S. Mathis ES	Construct New Elementary School @ Arville & Mesa Verde	2,624,950
Lomie G. Heard Elementary School, A Marzano Academy	Construct New Elementary School @ Lamb & Kell	841,112
Billy & Rosemary Vassiliadis ES	Construct New Elementary School @ Antelope Ridge	1,512,574
Shelley Berkley ES	Construct New Elementary School @Maule & Grand Canyon	443,187
Don & Dee Snyder ES	Construct New Elementary School @ Ford & Riley	1,733,502
Dennis Ortwein ES	Construct New Elementary School @ Dean Martin Dr. & I-15	4,677,756
Robert and Sandy Ellis ES	Construct New Elementary School @ Beltrada & Via Italia	4,175,603
Kenneth Divich ES	Construct New Elementary School @ Farm Road & N. Jensen	2,366,852
Shirley A. Barber ES	Construct New Elementary School @ S. Spencer & E. Pyle	3,509,143
Tompkins Avenue and El Conquistador Street	Construct New Elementary School	449,265
Vegas Valley & Hollywood	Construct New Elementary School	2,496,608
Chapata Drive and Casady Hollow Avenue	Construct New Elementary School	28,396,142
South El Capitan Way & Mountains Edge Parkway	Construct New Elementary School	1,500,000
Broadbent Boulevard & East Russell Road	Construct New Elementary School	1,500,000
North 28th Street and East Cedar Avenue	Construct New Elementary School	1,500,000
ADDITIONS FOR CAPACITY		
Will Beckley ES	Construct 18 Classroom Addition for Capacity Relief, Playground & Parking Modifications Additional Site Development in Support of Addition Project	\$ 523,416
Paul E. Culley ES	Construct 18 Classroom Addition for Capacity Relief, Playground & Parking Modifications	194,077
Bertha Ronzone ES	Construct 18 Classroom Addition for Capacity Relief, Playground & Parking Modifications	384,475
Elaine Wynn ES	Construct 18 Classroom Addition for Capacity Relief, Provide Bus Loop, Playground & Parking Modifications	455,209
	Replace Clock/Intercom	250,000
	Replace Roof	1,037,909
Berkley Bunker ES	Construct 22 Classroom Addition for Capacity Relief, Playground & Parking Modifications	2,117,847
	Replace Cooling Tower, Boiler, Chiller, HVAC Controls, Fire Alarm, Clock/Intercom, LAN Upgrade, Instructional Walls, Replace Roof	882,916
Clyde C. Cox ES	Construct 22 Classroom Addition for Capacity Relief, Playgound & Parking Modifications	2,529,115
	LAN Upgrade, Instructional Walls	367,155
Lois Craig ES	Construct 18 Classroom Addition for Capacity Relief, Playground & Parking Modifications	2,648,568
Crestwood ES	Construct 22 Classroom Addition for Capacity Relief, Playground & Parking Modifications	1,705,362
Cynthia Cunningham ES	Construct 18 Classroom Addition for Capacity Relief, Playground & Parking Modifications	1,688,951
	LAN Upgrade, Instructional Walls, Replace Roof	169,997
Laura Dearing ES	Construct 18 Classroom Addition for Capacity Relief, Playground & Parking Modifications	785,700
	LAN Upgrade, Instructional Walls	1,901,114
	Replace Fire Alarm	250,000
Ollie Detwiler ES	Construct 18 Classroom Addition for Capacity Relief, Playground & Parking Modifications	2,614,351
	Replace Cooling Tower, Boiler, Chiller, HVAC Controls, Clock/Intercom, LAN Upgrade, Instructional Walls, Replace Roof	819,548
Harvey N. Dondero ES	Construct 14 Classroom Addition & Multipurpose Room Addition for Capacity Relief, Conversion of Old MP Room Space, Playground & Parking Modifications	1,138,617
	Replace Chiller, HVAC Controls, LAN Upgrade, Clock/Intercom System, Instructional Walls,	2,008,480
Wing & Lily Fong ES	Construct 18 Classroom Addition for Capacity Relief, Playground & Parking Modifications	1,605,472
Helen Herr ES	Construct 14 Classroom Addition for Capacity Relief, Playgound & Parking Modifications	1,667,226
	Replace Clock/Intercom System	158,966

CLARK COUNTY SCHOOL DISTRICT

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

NOTE 14 - COMMITMENTS AND CONTINGENCIES (continued)

2015 CAPITAL IMPROVEMENT PLAN PROGRAM		
School	Capital Project	Project Value in Progress
ADDITIONS FOR CAPACITY, CONT.		
Halle Hewetson ES	Construct 18 Classroom Addition for Capacity Relief, Playground & Parking Modifications	\$ 2,896,279
	Replace Clock/Intercom, Fire Alarm, Roof	209,352
Robert E. Lake ES	Construct 18 Classroom Addition for Capacity Relief, Playground & Parking Modifications	1,901,365
Walter V. Long ES	Construct 22 Classroom Addition for Capacity Relief, Playground & Parking Modifications	619,740
	Replace Fire Alarm, Clock/Intercom System, LAN Upgrade, Instructional Walls	371,063
Mary & Zel Lowman ES	Construct 22 Classroom Addition for Capacity Relief, Playground & Parking Modifications	1,465,599
Doris Reed ES	Construct 18 Classroom Addition for Capacity Relief, Playground & Parking Modifications	134,472
	Replace HVAC Components, Fire Alarm, Instruction Alarm, LAN Upgrade, Instructional Walls, Replace Roof	719,256
Hal Smith ES	Construct 22 Classroom Addition for Capacity Relief, Playground & Parking Modifications	26,758
	Replace Fire Alarm, Intrusion Alarm, Security Cameras, Cooling Tower, Boiler, Chiller, HVAC Controls, LAN Upgrade, Instructional Walls, Replace Roof	915,913
C. P Squires ES	Construct 18 Classroom Addition for Capacity Relief, Playground & Parking Modifications	1,914,971
	Replace Chiller, Cooling Tower, HVAC Controls, Intrusion Alarm, LAN Upgrade, Instructional Walls, Replace Roof	1,229,567
Vegas Verdes ES	Construct 18 Classroom Addition for Capacity Relief, Playground & Parking Modifications	1,713,882
John W. Bonner ES	Construct 22 Classroom Addition for Capacity Relief, Playground & Parking Modifications	124,385
	Replace Cooling Tower, Boiler, Chiller, HVAC Controls, Fire Alarm, Clock/Intercom, LAN Upgrade, Instructional Walls, Replace Roof	11,771
Raul Elizondo ES	Construct 18 Classroom Addition for Capacity Relief, Playground & Parking Modifications	387,711
	Replace Cooling Tower, Boiler, Chiller, HVAC Controls, Fire Alarm, Clock/Intercom	50,000
Daniel Goldfarb ES	Construct 18 Classroom Addition for Capacity Relief, Playground & Parking Modifications	375,069
	Replace Chiller, HVAC Controls, HVAC Rooftop Units, Fire Alarm, Clock/Intercom, LAN Upgrade, Instructional Walls, Replace Roof	50,000
Edythe & Lloyd Katz ES	Construct 18 Classroom Addition for Capacity Relief, Playground & Parking Modifications	195,625
John F. Mendoza ES	Construct 18 Classroom Addition for Capacity Relief, Playground & Parking Modifications	387,964
	Replace Security Cameras, Clock/Intercom, LAN Upgrade, Instructional Walls, Replace Roof	50,000
REPLACEMENT SCHOOLS		
Rex Bell ES	Replacement School	\$ 1,925,890
Lincoln ES	Replacement School	1,992,886
Temporary ES Campus at Host Campus to House Students during Replacement & Phased Replacement	School to House Students During Replacement Schools Construction Phases. Located at Wendell Williams ES.	2,000,000
J. M Ullom ES	Replacement School . Resite of Bell ES Design.	3,763,254
E. W. Griffith ES	Replacement School	2,892,402
J. D. Smith MS	Replacement School	17,987,499
	Replace Hartke Park @ JD Smith MS	
Temporary ES Campus at Host Campus to House Students during Replacement & Phased Replacement	School to House Students During Replacement Schools Construction Phases. Located at Lomie Heard ES.	20,000
Elbert Edwards ES	Replacement School	1,500,000
Jo Mackey ES	Replacement School	1,500,000
Howard Wasden ES	Replacement School	1,500,000
John C. Fremont MS	Demolish Middle School	1,500,000
John C. Fremont K - 8	Replace Middle School with K - 8 School	2,494,000
William Ferron ES	Replacement School	500,000
Myrtle Tate ES	Replacement School	500,000
Ruby S. Thomas ES	Replacement School	500,000
I. J. Earl ES	Replacement School	500,000
Ruth Fyfe ES	Close Current School	420,185
PHASED REPLACEMENT SCHOOLS		
Boulder City HS	Phase 3 Phased Replacement (Performing Arts Center, Drainage)	\$ 4,956,127
	Phase 4/Phased Replacement (Landscaping, Sports Fields, Tennis Courts)	
Sandy Valley ES	Phase II of Phased Replacement (ES Classrooms, Admin)	4,910,689
Twin Lakes ES	Phase 2 of Phased Replacement	8,344,730
Southeast Career & Technical Academy	Phase 2 of Phased Replacement (Classrooms & Administration)	1,469,169
Mabel Hoggard ES	Phase 2 of Phased Replacement	500,000

CLARK COUNTY SCHOOL DISTRICT

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

NOTE 14 - COMMITMENTS AND CONTINGENCIES (continued)

2015 CAPITAL IMPROVEMENT PLAN PROGRAM		
School	Capital Project	Project Value in Progress
MAJOR BUILDING SYSTEMS REPLACEMENT (2016-2020)		
ELEMENTARY SCHOOLS		
Richard Bryan ES	Replace Boiler #1	\$ 1,013,443
	Replace Chiller #1	
	Replace Cooling Tower #1	
	Replace HVAC Components	
	Replace HVAC Controls	
Arturo Cambiero ES	Replace Roof	756,601
	Replace Boilers	
	Replace Chillers	
	Replace Cooling Tower	
	Replace HVAC Controls	
Roberta Cartwright ES	Replace Roof	586,600
	Replace Boilers	
	Replace Chillers	
	Replace Cooling Tower	
	Replace HVAC Controls	
Addeliar D. Guy III ES	Replace Roof	1,354,497
	Replace Boiler	
	Replace Chiller	
	Replace Cooling Tower	
	Replace HVAC Rooftop Units	
	Replace HVAC Components	
Doris Hancock ES	Replace HVAC Controls	2,925,548
	Replace HVAC Units	
	Replace 3 Boilers	
Matt Kelly ES	Replace Roof	5,095,000
	Additional HVAC Scope Required	
	Replace HVAC Controls	
	Replace Cooling Tower	
	Replace Chiller	
Quannah McCall ES	Replace HVAC Rooftop Units	799,276
	Electrical & Plumbing Upgrades	
	Replace HVAC Controls	
	Replace Chiller	
MIDDLE SCHOOLS		
Frank Garside MS	Replace Roof	\$ 5,202,902
	Replace HVAC Controls	
	Replace 3 Cooling Towers	
	Replace 2 Chillers	
	Replace Air Handling Units	
R. O. Gibson MS	Install Aux Fire Alarm Panel	6,167,373
	Replace HVAC Controls	
	Exhaust Fans	
	Remove Chillers and Install Water Sourced Heat Pump System	
	Replace 2 Chillers	
	Replace 3 Boilers	
Duane Keller MS	Replace Roof	5,177,181
	Replace Exhaust Fans	
	Repair AHU's	
	Replace HVAC Controls	
	Replace Cooling Tower	
	Replace 2 Chillers	
W. Mack Lyon MS	Replace HVAC Controls, UV's, Fans	5,456,805
	Replace HVAC Rooftop Units	
	Replace Cooling Tower	
	Replace Chiller	
William E. Orr MS	Replace Electrical on Roof.	4,665,965
	Additional Scope: Clock/Intercom, Intrusion Alarm and Security Cameras.	
	Networking, Projector Mounts, Audio	
	Replace Roof	
	AHU's & Fans	
	Replace HVAC Controls	

CLARK COUNTY SCHOOL DISTRICT

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

NOTE 14 - COMMITMENTS AND CONTINGENCIES (continued)

2015 CAPITAL IMPROVEMENT PLAN PROGRAM		
School	Capital Project	Project Value in Progress
MIDDLE SCHOOLS, CONT.		
Dell Robison MS	Replace Boiler	\$ 4,968,323
	Replace Chiller	
	Replace HVAC Controls	
	Additional Scope Required. Replace Multizone Air Handling Units, Exharust, RTU, Aux Fire Alarm Panel, Code Issues	
HIGH SCHOOLS		
Advanced Technology Academy	Replace Chillers	\$ 4,873,570
	Replace HVAC Controls	
	AHU's & Fans	
Bonanza HS	Replace Boilers	4,712,821
	Replace Chiller	
	Replace Cooling Towers	
	Replace HVAC Controls	
	AHU's & Fans	
	Replace Roof	
	Replace Boilers	
Replace Chillers		
Replace Cooling Tower		
Replace HVAC Controls		
AHU's & Fans		
Centennial HS	Replace Roof	2,460,792
	Replace Boilers	
	Replace Chillers	
Chaparral HS	Replace Air Handling Units (AHU) with Water Source Heat Pumps	4,198,368
	Remove Chillers, UV's & AHU's	
	Replace Cooling Tower	
	Replace Unit Ventilators	
	Replace Ceiling Tiles	
	Replace RTU's in Aux Gym	
	Provide New Electrical Service	
Desert Pines HS	Replace HVAC Controls	7,577,476
	Replace 3 Boilers	
	Replace 2 Chillers	
	Replace Cooling Tower	
	Replace HVAC Controls	
	AHU's & Fans	
Eldorado HS	Replace Roof	14,124,421
	Replace 3 Chillers	
	Replace Cooling Tower	
	Replace AC Units	
	Replace HVAC Controls	
	Replace VAV, Exhaust Fans	
	Replace Roof	
Las Vegas HS	Install New Fire Alarm Panel	2,204,326
	Replace 2 Boilers	
	Replace Roof	
Moapa Valley HS	Additional Scope -- Hot Water Heaters, Repair Skylight and Canopies	7,368,941
	Replace Air Handling Units	
	Replace HVAC VAV's, Ductwork & RTU's	
	Replace HVAC Controls	
Palo Verde HS	Replace Roof	1,962,392
	Replace Boilers	
	Replace Air Handling Units	
	Replace Exhaust Fans	
	Replace Chillers	
	Replace Cooling Tower	
	Replace HVAC Controls	
TECHNOLOGY AND EQUIPMENT REPLACEMENT		
Foothill HS	Replace Technology Equipment	\$ 20,236,082
OTHER		
Administrative	Salaries, Equipment, Supplies, Fees and Bond Issuance Costs	\$ 5,031,094
Land Acquisition	Purchase Required Sites for New Schools to Provide New Capacity	29,648,785
FUNDED PROJECTS IN PROGRESS TOTALS		\$ 315,164,409

CLARK COUNTY SCHOOL DISTRICT

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

NOTE 14 - COMMITMENTS AND CONTINGENCIES (continued)

Legal Contingencies

There are various outstanding claims against the District for which a probability of loss exists. In the opinion of management, the District's estimated aggregate liability, with respect to probable losses, has been provided for in the estimated claim liability accrual in the accompanying financial statement, after giving consideration to the District's related insurance coverage. It is the opinion of management and District's legal counsel that the amount of losses resulting, if any, from the above mentioned litigation in excess of the amount accrued as of June 30, 2018, would not be material to the financial position of the District. An estimated liability for potential litigation losses has been recorded in the Risk Management Fund.

NOTE 15 - CLASSIFICATIONS OF GENERAL FUND FUND BALANCE

The District reports classifications of nonspendable, restricted, committed, assigned and unassigned fund balance which represent management's intended use of resources available to the District.

Unassigned ending fund balance is that fund balance exclusive of non-spendable amounts such as inventories and amounts restricted, committed, or assigned for preexisting obligations. A portion of the larger fund balance at June 30, 2018 is being assigned to carry over into 2019 for school bus appropriations and school carryover. The following are explanations of the reported classifications of fund balance in the General Fund:

Restricted for:

- *Donations* – to restrict donations as required by donor for various purposes.
- *City of Henderson RDA* – to restrict funds for redevelopment projects.
- *School technology* – to restrict funds for the acquisition of technology equipment.
- *School bus appropriations* – to classify funds to cover commitments related to unfilled contracts for new buses.
- *School carryover* – to carry forward school balances into the next year as required by Nevada Assembly Bill 469.

Assigned to:

- *Instructional supply appropriations* – to classify funds to cover commitments related to unfilled contracts for goods and services including purchases orders.
- *Categorical indirect costs* – to classify funds associated with indirect costs, including vacation accruals, from federal programs.
- *Potential litigation* – to classify funds for potential legal or arbitration decisions against the District.

NOTE 16 - POST EMPLOYMENT HEALTHCARE PLANS

General Information about the Other Post Employment Benefit (OPEB) Plans

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

CLARK COUNTY SCHOOL DISTRICT

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

NOTE 16 - POST EMPLOYMENT HEALTHCARE PLANS (continued)

Plan description. The Support Staff and Police Plan is a non-trust, single-employer defined benefit postemployment healthcare plan administered by the District. Currently, no financial report has been made publicly available.

Plan description. The Administrative Employee Plan is a non-trust, single-employer defined benefit postemployment healthcare plan administered by the Clark County Association of School Administrators and Professional-Technical Employees (CCASAPE) Health Trust. Currently, no financial report has been made publicly available by CCASAPE.

Plan description. The Licensed Employee Plan is a non-trust, single-employer defined benefit postemployment healthcare plan administered by the Teachers Health Trust (THT). The THT and the Clark County Education Association (CCEA) currently determine their health insurance plan designs. The THT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at www.teachershealthtrust.org/about/financials.

Benefits provided.

PEBP plan provides medical, dental, prescription drug, Medicare Part B, and life insurance coverage to eligible retirees and their spouses. Benefits are provided through a third-party insurer. NRS 287.041 assigns the authority to establish and amend benefit provisions to the PEBP nine-member board of trustees.

Support Staff and Police Plan provides medical, dental, vision, life and long term disability for retirees and their dependents. The District and the Education Support Employees Association (ESEA) negotiate insurance plans with the insurance carriers and together, have authority to establish and amend benefit provisions. Employees have the option at retirement to pay the active rate premium. Benefits are provided through United Healthcare/ Health Plan of Nevada.

Administrative Employee Plan provides medical, dental, vision, life and long term care and disability for retirees and their dependents. CCASAPE Health Trust negotiates insurance plans with the insurance carriers. CCASAPE, through negotiations with the District, have authority to establish and amend benefit provisions. Employees have the option at retirement to pay the active rate premium. Benefits are provided through United Healthcare / Health Plan of Nevada.

Licensed Employee Plan provides medical, dental, vision, and life insurance for retirees and their dependents. The THT and CCEA currently determine their health insurance plan designs. CCEA, through negotiations with the District, have the authority to establish and amend benefit provisions. Employees have the option at retirement to pay the active rate premium. Benefits are provided through a third-party insurer.

Employees covered by benefit terms.

At June 30, 2018, the following employees were covered by the benefit terms:

	PEBP Plan	Support Staff / Police Plan	Administrative Plan	Licensed Plan	Total all plans
Inactive employees or beneficiaries					
currently receiving benefit payments	2,577	350	243	324	3,494
Active employees	-	9,950	1,326	16,196	27,472
Covered spouses	316	102	95	3	516
Total	2,893	10,402	1,664	16,523	31,482

As of November 1, 2008, PEBP was closed to any new participants.

CLARK COUNTY SCHOOL DISTRICT**NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018****NOTE 16 - POST EMPLOYMENT HEALTHCARE PLANS (continued)***Contributions.*

PEBP plan: NRS 287.046 establishes the subsidies to be contributed toward the premium costs of the eligible retired district employees. Plan members receiving benefits have their monthly contributions deducted from their pension checks based on the health plan chosen by the retiree as reduced by the amount of the subsidy. Retirees qualify for a subsidy of (\$334) at five years of service and \$167 at 20 years of service with incremental increases for each year of service between. The contribution requirements of plan members and the District are established and amended by the PEBP board of trustees. As a participating employer, the District is billed for the subsidy on a monthly basis and is legally required under NRS 287.023 to provide for it. For fiscal year 2018, the District contributed \$9,007,535 to the plan for current premiums. The District did not prefund any future benefits. Since the population is entirely inactive, there is no covered employee payroll.

Support Staff and Police plan: The ESEA and the District negotiate contributions to the plan and together, have authority to establish and amend those contributions. Rates are established based on a contractual basis. The District does not pay a subsidy for current Support Staff and Police employees and retirees must pay their monthly premium to maintain coverage. Employees have the option at retirement to pay the active rate premium. For fiscal year 2018, the District did not directly contribute to the plan but an implied subsidy of \$1,343,500 was recognized. The District's average contribution rate was 0.36 percent of covered payroll.

Administrative Employee plan: CCASAPE and the District negotiate contributions to the plan and together, have authority to establish and amend those contributions. The CCASAPE Health Trust negotiates its insurance contracts with the carriers. Rates are established based on a contractual basis. Employees have the option to pay the active rate premium. The District (via Article 21-5 of the CCSD/CCASAPE negotiated agreement) contributes \$7.28 per administrative employee per month, in addition to an implied subsidy, for a total of \$1,059,400 in fiscal year 2018. The District's average contribution rate was 0.85 percent of covered payroll.

Licensed Employee plan: The CCEA and the District negotiate contributions to the plan and together, have authority to establish and amend those contributions. Rates are established based on a contractual basis. Per Article 28-10 of CCSD/CCEA negotiated agreement, the District does not make any contributions to the plan. Employees have the option at retirement to pay the active rate premium. For fiscal year 2018, the District contributed an implied subsidy of \$2,239,300. The District's average contribution rate was 0.21 percent of covered payroll. The Teachers Health Trust offers a subsidy to retirees based upon years of service and unused sick leave balances.

Total OPEB Liability

The District's total OPEB liability was measured as of July 1, 2017, and was determined by an actuarial valuation as of that date.

Actuarial assumptions. The total OPEB liability for all plans as of June 30, 2018 was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified (see following page):

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

NOTE 16 - POST EMPLOYMENT HEALTHCARE PLANS (continued)

Actuarial Method	Entry Age Normal - Level % of Salary Method
Measurement Date	First Day of the fiscal year (i.e. - July 1, 2017)
Actuarial Valuation Date	July 1, 2017
Service Cost	The Actuarial Present Value of benefits is allocated as a level percentage over the earnings of an individual between entry age (i.e. - age at hire) and assumed retirement age(s).
Discount Rates	For the Fiscal Year Ending June 30, 2018: 3.58%
Expected Rate of Return	For the Fiscal Year Ending June 30, 2018: 3.58%
Municipal Bond Rate Basis	Bond Buyer General Obligation 20-Bond Municipal Bond
CPI	2.50%
Life Insurance Administrative Load	10.0%
Life Insurance Participation	All current retirees that elected healthcare coverage. Reinstated retirees and survivors are not eligible to receive the life insurance benefit
Healthy Mortality	RP-2000 Combined Healthy Mortality projected to 2014 with Scale AA, set back one year for females.
Disabled Mortality	RP-2000 Disabled Retiree Mortality projected to 2014 with Scale AA, set forward three years.
Medicare Exchange Participation	For pre-Medicare retirees with younger spouses, it is assumed the retiree and spouse will both move to the Medicare Exchange once the spouse becomes Medicare eligible (age 65). For retirees with older spouses, it is assumed the retiree and spouse will both move to the Medicare Exchange when the retiree becomes eligible.
Medicare Eligibility	Certain retirees over age 65 are not eligible for Medicare Part A as indicated on the data. For these participants, we have assumed they will not become eligible for Medicare Part A and/or B at any time in the future. For retirees with no spouses, over age 65 and participating in the CDHP, HTH, or HPN Plans, it is assumed they will not participate in the Medicare Exchange.

CLARK COUNTY SCHOOL DISTRICT

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

NOTE 16 - POST EMPLOYMENT HEALTHCARE PLANS (continued)

Healthcare Trend Rates. For medical and prescription drug benefits, this amount initially is at 7.5 percent and decreases to a 4.5 percent long-term rate after eight years. For dental benefits, the trend rate is 4.0 percent.

PEBP Plan difference in actuarial assumptions and methods:

Census Data: As of June 30, 2016

Salary Scale: N/A

Since the population is entirely inactive, a salary scale assumption is not necessary as the Total OPEB Liability (TOL) is equal to the Present Value of Benefits (PVB).

Demographic Assumptions: The census data as of July 1, 2017 is based on the census as of June 30, 2016 used for FYE June 30, 2017 GASB 45 valuation.

Support Staff and Police Plan difference in actuarial assumptions and methods:

Census Data: As of July 1, 2017

Discounts Rate: 3.58% as of July 1, 2017

Mortality: RP-2000 Combined Healthy Mortality projected to 2014 with Scale AA, set forward one year

Salary Scale: Inflation: 2.75%
Productivity Pay Increases: 0.50%
Promotional and Merit Salary Increases:

<u>Years of Service</u>	<u>Police/Fire</u>
< 1	10.65%
1	7.15%
2	5.20%
3	4.60%
4	4.30%
5	4.15%
6	3.90%
7	3.50%
8	3.15%
9	2.90%
10	2.50%
11	1.90%
12	1.50%
13	1.30%
14	1.30%
15 or more	1.30%

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

NOTE 16 - POST EMPLOYMENT HEALTHCARE PLANS (continued)

Administrative Employee Plan and Licensed Plan differences in actuarial assumptions and methods:

Census Data: As of July 1, 2017

Salary Scale: Inflation: 2.75%
 Productivity Pay Increases: 0.50%
 Promotional and Merit Salary Increases:

<u>Years of Service</u>	<u>Regular</u>
< 1	5.90%
1	4.80%
2	4.00%
3	3.60%
4	3.30%
5	3.00%
6	2.80%
7	2.70%
8	2.50%
9	2.35%
10	2.15%
11	1.75%
12	1.50%
13	1.25%
14	1.10%
15 or more	1.00%

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study completed in 2017.

Long-term expected rate of return. The plans are unfunded and have no dedicated assets.

Discount rate. The discount rate used to measure the total OPEB liability was 3.58 percent, up from 2.85 percent in the prior fiscal year. As the plans are not funded, the discount rate determination does not depend on the long-term rate of return on plan assets assumption.

Changes in the Total OPEB Liability

	PEBP Plan	Support Staff / Police Plan	Administrative Plan	Licensed Plan	Total OPEB Liability
Balance recognized at June 30, 2017	\$ 158,540,300	\$ 20,495,900	\$ 17,964,700	\$ 42,197,900	\$ 239,198,800
Changes Recognized for the Fiscal Year					
Service Cost	-	1,916,500	616,200	2,805,400	5,338,100
Interest on the Total OPEB Liability	4,387,100	619,700	514,600	1,250,900	6,772,300
Change of Assumptions	(10,320,200)	(1,099,600)	(973,900)	(2,559,700)	(14,953,400)
Benefit Payments	(9,277,300)	(1,343,500)	(1,059,400)	(2,239,300)	(13,919,500)
Net Changes	(15,210,400)	93,100	(902,500)	(742,700)	(16,762,500)
Balance Recognized at June 30, 2018	\$ 143,329,900	\$ 20,589,000	\$ 17,062,200	\$ 41,455,200	\$ 222,436,300

CLARK COUNTY SCHOOL DISTRICT

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

NOTE 16 - POST EMPLOYMENT HEALTHCARE PLANS (continued)

Benefit Changes: None

Changes in Assumptions: Reflects a change in the discount rate from 2.85% as of June 30, 2017 to 3.58% as of June 30, 2018.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58 percent) or 1-percentage point higher (4.58 percent) than the current discount rate:

	1% Decrease	Current Rate	1% Increase
	2.58%	3.58%	4.58%
PEBP Plan	\$ 157,792,400	\$ 143,329,900	\$ 131,008,800
Support Staff/Police Plan	22,114,400	20,589,000	19,197,900
Administrative Plan	18,382,700	17,062,200	15,846,200
Licensed Plan	44,995,400	41,455,200	38,168,100
Total OPEB Liability (Ending)	\$ 243,284,900	\$ 222,436,300	\$ 204,221,000

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.5 percent decreasing to 3.5 percent) or 1-percentage-point higher (8.5 percent decreasing to 5.5 percent) than the current healthcare cost trend rates:

	1% Decrease	Trend Rate	1% Increase
	6.5% decreasing to 3.5%	7.5% decreasing to 4.5%	8.5% decreasing to 5.5%
PEBP Plan	\$ 139,184,600	\$ 143,329,900	\$ 148,089,200
SS/Police Plan	18,659,600	20,589,000	22,840,900
Admin Plan	15,502,500	17,062,200	18,857,200
Licensed Plan	35,556,400	41,455,200	48,406,000
Total OPEB Liability (Ending)	\$ 208,903,100	\$ 222,436,300	\$ 238,193,300

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the District recognized negative OPEB expense of \$(12,084,935). The breakdown of the \$(12,084,935) by plan are as follows:

	PEBP Plan	Support Staff / Police Plan	Administrative Plan	Licensed Plan	Total all plans
OPEB expense	\$ (14,685,135)	\$ 1,067,000	\$ (43,000)	\$ 1,576,200	\$ (12,084,935)

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (see following page):

CLARK COUNTY SCHOOL DISTRICT

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

NOTE 16 - POST EMPLOYMENT HEALTHCARE PLANS (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
PEBP Plan		
Contributions made in Fiscal Year Ending 2018 after July 1, 2017 Measurement Date	\$ 9,007,535	\$ -
Total PEBP Plan	\$ 9,007,535	\$ -
Support Staff/Police Plan		
Changes of assumptions	\$ -	\$ 973,900
Contributions made in Fiscal Year Ending 2018 after July 1, 2017 Measurement Date	1,343,500	-
Total Support Staff/Police Plan	\$ 1,343,500	\$ 973,900
Administrative Plan		
Changes of assumptions	\$ -	\$ 859,500
Contributions made in Fiscal Year Ending 2018 after July 1, 2017 Measurement Date	1,059,400	-
Total Administrative Plan	\$ 1,059,400	\$ 859,500
Licensed Plan		
Changes of assumptions	\$ -	\$ 2,318,900
Contributions made in Fiscal Year Ending 2018 after July 1, 2017 Measurement Date	2,239,300	-
Total Licensed Plan	\$ 2,239,300	\$ 2,318,900
TOTAL ALL PLANS		
Changes of assumptions	\$ -	\$ 4,152,300
Contributions made in Fiscal Year Ending 2018 after July 1, 2017 Measurement Date	13,649,735	-
Total All Plans	\$ 13,649,735	\$ 4,152,300

The amount of \$13,649,735 was reported as deferred outflows of resources related to OPEB from District contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Support Staff / Police Plan	Administrative Plan	Licensed Plan	Total all plans
2019	(125,700)	(114,400)	(240,800)	(480,900)
2020	(125,700)	(114,400)	(240,800)	(480,900)
2021	(125,700)	(114,400)	(240,800)	(480,900)
2022	(125,700)	(114,400)	(240,800)	(480,900)
2023	(125,700)	(114,400)	(240,800)	(480,900)
Total Thereafter	(345,400)	(287,500)	(1,114,900)	(1,747,800)

CLARK COUNTY SCHOOL DISTRICT

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

NOTE 17 - DONOR RESTRICTED ENDOWMENTS

In 2018, Vegas PBS received an additional \$16,250 in donations to their term endowment bringing the total restricted balance to \$1,831,100. The corpus (principal) of the endowment is restricted from use for a set period of time while the corresponding appreciation may be spent as Vegas PBS sees fit for their various programs. Currently, the District does not have a policy restricting the authorization and spending of endowment investment income. State statute, NRS 164, allows a local government to authorize expenditures of net appreciation as is prudent for the government. As of June 30, 2018, there was \$1,053,754 of net appreciation recognized on these investments.

NOTE 18 - TAX ABATEMENT

For the year ended June 30, 2018, the aggregate amount of tax abatements disclosed is \$7,486,245. The tax revenues abated were local school support tax (sales tax) revenues under agreements entered into by the State of Nevada. The report is available on the State of Nevada Controller's Office website at www.controller.nv.gov.

NOTE 19 - PRIOR PERIOD RESTATEMENT

As of July 1, 2017, the District adopted GASB Statement No. 82, *Pension Issues* (GASB 82) and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). A correction to the implementation of GASB 82, which amends GASB 68 and GASB 75, changed how governments calculate and report the cost and obligations associated with other postemployment benefits. Additional note disclosures and required supplementary information were included. Beginning net position was restated to retroactively report the beginning deferred outflows of resources related to pensions and OPEB, a correction for a prior year allocation related to GASB 68, and the Total OPEB Liability.

	Governmental Activities	Business-type Activities Food Service Enterprise Fund	Total
Net position at June 30, 2017, as previously reported	\$ (436,178,360)	\$ 51,517,413	\$ (384,660,947)
Change in OPEB liability	(198,827,053)	(1,016,663)	(199,843,716)
Change in Deferred outflows - OPEB related contributions	14,108,358	66,642	14,175,000
Change in Pension expense	22,650,581	5,515,655	28,166,236
Change in Deferred outflows - Pension related contributions	(216,018,582)	(2,805,115)	(218,823,697)
Change in Deferred outflows - Pension related difference between employer and proportionate share of contributions	(58,335,075)	(757,512)	(59,092,587)
Net position at July 1, 2017, as restated	<u>\$ (872,600,131)</u>	<u>\$ 52,520,420</u>	<u>\$ (820,079,711)</u>

NOTE 20 - SUBSEQUENT EVENT

By October 2018, the District's Board of School Trustees and the leaders of five employee associations had reached agreements for employee compensation for the 2017-2018 and the 2018-2019 school years. The total estimated impact to the General Operating Fund is an increase of expenditures of approximately \$81 million. In fiscal year 2018, approximately \$12 million was booked in other current liabilities as part of the total agreements. The remaining financial impact to fiscal year 2019 is approximately \$69 million.

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS**

Public Employees' Retirement System of Nevada

Last 10 Fiscal Years
(Dollar amounts in thousands)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Contractually required contribution	\$ 148,712	\$ 157,959	\$ 156,425	\$ 165,633
Contributions in relation to the contractually required contribution	<u>(148,712)</u>	<u>(157,959)</u>	<u>(156,425)</u>	<u>(165,633)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 1,445,602	\$ 1,465,261	\$ 1,447,775	\$ 1,390,158
Contributions as a percentage of covered payroll	10.29%	10.78%	10.80%	11.91%

Note: Pursuant to GASB Statement No. 82, portions of contractually required contributions made by an employer to satisfy member contributions are no longer recognized as employer contributions. For comparability, prior year values have been restated.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS

Public Employees' Retirement System of Nevada

Last 10 Fiscal Years
(Dollar amounts in thousands)

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 163,775	\$ 182,285	\$ 188,171	\$ 208,973	\$ 218,824	\$ 223,988
<u>(163,775)</u>	<u>(182,285)</u>	<u>(188,171)</u>	<u>(208,973)</u>	<u>(218,824)</u>	<u>(223,988)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,373,315	\$ 1,411,281	\$ 1,455,765	\$ 1,489,055	\$ 1,558,618	\$ 1,594,834
11.93%	12.92%	12.93%	14.03%	14.04%	14.04%

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Public Employees' Retirement System of Nevada

Last 10 Fiscal Years*
(Dollar amounts in thousands)

	<u>2015**</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
District's proportion of the net pension liability (asset)	24.20%	24.38%	24.65%	24.39%
District's proportionate share of the net pension liability (asset)	\$2,522,385	\$2,794,014	\$3,316,591	\$3,243,380
District's covered payroll	\$1,411,281	\$1,455,765	\$1,489,055	\$1,558,618
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	178.73%	191.93%	222.73%	208.09%
Plan fiduciary net position as a percentage of the total pension liability	76.3%	75.1%	72.2%	74.4%

* The amounts presented for each fiscal year were determined as of 6/30.

** Fiscal year 2015 was the first year of implementation, therefore only four years are shown.

**Notes to Required Supplementary Information
for the Year Ended June 30, 2018**

Public Employees' Retirement System of Nevada

Changes of benefit terms. Legislation passed in the 2015 Legislative session made changes to a number of plan provisions. These changes were effective July 1, 2015, and apply only to members whose effective date of membership is on or after July 1, 2015. Changes to certain survivor benefit provisions were made effective for survivors of members killed in the line of duty or in the course of employment on or after July 1, 2013, for payments on or after July 1, 2015. The July 1, 2015, sunset on the critical labor shortage exception to the reemployment restrictions was repealed.

Changes of assumptions. Based on the June 30, 2016 Actuarial Experience Study, the following assumptions were changed. Previously, these assumptions were as follows:

Net Investment Return 8.00% (including 3.50% for inflation)
 Consumer Price Index Increase of 3.50 per year
 Salary Increases Inflation: 3.50% Plus
 Productivity pay increases: 0.75% Plus
 Promotional and merit salary increases:

Years of Service	Regular	Police/Fire
Less than 1	5.50%	10.25%
1	4.25	6.55
2	3.50	5.15
3	3.25	4.55
4	3.00	4.25
5	2.75	4.05
6	2.40	3.75
7	2.25	3.25
8	1.85	2.75
9	1.75	2.25
10	1.50	1.75
11	1.00	1.50
12	0.80	1.25
13 or More	0.35	1.00

Payroll growth*: 6.5% per year for Regular employees and 7.5% per year for Police/Fire employees

*Includes inflation at 3.5% per year

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS

Other Post Employment Benefits
 Last 10 Fiscal Years*

PEBP PLAN	2017	2018
Total OPEB Liability		
Service cost	\$ -	\$ -
Interest	5,463,000	4,387,100
Changes of assumptions	14,125,400	(10,320,200)
Benefit payments	<u>(9,532,800)</u>	<u>(9,277,300)</u>
Net change in total OPEB liability	10,055,600	(15,210,400)
Total OPEB liability - beginning	148,484,700	158,540,300
Total OPEB liability - ending	<u>\$ 158,540,300</u>	<u>\$ 143,329,900</u>
Covered payroll	N/A	N/A
CCSD's total OPEB liability as a percentage of covered payroll	N/A	N/A

Notes to Required Supplementary Information for the Year Ended June 30, 2018

There are no assets accumulated in a trust to pay related benefits.

Changes of benefit terms.

None

Changes of assumptions.

The \$14,125,400 increase in the liability from June 30, 2016 to June 30, 2017 is due to the decrease in the assumed discount rate from 3.80% as of June 30, 2016 to 2.85% as of June 30, 2017.

The \$10,320,200 decrease in the liability from June 30, 2017 to June 30, 2018 is due to the increase in the assumed discount rate from 2.85% as of June 30, 2017 to 3.58% as of June 30, 2018.

All Total OPEB Liability numbers reflect the plan provisions that are currently in effect. The total OPEB liabilities prior to June 30, 2018 are shown for illustrative purposes and differ solely due to the discount rate in effect at each date.

*Fiscal Year 2018 is the first year of implementation, therefore only two years are shown.

SUPPORT STAFF / POLICE PLAN	2017	2018
Total OPEB Liability		
Service cost	\$ 1,647,500	\$ 1,916,500
Interest	730,000	619,700
Changes of assumptions	1,232,500	(1,099,600)
Benefit payments	<u>(1,343,500)</u>	<u>(1,343,500)</u>
Net change in total OPEB liability	2,266,500	93,100
Total OPEB liability - beginning	18,229,400	20,495,900
Total OPEB liability - ending	<u>\$ 20,495,900</u>	<u>\$ 20,589,000</u>
Covered payroll	-	376,532,900
CCSD's total OPEB liability as a percentage of covered payroll	0.00%	5.47%

Notes to Required Supplementary Information for the Year Ended June 30, 2018

There are no assets accumulated in a trust to pay related benefits.

Changes of benefit terms.

None

Changes of assumptions.

The \$1,232,500 increase in the liability from June 30, 2016 to June 30, 2017 is due to the decrease in the assumed discount rate from 3.80% as of June 30, 2016 to 2.85% as of June 30, 2017.

The \$1,099,600 decrease in the liability from June 30, 2017 to June 30, 2018 is due to the increase in the assumed discount rate from 2.85% as of June 30, 2017 to 3.58% as of June 30, 2018.

All Total OPEB Liability numbers reflect the plan provisions that are currently in effect. The total OPEB liabilities prior to June 30, 2018 are shown for illustrative purposes and differ solely due to the discount rate in effect at each date.

*Fiscal Year 2018 is the first year of implementation, therefore only two years are shown.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS

Other Post Employment Benefits

Last 10 Fiscal Years*

Schedule of changes in the District's total OPEB liability and related ratios (continued)

ADMINISTRATIVE PLAN	2017	2018
Total OPEB Liability		
Service cost	\$ 515,000	\$ 616,200
Interest	632,200	514,600
Changes of assumptions	1,230,600	(973,900)
Benefit payments	<u>(1,059,400)</u>	<u>(1,059,400)</u>
Net change in total OPEB liability	1,318,400	(902,500)
Total OPEB liability - beginning	16,646,300	17,964,700
Total OPEB liability - ending	<u>\$ 17,964,700</u>	<u>\$ 17,062,200</u>
Covered payroll	-	123,995,800
CCSD's total OPEB liability as a percentage of covered payroll	0.00%	13.76%

Notes to Required Supplementary Information for the Year Ended June 30, 2018

There are no assets accumulated in a trust to pay related benefits.

Changes of benefit terms.

None

Changes of assumptions.

The \$1,230,600 increase in the liability from June 30, 2016 to June 30, 2017 is due to the decrease in the assumed discount rate from 3.80% as of June 30, 2016 to 2.85% as of June 30, 2017.

The \$973,900 decrease in the liability from June 30, 2017 to June 30, 2018 is due to the increase in the assumed discount rate from 2.85% as of June 30, 2017 to 3.58% as of June 30, 2018.

All Total OPEB Liability numbers reflect the plan provisions that are currently in effect. The total OPEB liabilities prior to June 30, 2018 are shown for illustrative purposes and differ solely due to the discount rate in effect at each date.

*Fiscal Year 2018 is the first year of implementation, therefore only two years are shown.

LICENSED PLAN	2017	2018
Total OPEB Liability		
Service cost	\$ 2,349,900	\$ 2,805,400
Interest	1,474,900	1,250,900
Changes of assumptions	3,040,700	(2,559,700)
Benefit payments	<u>(2,239,300)</u>	<u>(2,239,300)</u>
Net change in total OPEB liability	4,626,200	(742,700)
Total OPEB liability - beginning	37,571,700	42,197,900
Total OPEB liability - ending	<u>\$ 42,197,900</u>	<u>\$ 41,455,200</u>
Covered payroll	-	1,058,747,800
CCSD's total OPEB liability as a percentage of covered payroll	0.00%	3.92%

Notes to Required Supplementary Information for the Year Ended June 30, 2018

There are no assets accumulated in a trust to pay related benefits.

Changes of benefit terms.

None

Changes of assumptions.

The \$3,040,700 increase in the liability from June 30, 2016 to June 30, 2017 is due to the decrease in the assumed discount rate from 3.80% as of June 30, 2016 to 2.85% as of June 30, 2017.

The \$2,559,700 decrease in the liability from June 30, 2017 to June 30, 2018 is due to the increase in the assumed discount rate from 2.85% as of June 30, 2017 to 3.58% as of June 30, 2018.

All Total OPEB Liability numbers reflect the plan provisions that are currently in effect. The total OPEB liabilities prior to June 30, 2018 are shown for illustrative purposes and differ solely due to the discount rate in effect at each date.

*Fiscal Year 2018 is the first year of implementation, therefore only two years are shown.

APPENDIX B

BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the 2019B&C Bonds. The 2019B&C 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 bond certificate will be issued for each series and maturity of the 2019B&C Bonds, each in the aggregate principal amount of such series and 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 2019B&C Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2019B&C Bonds on DTC's records. The ownership interest of each actual purchaser of each 2019B&C 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 2019B&C 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 2019B&C Bonds, except in the event that use of the book-entry system for the 2019B&C Bonds is discontinued.

To facilitate subsequent transfers, all 2019B&C 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 2019B&C 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 2019B&C Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2019B&C 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 2019B&C Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2019B&C Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2019B&C Bond documents. For example, Beneficial Owners of 2019B&C Bonds may wish to ascertain that the nominee holding the 2019B&C 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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2019B&C 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 District 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 2019B&C Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption proceeds on the 2019B&C 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 District 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 District, 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 District 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 2019B&C Bonds at any time by giving reasonable notice to the District or the Registrar and Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, 2019B&C Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2019B&C 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 District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

APPENDIX C
FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by Clark County School District, Nevada (the "Issuer") in connection with the issuance of the Clark County School District, Nevada, General Obligation (Limited Tax) Building Bonds, Series 2019B in the aggregate principal amount of \$_____ and the Clark County School District, Nevada, General Obligation (Limited Tax) Various Purpose Medium-Term Bonds, Series 2019C in the aggregate principal amount of \$_____ (collectively, the "Bonds"). The Bonds are being issued pursuant to the bond resolutions of the Issuer adopted on September 26, 2019 (the "Resolutions"). 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 Resolutions 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.

"Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board in compliance with the Rule.

"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, annually not later than March 31 following the end of the Issuer's fiscal year, commencing March 31 following the end of the Issuer's fiscal year ending 2019, 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 file or cause to be filed in a timely manner a notice in substantially the form attached as Exhibit A to the MSRB.

(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) if the Dissemination Agent is other than the Issuer, 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) if the Dissemination Agent is other than the Issuer, 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 person;¹ annual financial information and operating data is included in the final official statement;

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.

(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;

(n) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(o) Incurrence of a Financial Obligation of the obligated person, if material, or an agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and

(p) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of an obligated person, any of which reflect financial difficulties.

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; provided that prior to any such amendment or waiver the Issuer shall receive an opinion of nationally recognized bond counsel to the effect that the amendment or waiver will 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.

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 Resolutions, 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 under this Disclosure Certificate and all rights and remedies shall be limited to those expressly stated herein.

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

CLARK COUNTY SCHOOL DISTRICT, NEVADA

Chief Financial Officer

EXHIBIT A

**NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: Clark County School District, Nevada

Name of Bond Issue: General Obligation (Limited Tax) Building Bonds, Series 2019B and General
Obligation (Limited Tax) Various Purpose Medium-Term Bonds Series
2019C

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 Resolutions adopted on September 26, 2019 and the Continuing Disclosure Certificate executed on _____, 2019 by the Issuer. The Issuer anticipates that the Annual Report will be filed by _____.

Dated: _____

CLARK COUNTY SCHOOL DISTRICT,
NEVADA

By: _____
Its: _____

EXHIBIT B

INDEX OF OFFICIAL STATEMENT TABLES TO BE UPDATED

(See page iv of the Official Statement)

APPENDIX D
FORMS OF BOND COUNSEL OPINIONS

APPENDIX D

FORMS OF APPROVING OPINIONS OF BOND COUNSEL

Clark County School District, Nevada
5100 West Sahara Avenue
Las Vegas, Nevada 89146

\$ _____
Clark County School District, Nevada
General Obligation (Limited Tax)
Building Bonds
Series 2019B

Ladies and Gentlemen:

We have acted as bond counsel to the Clark County School District (the "District"), Nevada (the "State"), in connection with the issuance of its General Obligation (Limited Tax) Building Bonds, Series 2019B, in the aggregate principal amount of \$ _____ (the "Bonds") pursuant to an authorizing resolution of the Board of Trustees of the District adopted and approved on September 26, 2019 (the "Bond Resolution"). In such capacity, we have examined the District's certified proceedings and such other documents and such law of the State and of the United States of America as we have deemed necessary to render this opinion letter. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Bond Resolution.

Regarding questions of fact material to our opinions, we have relied upon the District'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 District.
2. All of the taxable property in the District 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 Resolution 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 District (i.e., the State, the District, and any other political subdivision in the District) 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 District) for all other purposes (subject to any exception implied by law in the exercise of the police power) where reduction is necessary in order to comply with NRS 361.453.

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 continued accuracy of the representations contained in the District's certified proceedings and in certain other documents and certain other certifications furnished to us.

5. Under the laws of the State in effect on 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 District incurred pursuant to the Bonds and the Bond Resolution 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 issued in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not passing upon the accuracy, adequacy or completeness of the Official Statement or any other statements made in connection with any offer or sale of the Bonds or upon any federal or state 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 issued 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 laws that may hereafter occur.

Respectfully submitted,

Clark County School District, Nevada
5100 West Sahara Avenue
Las Vegas, Nevada 89146

\$ _____
Clark County School District, Nevada
General Obligation (Limited Tax)
Various Purpose Medium-Term Bonds
Series 2019C

Ladies and Gentlemen:

We have acted as bond counsel to the Clark County School District (the "District"), Nevada (the "State"), in connection with the issuance of its General Obligation (Limited Tax) Various Purpose Medium-Term Bonds, Series 2019C in the aggregate principal amount of \$ _____ (the "Bonds"), pursuant to an authorizing resolution adopted and approved by the District's Board of Trustees on September 26, 2019 (the "Bond Resolution"). In such capacity, we have examined the District's certified proceedings and such other documents and such law of the State and of the United States of America as we have deemed necessary to render this opinion letter. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Bond Resolution.

Regarding questions of fact material to our opinions, we have relied upon the District'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 District.
2. The principal of and interest on the Bonds are payable from any moneys of the District legally available for the purpose of making such payment and the District has irrevocably pledged its full faith and credit for the purpose of making such payment on the Bonds.
3. Any ad valorem taxes which are 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 the continued accuracy of the representations contained in the District's certified proceedings and in certain other documents and certain other certifications furnished to us.

5. Under the laws of the State in effect on 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 District incurred pursuant to the Bonds and the Bond Resolution 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 issued in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not passing upon the accuracy, adequacy or completeness of the Official Statement or any other statements made in connection with any offer or sale of the Bonds or upon any federal or state 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 issued 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 E
OFFICIAL NOTICE OF BOND SALE

APPENDIX E

OFFICIAL NOTICE OF BOND SALE

\$200,000,000

**CLARK COUNTY SCHOOL DISTRICT, NEVADA
GENERAL OBLIGATION (LIMITED TAX)**

BUILDING BONDS

SERIES 2019B

AND

\$45,040,000*

**CLARK COUNTY SCHOOL DISTRICT, NEVADA
GENERAL OBLIGATION (LIMITED TAX)**

VARIOUS PURPOSE MEDIUM-TERM BONDS

SERIES 2019C

PUBLIC NOTICE IS HEREBY GIVEN that the Board of Trustees of the Clark County School District, Nevada (the "Board," the "District," and the "State," respectively), on:

October 9, 2019 at

8:00 a.m. Pacific Daylight Time for the above Series 2019B Bonds (the "2019B Bonds")

and

8:30 a.m. Pacific Daylight Time for the above Series 2019C Bonds (the "2019C Bonds" and together with the 2019B Bonds, the "Bonds") in the office of

**ZIONS PUBLIC FINANCE
230 LAS VEGAS BOULEVARD SOUTH, SUITE 200
LAS VEGAS, NEVADA 89101**

will publicly open and receive bids electronically via DALCOMP, a Division of Thomson Financial Municipals Group, Inc. ("PARITY") for the purchase of the bonds of the District, particularly described below. Bids must be submitted electronically via PARITY, and must be received on or before 8:00 a.m. Pacific Daylight Time for the 2019B Bonds, and 8:30 a.m. Pacific Daylight Time for the 2019C Bonds, on such day of sale.

EQUAL OPPORTUNITY: IT IS THE POLICY OF THE DISTRICT TO PROVIDE MINORITY BUSINESS ENTERPRISES, WOMEN BUSINESS ENTERPRISES AND ALL OTHER BUSINESS ENTERPRISES AN EQUAL OPPORTUNITY TO PARTICIPATE IN THE PERFORMANCE OF ALL DISTRICT CONTRACTS. BIDDERS ARE REQUESTED TO ASSIST THE DISTRICT IN IMPLEMENTING THIS POLICY BY

* Preliminary, subject to change.

TAKING ALL REASONABLE STEPS TO ENSURE THAT ALL AVAILABLE BUSINESS ENTERPRISES, INCLUDING MINORITY AND WOMEN BUSINESS ENTERPRISES HAVE AN EQUAL OPPORTUNITY TO PARTICIPATE IN DISTRICT CONTRACTS.

BOND PROVISIONS

THE BONDS: The Clark County School District, Nevada, General Obligation (Limited Tax) Building Bonds, Series 2019B, in the aggregate principal amount of \$200,000,000 and the Clark County School District, Nevada, General Obligation (Limited Tax) Various Purpose Medium-Term Bonds, Series 2019C, in the aggregate principal amount of \$45,040,000* will be dated as of the date of delivery of the Bonds. The Bonds will be issued in fully registered, book entry form in denominations of \$5,000 or any integral multiple thereof, by means of a book entry system with no physical distribution of bonds to the public. See "BOOK ENTRY TRANSFER AND EXCHANGE" below.

MATURITIES: The Bonds will mature on June 15, of the years and in each of the designated amounts of principal, as indicated in the preliminary official statement dated October 1, 2019 (the "Preliminary Official Statement") or as otherwise set forth on PARITY. The amounts of the Bonds maturing in each year may be changed from those listed in the Preliminary Official Statement or on PARITY 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 serial maturity of the applicable series of Bonds described herein are subject to adjustment by the District, after the determination of the best bid for each series. Changes to be made will be communicated to the successful bidder of each series of Bonds by the time of written award of the applicable Bonds to the applicable successful bidder.

The adjustment of maturities of the 2019B Bonds or the 2019C Bonds will not reduce or increase the aggregate principal amount of the applicable series of Bonds or the amount of the applicable series of Bonds maturing in any year by more than fifteen percent (15%) of the principal amounts as shown on PARITY. The dollar amount of the price bid (i.e., par less the discount bid or plus the premium bid) by a successful bidder may be changed as described below, but the interest rates specified by the successful bidder for all maturities will not change. A successful bidder may not withdraw its bid as a result of any changes made within these limits. The dollar amount of the price bid 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 applicable series of Bonds to the public and the price to be paid to the District (excluding accrued interest), less any bond insurance premium to be paid by the bidder, by (ii) the principal amount of the applicable series of Bonds) does not increase or decrease from what it would have been if no adjustment was made to the principal amounts shown in the Preliminary Official Statement.

* Preliminary, subject to change.

To facilitate any adjustment in the principal amounts, the successful bidder for each series of Bonds is required to indicate by email to Andrew Artusa at Zions Public Finance (the "Municipal Advisor") at Andrew.Artusa@zionsbank.com within one-half hour of the time of bid opening, the amount of any original issue discount or premium on each maturity of the applicable series of Bonds, the amount received from the sale of the applicable series of 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 cost of the insurance premium. A bidder who intends to insure the 2019B Bonds or the 2019C Bonds shall also state, in that electronic transmission, whether the amount of the insurance premium will change as a result of changes in the principal amount of the applicable series of Bonds or the amount of the principal maturing in any year, and the method used to calculate any such change in the insurance premium.

2019B BONDS – OPTIONAL PRIOR REDEMPTION: The 2019B Bonds, or portions thereof (\$5,000 or any integral multiple), maturing on and after June 15, 2030 are subject to redemption prior to their respective maturities, at the option of the District, as directed by the Chief Financial Officer on and after June 15, 2029 in whole or in part at any time, from any maturities selected by the District and directed by the Chief Financial Officer and by lot within a maturity (giving proportionate weight to 2019B Bonds in denominations larger than \$5,000), at a price equal to the principal amount of each 2019B Bond, or portion thereof, so redeemed, accrued interest thereon to the redemption date.

2019C BONDS – OPTIONAL PRIOR REDEMPTION: The 2019C Bonds, or portions thereof (\$5,000 or any integral multiple), maturing on and after June 15, 2025 are subject to redemption prior to their respective maturities, at the option of the District, on and after June 15, 2024 in whole or in part at any time, from any maturities selected by the District and directed by the Chief Financial Officer and by lot within a maturity (giving proportionate weight to 2019C Bonds in denominations larger than \$5,000), at a price equal to the principal amount of each 2019C Bond, or portion thereof, so redeemed, accrued interest thereon to the redemption date

2019B BONDS - MANDATORY SINKING FUND REDEMPTION: A bidder may request that one or more 2019B Bonds maturing on and after June 15, 2030 be included in one or more term Bonds ("2019B Term Bonds"). Amounts included in a single 2019B Term Bond must consist of consecutive maturities of Bonds, must bear the same rate of interest and must include the entire principal amount between a serial maturity and a mandatory sinking fund redemption. Any such 2019B Term Bond will be subject to mandatory sinking fund redemption in installments in the same amounts and on the same dates as the 2019B Bonds would have matured if they were not included in a 2019B Term Bond. 2019B 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 2019B Term Bonds to be redeemed plus accrued interest to the redemption date in the manner and as otherwise provided in the 2019B Bond Resolution (as defined below). Any election to designate the 2019B Bonds as being included in a 2019B Term Bond must be made via electronic bidding (see "BID PROPOSALS" below).

2019C BONDS - MANDATORY SINKING FUND REDEMPTION: A bidder may request that one or more 2019C Bonds maturing on and after June 15, 2025 be included in one

or more term Bonds ("2019C Term Bonds"). Amounts included in a single 2019C Term Bond must consist of consecutive maturities of Bonds, must bear the same rate of interest and must include the entire principal amount between a serial maturity and a mandatory sinking fund redemption. Any such 2019C Term Bond will be subject to mandatory sinking fund redemption in installments in the same amounts and on the same dates as the 2019C Bonds would have matured if they were not included in a 2019C Term Bond. 2019C 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 2019C Term Bonds to be redeemed plus accrued interest to the redemption date in the manner and as otherwise provided in the 2019C Bond Resolution (as defined below). Any election to designate the 2019C Bonds as being included in a 2019C Term Bond must be made via electronic bidding (see "BID PROPOSALS" below).

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.

REOFFERING PRICES: Within one-half hour of the bid opening, the successful bidder for each series of Bonds (or manager of the purchasing account or accounts) shall notify the Chief Financial Officer and the Municipal Advisor by electronic transmission to Andrew.Artusa@ZionsBank.com of the initial offering prices of such 2019B Bonds or 2019C Bonds to the public. The notification must be confirmed in writing in the form and substance satisfactory to Sherman & Howard L.L.C. ("Bond Counsel") prior to the delivery of the 2019B Bonds and the 2019C 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 District receives 3 or more bids for each series of Bonds that conform to the requirements of this Official Notice of Sale; or in substantially the same form as Exhibit B in the event the District does not receive 3 or more such bids for the 2019B Bonds and/or 2019C Bonds.

INTEREST RATES AND LIMITATIONS: The following interest limitations are applicable to the Bonds:

(A) Interest on the Bonds will be payable on June 15 and December 15 of each year commencing on June 15, 2020.

(B) The interest rate specified for any maturity of each series of the Bonds and the True Interest Cost (see "Basis of Award" below) of each series of the Bonds may not exceed by more than 3% the "Index of Twenty Bonds" which is most recently published in The Bond Buyer before the bids are received.

(C) Only one interest rate can be stated for any maturity of each series of Bonds, i.e., all 2019B Bonds with the same maturity date must bear the same rate of interest, and all 2019C Bonds with the same maturity date must bear the same rate of interest.

(D) Each interest rate specified must be stated in a multiple of 1/8th or 1/20th of 1% per annum.

(E) Each Bond as initially issued will bear interest from its dated date to its stated maturity or prior redemption date at the interest rate stated in the bid. A zero rate of interest may not be named.

It is permissible to bid different interest rates for each series of the Bonds, but only as stated in the bid and subject to the above limitations.

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, or such other office as designated by the Paying Agent, to the registered owner thereof as shown on the registration records of The Bank of New York Mellon Trust Company, N.A., as Registrar, upon maturity or prior redemption thereof, upon presentation and surrender of such Bond at such Paying Agent. Payment of interest on any 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 date is not a business day, on the next succeeding business date), to the registered owner thereof at the address as it appears on the registration records of the Registrar as of the close of business on the last day of the calendar month next preceding each interest payment date for the Bonds (other than a special interest payment date hereafter fixed for payment of defaulted interest) (the "Regular Record Date"). If any Bond is not paid upon presentation at maturity, it will draw interest at the same rate until the principal is paid in full. Alternative arrangements for the payment of interest may be made upon agreement between the Paying Agent and any registered owner. All such payments shall be made in lawful money of the United States of America without deduction for any service charges of the Paying Agent or Registrar.

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 and bond certificates for each maturity of the Bonds will be issued to The Depository Trust Company, New York, New York ("DTC"), registered in the name of its nominee, Cede & Co., and immobilized in their custody. A book entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 or any integral multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. A 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 District 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.

AUTHORIZATION OF BONDS: The Bonds are authorized to be issued pursuant to Chapter 387 of NRS (the "Project Act"), Chapter 350 of NRS (the "Bond Act") and Chapter 348 of NRS (the "Supplemental Bond Act").

SECURITY AND PAYMENT: The 2019B Bonds and 2019C Bonds will, in the opinion of Bond Counsel, be direct general obligations of the District, payable as to all principal and interest (the "Bonds Requirements") from general (ad valorem) taxes (herein "General Taxes") levied against all taxable property within the District except to the extent that other revenues are made available therefor, subject to the limitations imposed by the statutes and Constitution of the State (see "CONSTITUTIONAL TAX LIMITATIONS" and "STATUTORY TAX LIMITATION" and with respect to the 2019C Bonds, "ADDITIONAL STATUTORY TAX LIMITATION" below). The Bonds will be a debt of the District, and the Board shall pledge the full faith and credit of the District for their payment.

BOND INSURANCE/RATING LETTERS: Each series of the Bonds may be insured at bidder's option and expense. The District will pay for the ratings on the Bonds from Moody's Investors Service and S&P Global Ratings.

BOND RESOLUTION: The resolution authorizing the issuance of the 2019B Bonds (the "2019B Bond Resolution") was adopted by the Board of Trustees of the District on September 26, 2019. The resolution authorizing the issuance of the 2019C Bonds was adopted by the Board of Trustees of the District on September 26, 2019 (the "2019C Bond Resolution" and, together with the 2019B Bond Resolution, the "Bond Resolutions"). The Bond Resolutions set forth, among other matters, the form, terms and conditions of the Bonds, the manner and terms of their issuance, the manner of their execution, the method of their payment, the security therefor, and other details concerning the Bonds, the use of Bond proceeds, and the District, including, without limitation, covenants and agreements in connection therewith. Copies of the Bond Resolutions are on file with the Chief Financial Officer and are available for public inspection at the Clark County School District Administration Building, 5100 W. Sahara Avenue, Las Vegas, Nevada.

ISSUANCE OF ADDITIONAL SECURITIES: The Board reserves the privilege of issuing additional general obligation bonds at any time and from time to time for any lawful purpose.

FEDERAL TAX EXEMPTION: In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described below, 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, as described 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: Section 2, article 10, State Constitution, 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:

" . . . 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."

ADDITIONAL STATUTORY TAX LIMITATION: With respect to the 2019C Bonds, NRS 387.195(1) provides:

1. Each board of county commissioners shall levy a tax of 75 cents on each \$100 of assessed valuation of taxable property within the county for the support of the public schools within the county school district.

STATUTORY PRIORITY FOR THE 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."

STATUTORY PROVISIONS FOR TAX LEVIES: NRS 350.592 provides in relevant part:

"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 limitation, 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 obligations 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."

NO PLEDGE OF PROPERTY: The payment of the Bonds is not secured by an encumbrance, mortgage or other pledge of property of the District.

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

BID PROPOSALS: Bids are required to be submitted electronically as described below. Any bidder is required to submit an unconditional and written bid for all of the 2019B Bonds or all of the 2019C Bonds specifying:

- (1) The lowest rate or rates of interest at which the bidder will purchase all of the series of Bonds; and
- (2) Whether the bidder intends to designate term bonds (with respect to the Bonds described above under "MANDATORY SINKING FUND REDEMPTION") and the maturities affected thereby.

It is also requested for informational purposes only, but it is not required, that each bid disclose:

- (3) The "true interest cost" (i.e., actuarial yield) on the series of Bonds stated as a nominal annual percentage rate. See the caption "BASIS OF AWARD" below.

Solely as an accommodation to the bidders, the District will receive bids delivered electronically through PARITY. Each bidder submitting an electronic bid is solely responsible for all arrangements with PARITY.

By utilizing PARITY, a prospective electronic bidder represents and warrants to the District 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 for the purchase of the 2019B Bonds by means of PARITY by 8:00 a.m. Pacific Daylight Time and for the purchase of the 2019C Bonds by means of PARITY by 8:30 a.m. Pacific Daylight Time, on October 9, 2019. Prior to that time, an eligible prospective bidder may (1) input the proposed terms of its bid on PARITY, (2) modify the proposed terms of its bid, in which event the proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid for the Bonds, (3) send its proposed bid, or (4) withdraw its proposed bid. Once the bids are communicated electronically via PARITY, each bid will constitute an irrevocable offer to purchase the Bonds on the terms therein provided.

Each bidder shall be solely responsible to register to bid via PARITY as described above. Each bidder shall be solely responsible to make necessary arrangements to access PARITY 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 District nor the Municipal Advisor shall have any duty or be obligated to provide or assure such access to any bidder, and neither the District nor the Municipal Advisor shall be responsible for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by PARITY. The District is not responsible for, and each bidder expressly assumes the risk of and responsibility for, any incomplete, inaccurate or untimely bid submitted by such bidder and is not liable for any damages caused by PARITY. Bidders must obtain instructions for submitting bids from PARITY. The District is using PARITY as a communication mechanism, and not as the District's agent, to conduct the electronic bidding for the Bonds.

Each bidder is required to transmit electronically via PARITY an unconditional bid specifying the lowest rate or rates of interest and the premium, or discount, as applicable, at which the bidder will purchase the Bonds. Each bid must be for all of the Bonds. If any provision in this Official Notice of Bond Sale conflicts with information or terms provided or represented by PARITY, the Official Notice of Bond Sale, including any amendments issued by public wire shall control.

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 bid. No bid will be received after the time for receiving such bids specified above.

GOOD FAITH DEPOSIT: Bidders submitting a good faith deposit ("Deposit") in the form of a certified or cashier's check or wire transfer may, **but are not required to, submit a check or wire transfer prior to the bid opening.** If a check is used, it must be delivered to the Chief Financial Officer of the District within 90 minutes of notification to the bidder of the bid award for the Bonds, made payable to:

Clark County School District, Nevada

in the amount of

\$2,000,000 for the 2019B Bonds

and

\$350,000 for the 2019C Bonds

If a wire transfer is used, then the wire transfer must be submitted to the District in the amount above for the applicable series of Bonds, as instructed by the Chief Financial Officer or its Municipal Advisor, not later than 90 minutes from such notification of the bid award. The series of Bonds will not be officially awarded to a bidder who has not submitted a Deposit for the Bonds, as provided above, until such time as the bidder has provided the Deposit for the Bonds in the form of a check to the Chief Financial Officer or a Federal wire reference number for the applicable Deposit to the Municipal Advisor.

No interest on the Deposit will accrue to any bidder. The Deposit (without accruing interest) of the winning bidder for the Bonds will be applied to the applicable purchase price of the applicable series of Bonds. In the event the winning bidder of a series of the Bonds fails to honor its accepted bid, the Deposit for such series of Bonds plus any interest accrued on the Deposit will be retained by the District. Any investment income earned on the Deposit will not be credited to the successful bidder on the purchase price of the Bonds, but will be paid to the applicable successful bidder in the event the District is unable to deliver the applicable series of Bonds as provided under "MANNER AND TIME OF DELIVERY" below. Checks accompanying bids other than the bid which is accepted for the applicable series of Bonds will be returned promptly upon the determination of the best bid.

CUSIP NUMBERS AND OTHER FEES: Each maturity of each series of Bonds will be assigned separate CUSIP identification 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 a purchaser to accept delivery of any payment 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 District; but the CUSIP Service Bureau charge for the assignment of the numbers will be the responsibility of and must be paid by the purchaser of the Bonds. The successful bidder shall also be required to pay all fees required by DTC, the Bond Market Association, the Municipal Securities Rulemaking Board, and any other similar entity imposing a fee in connection with the execution and delivery of the Bonds.

SALE RESERVATIONS: The Board reserves the privilege:

- A. Of waiving any irregularity or informality in any bid;
- B. Of rejecting any and all bids; and
- C. Of reoffering any series of Bonds for sale, as provided by law.

If bids are not taken or if all bids are rejected on October 9, 2019 for the 2019B Bonds or the 2019C Bonds, the District may reoffer any of the Bonds for sale any time thereafter. The time and date of any subsequent Bond sales will be announced via PARITY before the time of the sales.

BASIS OF AWARD – 2019B BONDS: The 2019B Bonds, subject to such sale reservations, will be sold by the Board to the responsible bidder making the best bid for all the 2019B Bonds. The best bid will be determined by computing the True Interest Cost on the 2019B Bonds (i.e., using an actuarial or true interest cost method) for each bid received. An award on the 2019B Bonds will be made (if any is made) to the responsible bidder submitting the bid which results in the lowest true interest cost on the 2019B Bonds. "True Interest Cost" on the 2019B Bonds, as used herein, means that yield which if used to compute the present worth as of the date of the 2019B Bonds of all payments of principal and interest to be made on the 2019B Bonds from their date to their respective maturity dates, using the interest rates specified in the bid, and in using the

principal amounts displayed on PARITY, produces an amount equal to the principal amount of the 2019B Bonds, plus any premium or less any discount bid. No adjustment shall be made in such calculation for accrued interest on the 2019B Bonds from their date to the date of delivery thereof. Such calculation shall be based on a 360 day year and a semiannual compounding interval. If there are two or more equal bids and such equal bids are the best bids received, the Chief Financial Officer will determine which bid will be accepted.

BASIS OF AWARD – 2019C BONDS: The 2019C Bonds, subject to such sale reservations, will be sold by the Board to the responsible bidder making the best bid for all the 2019C Bonds. The best bid will be determined by computing the True Interest Cost on the 2019C Bonds (i.e., using an actuarial or true interest cost method) for each bid received. An award on the 2019C Bonds will be made (if any is made) to the responsible bidder submitting the bid which results in the lowest true interest cost on the 2019C Bonds. "True Interest Cost" on the 2019C Bonds, as used herein, means that yield which if used to compute the present worth as of the date of the 2019C Bonds of all payments of principal and interest to be made on the 2019C Bonds from their date to their respective maturity dates, using the interest rates specified in the bid, and in using the principal amounts displayed on PARITY, produces an amount equal to the principal amount of the 2019C Bonds, plus any premium or less any discount bid. No adjustment shall be made in such calculation for accrued interest on the 2019C Bonds from their date to the date of delivery thereof. Such calculation shall be based on a 360 day year and a semiannual compounding interval. If there are two or more equal bids and such equal bids are the best bids received, the Chief Financial Officer will determine which bid will be accepted.

PLACE AND TIME OF AWARD: Bids will be opened on behalf of the District at the time and place stated. The Superintendent or the Chief Financial Officer will take action, upon the determination of the best bid for the 2019B Bonds and the best bid for the 2019C Bonds not later than 36 hours after the time stated for opening bids. A bid may not be withdrawn before that time (i.e., a bid may not be withdrawn until 36 hours after the time stated for opening bids). An award may be made after the stated period if the bidder shall not have given to the Chief Financial Officer notice in writing of the withdrawal of its bid.

MANNER AND TIME OF DELIVERY: The applicable Deposit will be credited to the purchaser at the time of delivery of the applicable series of Bonds (without accruing interest). If the successful bidder for the 2019B Bonds or the 2019C Bonds fails, neglects, or refuses to complete the purchase of the applicable series of Bonds on the date on which the Bonds are made ready and are tendered by the District for delivery, the amount of its Deposit will be forfeited (as liquidated damages for noncompliance with the bid) to the District. In that event, the District may reoffer the Bonds for sale, as provided by law. The Bonds will be made available for delivery by the District to the applicable purchaser as soon as reasonably possible after the date of the sale, and the District contemplates delivering the Bonds on or about October 31, 2019. The purchaser of the Bonds will be given 72 hours' notice of the time fixed by the Board for tendering the Bonds for delivery.

PAYMENT AT AND PLACE OF DELIVERY: The successful bidder(s) for each series of Bonds will be required to accept delivery of the applicable series of 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 Board for immediate and unconditional credit to the account of the District, at a bank designated by the Chief Financial Officer, so that such Bond proceeds may be deposited or invested, as the Chief Financial Officer may determine, simultaneously with the delivery of the series of Bonds. The balance of the purchase price for the applicable series of Bonds 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.

CONSENT TO JURISDICTION: A bid submitted by electronic bidding, if accepted by the Chief Financial Officer on behalf of the District, forms a contract between the winning bidder and the District 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.

INFORMATION: This Official Notice of Bond Sale, the Preliminary Official Statement, the Bond Resolutions and financial and other information concerning the District and the Bonds may be obtained prior to the sale from:

The District's Municipal Advisor:

**Zions Public Finance
Attn: Andrew Artusa
230 Las Vegas Boulevard South, Suite 200
Las Vegas, Nevada 89101
(702) 569-1555**

The Chief Financial Officer:

**Jason Goudie
Clark County School District
5100 West Sahara Avenue
Las Vegas, Nevada 89146
(702) 799-5445**

LEGAL OPINIONS, 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 for each series of Bonds, together with the letter of special counsel to the District, the printed Bonds, a certified transcript of the legal proceedings, including a certificate stating that there is no litigation pending affecting the validity of the Bonds as of the date of their delivery (the "Closing Date"), and other closing documents, will be furnished to the initial purchaser(s) of the Bonds without charge by the District. The forms of the approving opinions of Bond Counsel appear as APPENDIX D in the Preliminary Official Statement for the Bonds.

OFFICIAL STATEMENT: The District has prepared a Preliminary Official Statement relating to the Bonds which is deemed by the District to be final as of its date for purposes of allowing bidders to comply with Rule 15c2-12(b) of the Securities and 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 (the "Final Official Statement").

The District will prepare a Final Official Statement, dated the date of its delivery to the winning bidders as soon as practicable after the date of the award to the winning bidders. The District will provide to the winning bidder of each series of the Bonds up to 25 copies of the Final Official Statement, on or before seven business days following the date of the award to the winning bidder(s). The Final Official Statement will be delivered to the winning bidders at the offices of Zions Public Finance at the address listed above. If a winning bidder fails to pick up the Final Official Statements at the offices of Zions Public Finance, the Final Official Statements will be forwarded to the winning bidder by mail or another delivery service mutually agreed to between such winning bidder and Zions Public Finance. A winning bidder may obtain additional copies of the Final Official Statement at the expense of the winning bidder.

The District authorizes the winning bidder(s) to distribute the Final Official Statement in connection with the offering of the applicable series of Bonds.

For a period beginning on the date of the Final Official Statement and ending twenty five days following the date a winning bidder shall no longer hold for sale any of the 2019B Bonds or the 2019C Bonds (such date shall be the Closing Date unless the winning bidder advises the District in writing of another date), if any event concerning the affairs, properties or financial condition of the District 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 applicable winning bidder, the District shall forthwith notify that 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 District 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.

DISCLOSURE CERTIFICATES: The final certificates included in the transcript of legal proceedings will include:

1. A certificate, dated the Closing Date, and signed by the President and Clerk of the Board, the Superintendent, the Chief Financial Officer, and the Attorney for the District, in which each of them states, after reasonable investigation, that to such officer's actual 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 actual 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 District 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 District 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 District does not make any representations concerning pricing information contained in the Final Official Statement; and

2. A certificate, dated the Closing Date, and signed by the Superintendent or Chief Financial Officer, stating after reasonable investigation, that, to the best of such officer's knowledge, as of the date of the Final Official Statement and on the date of such certificate, the information contained in the Final Official Statement relating to revenues and expenditures of the District is true and correct and does not contain any untrue statement of a material fact or omit any information necessary to be included therein in order that the Final Official Statement be not misleading for the purpose for which it is to be used.

DISTRICT REPRESENTED BY INDEPENDENT REGISTERED MUNICIPAL ADVISOR: The District 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 District 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.

CONTINUING DISCLOSURE UNDERTAKING: Pursuant to the Rule, the District will undertake in a continuing disclosure certificate which is authorized in the Bond Resolution 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 Official Statement.

Dated October 1, 2019.

CLARK COUNTY SCHOOL DISTRICT,
NEVADA

/s/ Jason Goudie
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 [Clark County School District, Nevada, General Obligation (Limited Tax) Building Bonds Series 2019B] [Clark County School District, Nevada, General Obligation (Limited Tax) Various Purpose Medium-Term Bonds, Series 2019C] (the "Bonds"):

1. We acknowledge receipt of the Bonds in the aggregate principal amount of \$_____, bearing interest and maturing as provided in the Bond Resolution of the Clark County School District (the "Issuer") on [September 26, 2019], 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 Issuer.

"Underwriter" means (i) any person that agrees pursuant to a written contract with the Issuer (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 Issuer 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 [Clark County School District, Nevada, General Obligation (Limited Tax) Building Bonds Series 2019B] [Clark County School District, Nevada, General Obligation (Limited Tax) Various Purpose Medium-Term Bonds, Series 2019C] (the "Bonds"):

1. We acknowledge receipt of the Bonds in the aggregate principal amount of \$_____, bearing interest and maturing as provided in the Bond Resolution of the Clark County School District (the "Issuer") on [September 26, 2019], 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.

"Underwriter" means (i) any person that agrees pursuant to a written contract with the Issuer (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).

"Sale Date" means the date the Purchaser's bid for the Bonds was accepted on behalf of the Issuer.

"Substantial Amount" is 10% or more of each maturity.

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 Issuer 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)