

**NEW ISSUE  
BOOK-ENTRY ONLY**

**RATINGS: Moody's: "Aa1"  
S&P: "AA+"  
See "RATINGS"**

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

**\$80,000,000  
CLARK COUNTY, NEVADA  
GENERAL OBLIGATION (LIMITED TAX)  
FAMILY SERVICES BONDS  
(ADDITIONALLY SECURED BY PLEDGED REVENUES)  
SERIES 2019**

**Dated: Date of Delivery**

**Due: June 1, as shown herein**

The Bonds are issued as fully registered bonds in denominations of \$5,000, or any integral multiple thereof. The 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 Bonds. Purchases of the Bonds are to be made in book-entry form only. Purchasers will not receive certificates representing their beneficial ownership interest in the Bonds. See "THE BONDS--Book-Entry Only System." The Bonds bear interest at the rates shown herein, payable on June 1 and December 1 of each year, commencing June 1, 2020, to and including the respective maturity dates shown herein (unless the Bonds are redeemed earlier), to the registered owners of the Bonds (initially Cede & Co.). The principal of the 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 Bonds. See "THE BONDS."

**The maturity schedule for the Bonds appears on the inside cover page of this Official Statement.**

The Bonds are subject to optional redemption prior to maturity as described in "THE BONDS--Prior Redemption."

Proceeds of the Bonds will be used to: (i) refund the County's Subordinate Revenue Notes, Series 2018C; (ii) finance and refinance the acquisition and/or renovation of public facilities including but not limited to buildings for use by the Department of Family Services; and (iii) pay the costs of issuing the Bonds. See "SOURCES AND USES OF FUNDS RELATING TO THE BONDS."

The Bonds constitute direct and general obligations of the County. The full faith and credit of the County is pledged for the payment of principal and interest subject to Nevada constitutional and statutory limitations on the aggregate amount of ad valorem taxes. See "SECURITY FOR THE BONDS--General Obligations." The Bonds are additionally secured by a lien on the Pledged Revenues (defined herein) on a parity with the lien thereon of any Parity Securities (defined herein) heretofore or hereafter issued and subordinate to the lien thereon of any Superior Securities (defined herein) hereafter issued. See "SECURITY FOR THE BONDS--Pledged Revenues."

**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 Bonds are offered when, as, and if issued and accepted by the initial purchaser, subject to the approval of legality of the Bonds by Sherman & Howard L.L.C., Las Vegas, Nevada, Bond Counsel, and the satisfaction of certain other conditions. Sherman & Howard L.L.C., has also acted as special counsel to the County in connection with the preparation of this Official Statement. Certain legal matters will be passed upon for the County by the Clark County District Attorney. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about November 1, 2019.

This Official Statement is dated October 8, 2019.

**MATURITY SCHEDULE**  
**(CUSIP® 6-digit issuer number: 180848)**

**\$80,000,000**  
**CLARK COUNTY, NEVADA**  
**GENERAL OBLIGATION (LIMITED TAX)**  
**FAMILY SERVICES BONDS**  
**(ADDITIONALLY SECURED BY PLEDGED REVENUES)**  
**SERIES 2019**

Maturing ( <u>June 1</u> )	Principal <u>Amount</u>	Interest <u>Rate</u>	<u>Yield</u>	CUSIP® Issue <u>Number</u>
2021	\$2,475,000	5.000%	1.170%	H48
2022	2,600,000	5.000	1.170	H55
2023	2,730,000	5.000	1.160	H63
2024	2,865,000	5.000	1.220	H71
2025	3,005,000	5.000	1.200	H89
2026	3,155,000	5.000	1.310	H97
2027	3,315,000	5.000	1.310	J20
2028	3,480,000	5.000	1.420	J38
2029	3,655,000	5.000	1.450	J46
2030	3,840,000	5.000	1.510 <sup>c</sup>	J53
2031	4,030,000	5.000	1.580 <sup>c</sup>	J61
2032	4,230,000	5.000	1.620 <sup>c</sup>	J79
2033	4,445,000	4.000	1.940 <sup>c</sup>	J87
2034	4,620,000	4.000	2.030 <sup>c</sup>	J95
2035	4,805,000	4.000	2.120 <sup>c</sup>	K28
2036	5,000,000	4.000	2.160 <sup>c</sup>	K36
2037	5,200,000	3.000	2.500 <sup>c</sup>	K44
2038	5,355,000	3.000	2.540 <sup>c</sup>	K51
2039	5,515,000	3.000	2.580 <sup>c</sup>	K69
2040	5,680,000	3.000	2.610 <sup>c</sup>	K77

<sup>c</sup>Yield to the first optional redemption date of December 1, 2029.

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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 Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation, or sale. No dealer, salesperson, or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by Clark County, Nevada (the "County"). The County maintains an internet website for various purposes; 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 Bonds.

The information set forth in this Official Statement has been obtained from the County and from the sources referenced throughout this Official Statement, which the County believes to be reliable. No representation is made by the County, however, as to the accuracy or completeness of information provided from sources other than the County, and nothing contained herein is or shall be relied upon as a guarantee of the County. 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 Bonds shall, under any circumstances, create any implication that there has been no change in the affairs of the County 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 Bonds and may not be reproduced or used in whole or in part for any other purpose.

The 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 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 BONDS ARE OFFERED TO THE PUBLIC BY THE INITIAL PURCHASER THEREOF (AND THE YIELDS RESULTING THEREFROM) MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES OR YIELDS APPEARING ON THE INSIDE COVER PAGE HEREOF. IN ADDITION, THE INITIAL PURCHASER OF THE BONDS MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS. IN ORDER TO FACILITATE DISTRIBUTION OF THE BONDS, THE INITIAL PURCHASER MAY ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICE OF THE 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, NEVADA**

**Board of County Commissioners**

Marilyn Kirkpatrick, Chair  
Lawrence Weekly, Vice Chair  
Lawrence L. Brown, III  
James B. Gibson  
Justin Jones  
Michael Naft  
Tick Segerblom

**County Officials**

Yolanda T. King, County Manager  
Jessica L. Colvin, Chief Financial Officer  
Laura B. Fitzpatrick, Treasurer  
Lynn Marie Goya, Clerk  
Steven B. Wolfson, District Attorney

**COUNTY MUNICIPAL ADVISORS**

Hobbs, Ong & Associates, Inc.  
Las Vegas, Nevada

PFM Financial Advisors LLC  
Seattle, Washington

**BOND COUNSEL 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**

**\$80,000,000**  
**CLARK COUNTY, NEVADA**  
**GENERAL OBLIGATION (LIMITED TAX)**  
**FAMILY SERVICES BONDS**  
**(ADDITIONALLY SECURED BY PLEDGED REVENUES)**  
**SERIES 2019**

### **INTRODUCTION**

#### **General**

This Official Statement, which includes the cover page, the inside cover page and the appendices, provides information concerning Clark County, Nevada (the “County”), and its \$80,000,000 Clark County, Nevada, General Obligation (Limited Tax) Family Services Bonds (Additionally Secured by Pledged Revenues), Series 2019 (the “Bonds”). Unless otherwise defined, all capitalized terms used in this Official Statement shall have the same meanings as used in the ordinance authorizing the issuance of the Bonds (the “Bond Ordinance”), adopted by the Board of County Commissioners (the “Board”) on September 17, 2019. See “APPENDIX B--SUMMARY OF CERTAIN PROVISIONS OF THE BOND ORDINANCE.”

*The offering of the 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 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 County**

The County is a political subdivision of the State of Nevada (the “State” or “Nevada”) organized in 1909. The County covers an area of approximately 8,012 square miles in the southern portion of the State. The City of Las Vegas, the County seat, is the most populous city in the State. According to the Nevada Department of Taxation, the County’s estimated population as of July 1, 2018 was 2,251,175. See “APPENDIX F--ECONOMIC AND DEMOGRAPHIC INFORMATION--Population and Age Distribution.” As more fully described in “PROPERTY TAX INFORMATION--Property Tax Base and Tax Roll,” the County’s assessed valuation for fiscal year 2019-20 is \$92,239,056,371, excluding the assessed valuation attributable to the Redevelopment Agencies (defined herein).

#### **Authority for Issuance**

The Bonds are being issued by the County pursuant to the constitution and laws of the State and the County, including, particularly: (i) NRS 350.105 to 350.195; (ii) NRS chapter 348; (iii) NRS 244A.011 through 244A.065, amended; and (iv) the Bond Ordinance.

## **The Bonds; Prior Redemption**

The Bonds are issued solely as fully registered certificates in denominations of \$5,000, or any integral multiple thereof. The 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 Bonds. Purchases of the Bonds are to be made in book-entry form only. Purchasers will not receive certificates representing their beneficial ownership interest in the Bonds. See “THE BONDS--Book-Entry Only System.” The 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 Bonds is described in “THE BONDS--Payment Provisions.”

The Bonds are subject to optional redemption prior to maturity as described in “THE BONDS--Prior Redemption.”

## **Purpose**

Proceeds of the Bonds will be used to: (i) refund the County’s Subordinate Revenue Notes, Series 2018C (the “Refunding Project”); (ii) finance and refinance the acquisition and/or renovation of public facilities including but not limited to buildings for use by the Department of Family Services (the “Improvement Project”); and (iii) pay the costs of issuing the Bonds. See “SOURCES AND USES OF FUNDS RELATING TO THE BONDS.”

## **Security for the Bonds**

General Obligations. The Bonds are direct and general obligations of the County, payable as to principal and interest from general (ad valorem) taxes (sometimes referred to herein as “General Taxes”) levied against all taxable property within the County (except to the extent any other monies are made available therefor), subject to State constitutional and statutory limitations on the aggregate amount of ad valorem taxes. Generally, the combined overlapping tax rate is limited by statute to \$3.64 per \$100 of assessed valuation. See “SECURITY FOR THE BONDS--General Obligations” and “PROPERTY TAX INFORMATION--Property Tax Limitations.”

Pledged Revenues. The Bonds are additionally secured by a pledge of the Pledged Revenues (defined herein). The Bond Ordinance defines “Pledged Revenues” to mean a 15% portion of all income and revenue derived by the County from the levy of the Consolidated Tax distributed and imposed pursuant to the Consolidated Tax Act in the County. “Consolidated Tax” is defined in the Bond Ordinance as certain proceeds of liquor taxes, tobacco taxes, real property transfer taxes, governmental services taxes and basic and supplemental sales taxes distributed to and imposed within the County pursuant to the Consolidated Tax Act. “Consolidated Tax Act” is defined in the Bond Ordinance as “collectively, NRS Chapter 360, as amended from time to time, as implemented by the County pursuant to the Clark County Code, as amended from time to time.” Additional information concerning the Consolidated Tax is set forth under the heading “REVENUES AVAILABLE FOR DEBT SERVICE FOR THE BONDS.” See also “APPENDIX B--SUMMARY OF CERTAIN PROVISIONS OF THE BOND ORDINANCE.”

Lien Priority for the Bonds. The Bonds constitute an irrevocable lien (but not necessarily an exclusive lien) on the Pledged Revenues on a parity with the lien thereon of the following bonds (the “Parity Lien Bonds”):

<u>Name of Issue</u>	<u>Amount Outstanding as of September 15, 2019</u>	<u>Final Maturity Date</u>
Clark County, Nevada, General Obligation (Limited Tax) Park and Regional Justice Center Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2015 .....	\$ 25,439,000	November 1, 2024
Clark County, Nevada, General Obligation (Limited Tax) Park Improvement Bonds (Additionally Secured by Pledged Revenues), Series 2018 .....	150,000,000	December 1, 2038
Clark County, Nevada, General Obligation (Limited Tax) Detention Center Bonds (Additionally Secured by Pledged Revenues), Series 2019 .....	<u>185,815,000</u>	June 1, 2039
TOTAL:	<u>\$361,254,000</u>	

The Bonds, the Parity Lien Bonds, and any additional bonds or securities that have a lien on the Pledged Revenues on parity with the lien thereon of the Bonds and the Parity Lien Bonds are defined as “Parity Securities” in the Bond Ordinance and in this Official Statement.

Additional Securities Relating to the Bonds. The County may issue additional bonds or other obligations with a lien on the Pledged Revenues (or portions thereof) that is superior to the lien thereon of the Parity Securities, provided such superior securities are issued in compliance with the Bond Ordinance and are not issued as general obligations of the County. The County may also issue Parity Securities, provided such Parity Securities are issued in compliance with the Bond Ordinance, or issue securities that have a lien on the Pledged Revenues that is subordinate to the lien thereon of the Bonds. See “SECURITY FOR THE BONDS--Additional Securities.”

**Professionals**

Sherman & Howard L.L.C., Las Vegas, Nevada, has acted as Bond Counsel and has also acted as Special Counsel to the County in connection with the preparation of this Official Statement. The municipal advisors to the County in connection with the issuance of the Bonds are Hobbs, Ong & Associates, Inc., Las Vegas, Nevada, and PFM Financial Advisors LLC, Seattle, Washington (the “Municipal Advisors”). The fees of the Municipal Advisors will be paid only from Bond proceeds at closing. The basic audited financial statements of the County (contained in APPENDIX A to this Official Statement) 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 Bonds (the “Registrar” and “Paying Agent”).

### **Tax Status**

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

Under the laws of the State in effect as of the date of delivery of the Bonds, 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. See “TAX MATTERS--State Tax Exemption.”

### **Continuing Disclosure Undertaking**

The County will execute a continuing disclosure certificate (the “Disclosure Certificate”) at the time of the closing for the Bonds. The Disclosure Certificate will be executed for the benefit of the beneficial owners of the Bonds and the County will covenant in the Bond Ordinance to comply with its terms. The Disclosure Certificate will provide that so long as the Bonds remain outstanding, the County will annually provide the following information to the Municipal Securities Rulemaking Board, through the Electronic Municipal Market Access system: (i) annually, certain financial information and operating data; and (ii) notice of the occurrence of certain material events; each as specified in the Disclosure Certificate. The form of the Disclosure Certificate is attached hereto as APPENDIX D.

Pursuant to an inquiry by the County into its continuing disclosure compliance during the last five years, the County became aware that certain of its filings under continuing disclosure undertakings were made without listing all of the CUSIP numbers associated with the bond or note issues for which the filings were made, that two event notices associated with credit enhancer rating changes were not timely filed, and that in 2014, the annual reports required to be filed for two series of County bond issues were filed six days late.

On December 4, 2015, S&P (defined herein) raised the rating on one series of the County’s special improvement district refunding bonds (the “SID Bonds”) from BBB- to BBB. The County’s Comptroller and the County’s dissemination agent were unaware that the rating on the SID Bonds had been changed by S&P until January 22, 2016, and the County’s dissemination agent filed a material event notice relating to the rating change on January 26, 2016, which was more than 10 business days following the date of the rating change.

In July 2016, the County discovered that the trustee for one of the County’s special improvement district bonds incorrectly applied funds received by the County for a mandatory sinking fund payment due on February 1, 2016, to the wrong maturity. The County’s

dissemination agent filed an event notice disclosing the trustee's failure to redeem the correct special improvement district bonds on July 22, 2016.

Except as set forth in the two immediately preceding paragraphs, the County has not failed to materially comply with any prior continuing disclosure undertakings previously entered into pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (the "Rule") in the last five years. The County will continue to monitor its compliance with its continuing disclosure undertakings.

### **Forward-Looking Statements**

This Official Statement, particularly (but not limited to) any statements referring to budgeted, unaudited 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 material and could impact the availability of funds to pay debt service on the Bonds.

### **Additional Information**

This introduction is only a brief summary of the provisions of the Bonds and the Bond Ordinance; a full review of the entire Official Statement should be made by potential investors. Brief descriptions of the Bonds, the Bond Ordinance, the County, the General Taxes, and the Pledged Revenues are included in this Official Statement. All references herein to the Bonds, the Bond Ordinance 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 County and the Municipal Advisors at the addresses set forth below:

Clark County, Nevada  
Attn: Chief Financial Officer  
500 S. Grand Central Parkway, 6th Floor  
Las Vegas, Nevada 89155  
Telephone: (702) 455-3530

Hobbs, Ong and Associates, Inc.  
6385 S. Rainbow Blvd., Suite 105  
Las Vegas, Nevada 89118  
Telephone: (702) 733-7223

PFM Financial Advisors LLC  
1200 Fifth Avenue, Suite 1220  
Seattle, Washington 98101  
Telephone: (206) 264-8900

**SOURCES AND USES OF FUNDS  
RELATING TO THE BONDS**

**Sources and Uses of Funds Relating to the Bonds**

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

Sources and Uses of Funds

	<u>Amount</u>
<u>SOURCES:</u>	
Principal amount .....	\$80,000,000.00
Original issue premium .....	13,644,692.00
Debt service fund contribution .....	<u>53,860.20</u>
Total.....	<u>\$93,698,552.20</u>
 <u>USES:</u>	
Refunding Project.....	\$30,420,926.20
Improvement Project .....	62,601,841.00
Costs of issuance (including underwriting discount) ....	<u>675,785.00</u>
Total.....	<u>\$93,698,552.20</u>

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Source: The Municipal Advisors.

**The Project**

The net proceeds of the Bonds will be used to: (i) pay and cancel the County's Subordinate Revenue Notes, Series 2018C, which were issued to acquire a building for the Department of Family Services for the County; and (ii) finance and refinance the acquisition and/or renovation of public facilities including but not limited to buildings for use by the Department of Family Services.

## **THE BONDS**

### **General**

The Bonds will be issued as fully registered bonds in denominations of \$5,000 and any integral multiple thereof. The Bonds will be dated as of their date of delivery and will bear interest and mature as set forth on their respective maturity schedule following the cover page of this Official Statement. The Bonds initially will be registered in the name of “Cede & Co.,” as nominee for DTC, the securities depository for the Bonds. Purchases of the Bonds are to be made in book-entry only form. Purchasers will not receive certificates evidencing their beneficial ownership interest in the Bonds. See “Book-Entry Only System” below. Capitalized terms used under the heading “THE BONDS” that are not otherwise defined have the meanings given to such terms in the Bond Ordinance.

### **Payment Provisions**

Interest on the Bonds is payable on each June 1 and December 1, commencing June 1, 2020 (each, a “Bonds Interest Payment Date”), by check or draft mailed by the Paying Agent on or before the Bonds Interest Payment Date (or if such day is not a business day, on or before the next succeeding business day) to the person in whose name each Bond is registered (i.e., Cede & Co.) on the 15th day of the calendar month preceding the Bonds Interest Payment Date (the “Bonds Regular Record Date”), at the address shown on the registration records maintained by the Paying Agent as of the close of business on the Bonds Regular Record Date. However, if there is a default in payment or provision of interest due with respect to a Bond on any Bonds Interest Payment Date, such interest will cease to be payable to the person who is the registered owner at the close of business on the Bonds Regular Record Date and will be payable to the registered owner (the “Holder”) of such Bond as of a special record date (the “Bonds Special Record Date”) for the payment of any such defaulted interest. The Bonds Special Record Date will be fixed by the Paying Agent whenever money becomes available for payment of the defaulted interest, and notice of the Bonds Special Record Date will be given to the registered owners of the Bonds not less than 10 days prior thereto by first-class mail to each registered owner as shown on the Registrar’s registration records on a date selected by the Registrar, stating the date of the Bonds Special Record Date and the date selected for the payment of the defaulted interest. The principal of the Bonds will be payable at maturity or upon prior redemption upon presentation and surrender of the Bond at the principal office of the Paying Agent (or at such other office designated by the Paying Agent). Any Bond not paid upon presentation and surrender at or after maturity shall continue to bear interest at the rate stated in the Bond until the principal is paid in full. The Paying Agent may make payments of interest on any Bond by any alternative means agreed upon between the Holder and the Paying Agent. All payments of principal and interest shall be made in lawful money of the United States of America.

Notwithstanding the foregoing, payments of the principal of and interest on the 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 Bonds. Disbursement of such payments to DTC’s Participants (defined in APPENDIX C) is the responsibility of DTC, and disbursements of such payments to the Beneficial Owners (defined in APPENDIX C) is the responsibility of



DTC's Participants and the Indirect Participants (defined in APPENDIX C), as more fully described herein. See "Book-Entry Only System" below.

### **Prior Redemption**

Optional Prior Redemption. The Bonds, or portions thereof (\$5,000 or any integral multiple), maturing on and after June 1, 2030, will be subject to redemption prior to their respective maturities at the option of the County on and after December 1, 2029, in whole or in part at any time, from such maturities as are selected by the County and if less than all the Bonds of a maturity are to be redeemed, the Bonds of such maturity are to be selected by lot (giving proportionate weight to Bonds in denominations larger than \$5,000), at a price equal to the principal amount of each Bond or portion thereof so redeemed, plus accrued interest thereon to the redemption date.

Notice of Redemption. Unless waived by any registered owner of a Bond to be redeemed, notice of prior redemption shall be given by the Registrar, by electronic mail so long as Cede & Co. is the registered owner of the Bonds, and otherwise by first class, postage prepaid mail or electronic mail, at least 20 days but not more than 60 days prior to the Redemption Date to the Municipal Securities Rulemaking Board (the "MSRB") and to the registered owner of any 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 Bonds and state that on such date the principal amount thereof, and premium, if any, thereon will become due and payable at the Paying Agent (accrued interest to the Redemption Date being payable by mail or as otherwise provided in the Bond Ordinance), and that after such Redemption Date interest will cease to accrue. After such notice and presentation of said Bonds, the Bonds called for redemption will be paid. Actual receipt of notice by the MSRB or any registered owner of Bonds shall not be a condition precedent to redemption of such Bonds. Failure to give such notice to the MSRB or the registered owner of any Bond designated for redemption, or any defect therein, shall not affect the validity of the proceedings for the redemption of any other Bond. A certificate by the Registrar that notice of call and redemption has been given as described above shall be conclusive as against all parties; and no owner whose Bond is called for redemption, the MSRB or any other owner of any 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 described above, any notice of redemption may contain a statement that the redemption is conditional upon the receipt by the Paying Agent of funds on or before the date fixed for redemption sufficient to pay the redemption price of the 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 Bonds called for redemption in the same manner as the original redemption notice was given.

### **Tax Covenant**

In the Bond Ordinance, the County covenants for the benefit of the Holders of the Bonds that it will not take any action or omit to take any action with respect to the Bonds, the proceeds thereof, any other funds of the County or any facilities refinanced with the proceeds of

the Bonds if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code, (ii) would cause interest on the Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bonds until the date on which all obligations of the County in fulfilling the above covenant under the Tax Code have been met.

### **Defeasance**

When all Bond Requirements of any Bond have been duly paid, the pledge and lien and all obligations under the Bond Ordinance shall thereby be discharged and that Bond shall no longer be deemed to be Outstanding within the meaning of the Bond Ordinance. There shall be deemed to be due payment of any Outstanding Bond or other securities when the County has placed in escrow or in trust with a trust bank located within or without the State, an amount sufficient (including the known minimum yield available for such purpose from Federal Securities in which such amount wholly or in part may be initially invested) to meet all Bond Requirements of such Bond or other security, as the same becomes due to the final maturity of the Bond or other security, or upon any redemption date as of which the County shall have exercised or shall have obligated itself to exercise its prior redemption option by a call of the 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 County and the bank at the time of the creation of the escrow or trust, or the Federal Securities shall be subject to redemption at the option of the holders thereof to assure availability as so needed to meet the schedule.

“Federal Securities” means bills, certificates of indebtedness, notes, bonds or similar securities which are direct obligations of, or obligations which are unconditionally guaranteed by, the United States. However, for the purposes described in this section, “Federal Securities” shall include only Federal Securities which are not callable for redemption prior to their maturities except at the option of the holder thereof.

### **Book-Entry Only System**

The Bonds will be available only in book-entry form in the principal amount of \$5,000 or any integral multiples thereof. DTC will act as the initial securities depository for the Bonds. The ownership of one fully registered Bond for each maturity, as set forth on the respective maturity schedule following the cover page of this Official Statement, each in the aggregate principal amount of such maturity, will be registered in the name of Cede & Co., as nominee for DTC. See APPENDIX C--BOOK-ENTRY ONLY SYSTEM.

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

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

## Debt Service Requirements

The following table sets forth the annual (fiscal year) debt service requirements for the Bonds, the total annual debt service payable on the Parity Lien Bonds, and the combined debt service requirements on the Bonds and the Parity Lien Bonds, all as of September 15, 2019.

### Debt Service Requirements<sup>(1)</sup>

Fiscal Year Ending June 30	The Bonds			Total Debt Service on Parity Lien Bonds	Grand Total
	Principal	Interest <sup>(2)</sup>	Total		
2020	\$ 0	\$1,969,508	\$1,969,508	\$31,350,608	\$33,320,116
2021	2,475,000	3,376,300	5,851,300	27,085,111	32,936,411
2022	2,600,000	3,252,550	5,852,550	27,090,717	32,943,267
2023	2,730,000	3,122,550	5,852,550	27,087,592	32,940,142
2024	2,865,000	2,986,050	5,851,050	27,087,977	32,939,027
2025	3,005,000	2,842,800	5,847,800	27,089,468	32,937,268
2026	3,155,000	2,692,550	5,847,550	27,085,175	32,932,725
2027	3,315,000	2,534,800	5,849,800	27,082,800	32,932,600
2028	3,480,000	2,369,050	5,849,050	27,088,050	32,937,100
2029	3,655,000	2,195,050	5,850,050	27,084,050	32,934,100
2030	3,840,000	2,012,300	5,852,300	27,083,925	32,936,225
2031	4,030,000	1,820,300	5,850,300	27,085,425	32,935,725
2032	4,230,000	1,618,800	5,848,800	27,086,550	32,935,350
2033	4,445,000	1,407,300	5,852,300	27,084,675	32,936,975
2034	4,620,000	1,229,500	5,849,500	27,082,800	32,932,300
2035	4,805,000	1,044,700	5,849,700	27,085,525	32,935,225
2036	5,000,000	852,500	5,852,500	27,086,500	32,939,000
2037	5,200,000	652,500	5,852,500	27,084,000	32,936,500
2038	5,355,000	496,500	5,851,500	27,083,100	32,934,600
2039	5,515,000	335,850	5,850,850	27,078,650	32,929,500
2040	5,680,000	170,400	5,850,400	0	5,850,400
<b>Total:</b>	<b>\$80,000,000</b>	<b>\$38,981,858</b>	<b>\$118,981,858</b>	<b>\$545,972,698</b>	<b>\$664,954,556</b>

<sup>(1)</sup>Totals may not add due to rounding.

Source: The Municipal Advisors.

## SECURITY FOR THE BONDS

### General Obligations

General. The Bonds are direct and general obligations of the County, and the full faith and credit of the County is pledged for the payment of principal and interest, subject to State constitutional and statutory limitations on the aggregate amount of ad valorem taxes. See “PROPERTY TAX INFORMATION--Property Tax Limitations.” The Bonds are payable by the County from any source legally available therefor at the times such payments are due, including the General Fund of the County. In the event, however, that such legally available sources of funds are insufficient, the County is obligated to levy a general (ad valorem) tax on all taxable property within the County for payment of the 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 County is required to levy property taxes, there may be a delay in the availability of revenues to pay debt service on the Bonds. See “PROPERTY TAX INFORMATION--Property Tax Collections.” Capitalized terms used under the heading “SECURITY FOR THE BONDS” that are not otherwise defined have the meanings given to such terms in the Bond Ordinance.

Limitations on Property Tax Revenues. 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 Clark County School District (the “School District”), any city, or any special district) in each year. Generally, 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 interest on such indebtedness. See “PROPERTY TAX INFORMATION--Property Tax Limitations.”

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

### Pledged Revenues

The Bonds are additionally secured by a lien (but not necessarily an exclusive lien) on the Pledged Revenues on a parity with the lien thereon of the Parity Lien Bonds and any additional Parity Securities issued in the future and subordinate to the lien thereon of any “Superior Securities” (as defined in the Bond Ordinance and referred to herein as “Superior Securities”) issued in the future. See “REVENUES AVAILABLE FOR DEBT SERVICE FOR THE BONDS.” See “SECURITY FOR THE BONDS--Additional Securities” below.

### Flow of Funds

Flow of Funds. See “APPENDIX B--SUMMARY OF CERTAIN PROVISIONS OF THE BOND ORDINANCE--Flow of Funds” for a detailed description of the flow of funds.

Such description generally describes the monthly application of the Pledged Revenues in the Revenue Fund including, without limitation, the amount and order of priority of deposits to the Bond Fund.

### **Protective Covenants**

The Bond Ordinance contains numerous protective covenants that are described in detail in “APPENDIX B--SUMMARY OF CERTAIN PROVISIONS OF THE BOND ORDINANCE--Covenants.” Such covenants include the following:

Tax Levies. The County has covenanted in the Bond Ordinance to annually levy, or cause to be levied, General Taxes (as defined in APPENDIX B) on all taxable property in the County fully sufficient to pay the Bond Requirements (as defined in APPENDIX B) of the Outstanding Bonds (and any other indebtedness or other obligations of the County), except to the extent other revenues are available therefor, including, without limitation, the Pledged Revenues pledged for the payment of the Bonds, as the Bond Requirements accrue, reasonable allowance being made for delinquent tax collections anticipated at the time of each levy, at the time and in the manner provided by law for levying other General Taxes (as defined in APPENDIX B); and the Bond Ordinance requires the County and the Board to require the officers of the County to levy, extend, and collect General Taxes in the manner provided by law for the purpose of creating funds for the payment of the Bond Requirements of the Bonds, other indebtedness, or general obligations. General Taxes for the Bonds, when collected, shall be kept for and applied only to the payment of the Bond Requirements of the Bonds, as provided in the Bond Ordinance.

### **Additional Securities**

Bond Ordinance Requirements. The Bond Ordinance authorizes the issuance of additional Superior Securities or Parity Securities. However, before any such additional Superior Securities or Parity Securities or are authorized or actually issued (excluding any additional Superior Securities or Parity Securities issued as refunding bonds, which are subject to different conditions as described in APPENDIX B hereto), the following conditions must be met:

(i) *Absence of Default.* At the time of the adoption of the supplemental instrument authorizing the issuance of the additional securities, the County shall not be in default in making any payments required by the Bond Ordinance with respect to any Superior Securities or Parity Securities.

(ii) *Earnings Test.* Except as hereinafter otherwise provided: (1) the Pledged Revenues derived in the Fiscal Year immediately preceding the date of the issuance of the additional Superior Securities or Parity Securities shall have been at least sufficient to pay an amount equal to the combined maximum annual principal and interest requirements (to be paid during any one Bond Year, commencing with the Bond Year in which the additional Superior Securities or Parity Securities are issued and ending on the first day of June of the year in which any then Outstanding Bonds last mature) of the Outstanding Bonds, the Outstanding Parity Lien Bonds, and any other Outstanding Superior Securities or Parity Securities and the bonds or other securities proposed to be issued (excluding the reserves therefor); or, (2) the Pledged Revenues estimated by the Chief Financial Officer, independent feasibility consultant or an Independent Accountant to be derived in the first five Fiscal Years immediately succeeding the issuance of the

other additional Superior Securities or Parity Securities proposed to be issued shall be at least equal to such combined maximum annual principal and interest requirements to be paid during such Comparable Bond Year.

(iii) *Adjustment of Pledged Revenues.* In any computation of such earnings test as to whether or not additional Superior Securities or Parity Securities may be issued as provided in clause (ii) above, the amount of the Pledged Revenues for the next preceding Fiscal Year shall be decreased and may be increased by the amount of any loss or gain conservatively estimated by the Chief Financial Officer, independent feasibility consultant or Independent Accountant making the computations under this Section, which loss or gain results from any change in the rate of the levy of that part of the Consolidated Tax constituting a part of the Pledged Revenues which change took effect during the next preceding Fiscal Year or thereafter prior to the issuance of such Superior Securities or Parity Securities, as if such modified rate shall have been in effect during the entire next preceding Fiscal Year, if such change shall have been made by the County before the computation of the designated earnings test but made in the same Fiscal Year as the computation is made or in the next preceding Fiscal Year.

Certification of Revenues. A written certification or written opinion by the Chief Financial Officer, an independent feasibility consultant or an Independent Accountant, based upon estimates thereby as provided in clauses (ii) and (iii) under Bond Ordinance Requirements above, that the annual revenues when adjusted as hereinabove provided in clause (iii) under Bond Ordinance Requirements above, are sufficient to pay such amounts as provided in clause (ii) under Bond Ordinance Requirements above, shall be conclusively presumed to be accurate in determining the right of the County to authorize, issue, sell and deliver additional Superior Securities or Parity Securities.

Subordinate Securities Permitted. Nothing in the Bond Ordinance prevents the County from issuing additional bonds or other additional securities payable from the Pledged Revenues having a lien thereon subordinate, inferior and junior to the lien thereon of the Bonds, subject to the limitations set forth in the ordinance or other instrument authorizing their issuance.

Superior Securities Permitted. Nothing in the Bond Ordinance, subject to the requirements stated under Bond Ordinance Requirements above, prevents the County from issuing additional bonds or other additional securities payable from the Pledged Revenues having a lien thereon prior and superior to the lien thereon of the Bonds; however, such additional Superior Securities shall not be issued as general obligations of the County.

## **REVENUES AVAILABLE FOR DEBT SERVICE FOR THE BONDS**

### **General**

The Bonds are additionally secured by a pledge of the Pledged Revenues. The Bond Ordinance defines Pledged Revenues to mean “a 15% portion of all income and revenue derived by the County from the levy of the Consolidated Tax distributed and imposed pursuant to the Consolidated Tax Act in the County.” “Consolidated Tax” is defined in the Bond Ordinance as “certain proceeds of liquor taxes, tobacco taxes, real property transfer taxes, governmental services taxes and basic and supplemental sales taxes distributed to and imposed within the County pursuant to the Consolidated Tax Act.” “Consolidated Tax Act” is defined in the Bond Ordinance as “collectively, NRS Chapter 360, as amended from time to time, as implemented by the County pursuant to the Clark County Code, as amended from time to time.”

The Bond Ordinance further provides that “‘Pledged Revenues’” means all or a portion of the Pledged Revenues. The designated term indicates sources of revenues and does not necessarily indicate all or any portion or other part of such revenues in the absence of further qualification. ‘Pledged Revenues’ include income derived from any supplemental Consolidated Tax imposed by the County if the Board is authorized to include and elects to include the additional tax in ‘Pledged Revenues’ for the remaining term of the Bonds.”

### **General Description of Consolidated Tax**

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

Sales Taxes. The Supplemental City/County Relief Tax (“SCCRT”) and Basic City/County Relief Tax (“BCCRT”) are each a component of the combined sales and use tax levied by the State (the tax levied on retail sales and the storage, use or other consumption of tangible property). The SCCRT is levied at a rate of 1.75% and the BCCRT is levied at a rate of 0.50%. The revenues from each of these sources are collected monthly by the Nevada Department of Taxation (“Taxation”) and, following adjustments for certain rural counties and costs of collections, are remitted to the county of origin, then divided among the local governments within each county according to a formula. For fiscal year 2019, the SCCRT and BCCRT accounted for a combined 85.3% (66.4% and 18.9%, respectively) of the Consolidated Tax distributed within the County.

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

Governmental Services Tax. The Governmental Services Tax (“GST”) is levied at a rate of 4 cents per dollar of valuation of motor vehicles, and is assessed at the time of annual registration. The initial valuation of the vehicle is determined at 35% of the manufacturer’s suggested retail price. Vehicle value is depreciated to 95% after the first year and graduated down to 15% after 9 years. Ninety-four percent of the proceeds of the GST is distributed to local governments in the County of origin. For fiscal year 2019, the GST accounted for 11.1% of the Consolidated Tax distributed within the County.

Real Property Transfer Tax. The Real Property Transfer Tax (“RPTT”) is paid by the buyer in a conveyance of real property. The rate of taxation on transfers of real property in the County is \$2.55 per \$500 of value of the interest in property conveyed, exclusive of any lien or encumbrance upon the property. Of the \$2.55 per \$500 of value, \$1.30 is transmitted to the State Controller for deposit into the State General Fund, 10 cents is transmitted to the State Treasurer for deposit to the Low Income Housing Trust Fund, 60 cents is deposited into the Clark County School District Capital Project Funds, and the remaining 55 cents (which comprises a portion of the Consolidated Tax) is deposited in the Local Government Tax Distribution Account for distribution to local governments in the County of origin. For fiscal year 2019, the RPTT accounted for 2.8% of the Consolidated Tax distributed within the County.

Cigarette and Liquor Tax. The Cigarette Tax and Liquor Tax are excise taxes levied upon the sale of cigarettes (and other tobacco products) and liquor, respectively. Portions of the proceeds of the Cigarette Tax and Liquor Tax are distributed to local governments, with the remainder deposited to the State general fund. The Cigarette Tax is levied at a rate of 9 cents per cigarette, which equates to \$1.80 per pack. Of that amount, 10 cents per pack is deposited in the Local Government Tax Distribution Account and distributed to local governments. The Liquor Tax is levied on a per gallon basis and is in addition to the applicable sales tax. Of the \$3.60 per gallon tax levied on liquor with an alcohol content in excess of 22%, 50 cents is deposited in the Local Government Tax Distribution Account and distributed to local governments. Taxes levied upon tobacco products other than cigarettes and upon liquor products with less than a 22% alcohol content are retained by the State general fund. For fiscal year 2019, the Cigarette Tax and the Liquor Tax accounted for 0.6% and 0.2%, respectively, of the Consolidated Tax distributed within the County.

### **Collection and Enforcement of Consolidated Tax Revenues**

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

Taxation collects the BCCRT, SCCRT, Cigarette and Liquor Taxes directly and deposits the revenues to the Local Government Tax Distribution Account monthly for distribution to the County. The County recorder collects RPTT revenues and deposits them with the State, at least quarterly, for inclusion in the Local Government Tax Distribution Account and subsequent monthly distributions to the County which are then distributed monthly to the City. The Department of Motor Vehicles collects the GST and deposits it monthly with the State for deposit in the Local Government Tax Distribution Account and subsequent monthly distribution to the County.



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

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

Sales taxes are due and payable to Taxation monthly on or before the last day of the month next succeeding the month in which such taxes are collected (*i.e.*, sales taxes collected by retailers in May 2019 were due to Taxation no later than June 30, 2019). Retailers are allowed to deduct 0.25% of the amount due to reimburse themselves for the cost of collecting the tax. Sales tax remittances to Taxation must be accompanied by a return form prescribed by Taxation. Taxation may require returns and payments for periods other than calendar months. Interest on deficient sales tax payments, exclusive of penalties, accrues at rates established by State law. A penalty of 10% of the amount of the deficiency also may be added.

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

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

The Consolidated Tax distribution formula described above would not allow jurisdictions experiencing negative assessed value growth percentages to share in revenues over the base amount. In cooperation with other municipalities throughout the State, changes were made to the Consolidated Tax distribution formula during the 2013 State Legislative session. The changes, which went into effect on July 1, 2013, revised the Consolidated Tax distribution to

make it more equitable among the jurisdictions. The formula change also ensures that if another economic downturn were to occur, the County would not be affected disproportionately. There can be no assurance that the State Legislature will not make further changes to the Consolidated Tax distribution formula in the future.

### Historical Pledged Revenues and Debt Service Coverage

The following table sets forth a history of the Pledged Revenues, the gross debt service paid on the Parity Lien Bonds, and the associated debt service coverage calculated by dividing the Pledged Revenues by the total debt service paid in each year. The table includes information for fiscal years 2015 through 2019 (estimated) and budget information for fiscal year 2020. There is no assurance that the Pledged Revenues will continue to be realized in the amounts illustrated below. See “CERTAIN RISK FACTORS” and other factors described throughout this Official Statement.

#### Historical Pledged Revenues and Debt Service Coverage

	<u>2015</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>	<u>2019</u> <u>Estimated</u>	<u>2020</u> <u>Budget</u>
Consolidated Tax Revenues	\$333,258,147	\$346,354,488	\$364,982,554	\$385,495,565	\$398,987,911	\$410,957,548
Percentage Change	7.5%	3.9%	5.4%	5.6%	3.5%	3.0%
Pledged Revenues (15%)	\$49,988,722	\$51,953,173	\$54,747,383	\$57,824,335	\$59,848,187	\$61,643,632
Parity Securities Debt Service	\$9,442,910	\$6,981,390	\$7,222,868	\$7,236,004	\$8,546,768	\$33,320,116
Coverage	5.29x	7.44x	7.58x	7.99x	7.00x	1.85x

Source: Derived from the County’s CAFRs for its fiscal years 2015 through 2018, and the County’s 2020 budget for the estimated fiscal year 2019 information and the budgeted fiscal year 2020 information

Upon issuance of the Bonds, the combined maximum annual principal and interest requirements on the Bonds and the Parity Lien Bonds is \$33,320,116 occurring in fiscal year 2020, resulting in a 1.85x coverage factor using budgeted fiscal year 2020 Pledged Revenues of \$61,643,632. See “THE BONDS--Debt Service Requirements” for the total debt service due on the Bonds and the Parity Lien Bonds.

## **PROPERTY TAX INFORMATION**

### **Property Tax Base and Tax Roll**

General. The State Department of Taxation reports the assessed valuation of property within the County for the fiscal year ending June 30, 2020, to be \$92,239,056,371 (excluding the assessed valuation attributable to the Redevelopment Agencies), which represents an increase of 9.3% from the assessed valuation for the prior fiscal year. 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 Nevada Tax Commission). While the law provides that in years in which the property is not reappraised, the County assessor is to apply a factor representing typical changes in value in the area since the preceding year, it is the policy of the Clark County Assessor to reappraise all real and secured personal property in the County each year. State law requires that property be assessed at 35% of taxable value; that percentage may be adjusted upward or downward by the State Legislature (the “Legislature”). Based on the assessed valuation for fiscal year 2020, the taxable value of all taxable property within the County is \$263,540,161,060 (excluding the taxable value attributable to the Redevelopment Agencies).

“Taxable value” is defined in the statutes as: (a) full cash value in the case of land; and (b) replacement cost less all applicable depreciation and obsolescence in the case of improvements to land and taxable personal property. 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. Depreciation of taxable personal property must be calculated in accordance with regulations of the Nevada Tax Commission, but in no case in an amount in excess of the full cash value. 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 railroads, airlines, and utility companies.

### **History of Assessed Value**

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

### History of Assessed Value

Fiscal Year Ended June 30	Total Assessed Valuation of Clark County <sup>(1)</sup>	Percent Change	Redevelopment Agencies Assessed Valuation	Total Assessed Valuation <sup>(2)</sup>
2016	\$69,266,468,466	--	\$1,788,784,767	\$71,055,253,233
2017	74,597,622,262	7.7%	2,035,576,833	76,633,199,095
2018	78,890,801,494	5.8	2,415,329,758	81,306,131,252
2019	84,428,728,091	7.0	3,004,128,483	87,432,856,574
2020	92,239,056,371	9.3	3,349,690,226	95,588,746,597

<sup>(1)</sup> Excludes the assessed valuations of 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”).

<sup>(2)</sup> Includes the combined assessed values of the Redevelopment Agencies in each year.

Sources: State of Nevada Department of Taxation, *Property Tax Rates for Nevada Local Governments*, 2015-2016 through 2019-2020.

### **Property Tax Collections**

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

Taxes on real property are due on the third Monday in August, unless the taxpayer elects to pay in installments on or before the third Monday in August and the first Mondays in October, January and March of each fiscal year. Penalties are assessed if any taxes are not paid within 10 days of the due date as follows: 4% of the delinquent amount if one installment is delinquent, 5% of the delinquent amount plus accumulated penalties if two installments are delinquent, 6% of the delinquent amount plus accumulated penalties if three installments are delinquent, and 7% of the delinquent amount plus accumulated penalties if four installments are delinquent. In the event of nonpayment, the County Treasurer is authorized to hold property deemed abandoned pursuant to AB79, adopted by the Nevada Legislature during its 2019 legislative session, for one year and non-abandoned 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 applicable 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.

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 County, the School District, 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 Bonds.* The table below provides information with respect to the historic collection rates for the County, but may not be relied upon to depict the amounts of ad valorem property taxes available to the County 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<sup>(1)</sup>

Fiscal Year Ending June 30	Net Secured Roll Tax Levy <sup>(2)</sup>	Current Tax Collections	% of Levy (Current) Collected	Delinquent Tax Collections	Total Tax Collections	Total Tax Collections as % of Current Levy <sup>(3)</sup>
2015	\$1,515,697,698	\$1,506,108,484	99.37%	\$9,341,872	\$1,515,450,355	99.98%
2016	1,582,466,057	1,572,448,659	99.37	9,623,628	1,582,072,287	99.98
2017	1,630,101,220	1,620,819,654	99.43	8,628,437	1,629,448,091	99.96
2018	1,719,454,202	1,709,647,885	99.43	7,290,479	1,716,938,364	99.85
2019	1,839,034,258	1,830,055,636	99.51	610,945	1,830,666,581	99.54
2020 <sup>(4)</sup>	1,992,427,345	624,239,515	31.33	n/a <sup>(5)</sup>	624,239,515	31.33

(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 August 31, 2019 (unaudited)

(5) Collections are still in progress.

Source: Clark County Treasurer's Office.

### **Largest Taxpayers in the County**

The following table represents the ten largest property-owning taxpayers in the County based on fiscal year 2018-2019 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.

In recent years, several major taxpayers in the County have experienced varying degrees of financial difficulty, including bankruptcy proceedings. Although those entities continued to pay property taxes in a timely manner, those or other entities may encounter future difficulties that could negatively impact the timely payment of property taxes.

Clark County Ten Largest Taxpayers  
Fiscal Year 2018-2019

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Value</u>	<u>% of Total Assessed Value<sup>(1)</sup></u>
MGM Resorts International	Hotels/Casinos	\$ 4,499,272,037	5.15%
Caesars Entertainment Corporation <sup>(2)</sup>	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	0.46
Total		<u>\$13,203,796,072</u>	<u>15.11%</u>

<sup>(1)</sup> Based on the County's fiscal year 2018-2019 assessed valuation of \$87,432,856,574 (which includes the assessed valuation attributable to the Redevelopment Agencies).

<sup>(2)</sup> 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 per \$100 of assessed valuation) of the property being taxed. Further, the combined overlapping tax rate is limited by statute to \$3.64 per \$100 of assessed valuation in all counties of the State with certain exceptions that (a) permit a combined overlapping tax rate of up to \$4.50 per \$100 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 statutes provide a priority for taxes levied for the payment of general obligation bonded indebtedness. In any year in which the proposed tax rate to be levied by overlapping units within a county exceeds any rate limitation, a reduction must be made by those units for purposes other than the payment of general obligation bonded indebtedness, including interest thereon.

Local Government Property Tax Revenue Limitation. State statutes limit the revenues local governments, other than school districts, may receive from ad valorem property taxes for purposes other than paying certain general obligation indebtedness which is exempt from such ad valorem revenue limits. These revenue limitations do not apply to ad valorem taxes levied to repay the Bonds, which are exempt from such ad valorem revenue limits. This rate is generally limited as follows. The assessed value of property is first differentiated between that for property existing on the assessment rolls in the prior year (old property) and new property. Second, the property tax revenue derived in the prior year is increased by no more than 6% and the tax rate to generate the increase is determined against the current assessed value of the old property. Finally, this tax rate is applied against all taxable property to produce the

allowable property tax revenues. This cap operates to limit property tax revenue dependent upon changes in the value of old property and the growth and value of new property.

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

The County and the cities within the County are levying various tax overrides as allowed or required by State statutes.

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

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

### **Required Property Tax Abatements**

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

<u>Fiscal Year</u>	<u>Residential Parcels</u>	<u>All Other Parcels</u>
2015	3.0%	3.0%
2016	3.0	3.2
2017	0.2	0.2
2018	2.6	2.6
2019	3.0	4.2
2020	3.0	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 on the Bonds are exempt from the Abatement Act formulas.

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

Additional Abatement of Taxes for Severe Economic Hardship. In 2002, following voter approval of a State constitutional amendment, the Legislature enacted a law implementing 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. Pursuant to that legislation, the low-income owner (defined by law) of a single-family residence with an assessed value of \$175,000 or less may file a claim with the county treasurer to postpone the payment of all or part of the 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.

## **Overlapping Tax Rates and General Obligation Indebtedness**

Overlapping Tax Rates. 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<sup>(1)</sup>

<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 <sup>(2)</sup>	<u>0.1700</u>	<u>0.1700</u>	<u>0.1700</u>	<u>0.1700</u>	<u>0.1700</u>
Total <sup>(2)</sup>	<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 County, other taxing entities are authorized to incur general obligation debt within boundaries that overlap or partially overlap the boundaries of the County. In addition to the entities listed below, other governmental entities may overlap the County but have no general obligation debt outstanding. The following chart sets forth the estimated overlapping general obligation debt (including general obligation medium-term bonds which may not be payable from a property tax levy) chargeable to property owners within the County as of September 15, 2019.

Estimated Overlapping Net General Obligation Indebtedness

<u>Entity<sup>(1)</sup></u>	<u>Total General Obligation Indebtedness</u>	<u>Presently Self-Supporting General Obligation Indebtedness</u>	<u>Net Direct General Obligation Indebtedness</u>	<u>Percent Applicable<sup>(2)</sup></u>	<u>Overlapping Net General Obligation Indebtedness<sup>(3)</sup></u>
Clark County School District	\$2,690,355,000	\$516,010,000	\$2,174,345,000	100.00%	\$2,174,345,000
Henderson	170,150,163	155,515,163	14,635,000	100.00%	14,635,000
Las Vegas	540,393,812	446,090,000	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	412,822,784	410,570,748	2,252,036	100.00%	2,252,036
Clark County Water Reclamation District	421,329,181	421,329,181	-	100.00%	-
Las Vegas Valley Water District	3,029,102,622	3,029,102,622	-	100.00%	-
Las Vegas-Clark County Library District	-	-	-	100.00%	-
Boulder City Library District	-	-	-	100.00%	-
Boulder City	-	-	-	100.00%	-
Big Bend Water District	2,487,929	2,487,929	-	100.00%	-
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	70.91%	693,611,129
<b>TOTAL</b>	<b>\$8,550,990,737</b>	<b>\$5,279,204,889</b>	<b>\$3,271,785,848</b>		<b>\$2,987,239,977</b>

FOOTNOTES ON FOLLOWING PAGE

- (1) Other taxing entities overlap the County and may issue general obligation debt in the future.
- (2) Based on fiscal year 2020 assessed valuation in the respective jurisdiction. The percent applicable is derived by dividing the assessed valuation of the governmental entity into the assessed valuation of the County.
- (3) Overlapping Net General Obligation Indebtedness equals total existing general obligation indebtedness less presently self-supporting general obligation indebtedness times the percent applicable.

Source: Clark County Department of Finance; Hobbs, Ong & Associates; Nevada Department of Taxation; and/or the respective jurisdiction/agency.

The following table sets forth the total net direct and overlapping general obligation indebtedness attributable to the County as of September 15, 2019 after taking the issuance of the Bonds into account.

Net Direct & Overlapping General Obligation Indebtedness

Total General Obligation Indebtedness <sup>(1)(2)</sup>	\$4,220,558,000
Less: Self-supporting General Obligation Indebtedness <sup>(1)(2)</sup>	<u>(4,215,158,000)</u>
Net Direct General Obligation Indebtedness	5,400,000
Plus: Overlapping Net General Obligation Indebtedness	<u>2,987,239,977</u>
Net Direct & Overlapping Net General Obligation Indebtedness	<u>\$2,992,639,977</u>

(1) Assumes the issuance of the Bonds. See "COUNTY DEBT STRUCTURE - Outstanding Indebtedness and Other Obligations."

(2) Assumes the issuance of the LVCVA Bonds, Series 2019C and Series 2019D, which are currently anticipated to be issued on October 23, 2019.

**Selected Debt Ratios**

The following table sets forth selected debt ratios of the County.

Selected Direct General Obligation Debt Ratios

<u>Fiscal Year Ended June 30</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Population <sup>(1)</sup>	2,166,181	2,193,818	2,251,175	2,251,175	2,251,175
Assessed Value <sup>(2)</sup>	\$69,266,468,466	\$74,597,622,262	\$78,890,801,494	\$84,428,728,091	\$92,239,056,371
Taxable Value <sup>(2)</sup>	\$197,904,195,617	\$213,136,063,606	\$225,402,289,983	\$241,224,937,403	\$263,540,161,060
Per Capita Income <sup>(3)</sup>	\$43,005	\$44,217	\$44,217	\$44,217	\$44,217
<u>Gross Direct G.O. Debt<sup>(4)</sup></u>	\$2,668,202,771	\$2,445,556,292	\$3,406,689,172	\$3,818,962,715	\$4,220,558,000
<u>RATIO TO:</u>					
Per Capita	\$1,231.75	\$1,114.75	\$1,513.29	\$1,696.43	\$1,874.82
Percent of Per Capita Income	2.86%	2.52%	3.42%	3.84%	4.24%
Percent of Assessed Value	3.85%	3.28%	4.32%	4.52%	4.58%
Percent of Taxable Value	1.35%	1.15%	1.51%	1.58%	1.60%
<u>Net Direct G.O. Debt<sup>(5)</sup></u>	\$19,128,771	\$8,915,292	\$4,501,171	\$6,659,715	\$5,400,000
<u>RATIO TO:</u>					
Per Capita	\$8.83	\$4.06	\$2.00	\$2.96	\$2.40
Percent of Per Capita Income	0.02%	0.01%	0.00%	0.01%	0.01%
Percent of Assessed Value	0.03%	0.01%	0.01%	0.01%	0.01%
Percent of Taxable Value	0.01%	0.00%	0.00%	0.00%	0.00%

(1) Reflects State Demographer estimates for the County as of July 1 of each year shown. The population figure for 2019 and 2020 is the same as the projected figure for 2018 because no population estimate yet exists for 2019 or 2020. See "APPENDIX F - ECONOMIC AND DEMOGRAPHIC INFORMATION - Population."

FOOTNOTES CONTINUED ON THE FOLLOWING PAGE

- (2) See “Property Tax Base and Tax Roll” for an explanation of Assessed Value and Taxable Value. The assessed valuations of the Redevelopment Agencies were not included in calculating debt ratios.
- (3) See “APPENDIX F - ECONOMIC AND DEMOGRAPHIC INFORMATION - Income.” The 2017 figure also is used in 2018, 2019, and 2020 as no information is yet available for those years. Subject to revision by the Bureau of Economic Analysis.
- (4) See “COUNTY DEBT STRUCTURE--Outstanding Indebtedness and Other Obligations.” Figure for fiscal year 2020 is as of September 15, 2019 and includes the Bonds and the LVCVA Bonds, Series 2019C and Series 2019D.
- (5) Includes general obligation bonds and medium-term bonds, but does not include Bond Bank bonds, self-supporting general obligation bonds, revenue bonds, assessment district bonds, lease purchase agreements or contingent liabilities. Figure for fiscal year 2020 is as of September 15, 2019.

Source: Municipal Advisors for debt information only.

## **CERTAIN RISK FACTORS**

Each prospective investor is encouraged to read this Official Statement in its entirety and to give particular attention to the factors described below which, among others discussed herein, could affect the payment of debt service on the Bonds and could affect the market price of the Bonds to an extent that cannot be determined at this time. However, the following does not purport to be an exhaustive listing of risks and other considerations which may be relevant to investing in the Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of such risks.

### **No Pledge of Property**

The payment of the Bonds is not secured by an encumbrance, mortgage or other pledge of property of the County, except the proceeds of the General Taxes, the Pledged Revenues and any other moneys or accounts as set forth pledged in the Bond Ordinance for the payment of the Bonds. No property of the County, subject to such exceptions, shall be liable to be forfeited or taken in payment of the Bonds.

### **Dependence on Gaming, Tourism and Other Factors**

The economy of the County and the State is heavily dependent on the tourist industry, which is based significantly on legalized gambling. Any decrease in the level of tourist activity in the County may negatively impact the Pledged Revenues. Factors such as weakening in the national economy and reductions in travel for any reason, including terrorist attacks and increases in gas prices, may impact the Pledged Revenues.

Other factors that are beyond the control of the County also may adversely affect the level of Consolidated Tax revenues in the future. These factors include a dependence on the individual members of the hotel/casino industry to attract visitors to the Las Vegas area through the use of advertising and other promotional activities, and to not significantly decrease hotel rates or provide excessive “complimentary” rooms to customers. Another factor is the availability of affordable and frequent air service to the County. Reductions in air service or increases in the price of such service may occur due to the poor health of the airline industry in general, increases in jet fuel costs or other factors.

### **Certain Risks Associated with Pledged Revenues**

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

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

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

### **County Cannot Increase Rate of Consolidated Tax**

The Consolidated Tax is imposed by the Nevada Legislature and the rate of such tax can be increased only by action of the Nevada Legislature. Even if the Nevada Legislature were to raise the rate of the Consolidated Tax, there is no guarantee that the County would be authorized to use the increased revenues to pay debt service on the Bonds.

### **Delays in Property Tax Collections Could Occur**

General. Although the Bonds are general obligations of the County, the County may only levy property taxes to pay debt service on the Bonds in accordance with State law. For a description of the State laws regulating the collection of property taxes, see “PROPERTY TAX INFORMATION--Property Tax Collections.” Due to the statutory process required for the levy of taxes, in any year in which the County is required to levy property taxes, there may be a delay in the availability of property tax revenues to pay debt service on the Bonds. Accordingly, although other County revenues may be available to pay debt service on the Bonds if Pledged Revenues are insufficient, time may elapse before the County receives property taxes levied to cover any insufficiency of Pledged Revenues.

Certain Risks Related to Property Taxes. Numerous other factors over which the County 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 County, 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.

### **Risks Related to Additional Bonds**

The Bond Ordinance permits the issuance of Parity Securities and Superior Securities upon certain conditions described in the Bond Ordinance, which would be secured by lien on the Pledged Revenues on a parity with or superior to the lien thereon of the Bonds. See “SECURITY FOR THE BONDS--Additional Securities.” To the extent any Parity Securities or Superior Securities are issued, the security for the Bonds would be diluted to the extent the Pledged Revenues are required to cover debt service on both the Bonds and the Parity Securities and/or to the extent Pledged Revenues are first required to pay debt service on Superior Securities.

## **Limitation of Remedies**

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

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

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

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

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

## **Future Changes in Laws**

Various State laws apply to the imposition, collection, and expenditure of General Taxes and Consolidated Taxes and to other County revenues as well as to the operation and finances of the County. 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 County and the imposition, collection, and expenditure of revenues, including General Taxes and Consolidated Taxes.

## **Secondary Market**

Investment in the Bonds poses certain economic risks which may not be appropriate for certain investors, and only persons with substantial financial resources who understand the risk of investment in the Bonds should consider such investment. No guarantee can be made that a secondary market for the Bonds will develop or be maintained by the initial purchaser or others. Thus, prospective investors should be prepared to hold their Bonds to maturity.

## CLARK COUNTY, NEVADA

### General

Clark County, a political subdivision of the State, was organized in 1909. The County has been and is now operating under the provisions of the general laws of the State. The County covers an area of 8,012 square miles in the southern portion of the State. Approximately 92% of the land in the County is owned by the United States or agencies thereof. The County is the most populous of the State's 17 counties and holds approximately 74% of the State's total population. The County seat and most populous city in the State is the City of Las Vegas. The economy of the County is dependent largely on tourism (which is based on legalized gaming and related forms of entertainment), federal government activities, industry, finance and retail merchandising.

The County provides a variety of governmental services, such as those of the County recorder, assessor and treasurer, and a criminal justice system, which includes the courts, district attorney, and public defender. In addition, the County provides local social and welfare services and local institutional youth services. The County also operates local public airports and hospitals from revenues provided from operations. The County supervises water and sewage systems through the Las Vegas Valley Water District, the Clark County Water Reclamation District, the Big Bend Water District, the Kyle Canyon Water District and the Coyote Springs Water Resources General Improvement District. The County provides road maintenance and construction, animal control, parks and recreation, fire protection, building inspection, and other local services to its unincorporated areas.

### Board of County Commissioners

The Board of County Commissioners is the governing body of the County. The seven members are elected from County commission election districts for four-year staggered terms. The Board members also serve as the directors of the Las Vegas Valley Water District, as trustees of the University Medical Center of Southern Nevada, the Clark County Water Reclamation District, the Big Bend Water District, the Kyle Canyon Water District, the Coyote Springs Water Resources General Improvement District, and as members of the Clark County Liquor and Gaming Licensing Board, and the Mount Charleston Fire Protection District.

The current members of the Board and their terms of office are as follows:

Commission Member	District	Years of Service	Expiration of Current Term
Marilyn Kirkpatrick, Chair	B	4 years	2021
Lawrence Weekly, Vice Chair	D	12 years	2021
Lawrence L. Brown, III	C	10 years	2021
James B. Gibson	G	2 years	2023
Justin Jones	F	--	2023
Michael Naft	A	--	2021
Tick Segerblom	E	--	2023



County Commissioners are subject to term limitations (12 years) pursuant to the State constitution.

## **Administration**

The County Manager is the County's chief executive officer and serves at the pleasure of the Board. Yolanda T. King is the County Manager. Jessica L. Colvin is the County's Chief Financial Officer. Brief biographies for Ms. King and Ms. Colvin follow:

Yolanda T. King was appointed County Manager for Clark County effective December 2, 2016. In her position as the County's chief executive officer, Ms. King is responsible for the executive oversight of the nation's 14th-largest county, which provides both regional and municipal-type services to 2.2 million residents and 42 million visitors per year. Ms. King is charged with carrying out the policies established by the seven-member Board of County Commissioners. She is responsible for the fiscal management of the County's \$8.2 billion budget and provides administrative oversight for 38 diverse and geographically dispersed departments (including McCarran International Airport and University Medical Center of Southern Nevada) and for more than 10,000 employees. Ms. King served as Clark County's Chief Financial Officer from January 2014 to December 2016 and Assistant County Manager from June 2013 to January 2014. Prior to that, she served as director of Budget and Financial Planning, before which she was budget manager, a principal financial analyst and senior financial analyst. Ms. King began her tenure at the County in 1986 as a part-time employee. She has a dual bachelor of science degree in Accounting and Management Information Systems (MIS) from the University of Nevada, Las Vegas and a Master's of Business Administration from the University of Phoenix.

Jessica Colvin was appointed Chief Financial Officer for Clark County, effective December 2016. Prior to this appointment, she was Comptroller. In her role as the CFO, Ms. Colvin is responsible for administering the County's total budget and overseeing the County's bond program, capital program, accounting, payroll, the automotive division, and more. Ms. Colvin currently chairs the Clark County Nevada OPEB Trust, vice-chairs the LVMPD OPEB Trust, and is a member of the Committee on Local Government Finance. Ms. Colvin has a bachelor's degree in accounting from the University of Nevada, Reno and is a licensed certified public accountant in Nevada.

## **Employee Relations, Benefits and Pension Matters**

Employee Relations. The County considers its relations with its employees to be satisfactory. The County estimates that as of September 15, 2019, there were 7,425 full-time employees (excluding Las Vegas Metropolitan Police Department ("LVMPD") employees). Approximately 6,250 of these employees belong to the employee unions and associations which represent their respective employees in negotiation with the County for employee benefits including wages. The employees of the County are currently represented by twelve collective bargaining associations. The associations and the status of each of the contracts is set forth in the table below.

<u>Bargaining Unit</u>	<u>Expiration of Current Term</u>	<u>Employee Count as of September 15, 2019</u>
Service Employees International Union Local 1107	June 2020 <sup>(1)</sup>	4,343
Service Employees International Union Local 1107 (supervisory personnel)	June 2020 <sup>(1)</sup>	589
Clark County Park Police Association, Nevada Association of Public Safety Officers	June 2021 <sup>(2)</sup>	10
Clark County Deputy Sheriff's Association	June 2019 <sup>(3)</sup>	N/A
Clark County Public Defenders Union	June 2020 <sup>(1)</sup>	133
Clark County District Attorney Investigators Association	June 2021 <sup>(1)</sup>	24
Clark County Prosecutors Association	June 2020 <sup>(1)</sup>	145
International Association of Fire Fighters Local 1908	June 2020 <sup>(1)</sup>	716
International Association of Fire Fighters Local 1908 (supervisory personnel)	June 2021	13
Juvenile Justice Probation Officers Association	June 2019 <sup>(4)</sup>	224
Juvenile Justice Supervisors and Assistant Managers Association	June 2019 <sup>(4)</sup>	29
International Union of Elevator Constructors	June 2022 <sup>(5)</sup>	24

<sup>(1)</sup> Fiscal reopeners have been negotiated and approved by the Board.

<sup>(2)</sup> The contract renewal was approved by the Board on April 16, 2019.

<sup>(3)</sup> On February 19, 2019, the Board approved an Interlocal Agreement between Clark County and LVMPD to transfer the duties of this bargaining unit from Clark County to LVMPD, effective July 1, 2019.

<sup>(4)</sup> Contract renewals are currently under negotiation.

<sup>(5)</sup> The contract renewal was approved by the Board on June 18, 2019.

**Benefits.** The County provides a deferred compensation plan to its employees, as well as long term disability and life insurance, health insurance, paid vacation, sick leave and holidays, and reimbursement for certain educational expenses.

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

All public employees who meet certain eligibility requirements participate in PERS, which is a cost sharing, multiple-employer defined benefit plan. Benefits, as 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

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

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		

The salary cap reportable to PERS is capped at the federal limit for public employees hired prior to July 1, 2015, but is capped at approximately \$200,000 per year for employees hired on or after July 1, 2015. PERS allows certain post retirement increases in benefit income that range: (i) from 2% per year beginning in the 4<sup>th</sup> year of retirement up to 5% per year in the fifteenth year of retirement and beyond for employees hired prior to January 1, 2010; (ii) from 2% per year beginning in the 4<sup>th</sup> year of retirement up to 4% per year in the thirteenth year of retirement and beyond for employees hired after January 1, 2010; and (iii) from 2% per year beginning in the 4<sup>th</sup> year of retirement up to the lesser of 3% of the CPI cap or 3% every year thereafter for employees hired on or after July 1, 2015.

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

PERS Actuarial Report

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	\$41.42 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. Any new UAAL is amortized over a period equal to the truncated average remaining amortization period of all prior UAAL layers, until the average remaining amortization period is less than 20 years; after that time, 20-year amortization periods will be used. The PERS Board also adopted a five-year asset smoothing policy for net deferred gains/losses.

The following presents the net pension liability of PERS as of June 30, 2018, and the County’s proportionate share of the net pension liability of PERS as of June 30, 2019, calculated using the discount rate of 7.50%, as well as what the PERS net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.50%) or one percentage point higher (8.50%) than the current discount rate:

Net Pension Liability

	1% Decrease in Discount Rate (6.5%)	Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
PERS Net Pension Liability	\$20,797,004,428	\$13,637,741,889	\$7,688,811,668
County Share of PERS Net Pension Liability <sup>(2)</sup>	\$3,600,990,390	\$2,361,367,843 <sup>(1)</sup>	\$1,331,313,701

<sup>(1)</sup> The County’s proportionate share of the PERS net pension liability (discounted at 7.5% above) includes \$1,226,163,012 for the LVMPD. The LVMPD is jointly funded by the County and the City of Las Vegas, Nevada (the “City”). Accordingly, the City is liable for its portion of the LVMPD net pension liability, totaling \$354,721,265. A corresponding receivable will be recorded in the County’s Government-Wide Statement of Net Position as of June 30, 2019.

<sup>(2)</sup> Unaudited.

Contribution rates to PERS are established in accordance with State statute. The statute allows for biennial increases or decreases of the actuarially determined rate. The State Legislature can increase the contribution rate for members by any amount it determines necessary. Pursuant to statute, there is no obligation on the part of the employers to pay for their proportionate share of the unfunded liability. The County is obligated to contribute all amounts due under PERS. A history of contribution rates, as a percentage of payroll, is shown below.

Contribution Rates

	<u>Fiscal Years 2012 and 2013</u>	<u>Fiscal Years 2014 and 2015</u>	<u>Fiscal Years 2016 and 2017</u>	<u>Fiscal Years 2018 and 2019</u>	<u>Fiscal Years 2020 and 2021</u>
Regular members					
Employer-pay plan	23.75%	25.75%	28.00%	28.00%	29.25%
Police/Fire employees					
Employer-pay plan	39.75%	40.50%	40.50%	40.50%	42.50%

The County's contribution to PERS (which includes contributions for McCarran International Airport, the University Medical Center of Southern Nevada, the LVMPD, and the Clark County Water Reclamation District) for the years ended June 30, 2015, 2016, 2017, 2018 and 2019 were \$331,674,882, \$358,396,684, \$377,686,761, \$400,416,800, and \$421,201,434 (unaudited), respectively, equal to the required contributions for each year. The County has budgeted a contribution to PERS of \$476,129,596 for the year ended June 30, 2020.

In accordance with GASB No. 82, contributions reported in the Comprehensive Annual Financial Report for fiscal year ended June 30, 2018, represent only the employer share of the total contributions made by the County to the employer/employee state pension plan. Prior to the implementation of GASB 82, the contributions reported in the Comprehensive Annual Financial Report for previous years represent the employer and the employee share of the contributions made by the County to the employer/employee state pension plan.

See Note (III)(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.

Other Post-Employment Benefits.

The County and the component units described in Note I of APPENDIX A contribute to seven different defined-benefit post-retirement health programs: Clark County Self-Funded OPEB Trust, Las Vegas Metropolitan OPEB Trust, Clark County Retiree Health program, Public Employee Benefit Program ("PEBP"), Clark County Firefighters Union Local 1908, UMC Retiree Health program, and Clark County Water Reclamation District Retiree Health program. Each plan provides medical, dental, and vision benefits to eligible active and retired employees and beneficiaries. Except for PEBP, benefit provisions are established and amended through negotiations between the respective unions and the employers. PEBP benefit provisions are established by the Legislature. Prior to June 2017, the County used the Other Post-employment Benefits Reserve internal service fund to allocate OPEB costs to each fund, based on employee count. Each fund incurred a charge for service from the Other Post-employment Benefit Reserve fund for their portion of the annual OPEB cost. For a discussion of the plans' benefits and costs as well as the valuation of the Net OPEB Liability as of June 30, 2018, see Note (III)(14) in the audited financial statements attached hereto as APPENDIX A. The County historically has funded its OPEB liability on a pay-as-you-go basis; the amounts funded historically have been less than the annual required contribution.

The County exercised its purchase option and purchased the LVMPD headquarters for \$208 million from reserves held in the Other Post-employment Benefit Reserve internal service fund. Lease revenue generated from the lease of the LVMPD headquarters to LVMPD has been committed by the Board of the County Commissioners to the Other Post-employment Benefit Reserve internal service fund for the purpose of funding the County's OPEB obligations. The current monthly base rent is \$1,190,179 and is subject to an annual base rent adjustment. The term of the lease is scheduled to expire on June 1, 2041.

In June 2017, the County closed the OPEB Reserve internal service fund and transferred the internal service fund's assets to a new Post-Employment Benefit Reserve special revenue fund due to accounting standard changes in Governmental Accounting Standards Board (GASB) Statement No. 75. In addition, the lease revenue from the LVMPD headquarters has been committed by the Board of County Commissioners to the Post-Employment Benefit Reserve special revenue fund. The purpose and function of the Post-Employment Benefit Reserve special revenue fund is the same as the former OPEB internal service fund except the use of these funds has been expanded to include post-retirement benefits in general, including pension contributions. Although the allowed use of these funds has been expanded, the County continues to only charge OPEB related costs to this fund.

In addition, on March 4, 2014, the Board executed a trust agreement for the Clark County, Nevada Self-Funded OPEB Trust Fund ("the Trust"). The County made \$82.9 million in payments to the Trust in fiscal year 2015 and made no payments to the Trust in fiscal years 2016, 2017, and 2018. The County made a contribution of \$24.1 million to the Trust in fiscal year 2019 and budgeted a contribution of \$19.4 million to the Trust in fiscal year 2020. At June 30, 2019, net assets held in trust were \$136,859,710.

In June 2015, the GASB issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pension, which is effective for fiscal years beginning after June 15, 2017. The objective of this Statement is to improve the accounting and financial reporting by state and local governments for postemployment benefits other than pensions. It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The adoption of Statement No. 75 resulted in a prior period adjustment of \$429,719,543 to recognize the Net OPEB Liability and \$21,005,853 to recognize deferred outflows of resources related to OPEB contributions made during the measurement period.

## COUNTY FINANCIAL INFORMATION

### Annual Reports

General. The County Comptroller prepares a comprehensive annual financial report (“CAFR”) setting forth the financial condition of the County as of June 30 of each fiscal year. The latest audited report is for the year ended June 30, 2018. The basic financial statements come from the CAFR, which is the official financial report of the County. The basic financial statements were prepared following generally accepted accounting principles. See Note I in the audited basic financial statements attached hereto as APPENDIX A for a summary of the County’s significant accounting policies. The County’s CAFR for the year ended June 30, 2018, is attached hereto as APPENDIX A.

Certificate of Achievement. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Clark County for its CAFR for the fiscal year ended June 30, 2018. This is the 37<sup>th</sup> consecutive year that the County has received this recognition. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR with contents conforming to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

### Budgeting

Prior to April 15 of each year, the County Manager is required to submit to the State Department of Taxation the tentative budget for the next fiscal year which commences 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 County upon its acceptance of the budget. The County has met all of its statutory deadlines for submitting its budget requirements.

Following acceptance of the proposed budget by the State Department of Taxation, the Board is required to conduct a public hearing no sooner than the third Monday in May and not later than the last day of May. The adopted final budget is required to be submitted to the State Department of Taxation by June 1<sup>st</sup>.

The County Manager is authorized to transfer budgeted amounts within functions or funds, but any other transfers must be approved by the Board. Increases to a fund’s budget other than by transfers are accomplished through formal action of the Board. With the exception of moneys appropriated for specific capital projects or Federal and State grant expenditures, all unencumbered appropriations lapse at the end of the fiscal year.

### 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, motor vehicle fuel taxes and privilege taxes are considered “measurable” when in the hands of intermediary collecting governments and are recognized as revenue at that time. Ad valorem property taxes are considered measurable when received by the County.

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 is 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. Unbilled service receivables are recorded at year end.

### **County Investment Policy**

NRS 355.170 sets forth investments in which the County Treasurer may invest taxes and other County moneys, which currently include United States Treasury notes, bonds and bills, certain federal agency securities, bankers acceptances, commercial paper, money market mutual funds, certificates of deposit of local banks, corporate securities, collateralized mortgage obligations, and repurchase agreements (“Authorized Investments for Counties”). Under the current investment policy approved by the Board of County Commissioners (the “Investment Policy”), the County Treasurer is required to invest all County moneys in accordance with the Investment Policy. Under the Investment Policy, the County Treasurer may invest such moneys in investments described therein, which include certain State Authorized Investments (the “County Authorized Investments”). Certain other restrictions are contained in the Investment Policy, including limitations on maturities of certain County Authorized Investments and ratings qualifications on certain categories of investments.

A large portion of the money held by the County Treasurer for investment is invested through the Treasurer’s general pooled investment fund (the “County Pool”). Unexpected withdrawals could force the sale of some investments prior to maturity and lead to realization of losses. Such unexpected withdrawals by the County Treasurer are considered highly unlikely. The current Investment Policy allocates gains on securities in the County Pool on a pro rata basis and the County Treasurer reports that any losses would be allocated on the same basis.

### **General Fund Information**

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

Revenue and Expenditures. The County relies upon the consolidated tax, property taxes and revenue from licenses, permits and fees for the bulk of its General Fund revenues. The County’s annual General Fund expenditures are dominated by the funding support of a variety of mandated functions. These include support of the court system, aid and relief to the indigent, public safety functions (i.e., police, fire protection and detention services), and several general government services (assessor, clerk, recorder, treasurer, commission/administration, etc.). Functions other than indigent care (which were capped by statute) are appropriated for on the basis of the demand for the service, subject to funding constraints.



Effect of Federal Sequester. On March 1, 2013, the federal government announced the implementation of certain automatic budget cuts known as sequestration, including reductions in subsidy payments related to “Build America Bonds” (“BAB subsidies”). BAB subsidies were reduced by 7.2% in federal fiscal year 2014, by 7.3% in federal fiscal year 2015, by 6.8% in federal fiscal year 2016, by 6.9% in federal fiscal year 2017, by 6.6% in federal fiscal year 2018, and by 6.2% in federal fiscal year 2019. BAB subsidies are expected to be reduced by 5.9% in federal fiscal year 2020. Under a federal budget bill enacted in February 2018, the sequestration reduction will continue through federal fiscal year 2027. The sequestration reduction rate remains subject to change should additional laws be enacted which impact the sequester.

As set forth under the caption “COUNTY DEBT STRUCTURE - Outstanding Indebtedness and Other Obligations,” a small portion of the County’s outstanding indebtedness is comprised of “Build America Bonds.” However, the County’s projected general obligation debt service does not reflect the receipt of any BAB subsidies and the County does not expect sequestration to have a material adverse effect on its ability to make payments of interest on the County’s outstanding “Build America Bonds.”

### **History of County General Fund Revenues, Expenditures and Changes in Fund Balance**

The following table presents a history of the County’s General Fund revenues, expenditures and changes in fund balance for its fiscal years ended June 30, 2015 through 2018, estimates for its fiscal year ending June 30, 2019, and budgeted information for its fiscal year ending June 30, 2020. The information in this table should be read together with the County’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.”

The information presented in the following table includes the County’s General Fund only; the funds required to be reported with the County’s General Fund for purposes of GASB 54 have been excluded from this table.

**County General Fund Statement of Revenues, Expenditures and Changes in Fund Balances**

<u>Fiscal Year Ended June 30,</u>	2015 (Actual)	2016 (Actual)	2017 (Actual)	2018 (Actual)	2019 (Estimated)	2020 (Budget)
<b>Revenues</b>						
Taxes	\$261,802,906	\$272,190,901	\$ 285,435,529	\$ 300,332,076	\$314,722,783	\$335,062,252
Licenses and permits	230,845,568	235,611,794	243,939,925	256,037,387	256,635,915	259,445,276
Intergovernmental revenue	4,451,676	5,119,998	5,333,338	5,157,706	6,166,780	6,209,500
Consolidated tax	333,258,147	346,354,488	364,982,554	385,495,565	398,987,911	410,957,548
Charges for services	74,021,847	78,912,177	80,451,572	85,639,336	85,039,500	83,949,685
Fines & forfeitures	21,035,822	19,823,760	21,581,972	19,284,190	18,932,572	18,514,686
Interest	2,356,743	3,640,723	102,754	232,252	1,000,000	1,000,000
Other	3,381,033	6,384,315	1,833,933	4,338,047	1,670,071	2,000,000
<b>Total</b>	<b>931,153,742</b>	<b>968,038,156</b>	<b>1,003,661,577</b>	<b>1,056,516,559</b>	<b>1,083,155,532</b>	<b>1,117,138,947</b>
<b>Expenditures<sup>(1)</sup></b>						
General Government	109,584,563	118,285,480	117,413,448	120,020,336	129,502,231	139,127,325
Judicial	145,331,446	151,616,061	152,108,786	156,186,568	167,961,227	177,828,226
Public Safety	206,787,688	217,109,088	217,689,242	223,369,009	233,499,961	237,463,677
Public Works	10,976,682	11,295,359	11,302,394	10,889,609	11,460,439	12,486,967
Health	33,284,845	33,106,611	31,731,021	26,138,153	25,770,925	24,905,333
Welfare	65,052,141	53,500,693	59,762,973	70,907,077	75,855,149	83,830,900
Culture and Recreation	9,394,166	9,685,654	9,741,510	9,700,778	10,929,566	11,560,977
Other <sup>(2)</sup>	103,086,601	107,383,727	110,768,587	118,605,043	126,326,740	142,958,121
<b>Total</b>	<b>683,498,132</b>	<b>701,982,673</b>	<b>710,517,961</b>	<b>735,816,573</b>	<b>781,306,238</b>	<b>830,161,526</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>247,655,610</b>	<b>266,055,483</b>	<b>293,143,616</b>	<b>320,699,986</b>	<b>301,849,294</b>	<b>286,977,421</b>
<b>Other Financing Sources (Uses)</b>						
Transfers from other funds <sup>(3)</sup>	275,429,651	292,023,102	302,894,202	311,900,670	326,779,604	345,855,674
Transfers to other funds <sup>(4)</sup>	(529,555,570)	(541,049,135)	(595,237,085)	(604,236,288)	(672,184,222)	(667,076,383)
<b>Total</b>	<b>(254,125,919)</b>	<b>(249,026,033)</b>	<b>(292,342,883)</b>	<b>(292,335,618)</b>	<b>(345,404,618)</b>	<b>(321,220,709)</b>
<b>Net Change in Fund Balance</b>	<b>(6,470,309)</b>	<b>17,029,450</b>	<b>800,733</b>	<b>28,364,368</b>	<b>(43,555,324)</b>	<b>(34,243,288)</b>
<b>Fund Balance – Beginning</b>	<b>187,819,721</b>	<b>181,349,412</b>	<b>198,378,862</b>	<b>199,179,595</b>	<b>227,543,963</b>	<b>183,988,639</b>
<b>Fund Balance – Ending</b>	<b>\$181,349,412</b>	<b>\$198,378,862</b>	<b>\$199,179,595</b>	<b>\$227,543,963</b>	<b>\$183,988,639</b>	<b>149,745,351</b>
Reserved/Nonspendable portion of Ending Fund Balance	--	--	--	--	--	--
Unreserved portion of Ending Fund Balance	\$181,349,412	\$198,378,862	\$199,179,595	\$227,543,963	\$183,988,639	149,745,351
% of unreserved fund balance to expenditures and transfers out	14.95%	15.96%	15.25%	16.98%	12.66%	10.00%
<b>Footnotes on following page</b>						

- 
- (1) The fluctuation in these categories is due in part to the reclassification of budget items.
  - (2) For fiscal year 2020, “Other” expenses are budgeted to include \$26,763,300 for utilities, \$2,035,292 for building rental, \$3,800,000 for capital replacement, \$500,000 for administrative assessments, \$4,008,320 for insurance and official bonds, \$23,922,031 for miscellaneous refunds and expenditures, \$53,109,143 for internal service charges, \$5,000,000 for publications and professional services, and \$23,820,035 for contributions to the Southern Nevada Health District.
  - (3) Transfers include interest earnings and funds received from unincorporated towns within the County and the Clark County Fire District for services that the County provides. The main sources of transfers are taxes collected by the unincorporated towns and fire district via property taxes and/or consolidated tax.
  - (4) Includes transfers for detention, the LVMPD, the University Medical Center of Southern Nevada (“UMC”), and the Capital Projects Fund. Detention transfers include \$180 million in fiscal year 2015, \$201 million in fiscal year 2016, \$205 million in fiscal year 2017, \$207 million in fiscal year 2018, \$239 million in fiscal year 2019, and \$249 million in fiscal year 2020. Transfers to the LVMPD include \$214 million in fiscal year 2015, \$223 million in fiscal year 2016, \$239 million in fiscal year 2017, \$247 million in fiscal year 2018, \$258 million in fiscal year 2019, and \$276 million in fiscal year 2020. Transfers to UMC include \$61 million in fiscal year 2015 and \$31 million in fiscal years 2016, 2017, 2018, 2019, and 2020. Capital transfers include \$44 million in fiscal year 2015, \$53 million in fiscal year 2016, \$67 million in fiscal year 2017, \$69 million in fiscal year 2018, \$72 million in fiscal year 2019, and \$45 million in fiscal year 2020.

Source: Derived from the County’s CAFRs for its fiscal years 2015 through 2018, and the County’s fiscal year 2020 budget for the estimated fiscal year 2019 and budgeted fiscal year 2020 information.

## Budget Considerations

Consolidated Tax Revenues. Recent County consolidated tax revenues are shown in the following table. For fiscal year 2019 (unaudited), General Fund consolidated tax revenues totaled \$414,827,083, which represents a 7.6% increase compared to fiscal year 2018 (\$385,495,565). The table below shows consolidated tax revenues for the County’s General Fund for the past four fiscal years, estimated information for fiscal year 2019, and budgeted information for fiscal year 2020.

	2015 (Actual)	2016 (Actual)	2017 (Actual)	2018 (Actual)	2019 (Estimated)*	2020 (Budget)*
Consolidated Tax	\$333,258,147	\$346,354,488	\$364,982,554	\$385,495,565	\$398,987,911	\$410,957,548
Amount of Change	\$23,270,505	\$13,096,341	\$18,628,066	\$20,513,011	\$13,492,346	\$11,969,637
Percentage Change	7.5%	3.9%	5.4%	5.6%	3.5%	3.0%

\*Derived from the County’s fiscal year 2020 budget.

Source: Derived from the County’s CAFRs for its fiscal years 2015 through 2018, and the County’s fiscal year 2020 budget for the estimated fiscal year 2019 and budgeted fiscal year 2020 information.

Ad Valorem Property Tax Revenue. Ad valorem property tax revenue lags any change in property value, and is capped by State law as discussed under “PROPERTY TAX INFORMATION--Required Property Tax Abatements.” For fiscal year 2019 (unaudited), General Fund property tax revenues totaled \$319,911,581, which represents a 6.5% increase compared to fiscal year 2018 (\$300,332,076). Recent County ad valorem property tax revenues, including interest and penalties, are shown in the following table. The table below shows ad valorem property tax revenues (including penalties and interest on delinquent taxes) for the County General Fund for the past four fiscal years, estimated information for fiscal year 2019, and budgeted information for fiscal year 2020.

	2015 (Actual)	2016 (Actual)	2017 (Actual)	2018 (Actual)	2019 (Estimated)*	2020 (Budget)*
Property Tax	\$261,802,906	\$272,190,901	\$285,435,529	\$300,332,076	\$314,722,783	\$335,062,252
Amount of Change	\$8,548,751	\$10,387,995	\$13,244,628	\$14,896,547	\$14,390,707	\$20,339,469
Percentage Change	3.4%	4.0%	4.9%	5.2%	4.8%	6.5%

\*Derived from the County’s fiscal year 2020 budget.

Source: Derived from the County’s CAFRs for its fiscal years 2015 through 2018, and the County’s fiscal year 2020 budget for the estimated fiscal year 2019 and budgeted fiscal year 2020 information.

Current County policy provides that the General Fund maintain an unreserved ending fund balance of between 8.3% to 10% of expenditures and transfers. Since fiscal year 2010, unreserved ending fund balance of the General Fund has exceeded policy guidelines. The fiscal year 2020 budget maintains an unreserved fund balance of 10% of General Fund expenditures and operating transfers out.

## Other County Funds

As shown in APPENDIX A, the County has numerous other funds, the largest of which are the Capital Projects Funds and the Enterprise Funds. Moneys on deposit in the Capital Projects Funds are used for the acquisition of capital equipment or construction of major capital

facilities. Moneys on deposit in the Enterprise Funds are used for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the Board is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

### **County Debt Service Fund**

The following table presents a history of the County's Debt Service Fund (for long-term County bonds) revenues, expenditures and changes in fund balance for its fiscal years ended June 30, 2015 through 2018, and estimated information for its fiscal year ending June 30, 2019, and budgeted information for its fiscal year ending June 30, 2020. The information in this table should be read together with the County's audited financial statements for its fiscal 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."

County Debt Service Fund History

<u>Fiscal Year Ended June 30,</u>	2015 (Actual)	2016 (Actual)	2017 (Actual)	2018 (Actual)	2019 (Estimated)	2020 (Budget)
<b>Revenues</b>						
Property taxes <sup>(1)</sup>	\$6,984,673	\$7,283,152	\$24,632	\$17,258	--	--
Intergovernmental revenues <sup>(2)</sup>	63,381,306	86,568,488	94,584,772	88,858,305	\$88,619,592	\$87,745,267
Interest	1,098,051	1,687,786	252,877	273,304	991,446	450,000
Other	--	--	--	15	--	--
<b>Total Revenues</b>	<b>71,464,030</b>	<b>95,539,426</b>	<b>94,862,281</b>	<b>89,148,882</b>	<b>\$89,611,038</b>	<b>\$88,195,267</b>
<b>Expenditures</b>						
Services and supplies	33,026	28,000	38,398	34,961	5,000	5,000,000
Principal	58,584,997	92,555,329	106,575,988	70,826,000	110,148,000	74,446,000
Interest	73,756,422	65,359,764	54,158,451	56,501,174	60,660,310	92,218,357
Bond issuance costs	189,269	1,363,748	3,602,620	--	314,259	--
<b>Total Expenditures</b>	<b>132,563,714</b>	<b>159,306,841</b>	<b>164,375,457</b>	<b>127,362,135</b>	<b>171,127,569</b>	<b>171,664,357</b>
Deficiency of Revenues Under Expenditures	(61,099,684)	(63,767,415)	(69,513,176)	(38,213,253)	(81,516,531)	(83,469,090)
<b>Other Financing Sources (Uses)</b>						
Transfers from other funds <sup>(3)</sup>	55,347,542	60,346,383	68,038,888	42,957,276	50,271,038	69,569,319
Transfers to other funds <sup>(4)</sup>	--	--	--	--	(338,375)	(12,863,459)
Proceeds of bonds and loans <sup>(5)</sup>	54,466,000	296,646,000	593,310,000	--	31,225,000	--
Premium on bonds issued	--	52,252,052	98,560,447	--	5,257,457	--
Payment to escrow agent	(54,974,696)	(344,710,719)	(691,864,607)	--	--	--
<b>Total</b>	<b>54,838,846</b>	<b>64,533,716</b>	<b>68,044,728</b>	<b>42,957,276</b>	<b>86,415,120</b>	<b>56,705,860</b>
<b>Excess (deficiency) of revenues &amp; other financing sources over (under) expenditures &amp; other financing uses</b>	<b>(6,260,838)</b>	<b>766,301</b>	<b>(1,468,448)</b>	<b>4,744,023</b>	<b>4,898,589</b>	<b>(26,763,230)</b>
<b>Beginning Fund Balance</b>	<b>87,681,567</b>	<b>81,420,729</b>	<b>82,187,030</b>	<b>80,718,582</b>	<b>85,462,605</b>	<b>90,361,194</b>
<b>Ending Fund Balance</b>	<b>\$81,420,729</b>	<b>\$82,187,030</b>	<b>\$80,718,582</b>	<b>\$85,462,605</b>	<b>\$90,361,194</b>	<b>\$63,597,964</b>

(1) Clark County general obligation bonds were retired in June, 2017; therefore, no property tax is required in fiscal year 2019 or 2020.

(2) Clark County has entered into interlocal agreements regarding the repayment of certain bonds. The majority of this amount represents the various entities' share.

(3) Includes debt service and transfers in for the payment of self-supported County general obligation debt.

(4) Excess Administrative Assessment revenues had been transferred to the debt service fund in fiscal years 2014 through 2019 as additional reserves for the Clark County Public Facilities Refunding Bonds, Series 2007 and Clark County Public Facilities Refunding Bonds, Series 2009. On June 1, 2019, these bonds matured and the excess assessment revenues in the debt service funds were transferred and used to pay down a portion of the Subordinate Revenue Notes, Series 2018A and renovate the courtroom facilities.

(5) Includes long-term County bonds, does not include Searchlight Town, County Fire District, Medium-Term Bonds, Flood Control, Master Transportation Plan, Revenue Stabilization, Special Assessment Bonds, Moapa and Regional Transportation Commission.

Source: Derived from the County's CAFRs for its fiscal years 2015 through 2018, and the County's fiscal year 2020 budget for the estimated fiscal year 2019 and budgeted fiscal year 2020 information.

## Liability Insurance

General. The County has established a general liability self-insurance fund for losses up to a \$25,000 per occurrence retention limit. Losses in excess of this retention are covered by the County liability insurance pool fund.

Since January 1, 1986, the County (along with the Clark County Regional Flood Control District) has had a self-funded program for losses over the \$25,000 retention up to a \$2,000,000 per occurrence, accident or loss. Coverage from private insurers is maintained for losses in excess of the stop loss amount up to \$20,000,000. Incurred but not reported claims have been accrued as a liability based upon a variety of actuarial and statistical techniques. The pool had a cash balance of \$15,790,517 as of June 30, 2018 and \$17,482,454 as of June 30, 2019 (unaudited). The estimated cash balance as of August 31, 2019, is \$13,508,863.

Combined Liability Funds Activity. The following table reflects the combined activity for the County’s Self-Funded Liability Insurance Fund, Liability Insurance Pool, and Detention Center Self-Funded Insurance Fund (together, the “Liability Funds”) ended June 30, 2015 through 2018, as well as estimated information for the fiscal year ending June 30, 2019 and final budget information for the fiscal year ending June 30, 2020. The information in this table should be read together with the County’s audited financial statements for fiscal year 2018, and the accompanying notes, which are included as APPENDIX A. Financial statements for prior years can be obtained from the sources listed in “INTRODUCTION--Additional Information.”

### County Self-Funded Liability Insurance & Liability Insurance Pool<sup>(1)</sup>

Fiscal Year <u>Ended June 30,</u>	2015 <u>(Actual)</u>	2016 <u>(Actual)</u>	2017 <u>(Actual)</u>	2018 <u>(Actual)</u>	2019 <u>(Estimated)</u>	2020 <u>(Budget)</u>
Total Revenues <sup>(2)</sup>	\$10,117,600	\$12,391,519	\$8,411,186	\$8,928,676	\$10,615,631	\$6,446,120
Total Expenses <sup>(3)</sup>	<u>(8,531,616)</u>	<u>(10,289,015)</u>	<u>(8,591,970)</u>	<u>(7,596,166)</u>	<u>(10,821,815)</u>	<u>(14,549,189)</u>
Change in Net Position	1,585,984	2,102,504	(180,784)	1,332,510	(206,184)	(8,103,069)
Net Position, Beginning	15,960,334	17,546,318	19,648,822	19,468,038	20,728,498	20,430,614
Transfers	--	--	--	<u>(72,050)</u>	<u>(91,700)</u>	<u>(91,700)</u>
Net Position, Ending	<u>\$17,546,318</u>	<u>\$19,648,822</u>	<u>\$19,468,038</u>	<u>\$20,728,498</u>	<u>\$20,430,614</u>	<u>\$12,235,845</u>

- (1) Represents combined information for the Clark County and Clark County Detention Liability Funds. The LVMPD liability insurance fund has been excluded and is funded 64% by the County and 36% by the City of Las Vegas.  
(2) Represents combined total operating and non-operating revenue for the Liability Funds.  
(3) Represents combined total operating and non-operating expenses for the Liability Funds.

Source: Derived from the County’s CAFRs for its fiscal years 2015 through 2018, and the County’s fiscal year 2020 budget for the estimated fiscal year 2019 and budgeted fiscal year 2020 information.

Cybersecurity. The County operates a large and complex information technology infrastructure to support internal and external operations. As is the case with any such environment, the threat of cybersecurity incidents is a constant one. These incidents may arise from multiple sources, including unintentional events or actions, intentional insider threat, and deliberate malicious attacks or actions from outside entities. The effect of these threats may include unauthorized access to County systems, data or resources, inappropriate exposure or use of County information, disruption of County services, and damage to County systems.

The County has a team of IT employees that are dedicated to the protection of the County from cybersecurity attacks as well as enforcing County security policies and procedures. This team is comprised of nine full time employees with one of them serving as a supervisor for the group. Multiple technology investments have also been made by the County to implement software tools to assist the IT security team in their mission of protecting County from cyberattacks. These tools include anti-virus software, whitelisting software, extensive log monitoring tools and multi factor authentication. The County is also a PCI compliant organization that has satisfied the rigorous requirements instituted by the PCI Data Security Standards Council. However, the County acknowledges that no amount of detective or defensive measures can prevent all cybersecurity attacks or the resultant disruptions and costs. To that end, the County has obtained a cyber-liability insurance policy.



## COUNTY DEBT STRUCTURE

### Capital Program

The County has implemented a comprehensive capital replacement program to provide for annual departmental capital replacements. Long-term needs are addressed as a component of the Clark County Master Plan. Capital replacements as well as new capital needs are addressed in the County's Capital Improvement Program, which is funded through annual appropriations. These appropriations have ranged from \$0 to \$79.9 million per year in fiscal years 2011 through 2019. For fiscal year 2020, the County's budget includes transfers of \$42 million to the Capital Projects Fund, \$3.2 million to the Information Technology Capital Projects Fund, and \$31 million to UMC to be used for capital purposes.

### Debt Limitation

State statutes limit the aggregate principal amount of the County's general obligation debt (other than Bond Bank debt) to 10% of the County's total reported assessed valuation. The County has integrated a debt management policy with its capital planning process. The following table presents a record of the County's outstanding general obligation indebtedness with respect to its statutory debt limitation, excluding Bond Bank debt, as of September 15, 2019.

#### County Statutory Debt Limitation - Excluding Bond Bank Debt

Fiscal Year Ended June 30,	Assessed Valuation <sup>(1)</sup>	Debt Limit	Outstanding General Obligation Debt <sup>(2)</sup>	Statutory Debt Capacity
2015	\$64,252,633,650	\$6,425,263,365	\$1,600,911,851	\$4,824,351,514
2016	71,055,253,233	7,105,525,323	1,509,847,771	5,595,677,552
2017	76,633,199,095	7,663,319,910	1,403,176,292	6,260,143,618
2018	81,306,131,252	8,130,613,125	2,403,294,172	5,727,318,953
2019	87,432,856,574	8,743,285,657	2,856,327,715	5,886,957,942
2020	95,588,746,597	9,558,874,660	3,257,923,000	6,300,951,660

<sup>(1)</sup> Includes the assessed valuation of the Redevelopment Agencies. These values are included for purposes of calculating the debt limit but are not subject to County taxation for the retirement of general obligation bond debt.

<sup>(2)</sup> Includes general obligation bonds, general obligation revenue bonds and notes and medium-term bonds (but excludes Bond Bank bonds). Includes \$1,044,075,000 of debt issued pursuant to Senate Bill 1, although Senate Bill 1 exempts such debt from applicable debt limitations. For fiscal year 2020, indicates outstanding general obligation debt as of September 15, 2019 and assumes the issuance of the Bonds and the LVCVA Bonds, Series 2019C and Series 2019D.

Source: Clark County Comptroller's Office; compiled by the Municipal Advisors.

### Bond Bank Debt Limitation

State law imposes a County debt limitation of 15% for assessed valuation for general obligation bonds issued through its Bond Bank. This Bond Bank debt limitation is separate from and in addition to the 10% debt limitation for the County's general obligation debt as described above. The following table presents a record of the County's outstanding general

obligation indebtedness with respect to its statutory Bond Bank debt limitation as of September 15, 2019:

County Bond Bank Statutory Debt Limitation

Fiscal Year Ended <u>June 30,</u>	Assessed <u>Valuation</u> <sup>(1)</sup>	Bond Bank <u>Debt Limit</u>	Outstanding Bond Bank General <u>Obligation Debt</u>	Statutory Bond Bank <u>Debt Capacity</u>
2015	\$64,252,633,650	\$ 9,637,895,048	\$1,234,795,000	\$ 8,403,100,048
2016	71,055,253,233	10,658,287,985	1,158,355,000	9,499,932,985
2017	76,633,199,095	11,494,979,864	1,042,380,000	10,452,599,864
2018	81,306,131,252	12,195,919,688	1,003,395,000	11,192,524,688
2019	87,432,856,574	13,114,928,486	962,635,000	12,152,293,486
2020	95,588,746,597	14,338,311,990	962,635,000 <sup>(2)</sup>	13,375,676,990

<sup>(1)</sup> Includes the assessed valuation of the Redevelopment Agencies. These values are included for purposes of calculating the debt limit but are not subject to County taxation for the retirement of general obligation bond debt.

<sup>(2)</sup> Outstanding as of September 15, 2019. See “Outstanding Indebtedness and Other Obligations” below.

Source: Clark County Comptroller’s Office; compiled by the Municipal Advisors.

The County may issue general obligation bonds by means of authority granted to it by its electorate or the Legislature or, under certain circumstances, without an election as provided in existing statutes. See “Additional Contemplated Indebtedness” below.

**Outstanding Indebtedness and Other Obligations**

Outstanding Bonds. The following table presents the outstanding indebtedness and other obligations of the County as of September 15, 2019, after taking the issuance of the Bonds into account.

## County Outstanding Debt and Other Obligations

	<u>Issue Date</u>	<u>Original Amount</u>	<u>Outstanding</u>
<u>GENERAL OBLIGATION BONDS<sup>(1)</sup></u>			
--			
<u>MEDIUM-TERM GENERAL OBLIGATION BONDS</u>			
RJC/CLV Interlocal <sup>(2)</sup>	10/16/18	\$5,400,000	<u>\$5,400,000</u>
TOTAL			<u>\$5,400,000</u>
<u>SELF-SUPPORTING GENERAL OBLIGATION BONDS<sup>(1)(3)</sup></u>			
Public Facilities and Refunding Bonds, Series 2007C	05/24/07	\$ 13,870,000	\$ 6,490,000
Airport Refunding Bonds, Series 2008A (VRDO)	02/26/08	43,105,000	43,105,000
Public Facilities and Refunding Bonds, Series 2009C	05/14/09	8,060,000	2,305,000
Flood Control BABs, Series 2009B <sup>(4)</sup>	06/23/09	150,000,000	117,320,000
Transportation Refunding Bonds, Series 2009A <sup>(5)</sup>	12/08/09	111,605,000	4,340,000
Transportation Refunding Bonds, Series 2009B-3	12/08/09	12,860,000	2,890,000
LVCVA BABs, Series 2010A	01/26/10	70,770,000	70,770,000
LVCVA BABs, Series 2010C <sup>(6)</sup>	12/08/10	155,390,000	137,325,000
LVCVA Bonds, Series 2012	08/08/12	24,990,000	18,560,000
Airport Refunding Bonds, Series 2013B	04/02/13	32,915,000	32,915,000
Hospital Refunding Bonds, Series 2013	09/03/13	26,065,000	25,090,000
Flood Control Bonds, Series 2013	12/19/13	75,000,000	74,700,000
LVCVA Bonds, Series 2014A	02/20/14	50,000,000	49,800,000
MTP Refunding Bonds, Series 2014A	09/10/14	19,922,000	3,322,000
MTP Refunding Bonds, Series 2014B	09/10/14	17,004,000	2,981,000
Hospital Refunding Bonds, Series 2014	12/01/14	29,374,000	6,051,000
Flood Control Bonds, Series 2014A	12/11/14	100,000,000	99,800,000
Flood Control Refunding Bonds, Series 2015	03/31/15	186,535,000	186,535,000
LVCVA Refunding Bonds, Series 2015A	04/02/15	181,805,000	116,355,000
Parks, RJC Refunding Bonds, Series 2015	09/10/15	32,691,000	25,439,000
LVCVA Refunding Bonds, Series 2017	05/09/17	21,175,000	21,175,000
Flood Control Refunding Bonds, Series 2017 <sup>(4)</sup>	12/07/17	109,955,000	109,955,000
LVCVA Crossover Refunding Bonds, Series 2017C <sup>(6)</sup>	12/28/17	126,855,000	126,855,000
LVCVA Bonds, Series 2018 <sup>(7)</sup>	04/04/18	200,000,000	200,000,000
Stadium Improvement Bonds, Series 2018 <sup>(7)</sup>	05/01/18	645,145,000	644,075,000
Park Improvement Bonds, Series 2018	11/20/18	150,000,000	150,000,000
Transportation Improvement Bonds, Series 2018B	11/20/18	272,565,000	272,565,000
Transportation Refunding Bonds, Series 2019B	03/12/19	31,225,000	31,225,000
Flood Control Bonds, Series 2019	03/26/19	115,000,000	115,000,000
Detention Center Bonds, Series 2019	07/31/19	185,815,000	185,815,000
Regional Justice Center Bonds, Series 2019B	07/31/19	13,405,000	13,405,000
Transportation Refunding Bonds, Series 2019A <sup>(5)</sup>	09/11/19	76,360,000	76,360,000
LVCVA Bonds, Series 2019C <sup>(7)(8)</sup>	10/23/19	132,565,000	132,565,000
LVCVA Bonds, Series 2019D <sup>(7)(8)</sup>	10/23/19	67,435,000	67,435,000
Family Services Bonds, Series 2019 ( <i>This Issue</i> )	11/01/19	80,000,000	<u>80,000,000</u>
TOTAL			<u>\$3,252,523,000</u>
<i>TOTAL GENERAL OBLIGATION BONDS SUBJECT TO 10% LIMIT</i>			<u>\$3,257,923,000</u>

**Continued on next page.**

## County Outstanding Debt and Other Obligations (Continued)

	<u>Issue Date</u>	<u>Original Amount</u>	<u>Outstanding</u>
<b><u>SELF SUPPORTING BOND BANK BONDS</u></b> <sup>(1)(3)</sup>			
Bond Bank Bonds (SNWA 2006)	11/02/06	\$604,140,000	\$ 69,545,000
Bond Bank Refunding Bonds (SNWA 2009)	11/10/09	50,000,000	35,525,000
Bond Bank Refunding Bonds (SNWA 2012)	06/20/12	85,015,000	79,515,000
Bond Bank Refunding Bonds (SNWA 2016A)	03/03/16	263,955,000	202,400,000
Bond Bank Refunding Bonds (SNWA 2016B)	08/03/16	271,670,000	263,920,000
Bond Bank Refunding Bonds (SNWA 2017)	03/22/17	321,640,000	<u>311,730,000</u>
<i>TOTAL GENERAL OBLIGATION BONDS SUBJECT TO 15% LIMIT</i>			\$ <u>962,635,000</u>
<b>TOTAL GENERAL OBLIGATION BONDS</b>			<b><u>\$4,220,558,000</u></b>
<b><u>REVENUE BONDS</u></b> <sup>(9)</sup>			
Airport Subordinate Lien 2008C1	03/19/08	\$122,900,000	\$122,900,000
Airport Subordinate Lien 2008C2	03/19/08	71,550,000	59,900,000
Airport Subordinate Lien 2008C3	03/19/08	71,550,000	59,900,000
Airport Subordinate Lien 2008D1	03/19/08	58,920,000	50,870,000
Airport Subordinate Lien 2008D2	03/19/08	199,605,000	199,605,000
Airport Subordinate Lien 2008D3	03/19/08	122,865,000	120,395,000
Airport 2008A VRB	06/26/08	150,000,000	26,760,000
Airport 2008B VRB	06/26/08	150,000,000	26,785,000
Car Rental Fee Bonds	04/01/09	10,000	10,000
Airport 2010A (PFC)	02/03/10	450,000,000	446,150,000
Airport 2010B (Subordinate)	02/03/10	350,000,000	350,000,000
Airport 2010C Senior Lien (BAB)	02/23/10	454,280,000	454,280,000
Airport 2010D Senior Lien (Tax Exempt)	02/23/10	132,485,000	76,120,000
Highway Revenue (Sales Excise Tax) 2010B	08/11/10	94,835,000	11,395,000
Highway Revenue (Sales Excise Tax) 2010C (BABS)	08/11/10	140,560,000	140,560,000
Airport 2010F2	11/04/10	100,000,000	60,310,000
Airport 2011B1	08/03/11	100,000,000	53,515,000
Airport 2011B2	08/03/11	100,000,000	53,565,000
Highway Revenue (MVFT), Series 2011	11/29/11	118,105,000	53,085,000
Airport 2012B	07/02/12	64,360,000	59,830,000
Airport 2013A	04/02/13	70,965,000	65,945,000
Highway Revenue (Indexed Motor Vehicle Fuel Tax) 2014A	04/01/14	100,000,000	82,985,000
Airport Refunding 2014A1	04/08/14	95,950,000	16,710,000
Airport Refunding 2014A2	04/08/14	221,870,000	221,870,000
Airport Refunding 2015A	04/30/15	59,915,000	59,915,000
Airport Refunding 2015C	07/22/15	98,965,000	88,500,000
Highway Revenue (Indexed Motor Vehicle Fuel Tax) 2015	11/10/15	85,000,000	77,050,000
Highway Revenue Refunding 2016	06/29/16	107,350,000	80,320,000
Highway Revenue Refunding (Sales Tax) 2016	11/09/16	36,405,000	36,405,000
Highway Revenue Refunding (MVFT) 2016B	11/09/16	43,495,000	43,495,000
Airport Refunding 2017A-1	04/25/17	65,505,000	43,125,000
Airport Refunding 2017A-2	04/25/17	47,800,000	47,800,000
Airport Refunding 2017B	04/25/17	69,305,000	58,980,000
Highway Revenue (Indexed Motor Vehicle Fuel Tax) 2017	06/13/17	150,000,000	140,625,000
Airport Refunding 2017C	06/29/17	146,295,000	146,295,000
Airport System Junior Subordinate Lien Notes 2018	06/28/18	95,545,000	95,545,000
Airport 2019A Bonds	07/01/19	107,530,000	107,530,000
Airport 2019B Bonds	07/01/19	240,800,000	<u>\$240,800,000</u>
<b>TOTAL REVENUE BONDS</b>			<b><u>\$4,079,830,000</u></b>

**Continued on next page.**

## County Outstanding Debt and Other Obligations (Continued)

	<u>Issue Date</u>	<u>Original Amount</u>	<u>Outstanding</u>
<b><u>LAND-SECURED ASSESSMENT BONDS</u><sup>(10)</sup></b>			
Special Improvement District No. 128B	05/17/01	\$10,000,000	\$ 515,000
Special Improvement District No. 128A	11/03/03	10,000,000	310,000
Special Improvement District No. 124A-SR	12/23/03	4,399,431	35,000
Special Improvement District No. 124A-SUB	12/23/03	1,929,727	25,000
Special Improvement District No. 128-2021	05/01/07	480,000	90,000
Special Improvement District No. 128-2031	05/01/07	10,755,000	6,760,000
Special Improvement District No. 132	08/01/12	8,925,000	875,000
Special Improvement District No. 142	08/01/12	49,445,000	13,560,000
Special Improvement District No. 151	07/29/15	13,060,000	7,455,000
Special Improvement District No. 159	12/08/15	24,500,000	20,810,000
Special Improvement District No. 121	05/31/16	14,880,000	6,905,000
Special Improvement District No. 162A	10/16/18	1,803,030	<u>1,384,727</u>
<b>TOTAL LAND SECURED ASSESSMENT BONDS</b>			<b>\$58,724,727</b>
<b><u>OTHER ASSESSMENT BONDS</u><sup>(11)</sup></b>			
Special Improvement District No. 112	08/24/17	54,110,000	50,025,000
Special Improvement District No. 158	07/11/17	12,130,000	<u>10,515,000</u>
<b>TOTAL OTHER ASSESSMENT BONDS</b>			<b>\$60,540,000</b>
<b>GRAND TOTAL</b>			<b><u>\$8,419,652,727</u></b>

- (1) General obligation bonds secured by the full faith, credit and taxing power of the County. The ad valorem tax available to pay these bonds is limited to the \$3.64 statutory and the \$5.00 constitutional limit (see "PROPERTY TAX INFORMATION--Property Tax Limitations").
- (2) General obligation bonds secured by the full faith and credit of the County and payable from any legally available funds of the County. The ad valorem tax rate available to pay these bonds is limited to the statutory and the constitutional limit as well as to the County's maximum operating levy. On August 7, 2018, the Board of County Commissioners approved a resolution authorizing an Interlocal Agreement between Clark County and the City of Las Vegas regarding the County's purchase of the City's leasehold interest in the Regional Justice Center and a moratorium on the annexation of County Islands. The County will pay for the purchase of the leasehold in the City private space in the Regional Justice Center in installments of equal annual payments of \$1,350,000 on July 1, 2021, July 1, 2022, July 1, 2023 and July 1, 2024, and the payments shall bear no interest. On October 16, 2018, the Board conducted a public hearing and approved a resolution authorizing the Interlocal Agreement as a medium-term obligation.
- (3) General obligation bonds additionally secured by pledged revenues; if revenues are not sufficient, the County is obligated to pay the difference between the revenues and debt service requirements of the respective bonds.
- (4) The net proceeds of the 2017 Bonds were placed into an escrow account established for the purpose of (i) paying the interest on the 2017 Bonds through and including November 1, 2019 and (ii) paying all of the principal of the 2009 Bonds maturing on and after November 1, 2020 on November 1, 2019. The interest on the 2009 Bonds due and payable on and prior to November 1, 2019 will be paid by the County and will not be paid from monies on deposit in the Escrow Account. Consequently, the 2009 Bonds are not expected to remain outstanding beyond November 1, 2019.
- (5) The 2019A Transportation Refunding Bonds will defease and refund all but the \$4,340,000 December 1, 2019 maturity of the 2009A Bonds, were sold on August 21, 2019, and were issued on September 11, 2019.
- (6) The net proceeds of the LVCVA Crossover Refunding Bonds, Series 2017C (the "2017C Bonds") were placed into an escrow account established for the purpose of (i) paying the interest on the 2017C Bonds through and including July 1, 2020 and (ii) paying all of the principal of the LVCVA BABs, Series 2010C (the "2010C Bonds"), maturing on and after July 1, 2021 on July 1, 2020. The interest on the 2010C Bonds due and payable on and prior to July 1, 2020 will be paid by the County and will not be paid from monies on deposit in the established escrow account. Consequently, the 2010C Bonds are not expected to remain outstanding beyond July 1, 2020.
- (7) The LVCVA Bonds, Series 2018, and the Stadium Improvement Bonds, Series 2018A were issued under special state legislation that exempts them from being included in the County's general obligation bond debt limit. The LVCVA Bonds, Series 2019C and Series 2019D shall be issued under the same special state legislation.
- (8) The LVCVA Bonds, Series 2019C and Series 2019D are currently anticipated to be issued on October 23, 2019.

FOOTNOTES CONTINUED ON THE FOLLOWING PAGE

- (9) Highway improvement bonds are secured by County and State taxes on motor vehicle fuels and in some cases, by sales tax and jet fuel tax revenues. Airport bonds and airport refunding bonds are secured solely by airport revenues. Economic Development Revenue Bonds issued for and payable by private companies are not included.
- (10) Secured by assessments against property improved. In the event of a delinquency in the payment of any assessment installment, the County will not have any obligation with respect to these bonds other than to apply available funds in the reserve fund and the bond fund and to cause to be commenced and pursued, foreclosure proceedings with respect to the property in question. These bonds do not constitute a debt of the County, and the County is not liable thereon.
- (11) Secured by assessments against property improved; also secured by reserve funds (in some instances), the Surplus and Deficiency Fund, the General Fund and the County's general taxing power if assessment collections are insufficient. These bonds do not constitute a debt of the County, and the County is not liable thereon.

Source: Clark County Comptroller's Office.

### **Additional Contemplated Indebtedness**

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

The County currently anticipates issuing approximately \$300,000,000 of transportation bonds in 2020. These bonds would be additionally secured by supplemental governmental services taxes, development taxes, and non-resort corridor room taxes. The proceeds of such bonds would be used to fund roadway improvements throughout the Las Vegas valley.

The County also currently anticipates issuing \$85,000,000 of general obligation bonds, which would be additionally supported by sales tax imposed pursuant to NRS 543.600. The proceeds of such bonds would be used to fund certain flood control undertakings and facilities.

The County also currently anticipates issuing \$60,000,000 of highway revenue bonds to provide funds to the Regional Transportation Commission of Southern Nevada (the "RTC") to finance the costs of constructing certain major streets and highways in the County. Such bonds would not be general obligation bonds, but special obligations supported by indexed fuel tax and motor vehicle fuel tax revenues received by the RTC.

Finally, the County sells bonds and interim warrants for assessment districts from time to time, which may be additionally secured by the General Fund and taxing powers.

### **County Annual Debt Service Requirements**

The following table illustrates the debt service requirements for the County's outstanding general obligation bonds as of September 15, 2019 (after taking the issuance of the Bonds into account).

Annual General Obligation Debt Service Requirements - Clark County, Nevada

As of September 15, 2019

Fiscal Year Ended <u>June 30,</u>	Medium-Term General Obligation Bonds <sup>(1)</sup>		Self-Supporting General Obligation Bonds <sup>(2)(3)</sup>		Bond Bank Bonds <sup>(4)</sup>		<u>Grand Total</u>	2009B Bonds <sup>(5)</sup>	2010C Bonds <sup>(6)</sup>	Revised Total <sup>(7)</sup>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>				
2020	--	--	\$56,622,000	\$125,071,448	\$42,820,000	\$42,931,850	\$267,445,298	(\$3,973,394)	--	\$263,471,904
2021	--	--	75,436,000	148,117,287	44,990,000	40,752,600	309,295,887	(11,742,225)	(\$4,422,925)	293,130,737
2022	\$1,350,000	--	82,641,000	144,495,852	47,275,000	38,462,975	314,224,827	(11,659,492)	(13,759,500)	288,805,835
2023	1,350,000	--	83,530,000	140,567,037	49,705,000	36,056,350	311,208,387	(11,571,039)	(13,661,570)	285,975,778
2024	1,350,000	--	95,286,000	136,294,686	52,255,000	33,525,975	318,711,661	(11,477,878)	(13,552,520)	293,681,263
2025	1,350,000	--	91,718,000	131,672,185	54,930,000	30,865,850	310,536,035	(11,379,040)	(13,440,700)	285,716,295
2026	--	--	99,705,000	126,838,027	57,760,000	28,069,225	312,372,252	(11,269,054)	(13,314,380)	287,788,818
2027	--	--	106,305,000	121,557,233	63,030,000	25,071,100	315,963,333	(11,148,075)	(13,181,730)	291,633,528
2028	--	--	155,435,000	115,069,213	66,270,000	21,861,350	358,635,563	(11,020,881)	(13,043,700)	334,570,982
2029	--	--	118,565,000	108,349,323	69,240,000	18,772,475	314,926,798	(10,886,768)	(12,891,575)	291,148,455
2030	--	--	130,155,000	102,161,543	73,895,000	15,738,350	321,949,893	(10,749,853)	(12,731,900)	298,468,140
2031	--	--	135,255,000	95,743,238	61,455,000	12,573,175	305,026,413	(10,598,225)	(12,557,375)	281,870,813
2032	--	--	142,475,000	88,888,619	47,225,000	10,024,625	288,613,244	(10,445,356)	(12,376,225)	265,791,663
2033	--	--	150,090,000	81,651,477	35,870,000	8,122,525	275,734,002	(10,275,919)	(12,185,750)	253,272,333
2034	--	--	151,590,000	74,436,217	41,840,000	6,692,775	274,558,992	(10,104,006)	(11,984,900)	252,470,086
2035	--	--	153,280,000	67,504,236	38,785,000	5,205,525	264,774,761	(9,923,350)	(11,777,450)	243,073,961
2036	--	--	160,660,000	60,502,714	45,180,000	3,660,575	270,003,289	(9,737,681)	(11,557,175)	248,708,433
2037	--	--	168,310,000	53,204,764	46,700,000	2,139,313	270,354,077	(9,535,913)	(11,327,850)	249,490,314
2038	--	--	176,305,000	45,571,426	23,410,000	936,400	246,222,826	(9,331,775)	(11,088,075)	225,802,976
2039	--	--	184,545,000	37,663,988	--	--	222,208,988	(9,113,819)	(10,836,450)	202,258,719
2040	--	--	81,645,000	31,722,989	--	--	113,367,989	--	--	113,367,989
2041	--	--	56,190,000	28,760,018	--	--	84,950,018	--	--	84,950,018
2042	--	--	59,700,000	26,262,302	--	--	85,962,302	--	--	85,962,302
2043	--	--	63,410,000	23,594,104	--	--	87,004,104	--	--	87,004,104
2044	--	--	67,310,000	20,746,642	--	--	88,056,642	--	--	88,056,642
2045	--	--	108,810,000	16,970,776	--	--	125,780,776	--	--	125,780,776
2046	--	--	93,145,000	12,599,100	--	--	105,744,100	--	--	105,744,100
2047	--	--	99,000,000	8,338,400	--	--	107,338,400	--	--	107,338,400
2048	--	--	105,405,000	3,569,492	--	--	108,974,492	--	--	108,974,492
<b>Total</b>	<b>\$5,400,000</b>	<b>--</b>	<b>\$3,252,523,000</b>	<b>\$2,177,924,324</b>	<b>\$962,635,000</b>	<b>\$381,463,013</b>	<b>\$6,779,945,337</b>	<b>(\$205,943,743)</b>	<b>(\$229,691,750)</b>	<b>\$6,344,309,844</b>

\*\*Footnotes on following page.

- (1) The ad valorem tax rate available to pay these bonds is limited to the County's maximum operating levy and certain tax overrides. See "PROPERTY TAX INFORMATION--Property Tax Limitations."
- (2) General obligation bonds additionally supported by non-ad valorem revenues and project revenues; if revenues are not sufficient, the County is obligated to pay the difference between such revenues and debt service requirements of the respective bonds. ***Includes the Flood Control Crossover Refunding Bonds, Series 2017 and the 2017C Bonds and does not take the refunding project of the 2017 Flood Control Crossover Refunding Bonds or the refunding project of the 2017C Bonds into account.*** See "Outstanding Indebtedness and Other Obligations – Outstanding Bonds" above.
- (3) Totals include the LVCVA Bonds, Series 2019C and Series 2019D, which are currently anticipated to be issued on October 23, 2019.
- (4) General obligation bonds additionally supported by non-ad valorem revenues and project revenues; if revenues are not sufficient, the County is obligated to pay the difference between such revenues and debt service requirements of the respective bonds.
- (5) Reference is to the Flood Control BABS, Series 2009B. See "Outstanding Indebtedness and Other Obligations – Outstanding Bonds" above.
- (6) Reference is to the LVCVA BABS, Series 2010C. See "Outstanding Indebtedness and Other Obligations – Outstanding Bonds" above.
- (7) Revised total subtracts the debt service payable on the Flood Control BABS, Series 2009B, due on and after November 1, 2019, and the debt service payable on the Authority's BABS, Series 2010C, due on and after July 1, 2020. See "Outstanding Indebtedness and Other Obligations – Outstanding Bonds" above.

Source: Clark County Comptroller's Office; compiled by the Municipal Advisors.



## TAX MATTERS

### Federal Tax Matters

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 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 Tax Code imposes several requirements which must be met with respect to the Bonds in order for the interest thereon to be excluded from gross income and alternative minimum taxable income. Certain of these requirements must be met on a continuous basis throughout the term of the Bonds. These requirements include: (a) limitations as to the use of proceeds of the Bonds; (b) limitations on the extent to which proceeds of the 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 Bonds above the yield on the Bonds to be paid to the United States Treasury. The County covenants and represents in the Bond Ordinance that it will take all steps to comply with the requirements of the Tax Code to the extent necessary to maintain the exclusion of interest on the Bonds from gross income and alternative minimum taxable income under federal income tax laws in effect when the Bonds are delivered. Bond Counsel's opinion as to the exclusion of interest on the 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 County to comply with these requirements could cause the interest on the Bonds to be included in gross income, alternative minimum taxable income or both from the date of issuance. Bond Counsel's opinion also is rendered in reliance upon certifications of the County 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 Bonds. Owners of the 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 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. All of the Bonds were sold at a premium, representing a difference between the original offering price of those 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 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 Bonds. Owners of the 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 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 Bonds, the exclusion of interest on the Bonds from gross income or alternative minimum taxable income or both from the date of issuance of the 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 Bonds. Owners of the 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 Bonds. If an audit is commenced, the market value of the Bonds may be adversely affected. Under current audit procedures the Service will treat the County as the taxpayer and the Bond owners may have no right to participate in such procedures. The County has covenanted in the Bond Ordinance not to take any action that would cause the interest on the 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 County, the Municipal Advisors, the Underwriters, Bond Counsel or Special Counsel is responsible for paying or reimbursing any Bondholder with respect to any audit or litigation costs relating to the Bonds.

### **State Tax Exemption**

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.

## **LEGAL MATTERS**

### **Litigation**

Based on its review and search of the court dockets for the Eighth Judicial District Court for the State, Clark County, and the United States District Court of Nevada, the District Attorney’s office is of the opinion that no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, is pending against the County or, to their knowledge, threatened against the County, seeking to (i) restrain or enjoin the issuance, sale, execution or delivery of the Bonds or (ii) in any way contest or affect the validity of the Bonds or any proceedings of the County taken with respect to the issuance or

sale thereof or the pledge, collection or application of any moneys or security provided for the payment of the Bonds, or the corporate existence or the powers of the County.

The County was served with a lawsuit, *U.S. Department of Justice v. Nevada Links and Clark County*, 2:17-cv-02303-MMD-PAL, filed by the United States Department of Justice regarding a modification to a 1999 lease that the County entered into involving land that is subject to the Southern Nevada Public Lands Management Act. The complaint alleges that a 2011 amendment impermissibly changed the rent structure in violation of the County's duty to obtain fair market value for the land. While the initial demand requests the present value of future rent, in the event of an adverse ruling, the County would likely be subject to back rent of approximately \$12 million. Alternatively, the complaint seeks rescission of the amendment, which would relieve the County of the back rent obligation. The County has no objection to rescission but is vigorously defending the claims for back rent. At this time, the County is unable to predict the outcome of the dispute. The current tenant, Nevada Links, is also a defendant in the litigation and may share responsibility for back payments. Nevada Links submitted an Expert Appraisal Report from Tio S. DiFederico indicating that the market value of the County's leased fee interest as of September 6, 2011 was \$900,000. As of June, 2019, all parties have filed dispositive motions but hearing dates have not yet been set for these motions. A hearing on Defendants' Joint Motion to Compel Production of an Appraisal Report was rescheduled to September 3, 2019. The Court issued a Minute Order ordering the joint pretrial order due 30 days after the Court issues its ruling on dispositive motions. The date the Court will issue its ruling is unknown. Settlement negotiations are continuing.

On September 15, 2015 Clark County awarded Bid No 603740-15 to Ames Construction, Inc. in the amount of \$20,440,260 for the construction of flood control improvements within the Las Vegas Wash from Nellis Boulevard to Stewart Avenue. Ames Construction is seeking a claim against Clark County for approximately \$16,429,332 for alleged damages it incurred during the construction of the project. On February 16, 2018, Ames Construction filed a complaint in federal court under the case name *Ames Construction v Clark County*, 2:18-cv-00299-JCM-GWF alleging various causes of action, including breach of contract, defective specifications, superior knowledge and cardinal change. Clark County's position is that the claims lack merit as any damages sustained resulted from Ames own acts, unsuitable weather or acts of God, and are the responsibility of the Ames Construction pursuant to contract clauses allocating risk to the contractor. The County is vigorously disputing the allegations. Outside counsel is handling the litigation on behalf of the County.

### **Sovereign Immunity**

Pursuant to State statute (NRS 41.035), an award for damages in an action sounding in tort against the County may not include any amount as exemplary or punitive damages and is limited to \$100,000 per cause of action. The \$100,000 limitation shall prospectively increase to \$150,000 for causes of actions that accrue on or after July 1, 2020, but before July 1, 2022, and shall prospectively increase to \$200,000 for causes of actions that accrue after July 1, 2022. 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, or to actions in other states.

## **Approval of Certain Legal Proceedings**

The approving opinions of Sherman & Howard L.L.C., as Bond Counsel, will be delivered with the Bonds. The form of the Bond Counsel opinion for the Bonds is attached to this Official Statement as APPENDIX E. Each opinion will include a statement that the obligations of the County 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 County in connection with this Official Statement.

## **Police Power**

The obligations of the County 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).

## **RATINGS**

Moody's Investors Service, Inc. ("Moody's") and S&P Global Ratings ("S&P") have assigned the respective ratings to the Bonds shown on the cover page of this Official Statement. There is no assurance that such ratings will continue for any given period of time after they are received or that they will not be lowered or withdrawn entirely if, in the judgment of the rating agencies, circumstances so warrant. Other than the County's obligations under the Disclosure Certificate, the County has not undertaken any responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of such ratings or to oppose any such proposed revision. Any such change in or withdrawal of the ratings could have an adverse effect on the market price of the Bonds.

## **INDEPENDENT AUDITORS**

The County's audited basic financial statements as of and for the year ended June 30, 2018, and the report rendered thereon by Eide Bailly LLP, independent certified public accountants, Las Vegas, Nevada, have been included in this Official Statement as APPENDIX A.

The audited basic financial statements of the County, 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 basic financial statements in this Official Statement. Since the date of its report, Eide Bailly LLP has not been engaged to perform any procedures on the basic financial statements addressed in its report, nor has Eide Bailly LLP performed any procedures relating to this Official Statement.

## **MUNICIPAL ADVISORS**

The Municipal Advisors have not audited, authenticated or otherwise verified the information set forth in the Official Statement, or any other related information available to the County, with respect to the accuracy and completeness of disclosure of such information, and no

guaranty, warranty or other representation is made by the Municipal Advisors respecting accuracy and completeness of the Official Statement or any other matter related to the Official Statement.

### **UNDERWRITING**

The County sold the Bonds at a public sale on October 8, 2019 to BofA Securities, Inc. (the “Initial Purchaser”) at a purchase price of \$93,279,262.00 (consisting of the par amount of \$80,000,000.00 plus original issue premium of \$13,644,692.00, less underwriting discount of \$365,430.00).

### **OFFICIAL STATEMENT CERTIFICATION**

The undersigned official of the County 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 Bonds have been duly authorized by the Board.

CLARK COUNTY, NEVADA

By: /s/ Jessica Colvin  
Jessica Colvin, Chief Financial Officer

## **APPENDIX A**

### **AUDITED BASIC FINANCIAL STATEMENTS OF THE COUNTY AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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



## Independent Auditor's Report

To the Honorable Board of County Commissioners  
and the County Manager  
Clark County, Nevada

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Clark County, Nevada, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County'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 did not audit the financial statements of the following:

- The financial statements of University Medical Center of Southern Nevada and Clark County Water Reclamation District, which are major funds and which, when combined, represent 33 percent of the assets, 50 percent of net position, and 51 percent of the revenues of the business-type activities;
- The financial statements of Las Vegas Valley Water District, Big Bend Water District, and Regional Transportation Commission of Southern Nevada which are discretely presented component units and which, when combined, represent 81 percent, 110 percent, and 74 percent, respectively, of the assets, net position, and revenues of the discretely presented component units.

Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for the above-mentioned funds and entities is based solely on the reports of the other auditors. 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, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows, thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Adoption of New Accounting Standard**

As discussed in Note I to the financial statements, the County 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. 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, budgetary comparison schedules for the general fund and major special revenue fund, and schedules of OPEB and pension contributions, changes in OPEB and pension liabilities, and related ratios on pages 5 through 15 and 146 through 176 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 and other auditors have applied certain limited procedures to the management's discussion and analysis and pension and OPEB trend data, 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.

The budgetary comparison information, reconciliations, and related notes are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of other auditors, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Clark County, Nevada's basic financial statements. The introductory section, combining and individual fund statements and schedules, schedule of business license fees, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and schedule of business license fees are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of other auditors, the combining and individual fund financial statements and schedules and schedule of business license fees are fairly stated in all material respects in relation to the basic financial statements taken 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 Clark County, Nevada as of and for the year ended June 30, 2017, were audited by Eide Bailly LLP, whose report dated February 5, 2018, expressed unmodified audit opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information.

The 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. 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. The 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 our report dated January 25, 2019 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and 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 County'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 County's internal control over financial reporting and compliance.

*Eide Bailly LLP*

Las Vegas, Nevada  
January 25, 2019

Clark County, Nevada

Management's Discussion and Analysis  
June 30, 2018

The discussion and analysis of Clark County, Nevada (the County) is designed to, (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the County's financial activities, (c) identify changes in the County's financial position (its ability to address subsequent years' challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

We encourage readers to read this information in conjunction with the transmittal letter, financial statements and accompanying notes to gain a more complete picture of the information presented.

Financial Highlights - Primary Government

- The independent auditor's report offers an unmodified opinion that the County's financial statements are presented fairly in all material respects.
- Government-wide net position totaled \$8,592,646,275. Net position of governmental activities totaled \$5,772,132,697 and those of business-type activities totaled \$2,820,513,578.
- The County's total net position increased by \$ 243,462,758 before the impact of prior period adjustments. Net position from governmental activities increased by \$112,717,874 and net position from business-type activities increased by \$130,744,884 before the impact of prior period adjustments. Net position from governmental activities increased mainly because of increased general revenues and decreased losses on disposal of capital assets related to annexations. Net position from business-type activities increased largely due to UMC, Clark County Water Reclamation, and Department of Aviation surpluses. In addition, beginning governmental and business-type activities net positions were reduced by \$272,874,520 and \$143,264,801, respectively, primarily due to the implementation of GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The implementation of GASB 75 resulted in a decrease of net position from governmental activities at July 1, 2017 of \$262,865,858 to restate the net OPEB liability and recognize deferred outflows of resources. Additionally, governmental activities net position was decreased by \$10,008,662 to restate the receivable balance from the City of Las Vegas for their funding share of the Las Vegas Metropolitan Police Department's net OPEB liability at July 1, 2017. The implementation of GASB 75 resulted in a decrease of net position from business-type activities at July 1, 2017 of \$145,847,832 to restate the net OPEB liability and recognize deferred outflows of resources. Additionally, business-type activities net position was increased by \$2,583,031 due to the identification of unrecorded Clark County Water Reclamation District accounts receivable, donated capital assets, and impaired capital assets. The County's total net position decreased \$416,139,321 including the impact of prior period adjustments.
- Unrestricted net position was (\$878,698,799), with (\$880,767,370) resulting from governmental activities and \$2,068,571 from business-type activities. Unrestricted net position from governmental activities decreased by 38 percent from the prior year, and unrestricted net position from business-type activities decreased by 94 percent from the prior year.
- Net capital assets were \$12,973,135,204 of which \$6,390,283,332 was from governmental activities and \$6,582,851,872 was from business-type activities. Major additions for governmental activities during the year included \$140 million toward beltways, roadways, and streets, \$54 million toward flood control projects. Major additions for business-type activities during the year included \$48 million in Department of Aviation capital expenditures, the eighth largest airport in the United States, and \$331 million in sewer system and related equipment additions. Depreciation expense attributable to assets of governmental activities amounted to \$299,484,336 for the year, and \$312,703,173 for business-type activities.
- Bonds and loans payable totaled \$6,181,859,733. The following new debt was issued during the fiscal year:

Governmental activities:

General obligation bonds

\$66,240,000 in bonds for Special Improvement Districts

- On July 11, 2017, the County issued \$12,130,000 in Special Improvement District No. 158 (Las Vegas Boulevard -St. Rose Parkway to Pyle Avenue) Local Improvement Bonds with an interest rate of 5 percent. The bond proceed totaled \$14,523,860. The proceeds are being used to: (i) finance the cost of certain local improvements; (ii) fund a debt service reserve fund for the Bonds; and (iii) pay the costs of issuing the Bonds. Principal is paid annually beginning August 1, 2018 and interest is paid semiannually on August 1 and February 1. The bonds mature on August 1, 2037.
- On August 24, 2017, the County issued \$54,110,000 Special Improvement District No. 112 (Flamingo Underground) Local Improvement Refunding Bonds Series 2017 to refund all the outstanding \$56,495,000 Special Improvement District No. 112 (Flamingo Underground) Local Improvement Bonds, Series 2008, fund the Reserve Fund, and to pay certain costs of issuance thereof. The series 2017 bonds have stated interest ranging from 2.00 to 4.00 percent, with principal paid annually August 1 and February 1, and a maturity date of August 1, 2037. On August 24, 2017, the County created an escrow account (\$56,671,232) in an amount sufficient to pay the principal of and accrued interest on the Refunded Bonds on August 25, 2017. This transaction resulted in the defeasance of the 2008 issue and the related liability has been removed from the financial statements of the County. The refunding resulted in a gain of \$350,352, which represents the difference between the defeased bonds and the amount placed in escrow. The refunding also resulted in future cash flow savings of \$13,329,228 and an economic gain (difference between the present value of the old and new debt service payments) of \$10,221,169.

Business-type activities:

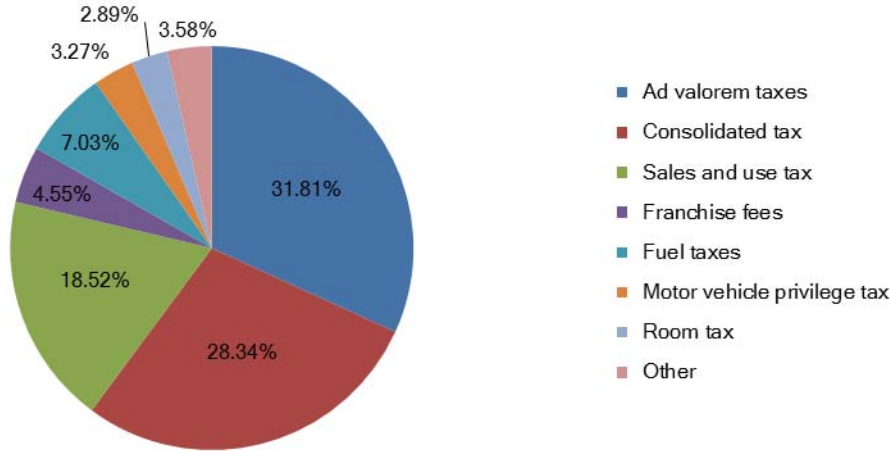
Revenue bonds

\$188,010,000 in bonds for the Department of Aviation

- On December 6, 2017, the County issued the Series 2017D Airport System Subordinate Lien Refunding Revenue Bonds (Series 2017D Bonds) for \$92,465,000 to mature on July 1, 2022. The Series 2017D is issued in accordance with the Indenture between Clark County and The Bank of New York Mellon Trust Company, N.A. The Series 2017D Bonds was issued to refund Series 2011B-2 Bonds and then Banc of America Preferred Funding Corporation has agreed to purchase the bonds pursuant to the terms and provisions of a floating rate Direct Purchase Agreement. Interest payments are due on the first business day of each month and scheduled principal payments are due on July 1 of each year. The Indenture and Direct Purchase Agreement contain a provision that in an event of default, outstanding amounts become immediately due if the County is unable to make payment.
- On June 29, 2018, the County issued the Series 2018A Junior Subordinate Lien Revenue Notes (Series 2018A Note) for \$95.5 million. The net proceeds of \$103.4 million, along with a \$2.5 million contribution from the Series 2014B Notes sinking fund, were used to refund the outstanding principal and interest on the Series 2014B Notes. The Series 2018A Notes have a fixed interest rate of 5.00% and a yield of 1.98%. Interest payments are due on January 1 and July 1 of each year, and scheduled principal payments are due on July 1 of each year until the scheduled maturity on July 1, 2021. The present value over the three-year life of the aggregate debt service payments for the Series 2018A Notes is \$103.9 million. There is no aggregate debt to service on the refunding transaction between the refunding notes and the refunded notes due to the fact that the Series 2014B Notes matured on July 1, 2018. As of June 30, 2018, the aggregate debt service balance of defeased bonds in escrow was \$105.9 million

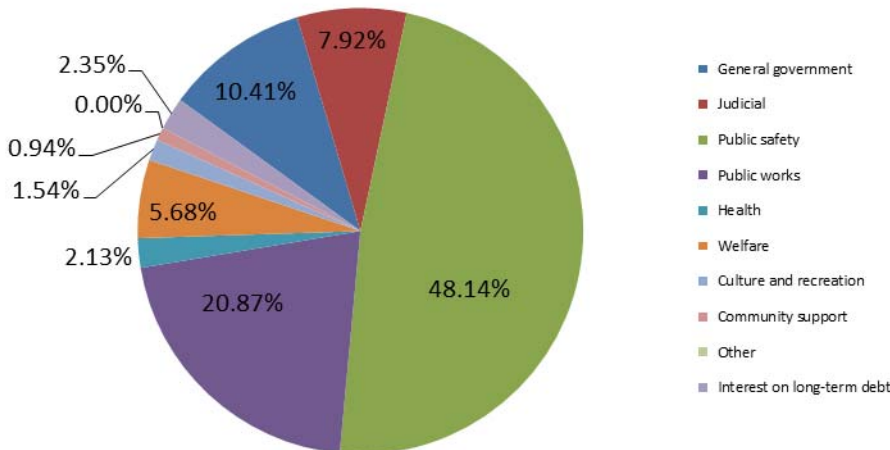
- The County's primary general revenue sources for governmental activities were ad valorem taxes in the amount of \$653,736,333, consolidated taxes in the amount of \$582,444,785, and sales and use taxes of \$380,470,034. These three revenue sources comprised 32 percent, 28 percent, and 19 percent, respectively, or 79 percent of total governmental activities general revenues.

**General Revenues - Governmental Activities:**



- The County's total expenses were \$4,427,550,423. Governmental activities comprised \$2,893,392,154 of total expenses, the largest functional expenses being public safety in the amount of \$1,393,176,958 and public works in the amount of \$604,077,714. Business-type activities accounted for \$1,534,158,269 of total expenses, the largest components being for hospital expense in the amount of \$672,683,257 and airport in the amount of \$608,661,056.

**Expenses - Governmental Activities:**



- General government expenses totaled \$301,208,753 or 5% more than the prior year.
- Public safety expenses totaled \$1,393,176,958 or 6% more than the prior year.
- Public works expenses totaled \$604,077,714 or 16% less than the prior year due to a decrease in the loss on disposal of capital assets related to annexations.
- Health expenses totaled \$61,716,234 or 7% less than the prior year.
- Welfare expenses totaled \$164,305,864 or 10% more than the prior year due to increase in IGT and uncompensated care payments.

- At the end of the fiscal year, the unassigned fund balance for the General Fund was \$227,543,963 or 12% of total General Fund expenditures and transfers out.

#### Overview of the Financial Statements

- This discussion and analysis is intended to serve as an introduction to the County's basic financial statements which are composed of government-wide financial statements, fund financial statements, and accompanying notes. This report also contains required supplementary information in addition to the basic financial statements.

#### Government-Wide Financial Statements

- o The government-wide financial statements are designed to provide readers with a broad overview of the County's finances in a manner similar to a private-sector business.
- o The statement of net position presents information on all of the County's assets, deferred outflows, liabilities, and deferred inflows. The difference between assets and deferred outflows less liabilities and deferred inflows is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.
- o The statement of activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation and sick leave).
- o The government-wide financial statements report three types of activities: governmental activities, business-type activities, and discretely presented component units. The government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, judicial, public safety, public works, health, welfare, culture and recreation, community support, other, and interest on long-term debt. The business-type activities of the County include operations of its hospital, airports, and sewer utilities, and other operations. Discretely presented component units account for functions of legally separate entities for whom the County is financially accountable or whose governing bodies are not substantially the same as the County. The activities of the discretely presented component units include regional transportation, flood control planning and water districts. Complete financial statements of the individual component units can be obtained from their respective administrative offices. Contact information is included in The Reporting Entity section of Note I, Summary of Significant Accounting Policies.
- o The government-wide financial statements include not only the governmental and business-type activities of the County itself (known as the primary government), but also those of the legally separate entities for whom the County is financial accountable and whose governing bodies are substantially the same as the County: University Medical Center (UMC) and the Clark County Water Reclamation District. The Board of County Commissioners acts as the governing board for each of these component units whose activities are blended with those of the primary government because they function as part of the County government. Complete financial statements of the individual component units can be obtained from their respective administrative offices. Contact information is included in The Reporting Entity section of Note I, Summary of Significant Accounting Policies.

#### Fund Financial Statements

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

#### ***Governmental Funds***

- Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financial requirements.
- Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.
- The County maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Las Vegas Metropolitan Police Department fund, both of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds are provided in the combining and individual fund statements and schedules. In accordance with

Governmental Accounting Standards Board (GASB) Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions* certain special revenue funds have been included in the General Fund for financial reporting purposes as shown in the Major Governmental Funds section. These funds are not included for budgetary comparison purposes described below.

- The County adopts an annual appropriated budget for each of its governmental funds. A budgetary comparison statement is provided for each of the County's governmental funds to demonstrate compliance with the budget. The budgetary comparison statements for the major governmental funds are presented as required supplementary information; the budgetary comparison statements for all other governmental funds are included in the fund financial schedules and accompanying supplementary information.

#### ***Proprietary Funds***

- The County maintains two distinct types of proprietary funds.
  - ◆ Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its hospital, airport, sewer, and other activities.
  - ◆ Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The County uses internal service funds to account for the following activities:
    - \* Construction management
    - \* Fleet maintenance
    - \* Investment pool operations
    - \* Employee benefits
    - \* Central printing and mailing
    - \* Information systems development
    - \* Self-insurance activities, including:
      - + Liability insurance
      - + Workers' compensation
      - + Group insurance
      - + Other post-employment benefits (fund closed 6/30/17)
- Proprietary funds provide the same type of information as the government-wide financial statements, but with more detail. The proprietary fund financial statements provide separate information for UMC, and Clark County Water Reclamation District, each of which is a blended component unit and reported as a major fund within the fund financial statements. In addition, separate information is provided for an additional major fund, the Department of Aviation. Conversely, the internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the combining and individual fund statements and schedules.

#### ***Fiduciary Funds***

- The County's fiduciary funds consist of two (2) employee benefit funds, one (1) pension fund, one (1) investment trust fund, and 39 agency funds. The employee benefit funds are the Medical Insurance Premium Retirement Plan and the County Section 125 Plan. The pension fund is the Las Vegas Valley Water District Pension Plan. The investment trust funds is to account for the net position of the County's external investment pool. The agency funds are used to hold monies for other entities or individuals until disposition.

#### ***Notes to Financial Statements***

- The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information**

- In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Las Vegas Valley Water District’s progress in funding its obligation to provide pension benefits to its employees. It also includes a schedule of budgetary comparisons for the following major governmental funds:
  - ♦ General Fund
  - ♦ Las Vegas Metropolitan Police Department Special Revenue Fund
- The combining statements and individual fund budgetary schedules are presented immediately following the required supplementary information.
- Unaudited statistical information is provided on a ten-year basis for trend and historical analysis.

**Government-Wide Financial Analysis**

- Net position of the County as of June 30, 2018, and June 30, 2017, are summarized and analyzed below:

Clark County, Nevada Net Position - Primary Government

	Governmental Activities		Business -type Activities		Total	
	2018	2017	2018	2017	2018	2017
<b>Assets</b>						
Current and other assets	\$ 4,278,276,344	\$ 4,280,870,493	\$ 2,274,794,623	\$ 2,073,611,244	\$ 6,553,070,967	\$ 6,354,481,737
Net capital assets	6,390,283,332	6,370,277,894	6,582,851,872	6,723,714,241	12,973,135,204	13,093,992,135
Total assets	<u>10,668,559,676</u>	<u>10,651,148,387</u>	<u>8,857,646,495</u>	<u>8,797,325,485</u>	<u>19,526,206,171</u>	<u>19,448,473,872</u>
Deferred outflows	366,520,958	390,966,892	228,289,313	246,000,117	594,810,271	636,967,009
<b>Liabilities</b>						
Long-term liabilities	4,348,287,686	4,247,993,071	5,607,209,182	5,662,473,755	9,955,496,868	9,910,466,826
Other liabilities	653,981,142	672,491,593	516,842,703	458,071,281	1,170,823,845	1,130,562,874
Total liabilities	<u>5,002,268,828</u>	<u>4,920,484,664</u>	<u>6,124,051,885</u>	<u>6,120,545,036</u>	<u>11,126,320,713</u>	<u>11,041,029,700</u>
Deferred Inflows	260,679,109	189,341,272	141,370,345	89,747,071	402,049,454	279,088,343
<b>Net Position</b>						
Net investment in capital assets	5,746,137,281	5,702,560,978	2,360,701,467	2,415,916,940	8,106,838,748	8,118,477,918
Restricted	906,762,786	866,516,055	457,743,540	384,560,231	1,364,506,326	1,251,076,286
Unrestricted	(880,767,370)	(636,787,690)	2,068,571	32,556,324	(878,698,799)	(604,231,366)
Total net position	<u>\$ 5,772,132,697</u>	<u>\$ 5,932,289,343</u>	<u>\$ 2,820,513,578</u>	<u>\$ 2,833,033,495</u>	<u>\$ 8,592,646,275</u>	<u>\$ 8,765,322,838</u>

- As noted earlier, net position may serve over time as a useful indicator of the County’s financial position. Assets and deferred outflows exceeded liabilities and deferred inflows by \$8,592,646,275 as of June 30, 2018 and by \$8,765,322,838 as of June 30, 2017, a net decrease of \$172,676,563 or 2%.
- 94% of the County’s net position reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment, etc.); less any related debt outstanding used to acquire those assets (unspent proceeds from long-term debt issues). The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate the debt.
- 16% of the County’s net position is restricted due to resources that are subject to external restrictions on how they may be used. Of restricted net position, 32% is for construction of capital assets, 32% is for repayment of long-term debt, 15% is for public safety, 6% is restricted for Airport Passenger Facility Charges, and the remaining balance is restricted for the County’s special revenue funds or other purposes.
- The remaining portion of the County’s net position is unrestricted, but is negative at (\$878,698,799) due to the recognition of the long-term net pension liability and net OPEB liability.
- At June 30, 2018, the County had positive balances in all three categories of net position for business type activities, but unrestricted net position for the government as a whole, as well as for governmental activities is negative.



**Clark County, Nevada Changes in Net Position - Primary Government**

	Governmental Activities		Business -type Activities		Total	
	2018	2017	2018	2017	2018	2017
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 450,885,512	\$ 438,366,707	\$ 1,515,722,135	\$ 1,483,607,147	\$ 1,966,607,647	\$ 1,921,973,854
Operating grants and contributions	415,133,744	371,232,362	-	19,080	415,133,744	371,251,442
Capital grants and contributions	129,027,166	199,674,371	70,480,034	112,628,538	199,507,200	312,302,909
General revenues						
Ad valorem taxes	653,736,333	622,066,256	-	-	653,736,333	622,066,256
Consolidated tax	582,444,785	553,377,199	-	-	582,444,785	553,377,199
Sales and use tax	380,470,034	334,726,553	19,623,239	18,544,504	400,093,273	353,271,057
Franchise fees	93,461,490	95,436,976	-	-	93,461,490	95,436,976
Fuel taxes	144,492,230	136,480,612	-	-	144,492,230	136,480,612
Motor vehicle privilege tax	67,255,798	62,688,330	-	-	67,255,798	62,688,330
Room tax	59,460,118	58,981,471	-	-	59,460,118	58,981,471
Other	62,361,734	34,296,296	-	-	62,361,734	34,296,296
Gain on sale or disposition of assets	3,841,676	2,191,234	1,054,707	12,620	4,896,383	2,203,854
Interest income (loss)	7,331,882	1,064,089	14,230,564	30,900,506	21,562,446	31,964,595
<b>Total revenues</b>	<b>3,049,902,502</b>	<b>2,910,582,456</b>	<b>1,621,110,679</b>	<b>1,645,712,395</b>	<b>4,671,013,181</b>	<b>4,556,294,851</b>
<b>Expenses</b>						
General government	301,208,753	288,059,649	-	-	301,208,753	288,059,649
Judicial	229,206,684	226,100,942	-	-	229,206,684	226,100,942
Public safety	1,393,176,958	1,316,604,127	-	-	1,393,176,958	1,316,604,127
Public works	604,077,714	722,278,543	-	-	604,077,714	722,278,543
Health	61,716,234	66,601,476	-	-	61,716,234	66,601,476
Welfare	164,305,861	148,900,680	-	-	164,305,861	148,900,680
Culture and recreation	44,564,185	50,761,817	-	-	44,564,185	50,761,817
Community support	27,124,465	26,635,103	-	-	27,124,465	26,635,103
Other	-	-	-	-	-	-
Interest on long-term debt	68,011,300	79,454,714	-	-	68,011,300	79,454,714
Hospital	-	-	672,683,257	631,223,871	672,683,257	631,223,871
Airport	-	-	608,661,056	628,926,285	608,661,056	628,926,285
Sewer	-	-	203,967,829	189,048,443	203,967,829	189,048,443
Other	-	-	48,846,127	42,295,287	48,846,127	42,295,287
<b>Total expenses</b>	<b>2,893,392,154</b>	<b>2,925,397,051</b>	<b>1,534,158,269</b>	<b>1,491,493,886</b>	<b>4,427,550,423</b>	<b>4,416,890,937</b>
Increase (decrease) in net position before transfers	156,540,348	(14,814,595)	86,952,410	154,218,509	243,462,758	139,403,914
Transfers	(43,792,474)	(44,996,352)	43,792,474	44,996,352	-	-
<b>Increase (decrease) in net position</b>	<b>112,717,874</b>	<b>(59,810,947)</b>	<b>130,744,884</b>	<b>199,214,861</b>	<b>243,462,758</b>	<b>139,403,914</b>
Net position - beginning	5,932,289,343	6,151,627,021	2,833,033,495	2,692,924,299	8,765,322,838	8,844,551,320
Prior period adjustment	(272,874,520)	(159,526,731)	(143,264,801)	(59,105,665)	(416,139,321)	(218,632,396)
<b>Net position - beginning, restated</b>	<b>5,659,414,823</b>	<b>5,992,100,290</b>	<b>2,689,768,694</b>	<b>2,633,818,634</b>	<b>8,349,183,517</b>	<b>8,625,918,924</b>
<b>Net position - ending</b>	<b>\$ 5,772,132,697</b>	<b>\$ 5,932,289,343</b>	<b>\$ 2,820,513,578</b>	<b>\$ 2,833,033,495</b>	<b>\$ 8,592,646,275</b>	<b>\$ 8,765,322,838</b>

- Program revenues included charges for services, fines and forfeitures, certain licenses and permits, special assessments, and both operating and capital grants and contributions. Program revenues from governmental activities decreased by \$14,227,018, or 1 percent, due to a decrease in capital grants and contributions for road, flood and other infrastructure projects. Program revenues from business-type activities decreased by \$10,052,596, or 1 percent, primarily due to decreases in airport capital grants and contributions from the TSA, the prior year revenue included a non-recurring grant for the reconfiguration of the checked baggage system in Terminal 1.
- General revenues consisted of taxes and interest not allocable to specific programs. For governmental activities, the largest of these revenues, ad valorem taxes, increased by \$31,670,077 or 5 percent. This increase reflects the recovery of assessed values during the fiscal year. Consolidated tax increased by \$29,067,586, or 5 percent, and sales and use tax increased in governmental activities by \$45,743,481, or 14 percent, both due to a continued increased in economic activity during fiscal year 2018. Fuel tax revenue increased \$8,011,618 or 6 percent primarily due to the increase in fuel index revenue in fiscal year 2018. Interest income decreased \$10,402,149 or 33% primarily due to an increase in unrealized losses on investments.

- County governmental activity expenses decreased by 1% in fiscal year 2018. Significant changes from the prior year are as follows:
  - General government expenses increased by \$ 13,149,104 or 5 percent due to increases in postemployment benefit costs.
  - Public Safety expenses increased \$76,572,831 or 6 percent due to increases in salaries and benefits for the hiring of additional police officers and staff.
  - Public works expenses decreased \$118,200,829 or 16% due to a decrease in loss on disposal of capital assets from annexations of land and infrastructure to other jurisdictions.
  - Welfare expenses increased \$15,405,181 or 10 percent due to a reclassification of expenses from health to welfare and increases in Upper Payment Limit IGT and uncompensated care costs.

Financial Analysis of the County's Funds

- The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

***Governmental Funds***

- The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements.
- As of the end of the current fiscal year, the County's governmental funds reported a combined ending fund balance of \$2,174,477,086, an increase of \$89,294,675, or 4 percent. Fund balance components have been classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the County is bound to observe constraints imposed on the use of the resources of fund.
- Nonspendable fund balance is \$354,359 and consists of \$323,846 of inventory for Las Vegas Metropolitan Police Department, \$629 of prepaid expenses for the County Grant Fund and \$29,884 of inventory for the Forensic Fund.
- Restricted fund balance is \$906,762,786 or 42% of the total. Spending of these resources is constrained by externally imposed (statutory, bond covenant, or grantors) limitations on their use. Restricted fund balances include \$346,752,147 for capital projects, \$204,906,975 for public safety activities and \$156,771,703 for debt service.
- Committed and assigned fund balances combined represent 48% of total fund balance with spending constrained either by the Board of County Commissioners (BCC) (for committed) or senior management (for assigned). Committed balances are primarily a result of direction from the BCC to commit funds for the payment of expenditures for specific programs or projects.
- Unassigned fund balance represents the General Fund remaining fund balance and is available to support general operations of the County.
- The General Fund is the main operating fund of the County. Restricted fund balance of \$96,049,583 includes restricted cash and unspent proceeds from legislatively mandated ad valorem taxes. Unrestricted fund balance, which includes committed, assigned, and unassigned balances, totaled \$408,019,609 at June 30, 2018. Unrestricted fund balance was 22% of expenditures and other financing uses and includes amounts committed and assigned of \$6,332,539 and \$174,143,107 respectively. Unassigned fund balance is \$227,543,963, or 12% of expenditures and other financing uses.
- Key factors in the change in fund balance in the General Fund as reported for budget purposes are as follows:
  - Revenues and transfers-in increased by \$61,861,450, or 5 percent.
 

General fund revenues increased by \$52,854,982, or 5 percent. Ad valorem tax revenues increased by \$14,896,547, or 5 percent due to increases in new construction and property assessed values. Intergovernmental revenue, the largest component of which is the consolidated tax, increased by \$20,337,379, or 5 percent, due to the increased economic activity in the local economy.

Transfers-in increased by \$9,006,468, or 3 percent, primarily due to increases in transfers from the various town funds for town services.
  - Expenditures and transfers out increased by \$34,297,815, or 3 percent.
 

General fund expenditures increased by \$25,298,612 or 4 percent primarily due to increases in Welfare and Other General expenditures. Transfers out increased by \$8,999,203, or 2 percent.
- Other major fund activity is as follows:
  - The Las Vegas Metropolitan Police Department operates from current year resources and it typically budgets for a lower fund balance than other governmental units. However, it ended the year with a total unrestricted fund balance of \$11,930,997. Total

revenues and transfers in were \$575,828,890, which was an increase of \$24,170,208 or 4 percent, over the prior year. Expenditures and transfers out, which consist primarily of personnel costs, increased \$18,174,842 or 3 percent largely due to the addition of 114 full-time positions and an aggressive hiring plan to fill vacant Police Officer positions.

- The non-major governmental funds reported a fund balance of \$1,658,153,051 of which \$810,713,203 or 49% was restricted. All funds have the resources to meet their commitments.

#### ***Enterprise Funds***

- The County's enterprise funds provide the same type of information found in the government-wide financial statements, but in more detail. Minor differences arise between the enterprise funds and the business-type activities in the government-wide statements due to the effects of consolidation of internal service fund activities related to the enterprise funds. Total net position for these funds decreased 23,102,207 or 1% percent from the prior year. Unrestricted net position of the enterprise funds totaled \$2,322,153, a decrease of \$41,070,043 or 95% primarily due to the prior period adjustment related to the implementation of GASB No. 75.

#### ***Internal Service Funds***

- The County's internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. Other factors concerning the finances of the internal service funds have already been addressed in the discussion of the County's governmental activities.

#### **Budgetary Highlights**

- The General Fund's legal level of budgetary control is the function level. The final amended budget for expenditures and other financing uses was \$1,382,267,659, increased through augmentation by \$53,818,161 from the original budget. Actual expenditures and other financing uses were \$1,340,052,861, or 3 percent less than the final budget, primarily due to staff vacancy savings, and the reduction of intergovernmental transfers.
- Revenues and other transfers from other financing sources of the general fund exceeded the final budget by \$52,450,234, or 4 percent due to an increase in consolidated tax revenue, business licenses, and charges for services.

Capital Assets and Debt Administration

Primary Government

• Capital Assets

- o The County's investment in capital assets, net of accumulated depreciation at June 30, 2018, was \$12,973,135,204, a decrease of \$120,856,931, or 1 percent. Detail by type of activity and asset is summarized in the table below.

Major additions for this fiscal year are as follows:

<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
Roadways and streets	\$ 79 million	Airport improvements and additions	\$ 48 million
Flood control projects	\$ 54 million	Sewer system additions	\$ 331 million

Clark County, Nevada Capital Assets - Primary Government  
(Net of Depreciation)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Land and improvements	\$ 1,579,489,724	\$ 1,581,641,174	\$ 2,733,179,719	\$ 2,696,866,883	\$ 4,312,669,443	\$ 4,278,508,057
Buildings	1,283,450,285	1,153,372,506	3,278,840,652	3,239,559,311	4,562,290,937	4,392,931,817
Machinery and equipment	115,448,326	107,326,648	433,937,274	432,093,418	549,385,600	539,420,066
Infrastructure	3,163,973,716	3,159,522,116	-	-	3,163,973,716	3,159,522,116
Construction in progress	247,921,281	368,415,450	136,894,227	357,424,051	384,815,508	725,839,501
Total	\$ 6,390,283,332	\$ 6,370,277,894	\$ 6,582,851,872	\$ 6,725,943,663	\$ 12,973,135,204	\$ 13,096,221,557

- o For additional information on the County's capital assets see note 4 in the accompanying financial statements.

Long-Term Debt

Primary Government

- At June 30, 2018, the County had total outstanding bonds and loans of \$6,181,859,733, a decrease of \$221,004,482, or 3 percent, from the prior year. Of this amount, \$1,353,253,855 comprised general obligation debt backed by the full faith and credit of the County, \$606,436,472 of general obligation bonds additionally secured by specified revenue sources, \$3,886,661,351 of revenue bonds secured by pledges of various revenue sources, \$149,567,590 in special assessment debt for which the County is liable in the event of default by the property owners subject to assessment, and \$185,940,465 in capital leases.

Clark County, Nevada Outstanding Debt - Primary Government

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
General obligation bonds	\$ 1,353,253,855	\$ 1,436,379,313	\$ -	\$ -	\$ 1,353,253,855	\$ 1,436,379,313
Revenue backed general obligation bonds	-	-	606,436,472	626,149,989	606,436,472	626,149,989
Revenue bonds	10,000	10,000	3,886,651,351	4,000,474,993	3,886,661,351	4,000,484,993
Special assessment bonds	149,567,590	153,467,887	-	-	149,567,590	153,467,887
Capital leases	185,940,465	186,382,033	-	-	185,940,465	186,382,033
Total	\$ 1,688,771,910	\$ 1,776,239,233	\$ 4,493,087,823	\$ 4,626,624,982	\$ 6,181,859,733	\$ 6,402,864,215

- o For additional information on the County's debt, see note 6 in the accompanying financial statements.

#### Economic Factors

- UMC continues to deal with the impact of uninsured patients. UMC's operating profit was \$15,939,581 for the fiscal year 2017 compared to an operating loss of \$21,082,790 in fiscal year 2018. The operating loss is due primarily to increases in operating expenses. Salaries and benefits increased due to an increase in the number of FTEs and OPEB expense.
- The County has positioned itself to meet the needs of its citizens. The taxable values have begun to increase and the remaining tax base will generate adequate revenues to provide basic services. A cost containment program continues to be in place, enforcing a reasonable pace of salary growth and position savings. The County's general fund unassigned ending fund balance remains healthy. Together, these factors have placed the County in an acceptable financial position to mitigate the current economic uncertainty. However, continued economic uncertainty could ultimately result in a deterioration of the County's financial condition.

#### Requests for Information

- This report is designed to provide a general overview of the County's finances for all interested parties. Questions concerning the information provided in this report or requests for additional financial information should be addressed to Anna Danchik, Comptroller, at 500 South Grand Central Parkway, Las Vegas, NV 89155.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Clark County, Nevada  
Statement of Net Position  
June 30, 2018

	Primary Government			Component Units				
	Governmental Activities	Business-Type Activities	Total	Clark County Regional Flood Control District	Regional Transportation Commission of Southern Nevada	Las Vegas Valley Water District	Other Water Districts	Clark County Stadium Authority
<b>Assets</b>								
Unrestricted assets								
Cash and investments								
In custody of the County Treasurer	\$ 2,420,041,798	\$ 712,675,206	\$ 3,132,717,004	\$ 160,411,697	\$ 119,919,478	\$ -	\$ 167,559	\$ 7,403,039
In custody of other officials	9,198,006	81,854,776	91,052,782	500	15,845,869	5,025,927	875,381	150,000
With fiscal agent	45,972,928	-	45,972,928	126,784,387	-	-	-	762,023,151
Investments in custody of other officials	-	274,049,675	274,049,675	-	-	345,499,717	-	-
Accounts receivable (net of provision for doubtful accounts)	24,530,914	182,337,551	206,868,465	342,641	41,202,007	71,902,514	521,193	17,341,514
Interest receivable	7,949,788	8,362,700	16,312,488	523,831	1,606,124	1,066,459	547	1,039,153
Taxes receivable, delinquent	10,464,645	-	10,464,645	-	-	-	-	-
Penalties receivable on delinquent taxes	10,810,700	-	10,810,700	-	-	-	-	-
Special assessments receivable	150,358,023	-	150,358,023	-	-	-	-	-
Internal balances	(23,055,181)	23,055,181	-	-	-	-	-	-
Due from other governmental units	266,618,763	6,881,887	273,500,650	18,239,456	92,446,563	-	1,724	8,387,727
Inventories	499,277	23,315,663	23,814,940	1,626	745,970	-	10,674	-
Prepaid items and other current assets	1,032,779	5,433,307	6,466,086	-	-	-	-	-
Unearned charges and other assets	350,458,904	12,800,860	363,259,764	-	-	84,133,232	-	-
Restricted assets								
Cash and investments								
In custody of the County Treasurer	-	378,056,999	378,056,999	-	372,360,821	-	-	-
In custody of other officials	-	66,247,563	66,247,563	-	1,168,451	8,792,722	1,770,966	-
With fiscal agent	-	303,096,096	303,096,096	-	53,586,144	-	-	-
Investments with fiscal agent	-	192,923,278	192,923,278	-	-	145,242,952	-	-
Accounts receivable	-	3,703,881	3,703,881	-	-	418,998,255	-	-
Bond bank receivable, current	40,760,000	-	40,760,000	-	-	72,605,000	-	-
Bond bank receivable, noncurrent	962,635,000	-	962,635,000	-	-	1,851,015,000	-	-
Capital assets not being depreciated	1,515,428,203	1,087,496,264	2,602,924,467	282,717	38,309,212	47,833,923	-	293,603,336
Capital assets being depreciated, net of accumulated depreciation	4,874,855,129	5,495,355,608	10,370,210,737	2,178,093	400,390,091	1,598,846,971	32,616,520	-
Total assets	10,668,559,676	8,857,646,495	19,526,206,171	308,764,948	1,137,580,730	4,663,074,863	35,964,564	1,089,958,561
<b>Deferred Outflows of Resources</b>								
Bond refundings	30,700,772	71,585,828	102,286,600	5,981,490	15,775,583	1,082,091	-	-
Hedging derivative instruments	-	26,924,617	26,924,617	-	-	-	-	-
Related to other post employment benefits	16,684,006	6,321,390	23,005,396	52,064	206,730	-	-	-
Related to pensions	319,136,180	123,457,478	442,593,658	691,284	11,030,595	48,530,076	-	-
Total deferred outflows of resources	366,520,958	228,289,313	594,810,271	6,724,838	27,012,908	49,612,167	-	-

The accompanying notes are an integral part of these financial statements.

(Continued)

Clark County, Nevada  
Statement of Net Position  
June 30, 2018

(Continued)

	Primary Government			Component Units				
	Governmental Activities	Business-Type Activities	Total	Clark County Regional Flood Control District	Regional Transportation Commission of Southern Nevada	Las Vegas Valley Water District	Other Water Districts	Clark County Stadium Authority
<b>Liabilities</b>								
Current liabilities (payable from current assets)								
Accounts payable	235,805,830	115,147,085	350,952,915	9,698,401	68,690,525	92,295,930	181,998	46,996,058
Accrued payroll and other accrued liabilities	188,898,440	72,440,121	261,338,561	134,223	3,727,484	40,227,759	-	-
Accrued interest	22,695,202	-	22,695,202	4,924,947	20,403,668	15,279,415	49,906	5,374,425
Due to other governmental units	79,911,159	-	79,911,159	483,971	-	-	1,608,602	123,508
Unearned revenue and other liabilities	35,658,734	22,015,096	57,673,830	-	-	5,538,038	91,801	-
Liabilities payable from restricted assets								
Current maturities of long-term debt	-	145,171,701	145,171,701	-	-	-	-	-
Accounts payable	-	62,394,819	62,394,819	-	-	-	-	-
Customer deposits	-	-	-	-	-	24,913,879	-	-
Accrued expenses	-	93,566,881	93,566,881	-	-	-	-	-
Unearned revenue and other liabilities	-	-	-	-	-	2,645,747	-	-
Bonds and loans payable, due within one year	91,011,777	6,107,000	97,118,777	14,140,000	48,705,000	506,003,146	420,847	1,070,000
Bonds and loans payable, due after one year	1,597,760,133	4,341,809,122	5,939,569,255	628,836,845	905,338,657	2,697,095,428	2,703,459	742,298,392
Other post employment benefits	601,883,994	400,987,351	1,002,871,345	2,936,134	18,002,164	45,901,520	-	-
Net pension liability	2,053,191,900	735,191,315	2,788,383,215	4,382,337	46,940,485	206,072,465	-	-
Other non-current liabilities, due after one year	95,451,659	129,221,394	224,673,053	767,951	2,083,694	1,598,185	-	-
Total liabilities	5,002,268,828	6,124,051,885	11,126,320,713	666,304,809	1,113,891,677	3,637,571,512	5,056,713	795,862,383
<b>Deferred Inflows of Resources</b>								
Bond refundings	2,166,357	8,326,540	10,492,897	-	1,657,397	7,813,191	-	-
Hedging derivative instruments	-	23,399,997	23,399,997	-	-	-	-	-
Related to other post employment benefits	67,494,654	47,428,795	114,923,449	306,268	2,222,897	1,231,843	-	-
Related to pensions	191,018,098	62,215,013	253,233,111	383,339	3,080,245	26,070,093	-	-
Personal Seat Licenses	-	-	-	-	-	-	-	40,150,000
Total deferred outflows of resources	260,679,109	141,370,345	402,049,454	689,607	6,960,539	35,115,127	-	40,150,000
<b>Net position</b>								
Net investment in capital assets	5,746,137,281	2,360,701,467	8,106,838,748	2,460,810	435,584,659	836,946,681	29,492,114	275,426,337
Restricted for:								
Capital projects	346,752,147	86,456,667	433,208,814	-	305,783,508	146,975	1,770,966	-
Debt service	156,771,703	283,291,331	440,063,034	9,098,392	142,854,999	10,498,909	-	26,363,815
Public safety	204,906,975	-	204,906,975	-	-	-	-	-
Passenger Facility Charge	-	82,216,882	82,216,882	-	-	-	-	-
Other purposes	198,331,961	5,778,660	204,110,621	-	-	-	-	-
Unrestricted	(880,767,370)	2,068,571	(878,698,799)	(363,063,832)	(840,481,744)	192,407,826	(355,229)	(47,843,974)
Total net position	\$ 5,772,132,697	\$ 2,820,513,578	\$ 8,592,646,275	\$ (351,504,630)	\$ 43,741,422	\$ 1,040,000,391	\$ 30,907,851	\$ 253,946,178

The accompanying notes are an integral part of these financial statements.



Clark County, Nevada  
Statement of Activities  
For the Fiscal Year Ended June 30, 2018

	Net (Expenses) Revenues and Changes in Net Position												
	Program Revenues					Primary Government					Component Units		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Clark County Regional Flood Control District	Regional Transportation Commission of Southern Nevada	Las Vegas Valley Water District	Other Water Districts	Clark County Stadium Authority	
<b>Governmental activities:</b>													
General government	\$ 301,208,753	\$ 255,719,252	\$ 59,731,140	\$ -	\$ 14,241,639	\$ -	\$ 14,241,639	\$ -	\$ -	\$ -	\$ -	\$ -	
Judicial	229,206,684	67,121,841	24,568,210	-	(137,516,633)	-	(137,516,633)	-	-	-	-	-	
Public safety	1,393,176,958	68,988,028	302,712,426	-	(1,021,476,504)	-	(1,021,476,504)	-	-	-	-	-	
Public works	604,077,714	32,232,543	-	129,027,166	(442,818,005)	-	(442,818,005)	-	-	-	-	-	
Health	61,716,234	9,306,931	-	-	(51,048,206)	-	(51,048,206)	-	-	-	-	-	
Welfare	164,305,861	-	1,361,097	-	(151,560,407)	-	(151,560,407)	-	-	-	-	-	
Culture and recreation	44,564,185	17,516,917	12,745,454	-	(26,309,465)	-	(26,309,465)	-	-	-	-	-	
Community support	27,124,465	-	737,803	-	(13,846,851)	-	(13,846,851)	-	-	-	-	-	
Interest on long-term debt	68,011,300	-	13,277,614	-	(68,011,300)	-	(68,011,300)	-	-	-	-	-	
Total governmental activities	2,893,392,154	450,885,512	415,133,744	129,027,166	(1,898,345,732)	-	(1,898,345,732)	-	-	-	-	-	
<b>Business-type activities:</b>													
Hospital	672,683,257	659,392,580	-	-	-	(13,290,677)	(13,290,677)	-	-	-	-	-	
Airport	608,661,056	653,915,125	-	7,517,061	-	52,771,130	52,771,130	-	-	-	-	-	
Sewer	203,967,829	149,251,429	-	62,962,973	-	8,246,573	8,246,573	-	-	-	-	-	
Other	48,846,127	53,163,001	-	-	-	4,316,874	4,316,874	-	-	-	-	-	
Total business-type activities	1,534,158,269	1,515,722,135	-	70,480,034	-	52,043,900	52,043,900	-	-	-	-	-	
Total primary government	\$ 4,427,550,423	\$ 1,966,607,647	\$ 415,133,744	\$ 199,507,200	\$ (1,898,345,732)	\$ -	\$ (1,898,345,732)	\$ -	\$ -	\$ -	\$ -	\$ -	

The accompanying notes are an integral part of these financial statements.

(Continued)

(Continued)

	Program Revenues				Primary Government				Component Units			
	Net (Expenses) Revenues and Changes in Net Position				Net (Expenses) Revenues and Changes in Net Position				Net (Expenses) Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Clark County Regional Flood Control District	Regional Transportation Commission of Southern Nevada	Las Vegas Valley Water District	Other Water Districts	Clark County Stadium Authority
Clark County Regional Flood Control District	\$ 119,603,023	\$ -	\$ 8,308	\$ 2,758,832	653,736,333	-	653,736,333	\$ (116,835,883)	\$ -	\$ -	\$ -	\$ -
Regional Transportation Commission of Southern Nevada	502,525,182	80,288,981	3,620,770	106,948,944	582,444,785	-	582,444,785	-	(311,666,487)	-	-	-
Las Vegas Valley Water District	366,708,086	372,308,125	-	32,863,453	380,470,034	19,623,239	400,093,273	103,428,054	208,850,487	-	10,346	-
Other Water Districts	5,641,195	3,909,389	-	1,078,388	93,461,490	-	93,461,490	-	-	38,463,492	(653,418)	-
Clark County Stadium Authority	7,383,734	-	-	193,482,364	144,492,230	-	144,492,230	-	174,422,619	-	-	-
Total component units	\$ 1,001,861,220	\$ 456,506,495	\$ 3,629,078	\$ 337,131,981	59,460,118	-	59,460,118	\$ (116,835,883)	\$ (311,666,487)	\$ 38,463,492	\$ (653,418)	\$ 186,098,630
General revenues:												
Ad valorem taxes					653,736,333		653,736,333					
Unrestricted intergovernmental revenues:												
Consolidated tax					582,444,785		582,444,785					
Sales and use tax					380,470,034	19,623,239	400,093,273	103,428,054	208,850,487		10,346	
Franchise fees					93,461,490		93,461,490					
Fuel taxes					144,492,230		144,492,230		174,422,619			
Motor vehicle privilege tax					67,255,798		67,255,798					
Room tax					59,460,118		59,460,118					48,574,018
Other					62,361,734		62,361,734	509,598	9,137,265	2,769,822		
Gain on sale of capital assets					3,841,676	1,054,707	4,896,383					
Interest income					7,331,882	14,230,564	21,562,446	330,695	1,912,620	2,697,065	33,161	2,665,144
Transfers					(43,792,474)	43,792,474	-					
Total general revenues and transfers					2,011,063,606	78,700,984	2,089,764,590	104,288,347	392,322,991	5,468,887	86,408	51,239,162
Change in net position					112,717,874	130,744,884	243,462,758	(12,567,536)	80,656,504	43,930,379	(567,010)	237,337,792
Net position - beginning					5,932,289,343	2,833,033,495	8,765,322,838	(337,150,899)	(31,294,443)	1,013,458,823	31,572,676	16,608,386
Prior period adjustment					(272,874,520)	(143,264,801)	(416,139,321)	(1,786,195)	(6,620,639)	(17,388,811)	(97,815)	-
Net position - beginning as restated					5,659,414,823	2,689,768,694	8,349,183,517	(338,937,094)	(36,915,082)	996,070,012	31,474,861	16,608,386
Net position - ending					\$ 5,772,132,697	\$ 2,820,513,578	\$ 8,592,646,275	\$ (351,504,630)	\$ 43,741,422	\$ 1,040,000,391	\$ 30,907,851	\$ 253,946,178

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

Clark County, Nevada  
Governmental Funds  
Balance Sheet  
June 30, 2018

	General Fund	Las Vegas Metropolitan Police Department	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and investments:				
In custody of the County Treasurer	\$ 553,490,014	\$ 38,388,210	\$ 1,523,490,651	\$ 2,115,368,875
In custody of other officials	3,777,762	240,800	1,077,444	5,096,006
With fiscal agent	-	-	45,972,928	45,972,928
Accounts receivable	21,020,457	963,070	593,228	22,576,755
Interest receivable	1,807,692	118,970	5,028,244	6,954,906
Taxes receivable, delinquent	7,039,486	1,789,220	1,635,939	10,464,645
Penalties receivable on delinquent taxes	10,810,700	-	-	10,810,700
Special assessments receivable	-	-	150,358,023	150,358,023
Due from other funds	13,122,823	23,917	145,559,517	158,706,257
Due from other governmental units	171,159,246	2,849,142	91,581,950	265,590,338
Prepaid items	-	323,846	30,513	354,359
Total assets	<u>\$ 782,228,180</u>	<u>\$ 44,697,175</u>	<u>\$ 1,965,328,437</u>	<u>\$ 2,792,253,792</u>
<b>Liabilities</b>				
Accounts payable	\$ 20,579,953	\$ 6,380,160	\$ 58,060,503	\$ 85,020,616
Accrued payroll	23,785,420	18,587,050	9,454,262	51,826,732
Due to other funds	154,827,645	888,802	34,019,668	189,736,115
Due to other governmental units	60,300,644	76,347	19,534,168	79,911,159
Interfund advances payable	-	-	1,631,172	1,631,172
Unearned revenue and other liabilities	2,012,660	4,973,730	28,661,041	35,647,431
Total liabilities	<u>261,506,322</u>	<u>30,906,089</u>	<u>151,360,814</u>	<u>443,773,225</u>
<b>Deferred Inflows of Resources</b>				
Unavailable grant revenue	-	-	2,569,478	2,569,478
Unavailable property taxes	16,039,729	1,536,243	1,423,642	18,999,614
Unavailable special assessments	-	-	150,282,451	150,282,451
Unavailable other revenue	612,937	-	1,539,001	2,151,938
Total deferred inflows of resources	<u>16,652,666</u>	<u>1,536,243</u>	<u>155,814,572</u>	<u>174,003,481</u>
<b>Fund Balances</b>				
Nonspendable	-	323,846	30,513	354,359
Restricted	96,049,583	-	810,713,203	906,762,786
Committed	6,332,539	3,933,577	48,769,446	59,035,562
Assigned	174,143,107	7,997,420	798,639,889	980,780,416
Unassigned	227,543,963	-	-	227,543,963
Total fund balances	<u>504,069,192</u>	<u>12,254,843</u>	<u>1,658,153,051</u>	<u>2,174,477,086</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 782,228,180</u>	<u>\$ 44,697,175</u>	<u>\$ 1,965,328,437</u>	<u>\$ 2,792,253,792</u>

The accompanying notes are an integral part of these financial statements.

Clark County, Nevada  
 Reconciliation of the Governmental Funds Balance Sheet  
 to the Statement of Net Position  
 June 30, 2018

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

Fund balances - governmental funds		\$ 2,174,477,086
Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds:		
Governmental capital assets	\$ 10,348,103,962	
Less accumulated depreciation	<u>(3,957,820,630)</u>	6,390,283,332
Long-term liabilities, deferred outflows of resources and deferred inflows of resources, including bonds payable, are not due and payable in the current period, and therefore not reported in governmental funds:		
Bonds payable, net of premiums and discounts	(1,502,831,445)	
Deferred outflows of resources - bond refunding	30,700,772	
Deferred inflows of resources - bond refunding	(2,166,357)	
Capital leases	(185,940,465)	
Litigation liability	(2,500,000)	
OPEB liability	(601,883,994)	
Net pension liability	(2,053,191,900)	
Compensated absences	<u>(218,811,927)</u>	(4,536,625,316)
Accrued interest payable		(22,695,202)
Deferred outflows and inflows of resources related to OPEB are applicable to future periods and, therefore are not reported in governmental funds		(50,810,648)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore are not reported in governmental funds		128,118,082
Deferred inflows of resources representing amounts that were not available to fund current expenditures and therefore are not reported in governmental funds		174,003,481
Long-term receivables not recorded in governmental funds:		
Bond bank receivable from Southern Nevada Water Authority	1,003,395,000	
LVMPD net pension liability receivable from City of Las Vegas	329,210,318	
LVMPD OPEB receivable from City of Las Vegas	<u>21,048,588</u>	1,353,653,906
Internal service funds are used by management to charge the costs of certain activities to individual funds. Net position of the internal service funds is reported with the governmental activities.		161,474,394
Internal balances that are receivable from business-type activities		<u>253,582</u>
Net position of governmental activities		<u>\$ 5,772,132,697</u>

The accompanying notes are an integral part of the financial statements.

Clark County, Nevada  
Governmental Funds  
Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Year Ended June 30, 2018

	General Fund	Las Vegas Metropolitan Police Department	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Taxes	\$ 489,985,947	\$ 129,059,418	\$ 102,940,356	\$ 721,985,721
Special assessments	-	-	27,337,531	27,337,531
Licenses and permits	287,303,239	-	26,818,139	314,121,378
Intergovernmental revenue:				
Consolidated tax	573,469,289	-	8,975,494	582,444,783
Other	390,497,314	152,142,316	566,992,916	1,109,632,546
Charges for services	102,355,204	41,968,746	38,896,993	183,220,943
Fines and forfeitures	19,284,190	-	2,489,816	21,774,006
Interest	1,083,552	374,962	5,232,889	6,691,403
Other	19,895,645	2,465,632	31,962,032	54,323,309
Total revenues	<u>1,883,874,380</u>	<u>326,011,074</u>	<u>811,646,166</u>	<u>3,021,531,620</u>
<b>Expenditures</b>				
Current				
General government	129,697,683	-	13,435,129	143,132,812
Judicial	157,746,999	-	60,649,889	218,396,888
Public safety	444,429,776	576,387,536	312,860,427	1,333,677,739
Public works	326,620,255	-	52,232,317	378,852,572
Health	26,138,153	-	13,389,178	39,527,331
Welfare	70,907,077	-	93,073,493	163,980,570
Culture and recreation	9,722,208	-	9,773,575	19,495,783
Community support	-	-	27,084,976	27,084,976
Other general expenditures	108,801,725	-	-	108,801,725
Capital outlay	12,682,836	7,673,658	272,903,483	293,259,977
Debt service				
Principal	-	-	91,816,421	91,816,421
Interest	14,191,344	-	63,124,504	77,315,848
Bond issuance costs	-	-	808,789	808,789
Total expenditures	<u>1,300,938,056</u>	<u>584,061,194</u>	<u>1,011,152,181</u>	<u>2,896,151,431</u>
Excess (deficiency) of revenues over (under) expenditures	<u>582,936,324</u>	<u>(258,050,120)</u>	<u>(199,506,015)</u>	<u>125,380,189</u>
<b>Other Financing Sources (Uses)</b>				
Transfers from other funds	5,922,000	249,817,816	440,864,959	696,604,775
Transfers to other funds	(536,051,218)	-	(211,163,581)	(747,214,799)
Bonds and loans issued	-	-	12,130,000	12,130,000
Refunding bonds issued	-	-	54,110,000	54,110,000
Premium on bonds issued	-	-	4,256,889	4,256,889
Payment to escrow agent	-	-	(55,972,379)	(55,972,379)
Total other financing sources (uses)	<u>(530,129,218)</u>	<u>249,817,816</u>	<u>244,225,888</u>	<u>(36,085,514)</u>
Net change in fund balances	52,807,106	(8,232,304)	44,719,873	89,294,675
<b>Fund Balance</b>				
Beginning of year	<u>451,262,086</u>	<u>20,487,147</u>	<u>1,613,433,178</u>	<u>2,085,182,411</u>
End of year	<u>\$ 504,069,192</u>	<u>\$ 12,254,843</u>	<u>\$ 1,658,153,051</u>	<u>\$ 2,174,477,086</u>

The accompanying notes are an integral part of these financial statements.

Clark County, Nevada  
 Reconciliation of Statement of Revenues, Expenditures, and Changes in  
 Fund Balances of Governmental Funds to the Statement of Activities  
 For the fiscal year ended June 30, 2018

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

Net change in fund balances - governmental funds \$ 89,294,675

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives. Also, capital assets financed by capital leases are not shown in governmental funds. The County does not capitalize items costing less than \$5,000.

Capital outlay recorded in governmental funds	\$ 293,259,977	
Less amounts not capitalized	<u>(34,600,399)</u>	
Capitalized expenditures	258,659,578	
Less current year depreciation	<u>(299,054,976)</u>	(40,395,398)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds:

Donated capital assets	68,597,120	
Loss on sale of capital assets	(8,663,247)	
Change in unavailable revenue	(18,305,954)	
Bond bank operating contribution	<u>(38,985,000)</u>	2,642,919

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also capital leases are not shown in governmental funds. This is the net effect of these differences in the treatment of long-term debt and related items.

Bonds issued	(66,240,000)	
Bond premiums and discounts	(4,256,889)	
Accrued interest	1,984,689	
Amortized bond premiums and discounts	9,649,874	
Principal payments	91,816,421	
Payment to escrow agent	<u>55,972,379</u>	88,926,474

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Change in long-term compensated absences	(7,801,464)	
OPEB contributions and OPEB expenses	(23,492,177)	
Pension contributions and pension expenses	1,596,583	
Amortization of deferred gains/losses on refunding	<u>(2,330,015)</u>	(32,027,073)

Increase in long-term LVMPD net pension liability receivable due from the City of Las Vegas. (3,634,934)

Increase in long-term LVMPD OPEB receivable due from the City of Las Vegas. 132,246

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue/(expense) of the internal service funds is reported with governmental activities. 18,361,255

Increase to internal balances that are receivable from business-type activities. (10,582,290)

Change in net position of governmental activities \$ 112,717,874

Business-Type Activities - Enterprise Funds

	University Medical Center	Water Reclamation District	Department of Aviation	Other Enterprise Funds
<b>Assets</b>				
<b>Unrestricted current assets</b>				
Cash and cash equivalents				
In custody of the County Treasurer	\$ 121,089,843	\$ -	\$ 531,721,820	\$ 59,863,543
In custody of other officials	18,100	81,439,120	372,450	25,106
Investments in custody of other officials	-	274,049,675	-	-
Accounts receivable	126,084,988	13,321,200	42,528,174	403,189
Interest receivable	-	794,924	7,371,852	195,924
Due from other funds	31,000,000	-	2,935,837	44,635
Due from other governmental units	-	-	6,881,527	360
Inventories	11,436,654	2,045,841	9,667,525	165,643
Prepaid items and other current assets	2,594,604	2,014,039	809,664	15,000
Total unrestricted current assets	<u>292,224,189</u>	<u>373,664,799</u>	<u>602,288,849</u>	<u>60,713,400</u>
<b>Restricted current assets</b>				
Cash and cash equivalents				
In custody of the County Treasurer	103,963,536	27,134,684	246,958,779	-
With fiscal agent	-	-	303,096,096	-
Investments in custody of other officials	-	116,693	66,130,870	-
Investments with fiscal agent	-	-	192,923,278	-
Accounts receivable	260,353	3,443,528	-	-
Total restricted current assets	<u>104,223,889</u>	<u>30,694,905</u>	<u>809,109,023</u>	<u>-</u>
Total current assets	<u>396,448,078</u>	<u>404,359,704</u>	<u>1,411,397,872</u>	<u>60,713,400</u>
<b>Noncurrent assets</b>				
Interfund advances receivable	-	1,631,172	-	-
Unearned charges and other assets	91,104	11,275,177	1,434,579	-
<b>Capital assets</b>				
Property and equipment	471,863,965	2,999,320,082	6,962,757,462	55,793,529
Accumulated depreciation	(268,027,640)	(1,082,997,796)	(2,533,974,565)	(21,883,165)
Total capital assets, net of accumulated depreciation	<u>203,836,325</u>	<u>1,916,322,286</u>	<u>4,428,782,897</u>	<u>33,910,364</u>
Total noncurrent assets	<u>203,927,429</u>	<u>1,929,228,635</u>	<u>4,430,217,476</u>	<u>33,910,364</u>
Total assets	<u>600,375,507</u>	<u>2,333,588,339</u>	<u>5,841,615,348</u>	<u>94,623,764</u>
<b>Deferred Outflows of Resources</b>				
Unamortized costs on bond refundings and hedging derivative instruments	457,547	39,896,522	58,156,376	-
Related to OPEB	4,177,797	636,213	1,507,380	-
Related to Pensions	81,483,542	10,440,542	26,510,693	5,022,701
	<u>86,118,886</u>	<u>50,973,277</u>	<u>86,174,449</u>	<u>5,022,701</u>



	Business-Type Activities - Enterprise Funds			
	University Medical Center	Water Reclamation District	Department of Aviation	Other Enterprise Funds
<b>Liabilities</b>				
Current liabilities (payable from current assets)				
Current maturities of long-term debt	6,107,000	-	-	-
Accounts payable	64,967,443	8,294,257	40,864,812	1,020,573
Accrued expenses	46,193,337	3,179,042	17,760,157	5,307,585
Due to other funds	8,836,756	-	3,440,376	25,749
Unearned revenue	-	-	5,571,659	11,029,320
Deposits and other current liabilities	-	5,230,793	-	183,324
Total current liabilities (payable from current assets)	126,104,536	16,704,092	67,637,004	17,566,551
Current liabilities (payable from restricted assets)				
Current maturities of long-term debt	-	14,716,701	130,455,000	-
Accounts payable	-	518,969	61,875,850	-
Accrued expenses	-	8,732,892	84,833,989	-
Total current liabilities (payable from restricted assets)	-	23,968,562	277,164,839	-
Total current liabilities	126,104,536	40,672,654	344,801,843	17,566,551
Noncurrent liabilities				
Long-term debt, less current maturities	31,316,000	475,061,330	3,835,431,792	-
Other post employment benefits	276,829,960	38,603,182	85,554,209	-
Net pension liability	476,011,834	56,558,019	170,398,168	32,223,294
Unearned revenue and other non-current liabilities	53,794,272	5,630,175	69,796,947	-
Total noncurrent liabilities	837,952,066	575,852,706	4,161,181,116	32,223,294
Total liabilities	964,056,602	616,525,360	4,505,982,959	49,789,845
<b>Deferred Inflows of Resources</b>				
Unamortized gain on bond refunding and hedging derivative instruments	-	-	31,726,537	-
Related to OPEB	31,249,305	4,327,511	11,851,979	-
Related to Pensions	40,511,412	3,979,582	14,905,333	2,818,686
	71,760,717	8,307,093	58,483,849	2,818,686
<b>Net Position</b>				
Net investment in capital assets	236,717,400	1,421,864,384	668,209,319	33,910,364
Restricted for				
Capital projects	-	2,101,100	84,355,567	-
Debt service	-	18,401,792	264,889,539	-
Held in custody of others	-	45,200	-	-
Hospital and administrative programs	1,996,326	-	-	-
Donations, various programs	2,014,875	-	-	-
Research programs	422,199	-	-	-
Educational programs	1,300,060	-	-	-
Passenger Facility Charge	-	-	82,216,882	-
Unrestricted	(591,773,786)	317,316,687	263,651,682	13,127,570
Total net position	<u>\$ (349,322,926)</u>	<u>\$ 1,759,729,163</u>	<u>\$ 1,363,322,989</u>	<u>\$ 47,037,934</u>

Clark County, Nevada  
Proprietary Funds  
Statement of Net Position  
June 30, 2018

(Continued)

	Total Enterprise Funds	Governmental Activities - Internal Service Funds
<b>Assets</b>		
Unrestricted current assets		
Cash and cash equivalents		
In custody of the County Treasurer	\$ 712,675,206	\$ 304,672,923
In custody of other officials	81,854,776	4,102,000
Investments in custody of other officials	274,049,675	-
Accounts receivable	182,337,551	1,954,159
Interest receivable	8,362,700	994,882
Due from other funds	33,980,472	9,352,267
Due from other governmental units	6,881,887	1,028,425
Inventories	23,315,663	499,277
Prepaid items and other current assets	5,433,307	678,420
Total unrestricted current assets	<u>1,328,891,237</u>	<u>323,282,353</u>
Restricted current assets		
Cash and cash equivalents		
In custody of the County Treasurer	378,056,999	-
With fiscal agent	303,096,096	-
Investments in custody of other officials	66,247,563	-
Investments with fiscal agent	192,923,278	-
Accounts receivable	3,703,881	-
Total restricted current assets	<u>944,027,817</u>	<u>-</u>
Total current assets	<u>2,272,919,054</u>	<u>323,282,353</u>
Noncurrent assets		
Interfund advances receivable	1,631,172	-
Unearned charges and other assets	12,800,860	200,000
Capital assets		
Property and equipment	10,489,735,038	15,034,448
Accumulated depreciation	<u>(3,906,883,166)</u>	<u>(10,825,957)</u>
Total capital assets, net of accumulated depreciation	<u>6,582,851,872</u>	<u>4,208,491</u>
Total noncurrent assets	<u>6,597,283,904</u>	<u>4,408,491</u>
Total assets	<u>8,870,202,958</u>	<u>327,690,844</u>
<b>Deferred Outflows of Resources</b>		
Unamortized costs on bond refundings and hedging derivative instruments	98,510,445	-
Related to OPEB	6,321,390	-
Related to Pensions	123,457,478	-
	<u>228,289,313</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements.

(Continued)

Clark County, Nevada  
Proprietary Funds  
Statement of Net Position  
June 30, 2018

(Continued)

	Total Enterprise Funds	Governmental Activities - Internal Service Funds
<b>Liabilities</b>		
Current liabilities (payable from current assets)		
Current maturities of long-term debt	6,107,000	-
Accounts payable	115,147,085	150,785,214
Accrued expenses	72,440,121	7,939,103
Due to other funds	12,302,881	-
Unearned revenue	16,600,979	-
Deposits and other current liabilities	5,414,117	11,303
Total current liabilities (payable from current assets)	<u>228,012,183</u>	<u>158,735,620</u>
Current liabilities (payable from restricted assets)		
Current maturities of long-term debt	145,171,701	-
Accounts payable	62,394,819	-
Accrued expenses	93,566,881	-
Total current liabilities (payable from restricted assets)	<u>301,133,401</u>	<u>-</u>
Total current liabilities	<u>529,145,584</u>	<u>158,735,620</u>
Noncurrent liabilities		
Long-term debt, less current maturities	4,341,809,122	-
Other post employment benefits	400,987,351	-
Net pension liability	735,191,315	-
Unearned revenue and other non-current liabilities	129,221,394	3,272,339
Total noncurrent liabilities	<u>5,607,209,182</u>	<u>3,272,339</u>
Total liabilities	<u>6,136,354,766</u>	<u>162,007,959</u>
<b>Deferred Inflows of Resources</b>		
Unamortized gain on bond refunding and hedging derivative instruments	31,726,537	-
Related to OPEB	47,428,795	-
Related to Pensions	62,215,013	-
	<u>141,370,345</u>	<u>-</u>
<b>Net Position</b>		
Net investment in capital assets	2,360,701,467	4,208,491
Restricted for		
Capital projects	86,456,667	-
Debt service	283,291,331	-
Held in custody of others	45,200	-
Hospital and administrative programs	1,996,326	-
Donations, various programs	2,014,875	-
Research programs	422,199	-
Educational programs	1,300,060	-
Passenger Facility Charge	82,216,882	-
Unrestricted	2,322,153	161,474,394
Total net position	<u>2,820,767,160</u>	<u>\$ 165,682,885</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	(253,582)	
Net position of business-type of activities	<u>\$ 2,820,513,578</u>	

The accompanying notes are an integral part of these financial statements.

Clark County, Nevada  
Proprietary Funds  
Statement of Revenues, Expenses and Changes in Net Position  
For the Fiscal Year Ended June 30, 2018

	Business-Type Activities - Enterprise Funds			
	University Medical Center	Water Reclamation District	Department of Aviation	Other Enterprise Funds
<b>Operating Revenues</b>				
Charges for services				
Sewer services and operations	\$ -	\$ 148,997,536	\$ -	\$ -
Services to patients	644,374,315	-	-	-
Landing and other airport fees	-	-	51,020,874	-
Building and land rental	-	-	363,801,824	-
Concession fees	-	-	108,444,865	-
Constable fees	-	-	-	3,527,911
Building fees and permits	-	-	-	35,995,703
Recreation fees	-	-	-	12,998,141
Parking fees	-	-	-	352,583
Insurance	-	-	-	-
Other	12,074,395	-	-	-
Other operating revenues	-	180,496	36,050,851	288,663
Total operating revenues	<u>656,448,710</u>	<u>149,178,032</u>	<u>559,318,414</u>	<u>53,163,001</u>
<b>Operating Expenses</b>				
Salaries and benefits	-	39,824,957	139,782,947	35,543,723
General and administrative	210,977,921	-	59,937,037	-
Other professional services	446,833,232	8,716,571	-	-
Operating and maintenance	-	42,547,883	72,152,525	13,093,933
Depreciation	19,720,347	99,719,237	191,840,374	1,393,969
Total operating expenses	<u>677,531,500</u>	<u>190,808,648</u>	<u>463,712,883</u>	<u>50,031,625</u>
Operating income (loss)	<u>(21,082,790)</u>	<u>(41,630,616)</u>	<u>95,605,531</u>	<u>3,131,376</u>
<b>Nonoperating Revenues (Expenses)</b>				
Interest income	936,229	389,193	12,915,873	(10,731)
Interest expense	(1,233,011)	(13,814,314)	(147,608,578)	-
Gain (loss) on sale or abandonment of property and equipment	-	-	824,642	230,065
Sales and use tax	-	19,623,239	-	-
Other	2,943,870	73,397	94,596,711	-
Total nonoperating revenues (expenses)	<u>2,647,088</u>	<u>6,271,515</u>	<u>(39,271,352)</u>	<u>219,334</u>
Income (loss) before capital contributions and transfers	(18,435,702)	(35,359,101)	56,334,179	3,350,710
Capital contributions	-	62,962,973	7,517,061	-
Transfers from other funds	31,416,959	-	11,794,465	1,950,000
Transfers to other funds	-	-	-	(1,368,950)
Change in net position	<u>12,981,257</u>	<u>27,603,872</u>	<u>75,645,705</u>	<u>3,931,760</u>
<b>Net Position</b>				
Beginning of year	(257,895,883)	1,749,119,974	1,309,539,102	43,106,174
Prior period adjustment	(104,408,300)	(16,994,683)	(21,861,818)	-
Beginning of year, as restated	<u>(362,304,183)</u>	<u>1,732,125,291</u>	<u>1,287,677,284</u>	<u>43,106,174</u>
End of year	<u>\$ (349,322,926)</u>	<u>\$ 1,759,729,163</u>	<u>\$ 1,363,322,989</u>	<u>\$ 47,037,934</u>

The accompanying notes are an integral part of these financial statements.

(Continued)

Clark County, Nevada  
Proprietary Funds  
Statement of Revenues, Expenses and Changes in Net Position  
For the Fiscal Year Ended June 30, 2018

(Continued)

	Total Enterprise Funds	Governmental Activities - Internal Service Funds
<b>Operating Revenues</b>		
Charges for services		
Sewer services and operations	\$ 148,997,536	\$ -
Services to patients	644,374,315	-
Landing and other airport fees	51,020,874	-
Building and land rental	363,801,824	-
Concession fees	108,444,865	-
Constable fees	3,527,911	-
Building fees and permits	35,995,703	-
Recreation fees	12,998,141	-
Parking fees	352,583	161,119
Insurance	-	148,385,961
Other	12,074,395	89,997,448
Other operating revenues	36,520,010	14,552,995
Total operating revenues	<u>1,418,108,157</u>	<u>253,097,523</u>
<b>Operating Expenses</b>		
Salaries and benefits	215,151,627	44,859,645
General and administrative	270,914,958	-
Other professional services	455,549,803	-
Operating and maintenance	127,794,341	196,906,794
Depreciation	312,673,927	429,360
Total operating expenses	<u>1,382,084,656</u>	<u>242,195,799</u>
Operating income (loss)	<u>36,023,501</u>	<u>10,901,724</u>
<b>Nonoperating Revenues (Expenses)</b>		
Interest income	14,230,564	640,475
Interest expense	(162,655,903)	-
Gain (loss) on sale or abandonment of property and equipment	1,054,707	1,506
Sales and use tax	19,623,239	-
Other	97,613,978	-
Total nonoperating revenues (expenses)	<u>(30,133,415)</u>	<u>641,981</u>
Income (loss) before capital contributions and transfers	5,890,086	11,543,705
Capital contributions	70,480,034	-
Transfers from other funds	45,161,424	9,300,000
Transfers to other funds	(1,368,950)	(2,482,450)
Change in net position	120,162,594	18,361,255
<b>Net Position</b>		
Beginning of year		147,321,630
End of year		<u>\$ 165,682,885</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	10,582,290	
Change in net position of business-type activities	<u>\$ 130,744,884</u>	

The accompanying notes are an integral part of these financial statements.

Clark County, Nevada  
Proprietary Funds  
Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2018

	Business-Type Activities - Enterprise Funds			
	University Medical Center	Water Reclamation District	Department of Aviation	Other Enterprise Funds
<b>Cash Flows From Operating Activities:</b>				
Cash received from customers	\$ 622,471,379	\$ 145,272,514	\$ 574,407,305	\$ 63,424,881
Cash paid for employees and for benefits	(393,385,338)	(38,229,680)	(128,670,424)	(35,028,879)
Cash paid for services and supplies	(239,281,454)	(41,406,556)	(121,556,287)	(13,260,464)
Other operating receipts	12,164,867	-	-	173,363
Net cash provided by operating activities	<u>1,969,454</u>	<u>65,636,278</u>	<u>324,180,594</u>	<u>15,308,901</u>
<b>Cash Flows From Noncapital Financing Activities:</b>				
Federal and state grants	-	-	-	-
Transfers from other funds	416,959	-	11,831,345	1,950,000
Transfers to other funds	-	-	-	(1,368,950)
Contributions, donations and other	1,098,941	-	-	-
Repayment of interfund advances	-	364,120	-	-
Net cash provided (used) by noncapital financing activities	<u>1,515,900</u>	<u>364,120</u>	<u>11,831,345</u>	<u>581,050</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>				
Cash provided by contributed capital	-	25,680,582	-	-
Bonds and loans issued	-	-	196,395,985	-
Federal and state grants	-	-	16,984,016	-
Collateralized agreements with swap counterparties	-	-	8,269,095	-
Acquisition, construction, or improvement of capital assets	(37,432,737)	(60,526,451)	(47,554,233)	(2,182,909)
Cash used for debt service:				
Principal	(7,302,000)	(13,623,495)	(90,870,000)	-
Interest	(1,109,859)	(17,785,549)	(168,869,086)	-
Payments to bond refunding agent	-	-	(195,830,000)	-
Proceeds from the sale of capital assets	-	-	937,510	247,389
Proceeds from customer assessments	-	-	91,638,211	-
Sales tax apportionment	-	18,906,677	-	-
Cash provided by other capital	1,844,929	-	-	-
Net cash used by capital and related financing activities	<u>(43,999,667)</u>	<u>(47,348,236)</u>	<u>(188,898,502)</u>	<u>(1,935,520)</u>
<b>Cash Flows From Investing Activities:</b>				
Purchase of investments	-	(518,510,100)	(389,318,427)	-
Proceeds from maturities of investments	-	566,624,438	392,589,685	-
Interest income	936,229	(5,069,347)	2,648,742	(89,605)
Net cash provided by investing activities	<u>936,229</u>	<u>43,044,991</u>	<u>5,920,000</u>	<u>(89,605)</u>
Net increase (decrease) in cash and cash equivalents	<u>(39,578,084)</u>	<u>61,697,153</u>	<u>153,033,437</u>	<u>13,864,826</u>
<b>Cash and Cash Equivalents:</b>				
Beginning of year	<u>264,649,563</u>	<u>46,876,651</u>	<u>929,115,708</u>	<u>46,023,823</u>
End of year:				
Unrestricted	121,107,943	81,439,120	532,094,270	59,888,649
Restricted	103,963,536	27,134,684	550,054,875	-
Total cash and cash equivalents at end of year	<u>\$ 225,071,479</u>	<u>\$ 108,573,804</u>	<u>\$ 1,082,149,145</u>	<u>\$ 59,888,649</u>

The accompanying notes are an integral part of these financial statements.

(Continued)

Clark County, Nevada  
Proprietary Funds  
Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2018

(Continued)

	Total Enterprise Funds	Governmental Activities - Internal Service Funds
<b>Cash Flows From Operating Activities:</b>		
Cash received from customers	\$ 1,405,576,079	\$ 237,458,916
Cash paid for employees and for benefits	(595,314,321)	(44,695,000)
Cash paid for services and supplies	(415,504,761)	(192,132,413)
Other operating receipts	12,338,230	11,048,351
Net cash provided by operating activities	<u>407,095,227</u>	<u>11,679,854</u>
<b>Cash Flows From Noncapital Financing Activities:</b>		
Federal and state grants	-	-
Transfers from other funds	14,198,304	9,300,000
Transfers to other funds	(1,368,950)	(2,482,450)
Contributions, donations and other	1,098,941	-
Repayment of interfund advances	364,120	-
Net cash provided (used) by noncapital financing activities	<u>14,292,415</u>	<u>6,817,550</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>		
Cash provided by contributed capital	25,680,582	-
Bonds and loans issued	196,395,985	-
Federal and state grants	16,984,016	-
Collateralized agreements with swap counterparties	8,269,095	-
Acquisition, construction, or improvement of capital assets	(147,696,330)	(896,323)
Cash used for debt service:		
Principal	(111,795,495)	-
Interest	(187,764,494)	-
Payments to bond refunding agent	(195,830,000)	-
Proceeds from the sale of capital assets	1,184,899	1,506
Proceeds from customer assessments	91,638,211	-
Sales tax apportionment	18,906,677	-
Cash provided by other capital	1,844,929	-
Net cash used by capital and related financing activities	<u>(282,181,925)</u>	<u>(894,817)</u>
<b>Cash Flows From Investing Activities:</b>		
Purchase of investments	(907,828,527)	-
Proceeds from maturities of investments	959,214,123	-
Interest income	(1,573,981)	378,120
Net cash provided by investing activities	<u>49,811,615</u>	<u>378,120</u>
Net increase (decrease) in cash and cash equivalents	189,017,332	17,980,707
<b>Cash and Cash Equivalents:</b>		
Beginning of year	1,286,665,745	290,794,216
End of year:		
Unrestricted	794,529,982	308,774,923
Restricted	681,153,095	-
Total cash and cash equivalents at end of year	<u>\$ 1,475,683,077</u>	<u>\$ 308,774,923</u>

The accompanying notes are an integral part of these financial statements.

(Continued)

	Business-Type Activities - Enterprise Funds			
	University Medical Center	Water Reclamation District	Department of Aviation	Other Enterprise Funds
<b>Reconciliation of operating income (loss) to net cash flows from operating activities:</b>				
Operating income (loss)	\$ (21,082,790)	\$ (41,630,616)	\$ 95,605,531	\$ 3,131,376
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	19,720,347	99,719,237	191,840,374	1,393,969
Provision for doubtful accounts	20,851,664	-	-	-
Impairments	-	9,513,222	-	-
(Increase) decrease in:				
Accounts receivable	(53,389,975)	(3,905,519)	14,513,698	(266,085)
Due from other funds	-	-	-	33,806
Due from other governmental units	-	-	-	(360)
Inventory	(141,576)	324,494	(451,325)	(68,079)
Prepaid expense	5,592,240	(1,381,467)	60,488	-
Other non-current assets	30,697	-	-	-
Deferred outflows of resources	(8,382,984)	928,061	4,275,308	734,629
Accounts payable	230,276	(1,349,182)	10,469,378	(239,151)
Accrued payroll and benefits	-	-	714,609	399,038
Due to other funds	-	-	-	12,477
Unearned revenue	-	-	723,968	10,729,320
Deposits and other current liabilities	2,658,330	(39,761)	22,279	53,862
Net pension liability	-	(995,361)	(3,630,430)	(1,113,116)
Other non-current liabilities	415,817	-	(4,653,847)	-
Deferred inflows of resources	35,467,408	4,453,170	14,690,563	507,215
Net cash provided by operating activities	<u>\$ 1,969,454</u>	<u>\$ 65,636,278</u>	<u>\$ 324,180,594</u>	<u>\$ 15,308,901</u>
<b>Noncash Investing, Capital and Financing Activities</b>				
Donated mains and services	\$ -	\$ 36,125,265	\$ -	\$ -
Property, plant and equipment purchased on account	-	4,679,871	-	-
Change in fair value of investments	-	(5,915,103)	-	-
Gain (loss) investment income	-	-	4,883,359	-



	Total Enterprise Funds	Governmental Activities - Internal Service Funds
<b>Reconciliation of operating income (loss) to net cash flows from operating activities:</b>		
Operating income (loss)	\$ 36,023,501	\$ 10,901,724
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization	312,673,927	429,360
Provision for doubtful accounts	20,851,664	-
Impairments	9,513,222	-
(Increase) decrease in:		
Accounts receivable	(43,047,881)	277,112
Due from other funds	33,806	(2,389,583)
Due from other governmental units	(360)	613,391
Inventory	(336,486)	(32,754)
Prepaid expense	4,271,261	(62,217)
Other non-current assets	30,697	-
Deferred outflows of resources	(2,444,986)	-
Accounts payable	9,111,321	1,171,684
Accrued payroll and benefits	1,113,647	164,058
Due to other funds	12,477	(199,439)
Unearned revenue	11,453,288	-
Deposits and other current liabilities	2,694,710	(3,547)
Net pension liability	(5,738,907)	-
Other non-current liabilities	(4,238,030)	810,065
Deferred inflows of resources	55,118,356	-
Net cash provided by operating activities	<u>\$ 407,095,227</u>	<u>\$ 11,679,854</u>

**Noncash Investing, Capital and Financing Activities**

Donated mains and services	\$ 36,125,265	\$ -
Property, plant and equipment purchased on account	4,679,871	-
Change in fair value of investments	(5,915,103)	-
Gain (loss) investment income	4,883,359	-

Clark County, Nevada  
Statement of Net Position - Fiduciary Funds  
June 30, 2018

	Employee Benefit and Pension Trust Funds	Investment Trust Funds	Agency Funds
<b>Assets</b>			
Cash and investments			
In custody of the County Treasurer	\$ 1,526,419	\$ 28,681,973	\$ 164,310,132
In custody of other officials	-	89,571	47,361,842
With fiscal agent:			6,039,787
Money market funds	2,113,569	-	-
Insurance account and contracts	3,241,202	-	-
Domestic equity funds	261,942,779	-	-
Domestic bond funds	112,355,264	-	-
International equity fund	66,753,459	-	-
Global REIT	13,835,014	-	-
Accounts receivable	-	-	37,274
Interest receivable	53,328	93,662	535,869
Taxes receivable, delinquent	-	-	19,139,669
Due from other governmental units	-	-	1,823,303
	<u>461,821,034</u>	<u>28,865,206</u>	<u>239,247,876</u>
<b>Liabilities</b>			
Accounts Payable	95,218	-	-
Accrued expenses	166,326	-	-
Amounts held for others	-	-	239,247,876
	<u>261,544</u>	<u>-</u>	<u>239,247,876</u>
<b>Net Position</b>			
Restricted for pension benefits	461,559,490	-	-
Held in trust for pool participants	-	28,865,206	-
Total Net Position	<u>\$ 461,559,490</u>	<u>\$ 28,865,206</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

Clark County, Nevada  
Statement of Changes in Net Position - Fiduciary Funds  
For the Fiscal Year Ended June 30, 2018

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	Employee Benefit and Pension Trust Funds	Investment Trust Funds
<b>Additions</b>		
Contributions		
Contributions from employer	\$ 37,000,000	\$ -
Contributions from employees	647,586	-
Contributions to investment trust funds	-	87,994,979
Total contributions	<u>37,647,586</u>	<u>87,994,979</u>
Investment earnings		
Interest	210,885	428,957
Net increase in fair value of investments	43,751,867	(213,618)
Total investment earnings	<u>43,962,752</u>	<u>215,339</u>
Less investment expense	(164,752)	-
Net investment earnings	<u>43,798,000</u>	<u>215,339</u>
 Total additions	 <u>81,445,586</u>	 <u>88,210,318</u>
<b>Deductions</b>		
General and administrative	398,691	-
Benefit payments	17,738,095	-
Distributions from investment trust funds	-	83,660,307
 Total deductions	 <u>18,136,786</u>	 <u>83,660,307</u>
 Change in net position	 63,308,800	 4,550,011
<b>Net Position</b>		
Beginning of year	<u>398,250,690</u>	<u>24,315,195</u>
End of year	<u>\$ 461,559,490</u>	<u>\$ 28,865,206</u>

The accompanying notes are an integral part of these financial statements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Reporting Entity

Clark County, Nevada (the County) is a municipality governed by an elected seven-member board. As required by accounting principles generally accepted in the United States of America (GAAP), these financial statements present Clark County, Nevada (the primary government) and its component units.

Blended Component Units

Included as blended component units are University Medical Center of Southern Nevada (UMC) and the Clark County Water Reclamation District (Reclamation District).

Although each of the above-mentioned governmental units operates as a separate entity, the members of the Board of Clark County Commissioners are also the board members (ex-officio) of each entity. Because each of the component units has substantially the same governing body as the primary government and management of the primary government has operational responsibility or is financially accountable for each of the component units, they are blended into the financial statements. The operations of UMC and the Reclamation District are reflected as enterprise funds.

Discretely Presented Component Units

Included as discretely presented component units are the Regional Transportation Commission of Southern Nevada (RTC), the Clark County Regional Flood Control District (Flood Control District), Clark County Stadium Authority (CCSA), Las Vegas Valley Water District (LVVWD), Big Bend Water District, and Kyle Canyon Water District. The RTC and the Flood Control District are governed by two members of the Board of County Commissioners, two members of the City of Las Vegas Council, and one member from the city council of every other incorporated city in Clark County. The CCSA is governed by a nine member board; three members are appointed by the Governor, three members are appointed by the Board of County Commissioners, one member is appointed by the President of the University of Nevada, Las Vegas, and two members are elected by the appointed board members. The County is financially accountable for RTC, Flood Control District, and CCSA, and exclusion of these units would render the financial statements of the County incomplete. The members of the Board of County Commissioners are also the board members (ex-officio) of the Water Districts, and the exclusion of these units would render the financial statements of the County incomplete.

Separately issued financial statements for the component units may be obtained by contacting the component units at the following addresses:

Las Vegas Valley Water District and Big Bend Water District  
1001 South Valley View Boulevard  
Las Vegas, Nevada 89153

University Medical Center of Southern Nevada  
1800 West Charleston Boulevard  
Las Vegas, Nevada 89102

Clark County Water Reclamation District  
5857 East Flamingo Road  
Las Vegas, Nevada 89122

Regional Transportation Commission of Southern Nevada  
600 South Grand Central Parkway, Suite 350  
Las Vegas, Nevada 89106

Regional Flood Control District  
600 South Grand Central Parkway, Suite 300  
Las Vegas, Nevada 89106

Clark County Stadium Authority  
6385 S. Rainbow Blvd., Suite 105  
Las Vegas, NV 89118

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the County and its component units. For the most part, the effect of interfund activity has been removed from these statements. 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment, including special assessments. Taxes and other items not properly included among program revenues are reported instead as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

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. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges for services between the governmental activities and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

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. Revenues are considered to be available when they are collectible within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the County considers revenues, excluding property taxes, to be available if they are collected within 90 days after the end of the current fiscal year. Property taxes are considered available if collected within 60 days after the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, consolidated taxes, franchise fees, interest revenue, and charges for services associated with the current fiscal year are considered to be susceptible to accrual and have been recognized as revenues in the current year. Only the portion of special assessments receivable due within the fiscal year is considered to be susceptible to accrual as revenue of the current year. Fines and forfeitures, as well as licenses and permits, are not susceptible to accrual as they are generally not measurable until received in cash.

The proprietary fund and employee benefit and pension trust fund and investment trust fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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 operations. The principal operating revenues of the County's enterprise funds and internal service funds are charges to customers for sales and services. The County also recognizes as operating revenue the portion of tap fees of the Reclamation District fund that are intended to recover the cost of connecting new customers to their system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The County reports the following major governmental funds:

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

The Las Vegas Metropolitan Police Department Fund accounts for the operation of a police department serving the citizens of unincorporated Clark County and the City of Las Vegas and is primarily funded through property taxes, fees for service, grants, an interlocal contract with the Department of Aviation for police services, and contributions from the City of Las Vegas and Clark County.

The County reports the following major enterprise funds:

The University Medical Center Fund is a blended component unit of the County. It accounts for the operations of the County's hospital.

The Water Reclamation District Fund is a blended component unit of the County. It accounts for the operations of the County's sewage treatment facilities.

The Department of Aviation Fund accounts for the operations of McCarran International Airport, North Las Vegas Airport, Henderson Executive Airport, Jean Sport Aviation Airport, and Perkins Field in Overton, Nevada.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Fund Financial Statements (Continued)

Additionally, the County reports the following fund types:

Internal service funds account for printing and mailing, fleet management, employee benefits, property management, information technology, enterprise resource planning, investment pool costs and self-insurance services provided to other departments or agencies of the County, or to other governments, on a cost reimbursement basis.

Fiduciary funds include the Medical Insurance Premium Retirement Plan fund, the County Section 125 Plan fund, and the Las Vegas Valley Water District Pension Plan fund. These funds account for resources that are required to be held in trust for the members and beneficiaries of the employee benefit plans or for pension benefit payments to qualified employees.

The investment trust funds and agency funds are also included as fiduciary funds. The Pooled Investment Trust fund accounts for the net position of the County's external investment pool. The Southern Nevada Health District (SNHD) Investment Trust Fund accounts for the net position of the SNHD's individual investment account. The agency funds account for assets held by the County as an agent for other governmental entities. The most significant activity in the agency funds is the collection and transfer of taxes to other local governmental entities, primarily ad valorem and room taxes.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, Deferred Outflows (DOR), Liabilities, Deferred Inflows (DIR), and Net Position or Equity

Investments

With the exception of the Water Reclamation District, the County pools the cash of its individual funds for investment purposes. Each fund in the pool records its own interest earnings allocated based on its average daily balances. At year end, all the investments in the pool are adjusted to fair value, regardless of the length of time remaining to maturity. The proportionate share of each fund's unrealized gain or loss at year end is adjusted against the interest earnings of the individual funds. The Water Reclamation District also adjusts their investments to fair value, but only to the extent that they are maturing longer than a year from year end. (Also see Note III.1.)

Receivables and Payables

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

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

Inventories and Prepaid Items

The inventories of the proprietary funds are valued at the lower of cost, determined by first-in, first-out method, or market. Inventories consist primarily of materials and supplies.

Certain payments to vendors reflect costs benefiting future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets

Restricted assets consist of cash and cash equivalents, investments and certain receivables that are restricted in their use by bond covenants or other external agreements. They are primarily used to pay the cost of capital projects and to meet debt service obligations.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, bridges, flood control structures, traffic signals, streetlights, and similar items), are reported in the applicable governmental or business-type 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. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at 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 lives are not capitalized.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, DOR, Liabilities, DIR, and Net Position or Equity (Continued)

Capital Assets

Major outlays for capital assets and improvements are capitalized as projects are constructed. Significant projects in process are depreciated once the projects are placed in service. Prior to that time, they are reported as construction in progress. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	20-50
Land improvements	5-75
Infrastructure	15-50
Equipment	5-20

Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period so will not be recognized as an outflow of resources (expense/expenditure) until then. Bond refundings are unamortized balances resulting from advance bond refundings and deferred losses incurred on the re-association and revaluation of interest rate swaps paired to certain bonds that were refunded. The hedging instruments are the changes in the fair value of interest rate swaps serving as hedging derivatives at the end of the fiscal year. The pension contributions resulted from the County pension related contributions subsequent to the measurement date but before the end of the fiscal year, net difference between projected and actual investment earnings, changes in assumptions, and changes in proportion since the prior measurement date. The OPEB related deferred outflows resulted from OPEB related contributions made subsequent to the measurement date, but before the end of the fiscal year and difference between expected and actual experience.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Bond refundings are unamortized balances resulting from advance bond refundings. The hedging instruments are the changes in the fair value of interest rate swaps serving as hedging derivatives at the end of the fiscal year. The pension related amounts resulted from the difference between projected and actual experience and changes in proportionate share of collective net pension liability. The OPEB related amounts resulted from difference between expected and actual experience, change in assumptions, and net difference between projected and actual investment earnings. The Personal Seat Licenses (PSL) amount pertains to the sale of future revenues that are deferred because the earnings process is not complete. In the governmental funds, the only deferred inflow of resources is for revenues that are not considered available. These amounts are deferred and recognized as inflow of resources in the period that the amounts become available.

Compensated Absences

It is the County's policy to permit employees to accumulate earned, but unused vacation and sick leave benefits. Such benefits are accrued when incurred in the government-wide and proprietary financial statements.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in 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 are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the 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 whereas 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.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Clark County Self-Funded (CCSF) OPEB Trust and Las Vegas Metropolitan Police Department (LVMPD) OPEB Trust and additions to/deductions from CCSF OPEB and LVMPD OPEB Trusts' fiduciary net position have been determined on the same basis as they are reported by the CCSF OPEB Trust and LVMPD OPEB Trust. For this purpose, CCSF OPEB Trust and LVMPD OPEB Trust recognize benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, DOR, Liabilities, DIR, and Net Position or Equity (Continued)

Net Position or Equity

In the government-wide statements and in proprietary fund statements, equity is classified as net position and displayed in three components:

- Net investment in capital assets - Capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets net of unspent financing proceeds.
- Restricted net position - Net position with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

In governmental fund financial statements equity is classified as fund balance and is displayed in up to five components based primarily on the extent to which the County is bound to observe constraints imposed on the use of fund resources. These components are as follows:

- Nonspendable fund balances - Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes the long-term amount of loans and notes receivable.
- Restricted fund balances - Similar to restricted net position discussed above, these are amounts with constraints placed on their use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed fund balances - Amounts with constraints imposed by formal resolution of the Board of County Commissioners (BCC) that specifically state the revenue source and purpose of the commitment. Commitments can only be modified or rescinded through resolutions by the BCC. Commitments can also include resources required to meet contractual obligations approved by the BCC.
- Assigned fund balances - Amounts intended to be used for specific purposes by the Chief Financial Officer as authorized by fiscal directives that do not meet the criteria to be classified as restricted or committed. In the General Fund, the assigned fund balance represents management approved encumbrances that have been re-appropriated in the subsequent year, and amounts necessary to fund budgetary shortfalls in the next fiscal year from unassigned resources.
- Unassigned fund balances - Amounts in the General Fund not contained in other classifications. For other governmental funds, the unassigned classification is used only to report a deficit balance resulting from expenditures exceeding those amounts restricted, committed or assigned for specific purposes.

Based on the County's policy regarding the fund balance classification as noted above, when both restricted and unrestricted funds are available for expenditure, restricted funds should be spent first unless legal requirements disallow it. When expenditures are incurred for purposes for which amounts in any unrestricted fund balance classifications could be used, committed funds are to be spent first, assigned funds second, and unassigned funds last.

Accounting Pronouncements

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which is effective for fiscal years beginning after June 15, 2017. The objective of this Statement is to improve the accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The adoption of Statement No. 75 resulted in a prior period adjustment to recognize the Net OPEB Liability and deferred outflows of resources related to OPEB contributions made during the measurement period. The effects of this adjustment are disclosed in "Accounting Changes and Restatements" below.

In March 2016, the GASB issued Statement No. 81, *Irrevocable Split-Interest Agreement*, which is effective for reporting periods beginning after December 15, 2016. Earlier application is encouraged. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The adoption of Statement No. 81 did not affect the County's financial position, results of operations or cash flows.



I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Pronouncements (Continued)

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*, which is effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. The objective of the Statement is to provide financial statement users with information about asset retirement obligations (AROs) that were not addressed in GASB standards by establishing uniform accounting and financial reporting requirements for these obligations. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets will need to determine when to recognize a liability and corresponding deferred outflows of results for AROs based on the criteria in the Statement. The County has not yet completed its assessment of this statement.

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*, which is effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The objective of the Statement is to improve guidance regarding the identification of fiduciary activities for the accounting and financial reporting purposes and how the activities should be reported. The Statement establishes criteria for identifying fiduciary activities. The focus of the criteria generally is on (1) whether a government is controlling the assets of a fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The County has not yet completed its assessment of this statement.

In March 2017, the GASB issued Statement No. 85, *Omnibus 2017*, which is effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged. The objective of the Statement is to improve consistency in accounting and financial reporting by addressing practice issues that have been identified during implementation and application of certain GASB statements. Specifically, this Statement addresses the following topics:

- Blending a component unit in circumstances in which the primary government is a business-type activity that reports in a single column for financial statement presentation
- Reporting amounts previously reported as goodwill and “negative” goodwill
- Classifying real estate held by insurance entities
- Measuring certain money market investments and participating interest-earning investment contracts at amortized cost
- Timing of the measurement of pension or OPEB liabilities and expenditures recognized in financial statements prepared using the current financial resources measurement focus
- Recognizing on-behalf payments for pensions or OPEB in employer financial statements
- Presenting payroll-related measures in required supplementary information for purposes of reporting by OPEB plans and employers that provide OPEB
- Classifying employer-paid member contributions for OPEB
- Simplifying certain aspects of the alternative measurement method for OPEB
- Accounting and financial reporting for OPEB provided through certain multiple-employer defined benefit OPEB plans.

The adoption of Statement No. 85 did not affect the County’s financial position, results of operations or cash flows.

In May 2017, the GASB issued Statement No. 86, *Certain Debt Extinguishments*, which is effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged. The objective of this statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources are placed in an irrevocable trust for the sole purpose of extinguishing debt. The Statement also improves accounting and financial reporting for prepaid insurance on the debt that is extinguished and notes to the financial statements for debt that is defeased in substance. The adoption of Statement No. 86 did not affect the County’s financial position, results of operations or cash flows.

In June 2017, the GASB issued Statement No. 87, *Leases*, which is effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The objective of the Statement is to better meet the information needs financial statement users by improving accounting and financial reporting for leases by governments. The Statement requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognize inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The County has not yet completed its assessment of this statement.

In March 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, which is effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. The objective of this statement is to improve the information that is disclosed in the notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The Statement defines debt for purposes of disclosure in the notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. The Statement requires additional essential information related to debt to be disclosed in the notes to the financial statements. The Statement also requires that disclosure of existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The County has not yet completed its assessment of this statement.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Pronouncements (Continued)

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which is effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The objective of this statement is to (1) enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of the construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The County has not yet completed its assessment of this statement.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests*, which is effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. The Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. The County has not yet completed its assessment of this statement.

Accounting Changes and Restatements

Fiscal year 2018 basic financial statements have been retroactively adjusted following GASB No. 75 *Accounting and Financial Reporting for Postemployment Benefit Other Than Pensions*. The effect of this adjustment is a decrease in net position at July 1, 2017 of \$433,607,150 to retroactively remove the prior OPEB liability reported under GASB No. 45 and adopt the provisions of GASB No. 75 to report the beginning net OPEB liability and deferred outflows of resources related contributions made after the measurement date. Additionally, the governmental activities net position was decreased by \$10,008,662 to adjust the receivable balance from the City of Las Vegas for their funding share of the Las Vegas Metropolitan Police Department's net OPEB liability at July 1, 2017. This change is in accordance with generally accepted accounting principles.

Capital assets, accounts receivable and net position of the Clark County Water Reclamation District were increased by \$2,583,031 as of July 1, 2017. A review of capital asset records for fiscal year ended June 30, 2018 resulted in the identification of assets that were abandoned or impaired prior to the fiscal year ended June 30, 2017. Additionally, the review identified a contributed asset which should have been recorded in fiscal year 2017. The Clark County Water Reclamation District also identified water reuse sales and corresponding accounts receivable that were for fiscal year 2017.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Changes and Restatements (Continued)

The effects of the above adjustments on the fiscal year 2018 basic financial statements are as follows:

	Governmental Activities	Business-Type Activities	Total Primary Government
Net position at June 30, 2017, as previously reported	\$ 5,932,289,343	\$ 2,833,033,495	\$ 8,765,322,838
Adjustment to Net OPEB Liability	(277,618,087)	(152,101,456)	(429,719,543)
Deferred outflow of Resources related to OPEB contributions made during the year ended June 30, 2018	14,752,229	6,253,624	21,005,853
Receivable from City of Las Vegas for joint funding of LVMPD's net OPEB liability	(10,008,662)	-	(10,008,662)
Accounts receivable	-	353,609	353,609
Donated capital asset	-	4,782,972	4,782,972
Abandonment/Impairment of capital assets	-	(2,553,550)	(2,553,550)
Net position at July 1, 2017, as restated	<u>\$ 5,659,414,823</u>	<u>\$ 2,689,768,694</u>	<u>\$ 8,349,183,517</u>

	University Medical Center	Water Reclamation District	Department of Aviation
Net position at June 30, 2017, as previously reported	\$ (257,895,883)	\$ 1,749,119,974	\$ 1,309,539,102
Adjustment to Net OPEB Liability	(108,571,758)	(19,577,714)	(23,951,984)
Deferred outflow of Resources related to OPEB contributions made during the year ended June 30, 2018	4,163,458	-	2,090,166
Accounts receivable	-	353,609	-
Donated capital asset	-	4,782,972	-
Abandonment/Impairment of capital assets	-	(2,553,550)	-
Net position at July 1, 2017, as restated	<u>\$ (362,304,183)</u>	<u>\$ 1,732,125,291</u>	<u>\$ 1,287,677,284</u>

	Regional Flood Control District	RTC of Southern Nevada	Las Vegas Valley Water District	Other Water Districts
Net position at June 30, 2017, as previously reported	\$ (337,150,899)	\$ (31,294,443)	\$ 1,013,458,823	\$ 31,572,676
Adjustment to Net OPEB Liability	(1,786,195)	(5,766,349)	(17,388,811)	(97,815)
Deferred outflow of Resources related to OPEB contributions made during the year ended June 30, 2018	-	145,710	-	-
Net position at July 1, 2017, as restated	<u>\$ (338,937,094)</u>	<u>\$ (36,915,082)</u>	<u>\$ 996,070,012</u>	<u>\$ 31,474,861</u>

Use of Estimates

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The County conformed to all significant statutory constraints on its financial administration during the year.

III. DETAILED NOTES - ALL FUNDS

1. CASH AND INVESTMENTS

Deposits

According to state statutes, County monies must be deposited with federally insured banks, credit unions, or savings and loan associations within the County. The County is authorized to use demand accounts, time accounts, and certificates of deposit. State statutes specifically require collateral for demand deposits, and specify that collateral for time deposits may be of the same type as those described for permissible investments. Permissible investments are similar to allowable County investments described below, except that statutes permit a longer term and include securities issued by municipalities within Nevada. The County's deposits are fully covered by federal depository insurance or securities collateralized in the State of Nevada Collateral Pool. Securities used as such collateral must total 102 percent of the deposits with each financial institution. The County monitors the Nevada Collateral Pool to ensure full collateralization.

All deposits are subject to credit risk. Credit risk is defined as the risk that another party to a deposit or investment transaction (counterparty) will not fulfill its obligations. At year end, the bank balance of deposits held in custody of the County Treasurer was \$52,963,734 and the carrying amount was \$38,936,163. The County utilizes zero balance sweep accounts and there are money market funds and other short-term investments available to cover amounts presented for payment.

The bank balance of deposits held in the custody of other officials was \$107,430,335 consisting of \$500 for the Flood Control District, \$22,340,713 for the RTC, \$12,157,825 for the Water District, and \$2,646,347 for Big Bend Water District and \$150,000 for the Clark County Stadium Authority. The carrying amount of deposits held in the custody of other officials was \$98,892,524 consisting of \$500 for the Flood Control District, \$17,014,320 for the RTC, \$13,818,649 for the Water District, and \$2,646,347 for Big Bend Water District and \$150,000 for the Clark County Stadium Authority. The bank balance and the carrying value of deposits with fiscal agent was \$60,464,199.

At June 30, 2018, the value of County-wide deposits, investments, and derivative instruments consisted of the following:

<u>Total Cash, Investments, and Derivative Instruments - All Entities Combined</u>		
Investments and Derivative Instruments		Fair Value
Countywide Investments (1)	\$ 5,161,695,191	
Investments with RFCF Fiscal Agent	126,781,967	
Investments with RTC Fiscal Agent	53,586,144	
Investments with the Water District	490,742,669	
Investments with Stadium Authority Fiscal Agent	762,023,151	
Derivative Instruments	<u>66,130,870</u>	\$ 6,660,959,992
Cash		198,292,886
Water District Pension		<u>460,143,219</u>
Grand total		<u>\$ 7,319,396,097</u>

(1) Exclusive of RFCF Fiscal Agent & RTC Fiscal Agent & Water District & Stadium Authority Fiscal Agent.

County-wide investments and cash above include investment and cash balances for the Flood Control District, the RTC, Kyle Canyon Water District, and Clark County Stadium Authority in the amount of \$160,412,197, \$509,294,619, \$167,559, and \$7,553,039, respectively, which are discretely presented component units and are not broken out separately as they participate in the investment pool.

Investments

When investing monies, the County is required to be in conformance with state statutes and written policies adopted by the Board of County Commissioners designating allowable investments and the safeguarding of those investments. The County invests monies both by individual fund and through a pooling of monies. The pooled monies, referred to as the investment pool, are theoretically invested as a combination of monies from each fund belonging to the pool. In this manner, the County Treasurer is able to invest the monies at a higher interest rate for a longer period of time. Interest is apportioned monthly to each fund in the pool based on the average daily cash balances of the funds for the month in which the investment matures. Cash and investments in the custody of the County Treasurer comprise the investment pool. Securities purchased by the County are delivered against payments and held in a custodial safekeeping account with the trust department of a bank designated by the County. Entity-wide investment pools are considered to have the general characteristics of demand deposits in that the entity may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty. Therefore, cash and investments in custody of the County Treasurer for the proprietary funds are considered cash equivalents for the purposes of the statement of cash flows, in addition to cash in custody of other officials and cash with fiscal agent.

III. DETAILED NOTES - ALL FUNDS

1. CASH AND INVESTMENTS (Continued)

Investments (Continued)

State statutes authorize the County to invest in the following (quality rating by Moody's Investment Service): Obligations of the U.S. Treasury and U.S. agencies not to exceed ten years maturity; negotiable notes or short-term negotiable bonds issued by other local governments of the State of Nevada; negotiable certificates of deposit insured by commercial banks, credit unions or savings and loan associations; nonnegotiable certificates of deposit issued by insured commercial banks, credit unions or savings and loan associations, except certificates that are not within limits of insurance provided by the Federal Deposit Insurance Corporation, unless those certificates are collateralized as is required for uninsured deposits; bankers' acceptances eligible for rediscount with federal reserve banks, not to exceed 180 days maturity and 20 percent of total investments; obligations of state and local governments if the interest on the obligation is tax exempt and the obligation is rated "A" or its equivalent; commercial paper having a "P-1" rating or equivalent, not to exceed 270 days maturity and 20 percent of the total investments; money market mutual funds with "Aaa" rating invested only in federal government or agency securities; master notes, bank notes or other short-term commercial paper rated "P-1" or its equivalent, or in repurchase agreements fully collateralized by such securities; notes, bonds, and other unconditional obligations issued by corporations organized and operating in the United States, having an "A" rating or equivalent, not to exceed 5 years maturity and 20 percent of the total investments; collateralized mortgage obligations that are rated "Aaa" or its equivalent, not to exceed 20 percent of the total investments; asset-backed securities that are rated "Aaa" or its equivalent, not to exceed 20 percent of the total investments; repurchase agreements that are collateralized at 102 percent and are executed with a primary dealer, not to exceed 90 days maturity; forward delivery agreements executed with a bank or financial institution rated A or equivalent. State statutes require the County to invest with security dealers who are primary dealers when investing in repurchase agreements. Primary dealers are a group of dealers that submit daily reports of market positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its formal oversight. The Local Government Investment Pool is an unrated external pool administered by the State Treasurer with oversight by the State of Nevada Board of Finance. The County deposits monies with the State Treasurer to be pooled with monies of other local governments for investment in the local government pooled investment fund.

At June 30, 2018, the fair value of County-wide investments and derivative instruments were categorized by maturity as follows:

<u>Investments and Derivative Instruments Maturities - All Entities Combined</u>					
Investment Type	Fair Value	Less than 1 Year	1 to 3 Years	3 to 5 Years	More than 5 Years
<i>Debt Securities (Exclusive of RFCD Fiscal Agent &amp; RTC Fiscal Agent &amp; Water District &amp; Stadium Authority Fiscal Agent)</i>					
U.S. Treasuries	\$ 1,659,921,046	\$ 358,160,915	\$ 935,175,721	\$ 366,584,410	\$ -
U.S. Agencies	1,271,285,440	274,340,101	572,773,188	424,172,151	-
Corporate Obligations	712,105,503	293,690,959	222,626,230	195,788,314	-
Money Market Funds	322,665,482	322,665,482	-	-	-
Commercial Paper	748,947,650	748,947,650	-	-	-
Negotiable Certificates of Deposit	239,683,798	239,683,798	-	-	-
NV Local Government Investment Pool	30,718,220	30,718,220	-	-	-
Collateralized Mortgage Obligations & Asset Backed Securities	176,368,052	450,051	34,601,949	108,686,621	32,629,431
Derivative Instruments	66,130,870	-	-	4,341,079	61,789,791
Subtotal	<u>5,227,826,061</u>	<u>2,268,657,176</u>	<u>1,765,177,088</u>	<u>1,099,572,575</u>	<u>94,419,222</u>
<i>Debt Securities With RFCD Fiscal Agent</i>					
U.S. Treasuries	115,750,774	2,406,217	113,344,557	-	-
Money Market Funds	11,031,193	11,031,193	-	-	-
Subtotal	<u>126,781,967</u>	<u>13,437,410</u>	<u>113,344,557</u>	<u>-</u>	<u>-</u>
<i>Debt Securities With RTC Fiscal Agent</i>					
U.S. Treasuries	15,450,696	15,450,696	-	-	-
U.S. Agencies	22,531,984	6,968,770	9,668,894	5,894,320	-
Money Market Funds	417,464	417,464	-	-	-
Forward Delivery Agreements	15,186,000	15,186,000	-	-	-
Subtotal	<u>53,586,144</u>	<u>38,022,930</u>	<u>9,668,894</u>	<u>5,894,320</u>	<u>-</u>
<i>Debt Securities With Water District</i>					
U.S. Treasuries	112,548,790	24,815,600	87,733,190	-	-
U.S. Agencies	286,610,581	59,418,510	217,339,371	9,852,700	-
Commercial Paper	73,608,848	73,608,848	-	-	-
Negotiable Certificates of Deposit	17,974,450	17,974,450	-	-	-
Subtotal	<u>490,742,669</u>	<u>175,817,408</u>	<u>305,072,561</u>	<u>9,852,700</u>	<u>-</u>
<i>Debt Securities With Stadium Authority Fiscal Agent</i>					
U.S. Treasuries	596,697,340	596,697,340	-	-	-
U.S. Agencies	129,904,800	129,904,800	-	-	-
Money Market Funds	35,421,011	35,421,011	-	-	-
Subtotal	<u>762,023,151</u>	<u>762,023,151</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 6,660,959,992</u>	<u>\$ 3,257,958,075</u>	<u>\$ 2,193,263,100</u>	<u>\$ 1,115,319,595</u>	<u>\$ 94,419,222</u>

III. DETAILED NOTES - ALL FUNDS

1. CASH AND INVESTMENTS (Continued)

Investments (Continued)

At June 30, 2018, the fair value of County-wide investments and derivative instruments were categorized by quality rating as follows:

Investment Type	Fair Value	Quality Ratings by Moody's Investors Service						Unrated
		Aaa	Aaa	Aa	A	Baa	P-1	
<i>Debt Securities (Exclusive of RFCD Fiscal Agent &amp; RTC Fiscal Agent &amp; Water District &amp; Stadium Authority Fiscal Agent)</i>								
U.S. Treasuries	\$ 1,659,921,046	\$ 1,570,168,700	-	\$ -	-	\$ -	89,752,346	\$ -
U.S. Agencies (1)	1,271,285,440	1,177,328,605	-	-	-	-	91,015,410	2,941,425
Corporate Obligations	712,105,503	65,544,544	225,109,403	421,451,556	-	-	-	50,179,853
Money Market Funds (2)	322,665,482	272,485,629	-	-	-	-	748,947,650	-
Commercial Paper	748,947,650	-	-	-	-	-	234,890,000	4,793,798
Negotiable Certificates of Deposit	239,683,798	-	-	-	-	-	-	30,718,220
NV Local Government Investment Pool	30,718,220	-	-	-	-	-	-	-
Collateralized Mortgage Obligations & Derivative Instruments	176,368,052	118,325,149	-	-	-	-	-	58,042,903
Asset Backed Securities (3)	66,130,870	-	3,988,621	-	62,142,249	-	-	-
Subtotal	5,227,826,061	3,203,852,627	229,098,024	421,451,556	62,142,249	1,164,605,406	2,079,756	146,676,199
<i>Debt Securities With RFCD Fiscal Agent</i>								
U.S. Treasuries	115,750,774	115,750,774	-	-	-	-	-	-
Money Market Funds	11,031,193	11,031,193	-	-	-	-	-	-
Subtotal	126,781,967	126,781,967	-	-	-	-	-	-
<i>Debt Securities With RTC Fiscal Agent</i>								
U.S. Treasuries	15,450,696	13,370,940	-	-	-	-	2,079,756	-
U.S. Agencies (1)	22,531,984	14,637,974	-	-	-	-	-	7,894,010
Money Market Funds	417,464	417,464	-	-	-	-	-	-
Forward Delivery Agreements	15,186,000	-	-	15,186,000	-	-	-	-
Subtotal	53,586,144	28,426,378	-	15,186,000	-	-	2,079,756	7,894,010
<i>Debt Securities With Water District</i>								
U.S. Treasuries	112,548,790	87,733,190	-	-	-	-	24,815,600	-
U.S. Agencies (1)	286,610,581	179,705,396	-	-	-	-	59,418,510	47,486,675
Commercial Paper	73,608,848	-	-	-	-	-	73,608,848	-
Negotiable Certificates of Deposit	17,974,450	-	-	-	-	-	17,974,450	-
Subtotal	490,742,669	267,438,586	-	-	-	-	175,817,408	47,486,675
<i>Debt Securities With Stadium Authority Fiscal Agent</i>								
U.S. Treasuries	596,697,340	479,010,300	-	-	-	-	117,687,040	-
U.S. Agencies	129,904,800	-	-	-	-	-	129,904,800	-
Money Market Funds	35,421,011	35,421,011	-	-	-	-	-	-
Subtotal	762,023,151	514,431,311	-	-	-	-	247,591,840	-
Total	\$ 6,660,959,992	\$ 4,140,930,869	\$ 229,098,024	\$ 436,637,556	\$ 62,142,249	\$ 1,590,094,410	\$ 202,056,884	

(1) Unrated U.S. federal agency securities are Farmer Mac securities not rated by either Moody's or Standard & Poor's.

(2) Unrated money market funds are rated AAA by Kroll.

(3) Unrated asset backed securities are rated AAA by Standard & Poor's or Fitch.

III. DETAILED NOTES - ALL FUNDS

1. CASH AND INVESTMENTS (Continued)

Investments (Continued)

In accordance with GASB Statement No. 72, investments and derivative instruments are valued at fair value. Securities classified at Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities or offer same-day liquidity at a price of par. Securities classified at Level 2 of the fair value hierarchy are generally valued using a matrix pricing technique. Matrix pricing is the process of estimating the market price of a bond based on the quoted prices of more frequently traded comparable bonds. Securities classified at Level 3 of the fair value hierarchy generally are not traded on the open market and include Forward Delivery Agreements and State and Local Government Series (SLGS securities which are purchased from the U.S. Department of Treasury through a subscription process, but can be redeemed through the Bureau of Fiscal Service by a redemption request.

The fair values of the interest rate derivative instruments are estimated using an independent pricing service. The valuations provided are derived from proprietary models based upon well-recognized principles and estimates about relevant future market conditions. The instruments' expected cash flows are calculated using the zero-coupon discount method, which takes into consideration the prevailing benchmark interest rate environment as well as the specific terms and conditions of a given transaction and which assumes that the current forward rates implied by the benchmark yield curve are the market's best estimate of future spot interest rates. The income approach is then used to obtain the fair value of the instruments by discounting future expected cash flows to a single valuation using a rate of return that takes into account the relative risk of nonperformance associated with the cash flows and the time value of money. This valuation technique is applied consistently across all instruments. Given the observability of inputs that are significant to the entire sets of measurements, the fair values of the instruments are based on inputs categorized as Level 2.

At June 30, 2018, County-wide investments and derivative instruments were measured at fair value as follows:

Investments and Derivative Instruments Fair Value Measurements - All Entities Combined					
Investment Type	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Not Categorized
<i>Debt Securities (Exclusive of RFCD Fiscal Agent &amp; RTC Fiscal Agent &amp; Water District &amp; Stadium Authority Fiscal Agent)</i>					
U.S. Treasuries	\$ 1,659,921,046	\$ 1,659,921,046	\$ -	\$ -	\$ -
U.S. Agencies	1,271,285,440	91,015,410	1,180,270,030	-	-
Corporate Obligations	712,105,503	-	712,105,503	-	-
Money Market Funds	322,665,482	322,665,482	-	-	-
Commercial Paper	748,947,650	-	748,947,650	-	-
Negotiable Certificates of Deposit	239,683,798	-	239,683,798	-	-
NV Local Government Investment Pool (1)	30,718,220	-	-	-	30,718,220
Collateralized Mortgage Obligations & Asset Backed Securities	176,368,052	-	176,368,052	-	-
Derivative Instruments	66,130,870	-	66,130,870	-	-
Subtotal	5,227,826,061	2,073,601,938	3,123,505,903	-	30,718,220
<i>Debt Securities With RFCD Fiscal Agent</i>					
U.S. Treasuries	115,750,774	115,750,774	-	-	-
Money Market Funds	11,031,193	11,031,193	-	-	-
Subtotal	126,781,967	126,781,967	-	-	-
<i>Debt Securities With RTC Fiscal Agent</i>					
U.S. Treasuries	15,450,696	15,450,696	-	-	-
U.S. Agencies	22,531,984	-	22,531,984	-	-
Money Market Funds	417,464	417,464	-	-	-
Forward Delivery Agreements	15,186,000	-	-	15,186,000	-
Subtotal	53,586,144	15,868,160	22,531,984	15,186,000	-
<i>Debt Securities With Water District</i>					
U.S. Treasuries	112,548,790	112,548,790	-	-	-
U.S. Agencies	286,610,581	59,418,510	227,192,071	-	-
Commercial Paper	73,608,848	-	73,608,848	-	-
Negotiable Certificates of Deposit	17,974,450	-	17,974,450	-	-
Subtotal	490,742,669	171,967,300	318,775,369	-	-
<i>Debt Securities With Stadium Authority Fiscal Agent</i>					
U.S. Treasuries	596,697,340	596,697,340	-	-	-
U.S. Agencies	129,904,800	129,904,800	-	-	-
Money Market Funds	35,421,011	35,421,011	-	-	-
Subtotal	762,023,151	762,023,151	-	-	-
Total	\$ 6,660,959,992	\$ 3,150,242,516	\$ 3,464,813,256	\$ 15,186,000	\$ 30,718,220

(1) Position in external investment pool is not categorized within the fair value hierarchy in accordance with generally accepted accounting principles.

III. DETAILED NOTES - ALL FUNDS

1. CASH AND INVESTMENTS (Continued)

Investments (Continued)

At June 30, 2018, the Las Vegas Valley Water District Pension Trust Fund had the following investments (includes contract investments at contract value):

<u>Las Vegas Valley Water District Pension Trust Fund Investments</u>				
Investment	Maturities	Carrying Value	Fair Value Measurement	Percentage of Total
Cash and cash equivalents				
Money Market Fund	Weighted Avg. 27 days	\$ 2,015,501	Level 1	0.50%
Fixed income securities				
U.S. Fixed Income Securities	Weighted Avg. 8.50 years	84,742,197	Level 1	
High Yield Fixed Income Securities	Weighted Avg. 3.80 years	27,613,067	Level 1	
Insurance Contracts		Open	3,241,202	Level 2
		<u>115,596,466</u>		25.10
Equity securities				
U.S. Equity Securities	N/A	261,942,779	Level 1	
International Equity Securities	N/A	66,753,459	Level 1	
		<u>328,696,238</u>		71.40
Global REIT		N/A	13,835,014	Level 1
Total		<u>\$ 460,143,219</u>		<u>100.00%</u>

Level 1 investments were valued based on quoted market prices for identical assets provided by recognized broker dealers. Level 2 investments were valued by recognized broker dealers based on a matrix pricing model that maximizes the use of observable inputs for similar securities.

<u>Las Vegas Valley Water District Pension Trust Fund Credit Quality with Credit Exposure as a Percentage of Total Fixed Income Investments (Contracts Not Rated) as of June 30, 2018</u>		
Domestic Bond Fund	AA	73.30%
High Yield Bond Fund	B	23.90
Contracts	N/A	2.80

The managing institution of the Domestic Bond Fund reports an average quality rating of AA3 at June 30, 2018, for the underlying securities. The managing institution of the High Yield Bond Fund reports an average quality rating of B1 at June 30, 2018 for the underlying securities. The Plan's Money Market Fund was not rated by either Moody's or Standard & Poor's at June 30, 2018.

Interest Rate Risk

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. Through its investment policy, the County manages its exposure to fair value losses arising from increasing interest rates by limiting the average weighted duration of its investment pool portfolio to less than 2.5 years. Duration is a measure of the present value of a fixed income's cash flows and is used to estimate the sensitivity of a security's price to interest rate changes.



III. DETAILED NOTES - ALL FUNDS

1. CASH AND INVESTMENTS (Continued)

Interest Rate Sensitivity

Interest rate sensitive securities include floating rate, callable, asset-backed, and mortgage-backed securities. As interest rates change, these types of securities may be redeemed early or the coupon rate may change.

At June 30, 2018, the County invested in the following types of securities that have a higher sensitivity to interest rates:

Terms Table of Interest Rate Sensitive Securities						
CUSIP	Security Type	Fair Value	Maturity Date	Call Frequency	Index	Coupon
3130ABVQ6	Federal Agency Callables	\$ 488,140	08/16/22	Quarterly	N/A	Fixed
3130ABXE1	Federal Agency Callables	1,554,016	08/11/21	Onetime	N/A	Fixed
3130ABYK6	Federal Agency Callables	2,957,730	02/07/20	Quarterly	N/A	Fixed
3130ABYK6	Federal Agency Callables	2,957,730	02/07/20	Quarterly	N/A	Fixed
3134GBN57	Federal Agency Callables	48,446,500	09/28/22	Onetime	N/A	Fixed
3134GBTZ5	Federal Agency Callables	1,955,660	06/29/22	Quarterly	N/A	Fixed
3134GBTZ5	Federal Agency Callables	1,955,660	06/29/22	Quarterly	N/A	Fixed
3134GSAU9	Federal Agency Callables	49,232,500	12/28/20	Onetime	N/A	Fixed
3134GSGT6	Federal Agency Callables	49,769,500	03/29/21	Onetime	N/A	Fixed
3134GSQC2	Federal Agency Callables	50,025,000	06/28/23	Onetime	N/A	Fixed
3134GBUB6	Federal Agency Step Ups	1,983,000	06/28/22	Onetime	N/A	Step up
3134GBUB6	Federal Agency Step Ups	1,983,000	06/28/22	Onetime	N/A	Step up
3134GBUB6	Federal Agency Step Ups	1,983,000	06/28/22	Onetime	N/A	Step up
3137AAR54	Agency CMOs	14,022	10/15/18	NA	N/A	Fixed
3137AAYD9	Agency CMOs	14,610	08/15/18	NA	N/A	Fixed
31397SPC2	Agency CMOs	23,740	06/25/21	NA	N/A	Fixed
31397NFA8	Agency CMOs	27,984	03/25/24	NA	N/A	Fixed
3136A3UG4	Agency CMOs	386,068	12/25/21	NA	N/A	Fixed
31398WD27	Agency CMOs	421,419	04/25/19	NA	N/A	Fixed
14313WAC6	Asset-Backed Securities	461,685	11/15/19	NA	N/A	Fixed
3136A3XZ9	Agency CMOs	539,317	02/25/22	NA	N/A	Fixed
3136A9YB8	Agency CMOs	556,826	02/25/22	NA	N/A	Fixed
3137AA4V2	Agency MBS Pass-Throughs	639,065	08/25/20	NA	N/A	Fixed
31418AFV5	Agency MBS Pass-Throughs	1,323,405	06/01/22	NA	N/A	Fixed
3137BRQ99	Agency MBS Pass-Throughs	1,867,342	09/25/22	NA	N/A	Fixed
31679RAD7	Asset-Backed Securities	1,972,040	02/15/22	NA	N/A	Fixed
47788CAB8	Asset-Backed Securities	1,995,360	10/15/20	NA	N/A	Fixed
3137B2HV5	Agency CMOs	2,413,254	07/15/23	NA	N/A	Fixed
3137BPCF4	Agency CMOs	2,564,938	10/25/20	NA	N/A	Fixed
3136AHYG9	Agency CMOs	2,568,733	03/25/28	NA	N/A	Fixed
3137A1N90	Agency MBS Pass-Throughs	3,032,850	06/25/20	NA	N/A	Fixed
09659QAD9	Asset-Backed Securities	3,464,685	04/25/22	NA	N/A	Fixed
65478HAE8	Asset-Backed Securities	3,671,775	02/15/24	NA	N/A	Fixed
38013MAD8	Asset-Backed Securities	3,962,880	09/21/20	NA	N/A	Fixed
31679RAE5	Asset-Backed Securities	4,389,975	07/15/24	N/A	N/A	Fixed
14314RAC6	Asset-Backed Securities	4,431,645	10/17/22	N/A	N/A	Fixed
34528FAE8	Asset-Backed Securities	4,510,980	10/15/23	N/A	N/A	Fixed
50117NAD6	Asset-Backed Securities	4,879,600	03/15/24	N/A	N/A	Fixed

III. DETAILED NOTES - ALL FUNDS

1. CASH AND INVESTMENTS (Continued)

Interest Rate Sensitivity (Continued)

Terms Table of Interest Rate Sensitive Securities (Continued)						
CUSIP	Security Type	Fair Value	Maturity Date	Call Frequency	Index	Coupon
161571HF4	Asset-Backed Securities	4,927,600	07/15/21	N/A	N/A	Fixed
14041NFH9	Asset-Backed Securities	4,931,550	09/15/22	N/A	N/A	Fixed
34530WAA5	Asset-Backed Securities	4,934,350	01/15/27	N/A	N/A	Fixed
42806DAA7	Asset-Backed Securities	4,945,550	03/25/21	N/A	N/A	Fixed
87165LAX9	Asset-Backed Securities	4,984,500	03/15/22	N/A	N/A	Fixed
65478HAD0	Asset-Backed Securities	5,128,864	04/18/22	N/A	N/A	Fixed
98162QAC4	Asset-Backed Securities	5,232,780	07/17/23	N/A	N/A	Fixed
65478UAD1	Asset-Backed Securities	5,378,493	10/15/20	N/A	N/A	Fixed
44614DAC1	Asset-Backed Securities	5,651,524	11/16/20	N/A	N/A	Fixed
14314MAC7	Asset-Backed Securities	5,945,863	02/16/21	N/A	N/A	Fixed
02007JAC1	Asset-Backed Securities	6,499,545	01/17/23	N/A	N/A	Fixed
89231LAE7	Asset-Backed Securities	6,837,670	01/15/22	N/A	N/A	Fixed
05582QAE7	Asset-Backed Securities	6,846,840	12/27/22	N/A	N/A	Fixed
43811BAC8	Asset-Backed Securities	6,897,030	08/16/21	N/A	N/A	Fixed
47788CAC6	Asset-Backed Securities	7,685,294	04/18/22	N/A	N/A	Fixed
02582JHJ2	Asset-Backed Securities	7,838,320	05/15/23	N/A	N/A	Fixed
17305EGB5	Asset-Backed Securities- SA	7,864,560	04/07/22	N/A	N/A	Fixed
14041NFF3	Asset-Backed Securities	7,874,560	06/15/22	N/A	N/A	Fixed
14314PAC0	Asset-Backed Securities	7,898,800	03/15/22	N/A	N/A	Fixed
98162KAD5	Asset-Backed Securities	7,930,160	08/15/22	N/A	N/A	Fixed
Total		<u>\$ 391,659,487</u>				

Credit Risk

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County's investment policy applies the prudent-person rule: "In investing the County's monies, there shall be exercised judgment and care under the circumstances then prevailing which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." The County's investments were rated by Moody's Investors Service as follows: U.S. Treasury Notes, Aaa; U.S. Treasury Bills, P-1; bonds of U.S. Federal agencies, Aaa; discount notes of U.S. Federal agencies, P-1; money market funds, Aaa; commercial paper issued by corporations organized and operating in the United States or by depository institutions licensed by the United States or any state and operating in the United States, P-1; negotiable certificates of deposit issued by commercial banks, insured credit unions or savings and loan associations, not specified; collateralized mortgage obligations, Aaa; asset-backed securities, Aaa; forward delivery agreements, A; corporate notes issued by corporations organized and operating in the United States which have a rating of A or its equivalent or higher. The County's investments in non-negotiable certificates of deposit are FDIC insured and do not exceed \$250,000 per insured institution.

The County is exposed to credit risk on hedging derivatives with positive fair values totaling \$23,399,998 at June 30, 2018. The counterparty credit ratings for these swaps are Baa or higher. The County is exposed to credit risk on investment derivatives with positive fair values totaling \$42,730,872 at June 30, 2018. The counterparty credit ratings for these swaps are Baa or higher. Exposure is mitigated through the use of an International Swaps and Derivatives Association credit support annex, which provides collateral to protect the value of the swaps under specific circumstances.

Concentration of Credit Risk

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County's investment policy limits the amount that may be invested in obligations of any one issuer, except direct obligations of the U.S. government or federal agencies, to no more than five percent of the Clark County investment pool.

III. DETAILED NOTES - ALL FUNDS

1. CASH AND INVESTMENTS (Continued)

Concentration of Credit Risk (Continued)

At June 30, 2018, the following investments exceeded five percent of the total cash and investments for all entities combined:

<u>Investments Exceeding 5% of Total Cash and Investments - All Entities Combined as of June 30, 2018</u>	
Federal Home Loan Banks (FHLB)	5.79%
Federal Home Loan Mortgage Corporation (FHLMC)	8.56
Federal National Mortgage Association (FNMA)	8.64

GASB 31

GASB Statement No. 31 requires the County to adjust the carrying amount of its investment portfolio to reflect the change in fair or market values. Interest revenue is increased or decreased in relation to this adjustment of unrealized gain or loss. Net interest income in the funds reflects this positive or negative market value adjustment.

Pooled Investments

Pooled investments are carried at fair value determined by quoted market prices or matrix pricing. All pooled investments are held in the custody of a bank designated by the County.

The County administers an external investment pool combining County money with involuntary investments from the Southern Nevada Health District (SNHD). Under authority delegated by the Board of County Commissioners (BCC) in accordance with NRS 355.175, the investment of County funds is the responsibility of the County Treasurer. Per the Clark County Investment Policy section XVII, the Treasurer shall consult with the Chief Financial Officer/Comptroller regarding the investment process including, but not limited to, a review of the investment policy and portfolio components. Any changes to the investment policy are subject to approval by the BCC. The external investment pool is not registered with the SEC as an investment company. The County custodian determines the fair value of its pooled investments on a monthly basis. The County has not provided or obtained any legally binding guarantees during the period to support the value of shares.

Each participant's share is equal to their investment plus or minus the monthly allocation of net investment earnings and realized and unrealized gains and losses. The derivation of realized gains and losses is independent of the determination of the net change in the fair value of investments for all periods reported.

Net position and changes in net position of the external investment pool as of June 30, 2018, are summarized below:

External Investment Pool Statement of Net Position as of June 30, 2018	
Assets:	
Cash	\$ 87,883,654
Investments:	
U.S. Treasuries	1,341,862,400
U.S. Agencies	1,147,356,482
Corporate Obligations	679,511,563
Money Market Funds	58,033,718
Commercial Paper	690,021,212
Negotiable Certificates of Deposit	234,890,000
NV Local Government Investment Pool	30,683,165
Collateralized Mortgage Obligations & Asset Backed Securities	144,260,417
Interest Receivable	14,218,255
Total Assets	<u>\$ 4,428,720,866</u>
Net Position:	
Internal Participants	\$ 4,400,038,893
External Participants	28,681,973
Total	<u>\$ 4,428,720,866</u>

III. DETAILED NOTES - ALL FUNDS

1. CASH AND INVESTMENTS (Continued)

Pooled Investments (Continued)

External Investment Pool	
Statement of Changes in Net Position for the Year Ended June 30, 2018	
Additions:	
Net investment earnings	\$ 63,230,205
Net increase (decrease) in fair value of investments	(52,169,414)
Increase in net assets resulting from operations	11,060,791
Net capital share transactions	261,746,360
Change in Net Position	272,807,151
Net Position, July 1	4,155,913,715
Net Position, June 30	<u>\$ 4,428,720,866</u>

At June 30, 2018, the fair value of deposits and investments held in the external investment pool consisted of the following:

Total Cash and Investments - External Investment Pool	
Investments and Cash	Fair Value
Investments	\$ 4,326,618,957
Cash	87,883,654
Total	<u>\$ 4,414,502,611</u>

At June 30, 2018, investments held in the external investment pool consisted of the following:

Investments - External Investment Pool		
Fair Value and Carrying Amount		
Investment Type	Fair Value	Carrying Amount
U.S. Treasuries	\$ 1,341,862,400	\$ 1,369,342,889
U.S. Agencies	1,147,356,482	1,169,139,336
Corporate Obligations	679,511,563	691,054,452
Money Market Funds	58,033,718	58,033,718
Commercial Paper	690,021,212	687,539,300
Negotiable CD	234,890,000	235,000,000
NV Local Government Investment Pool	30,683,165	30,721,155
Collateralized Mortgage Obligations & Asset Backed Securities	144,260,417	146,266,896
Total	<u>\$ 4,326,618,957</u>	<u>\$ 4,387,097,746</u>

III. DETAILED NOTES - ALL FUNDS

1. CASH AND INVESTMENTS (Continued)

Pooled Investments (Continued)

At June 30, 2018, the fair value of investments held in the external investment pool were categorized by maturity as follows:

Investment Type	Investments Maturities - External Investment Pool				
	Fair Value	Less than 1 Year	1 to 3 Years	3 to 5 Years	More than 5 Years
U.S. Treasuries	\$ 1,341,862,400	\$ 247,571,500	\$ 795,056,090	\$ 299,234,810	\$ -
U.S. Agencies	1,147,356,482	236,091,930	495,034,137	416,230,415	-
Corporate Obligations	679,511,563	275,753,519	217,693,130	186,064,914	-
Money Market Funds	58,033,718	58,033,718	-	-	-
Commercial Paper	690,021,212	690,021,212	-	-	-
Negotiable Certificates of Deposit	234,890,000	234,890,000	-	-	-
NV Local Government Investment Pool	30,683,165	30,683,165	-	-	-
Collateralized Mortgage Obligations & Asset Backed Securities	144,260,417	450,051	27,661,039	93,333,846	22,815,481
Total	\$ 4,326,618,957	\$ 1,773,495,095	\$ 1,535,444,396	\$ 994,863,985	\$ 22,815,481

At June 30, 2018, the fair value of investments held in the external investment pool were categorized by quality rating as follows:

Investment Type	Investments - External Investment Pool Quality Ratings by Moody's Investors Service					
	Fair Value	Aaa	Aa	A	P-1	Unrated
U.S. Treasuries	\$ 1,341,862,400	\$ 1,292,304,900	\$ -	\$ -	\$ 49,557,500	\$ -
U.S. Agencies	1,147,356,482	1,062,229,697	-	-	84,642,150	484,635
Corporate Obligations	679,511,563	60,569,744	220,124,703	398,817,116	-	-
Money Market Funds	58,033,718	7,853,865	-	-	-	50,179,853
Commercial Paper	690,021,212	-	-	-	690,021,212	-
Negotiable CD	234,890,000	-	-	-	234,890,000	-
NV Local Government Investment Pool	30,683,165	-	-	-	-	30,683,165
Collateralized Mortgage Obligations & Asset Backed Securities (1)	144,260,417	91,149,064	-	-	-	53,111,353
Total	\$ 4,326,618,957	\$ 2,514,107,270	\$ 220,124,703	\$ 398,817,116	\$ 1,059,110,862	\$ 134,459,006

(1) Unrated U.S. federal agency securities are Farmer Mac securities not rated by either Moody's or Standard & Poor's.  
(2) Unrated money market funds are rated AAA by Kroll.  
(3) Unrated asset backed securities are rated AAA by Standard & Poor's or Fitch.

III. DETAILED NOTES - ALL FUNDS

1. CASH AND INVESTMENTS (Continued)

Pooled Investments (Continued)

At June 30, 2018, investments held in the external investment pool were measured at fair value as follows:

<u>Investments - External Investment Pool</u> <u>Fair Value Measurements</u>					
<u>Investment Type</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>	<u>Not Categorized</u>
U.S. Treasuries	\$ 1,341,862,400	\$ 1,341,862,400	\$ -	\$ -	\$ -
U.S. Agencies	1,147,356,482	84,642,150	1,062,714,332	-	-
Corporate Obligations	679,511,563	-	679,511,563	-	-
Money Market Funds	58,033,718	58,033,718	-	-	-
Commercial Paper	690,021,212	-	690,021,212	-	-
Negotiable Certificates of Deposit	234,890,000	-	234,890,000	-	-
NV Local Government Investment Pool (1)	30,683,165	-	-	-	30,683,165
Collateralized Mortgage Obligations & Asset Backed Securities	144,260,417	-	144,260,417	-	-
Total	<u>\$ 4,326,618,957</u>	<u>\$ 1,484,538,268</u>	<u>\$ 2,811,397,524</u>	<u>\$ -</u>	<u>\$ 30,683,165</u>

(1) Position in external investment pool is not categorized within the fair value hierarchy in accordance with generally accepted accounting principles.

III. DETAILED NOTES - ALL FUNDS

2. PROPERTY TAXES

Taxes on real property are levied on July 1 of each year and a lien is also placed on the property on July 1. The taxes are due on the third Monday in August, but can be paid in four installments on or before the third Monday in August, first Monday in October, January, and March. 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 percent 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 may sell the property to satisfy the tax lien.

The Nevada legislature enacted provisions whereby the combined overlapping tax rate was limited to \$3.64 per \$100 of assessed valuation. The Nevada legislature also passed a property tax abatement law 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.

Delinquent taxes receivable not collected within sixty days after year end are recorded as deferred inflows of resources in the governmental funds as they are not available to pay liabilities of the current period. The revenue is fully recognized at the government-wide level.

Unavailable Delinquent Taxes and Penalties Receivable at June 30, 2018				
General Fund	Las Vegas Metropolitan Police	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Total
\$ 16,039,729	\$ 1,536,243	\$ 1,370,303	\$ 53,339	\$ 18,999,614

3. ACCOUNTS RECEIVABLE

Accounts Receivable as of June 30, 2018			
	Accounts Receivable	Provisions for Doubtful Accounts	Net Accounts Receivable
<b>Primary Government</b>			
<i>Governmental activities</i>			
General Fund	\$ 28,955,155	\$ (7,934,698)	\$ 21,020,457
LVMPD	963,070	-	963,070
Other governmental	3,286,161	(2,692,933)	593,228
Internal service	2,321,029	(366,870)	1,954,159
Total governmental activities	\$ 35,525,415	\$ 10,994,500	\$ 24,530,914
Amounts not scheduled for collection during the subsequent year	\$ -		
<i>Business-type activities</i>			
UMC	\$ 300,509,606	\$ (174,424,618)	\$ 126,084,988
Reclamation District	13,699,075	(377,875)	13,321,200
Department of Aviation	43,124,627	(596,453)	42,528,174
Other proprietary	442,964	(39,775)	403,189
Total business-type activities	\$ 357,776,272	\$ (175,438,721)	\$ 182,337,551
<i>Business-type activities restricted</i>			
University Medical Center	\$ 260,353	\$ -	\$ 260,353
Reclamation District	3,443,528	-	3,443,528
Total business-type activities restricted	\$ 3,703,881	\$ -	\$ 3,703,881
Amounts not scheduled for collection during the subsequent year	\$ -		
<b>Discretely Presented Component Units</b>			
RTC	\$ 41,638,387	\$ (436,380)	\$ 41,202,007
Flood Control District	\$ 342,641	\$ -	\$ 342,641
LVVWD District	\$ 73,494,579	\$ (1,592,065)	\$ 71,902,514
LVVWD - restricted	\$ 418,998,255	\$ -	\$ 418,998,255
Other Water Districts	\$ 521,193	\$ -	\$ 521,193
CCSA	\$ 17,341,514	\$ -	\$ 17,341,514

Restricted receivables of the Water District consist of amounts due from the Southern Nevada Water Authority (SNWA) restricted for the repayment of Water District bonds and notes whose proceeds were delivered to the SNWA.

III. DETAILED NOTES - ALL FUNDS

3. ACCOUNTS RECEIVABLE (Continued)

Bond Bank Receivable

Nevada Revised Statute authorizes the County to issue general obligation bonds for the purpose of acquiring obligations issued by municipalities and authorities in Clark County for certain purposes. These general obligation bonds are shown in Note 6. The obligations issued by municipalities and authorities are shown as a bond bank receivable on the statement of net position.

<u>Bond Bank Receivable Balance at June 30, 2018</u>		
	Primary Government- Government Activities	Discretely Presented Component Unit LVVWD
Bond bank receivable, current	\$ 40,760,000	\$ 72,605,000
Bond bank receivable, noncurrent	962,635,000	1,851,015,000
 Total bond bank receivable	 \$ 1,003,395,000	 \$ 1,923,620,000

4. CAPITAL ASSETS

<u>Capital Assets as of June 30, 2018</u>				
<u>Primary Government</u>	Balance July 1, 2017	Increases	Decreases	Balance June 30, 2018
<i>Governmental activities</i>				
Capital assets not being depreciated				
Land	\$ 1,266,210,139	\$ 10,384,358	\$ 9,087,575	\$ 1,267,506,922
Construction in progress	368,415,450	202,791,041	323,285,210	247,921,281
Total capital assets not being depreciated	1,634,625,589	213,175,399	332,372,785	1,515,428,203
Capital assets being depreciated				
Buildings	1,559,318,323	168,855,509	2,780,342	1,725,393,490
Improvements other than buildings	570,978,187	23,538,483	-	594,516,670
Equipment	385,405,042	49,458,807	31,266,788	403,597,061
Infrastructure	5,911,689,850	200,999,443	3,520,755	6,109,168,538
Total capital assets being depreciated	8,427,391,402	442,852,242	37,567,885	8,832,675,759
Less accumulated depreciation for				
Buildings	405,945,817	36,964,186	966,798	441,943,205
Improvements other than buildings	255,547,152	26,986,716	-	282,533,868
Equipment	278,078,394	40,906,903	30,836,562	288,148,735
Infrastructure	2,752,167,734	194,626,531	1,599,443	2,945,194,822
Total accumulated depreciation	3,691,739,097	299,484,336	33,402,803	3,957,820,630
Total capital assets being depreciated, net	4,735,652,305	143,367,906	4,165,082	4,874,855,129
Government activities capital assets, net	\$ 6,370,277,894	\$ 356,543,305	\$ 336,537,867	\$ 6,390,283,332



III. DETAILED NOTES - ALL FUNDS

4. CAPITAL ASSETS (Continued)

<u>Capital Assets as of June 30, 2018 (Continued)</u>				
<u>Primary Government (Continued)</u>	<u>Restated Balance July 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Restated Balance June 30, 2018</u>
<i>Business-type activities</i>				
Capital assets not being depreciated				
Land	\$ 950,924,558	\$ -	\$ 322,521	\$ 950,602,037
Construction in progress	<u>357,424,051</u>	<u>136,989,841</u>	<u>357,519,665</u>	<u>136,894,227</u>
Total capital assets Not being depreciated	<u>1,308,348,609</u>	<u>136,989,841</u>	<u>357,842,186</u>	<u>1,087,496,264</u>
Capital assets being depreciated:				
Land improvements	2,937,267,374	126,515,999	5,466,289	3,058,317,084
Buildings and improvements	4,999,957,720	194,272,634	10,939,557	5,183,290,797
Equipment	<u>1,096,083,490</u>	<u>76,710,293</u>	<u>12,162,890</u>	<u>1,160,630,893</u>
Total capital assets being depreciated	<u>9,033,308,584</u>	<u>397,498,926</u>	<u>28,568,736</u>	<u>9,402,238,774</u>
Less accumulated depreciation for:				
Land improvements	1,191,325,049	87,829,997	3,515,644	1,275,739,402
Buildings and improvements	1,760,398,409	150,997,058	6,945,322	1,904,450,145
Equipment	<u>663,990,072</u>	<u>73,776,118</u>	<u>11,072,571</u>	<u>726,693,619</u>
Total accumulated depreciation	<u>3,615,713,530</u>	<u>312,703,173</u>	<u>21,533,537</u>	<u>3,906,883,166</u>
Total capital assets being depreciated, net	<u>5,417,595,054</u>	<u>84,795,753</u>	<u>7,035,199</u>	<u>5,495,355,608</u>
Business-type activities capital assets, net	<u>\$ 6,725,943,663</u>	<u>\$ 221,785,594</u>	<u>\$ 364,877,385</u>	<u>\$ 6,582,851,872</u>

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

<u>Depreciation Expense for the Year Ended June 30, 2018</u>	
<u>Primary Government</u>	
<i>Governmental activities</i>	
General government	\$ 22,484,264
Judicial	6,991,666
Public safety	39,236,240
Public works	201,013,172
Health	867,311
Welfare	403,222
Culture and recreation	26,531,674
Other	<u>1,956,787</u>
Total depreciation expense - governmental activities	<u>\$ 299,484,336</u>
<i>Business-type activities</i>	
Hospital	\$ 19,749,592
Airport	191,840,374
Sewer	99,719,237
Other	<u>1,393,970</u>
Total depreciation expense - business-type activities	<u>\$ 312,703,173</u>

III. DETAILED NOTES - ALL FUNDS

4. CAPITAL ASSETS (Continued)

Construction Commitments

Major projects included in construction-in-progress are the beltway and other major arterial roadways, flood control projects, airport terminal expansion, sewage and water treatment facilities.

Construction-in-progress and remaining commitments as of June 30, 2018, were as follows:

<u>Construction-in-Progress and Remaining Commitments as of June 30, 2018</u>		
<u>Primary Government</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
<i>Governmental activities</i>		
Buildings and improvements	\$ 85,130,671	\$ 210,592,331
Infrastructure:		
Work in progress - RFCDC Clark County projects	3,251,902	31,818,159
Work in progress - Public Works	140,754,459	364,283,409
Work in progress - RTC Clark County projects	18,784,249	97,702,927
Total infrastructure	162,790,610	493,804,495
Total governmental activities	\$ 247,921,281	\$ 704,396,826
<i>Business-type activities</i>		
Hospital	\$ 51,394,855	\$ 4,400,000
Airport	43,301,374	28,022,233
Sewer	37,067,125	16,433,534
Other	5,130,873	3,569,364
Total business-type activities	\$ 136,894,227	\$ 52,425,131

Discretely Presented Component Units

Flood Control District

<u>Capital Assets as of June 30, 2018</u>				
	<u>Balance July 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2018</u>
<i>Governmental activities</i>				
Capital assets not being depreciated:				
Construction in progress	\$ 284,490	\$ 38,511	\$ 40,284	\$ 282,717
Capital assets being depreciated:				
Building	3,281,747	-	-	3,281,747
Equipment	1,675,706	101,340	36,802	1,740,244
Total capital assets being depreciated	4,957,453	101,340	36,802	5,021,991
Less accumulated depreciation for				
Building	1,184,852	75,443	-	1,260,295
Equipment	1,553,730	54,867	24,994	1,583,603
Total accumulated depreciation	2,738,582	130,310	24,994	2,843,898
Total capital assets being depreciated, net	2,218,871	(28,970)	11,808	2,178,093
Government activities capital assets, net	\$ 2,503,361	\$ 9,541	\$ 52,092	\$ 2,460,810
Depreciation expense of \$130,310 was charged to the public works function				

III. DETAILED NOTES - ALL FUNDS

4. CAPITAL ASSETS (Continued)

Discretely Presented Component Units (Continued)

RTC

	<u>Capital Assets as of June 30, 2018</u>			
	<u>Balance July 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2018</u>
<i>Governmental activities</i>				
Capital assets not being depreciated				
Construction in progress	\$ 1,687,689	\$ 227,104	\$ 262,629	\$ 1,652,164
Capital assets being depreciated				
Building	18,722,303	-	-	18,722,303
Equipment	8,622,357	262,629	22,315	8,862,671
Total capital assets being depreciated	<u>27,344,660</u>	<u>262,629</u>	<u>22,315</u>	<u>27,584,974</u>
Less accumulated depreciation for				
Buildings	6,625,109	323,690	-	6,948,799
Equipment	6,567,733	1,148,436	22,315	7,693,854
Total accumulated depreciation	<u>13,192,842</u>	<u>1,472,126</u>	<u>22,315</u>	<u>14,642,653</u>
Total capital assets being depreciated, net	<u>14,151,818</u>	<u>(1,209,497)</u>	<u>-</u>	<u>12,942,321</u>
Governmental activities capital assets, net	<u>\$ 15,839,507</u>	<u>\$ (982,393)</u>	<u>\$ 262,629</u>	<u>\$ 14,594,485</u>
<i>Business-type activities</i>				
Capital assets not being depreciated				
Land	\$ 32,038,082	\$ 402,304	\$ -	\$ 32,440,386
Construction Progress	47,442,990	63,184,870	106,411,108	4,216,662
Total capital assets not being depreciated	<u>79,480,982</u>	<u>63,587,174</u>	<u>106,411,108</u>	<u>36,657,048</u>
Capital assets being depreciated				
Buildings and improvements	207,361,316	22,990,633	-	230,351,949
Equipment	422,197,514	73,238,258	29,380,155	466,055,617
Total capital assets being depreciated	<u>629,558,830</u>	<u>96,228,891</u>	<u>29,380,155</u>	<u>696,407,566</u>
Less accumulated depreciation for				
Buildings and improvements	65,052,310	7,191,653	-	72,243,963
Equipment	221,184,276	44,809,236	29,277,679	236,715,833
Total accumulated depreciation	<u>286,236,586</u>	<u>52,000,889</u>	<u>29,277,679</u>	<u>308,959,796</u>
Total capital assets being depreciated, net	<u>343,322,244</u>	<u>44,228,002</u>	<u>102,476</u>	<u>387,447,770</u>
Business-type activities capital assets, net	<u>\$ 422,803,226</u>	<u>\$ 107,815,176</u>	<u>\$ 106,513,584</u>	<u>\$ 424,104,818</u>
Depreciation expense was charged to the following functions or programs:				
<i>Governmental activities</i>				
Public Works	\$ 1,472,126			
<i>Business-type activities</i>				
Public Transit	\$ 52,000,889			
Construction commitments include roadway projects with various local entities of \$273,122,630.				
Capital commitments for transit include revenue vehicle acquisition projects of \$53,612,441 and facility improvement projects of \$3,473,210.				

III. DETAILED NOTES - ALL FUNDS

4. CAPITAL ASSETS (Continued)

Discretely Presented Component Units (Continued)

Las Vegas Valley Water District

<u>Capital Assets as of June 30, 2018</u>				
<i>Business-type activities</i>	<u>Balance July 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2018</u>
Capital assets not being depreciated				
Land	\$ 23,571,806	\$ -	\$ -	\$ 23,571,806
Construction Progress	26,969,533	40,379,716	43,087,132	24,262,117
Total capital assets not being depreciated	<u>50,541,339</u>	<u>40,379,716</u>	<u>43,087,132</u>	<u>47,833,923</u>
Capital assets being depreciated				
Buildings and improvements	2,161,553,562	32,609,088	4,373	2,194,158,277
Equipment	797,527,947	30,622,780	2,794,134	825,356,593
Total capital assets being depreciated	<u>2,959,081,509</u>	<u>63,231,868</u>	<u>2,798,507</u>	<u>3,019,514,870</u>
Less accumulated depreciation for				
Buildings and improvements	898,762,797	56,605,728	4,221	955,364,304
Equipment	440,464,804	27,626,744	2,787,953	465,303,595
Total accumulated depreciation	<u>1,339,227,601</u>	<u>84,232,472</u>	<u>2,792,174</u>	<u>1,420,667,899</u>
Total capital assets being depreciated, net	<u>1,619,853,908</u>	<u>(21,000,604)</u>	<u>6,333</u>	<u>1,598,846,971</u>
Business-type activities capital assets, net	<u>\$ 1,670,395,247</u>	<u>\$ 19,379,112</u>	<u>\$ 43,093,465</u>	<u>\$ 1,646,680,894</u>
Depreciation expense was charged to the following functions or programs:				
<i>Business-type activities</i>				
Water	\$ 84,232,472			
At June 30, 2018, commitments for unperformed work on outstanding contracts totaled \$20.0 million.				

Clark County Stadium Authority

<u>Capital Assets as of June 30, 2018</u>				
<i>Governmental activities</i>	<u>Balance July 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2018</u>
Capital assets not being depreciated:				
Land	\$ -	\$ 77,780,128	\$ -	\$ 77,780,128
Construction in progress	-	215,823,208	-	215,823,208
Total capital assets not being depreciated	<u>\$ -</u>	<u>\$ 293,603,336</u>	<u>\$ -</u>	<u>\$ 293,603,336</u>

III. DETAILED NOTES - ALL FUNDS

5. INTERFUND TRANSACTIONS

Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

<u>Due To / From Other Funds at June 30, 2018</u>		
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 9,811,863
	Department of Aviation	3,310,959
LVMPD Funds	General Fund	304
	Nonmajor Governmental Funds	23,613
Nonmajor Governmental Funds	General Fund	121,383,325
	LVMPD Funds	2,720
	Between Nonmajor Governmental Funds	24,173,473
Nonmajor Enterprise Funds	General Fund	2,610
	Nonmajor Governmental Funds	4,253
	Department of Aviation	37,772
Internal Service Funds	General Fund	391,451
	Nonmajor Governmental Funds	6,466
	LVMPD Funds	200
	Nonmajor Enterprise Funds	25,749
	University Medical Center	8,836,756
University Medical Center	Department of Aviation	91,645
	General Fund	31,000,000
Department of Aviation	General Fund	2,049,955
	LVMPD Funds	885,882
Total due to/from other funds		<u>\$ 202,038,996</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

<u>Interfund transfers for the year ended June 30, 2018</u>		
<u>Fund transferred to:</u>	<u>Fund transferred from:</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 2,070,600
	Nonmajor Enterprise Funds	1,368,950
	Internal Service Funds	2,482,450
Las Vegas Metropolitan Police Fund	General Fund	246,872,116
	Nonmajor Governmental Funds	2,945,700
Nonmajor Governmental Funds	General Fund	242,934,638
	Between Nonmajor Governmental Funds	197,930,321
Nonmajor Enterprise Funds	General Fund	1,950,000
Internal Service Funds	General Fund	1,500,000
	Nonmajor Governmental Funds	7,800,000
University Medical Center	General Fund	31,000,000
	Nonmajor Governmental Funds	416,959
Department of Aviation	General Fund	11,794,465
Total interfund transfers		<u>\$ 751,066,199</u>

III. DETAILED NOTES - ALL FUNDS

5. INTERFUND TRANSACTIONS (Continued)

Interfund advances are the result of a loan between the Water Reclamation Fund and the Medium-Term Financing Fund. The loan has an outstanding balance of \$1,631,172 at June 30, 2018 with annual interest of 2% and quarterly payments of \$100,326 through July 1, 2022. These funds were used to construct the North Las Vegas Sloan Channel. The City of North Las Vegas is reimbursing Clark County for the interfund loan according to the terms noted above. At June 30, 2018, the receivable balance of \$1,639,328 has been recorded for the balance owed by the City of North Las Vegas.

6. LONG-TERM DEBT

Long-Term Debt Activity For the Year Ended June 30, 2018					
	Balance at July 1, 2017	Additions	Reductions	Balance at June 30, 2018	Due Within One Year
<i>Governmental Activities</i>					
General obligation bonds	\$ 1,289,366,000	\$ -	\$ (73,591,000)	\$ 1,215,775,000	\$ 77,768,000
Revenue bonds	10,000	-	-	10,000	-
Special assessment bonds	150,975,000	66,240,000	(73,580,000)	143,635,000	12,785,000
Capital leases	186,382,033	-	(441,568)	185,940,465	458,777
Plus premiums	149,550,412	4,256,889	(10,357,705)	143,449,596	-
Less discounts	(44,212)	-	6,061	(38,151)	-
	<u>1,776,239,233</u>	<u>70,496,889</u>	<u>(157,964,212)</u>	<u>1,688,771,910</u>	<u>91,011,777</u>
<i>Business-Type Activities</i>					
General obligation bonds	584,182,944	-	(20,925,495)	563,257,449	20,823,701
Revenue bonds	3,904,815,000	188,010,000	(286,700,000)	3,806,125,000	130,455,000
Plus (less): Imputed debt from termination of hedges	9,807,652	-	(1,961,532)	7,846,120	-
Plus premiums	147,245,703	-	(14,754,941)	132,490,762	-
Less discounts	(19,426,317)	-	2,794,809	(16,631,508)	-
	<u>4,626,624,982</u>	<u>188,010,000</u>	<u>(321,547,159)</u>	<u>4,493,087,823</u>	<u>151,278,701</u>
Total long-term debt	<u>\$ 6,402,864,215</u>	<u>\$ 258,506,889</u>	<u>\$ (479,511,371)</u>	<u>\$ 6,181,859,733</u>	<u>\$ 242,290,478</u>

Current Year Bonds Issued, Refunded and Defeased

On July 11, 2017, the County issued \$12,130,000 in Special Improvement District No. 158 (Las Vegas Boulevard -St. Rose Parkway to Pyle Avenue) Local Improvement Bonds with an interest rate of 5 percent. The bond proceed totaled \$14,523,860. The proceeds are being used to: (i) finance the cost of certain local improvements; (ii) fund a debt service reserve fund for the Bonds; and (iii) pay the costs of issuing the Bonds. Principal is paid annually beginning August 1, 2018 and interest is paid semiannually on August 1 and February 1. The bonds mature on August 1, 2037.

On August 24, 2017, the County issued \$54,110,000 Special Improvement District No. 112 (Flamingo Underground) Local Improvement Refunding Bonds Series 2017 to refund all the outstanding \$56,495,000 Special Improvement District No. 112 (Flamingo Underground) Local Improvement Bonds, Series 2008, fund the Reserve Fund, and to pay certain costs of issuance thereof. The series 2017 bonds have stated interest ranging from 2.00 to 4.00 percent, with principal paid annually August 1 and February 1, and a maturity date of August 1, 2037. On August 24, 2017, the County created an escrow account (\$56,671,232) in an amount sufficient to pay the principal of and accrued interest on the Refunded Bonds on August 25, 2017. This transaction resulted in the defeasance of the 2008 issue and the related liability has been removed from the financial statements of the County. The refunding resulted in a gain of \$350,352, which represents the difference between the defeased bonds and the amount placed in escrow. The refunding also resulted in future cash flow savings of \$13,329,228 and an economic gain (difference between the present value of the old and new debt service payments) of \$10,221,169.

On December 6, 2017, the County issued the Series 2017D Airport System Subordinate Lien Refunding Revenue Bonds (Series 2017D Bonds) for \$92,465,000 to mature on July 1, 2022. The Series 2017D is issued in accordance with the Indenture between Clark County and The Bank of New York Mellon Trust Company, N.A. The Series 2017D Bonds was issued to refund Series 2011B-2 Bonds and then Banc of America Preferred Funding Corporation has agreed to purchase the bonds pursuant to the terms and provisions of a floating rate Direct Purchase Agreement. Interest payments are due on the first business day of each month and scheduled principal payments are due on July 1 of each year. The Indenture and Direct Purchase Agreement contain a provision that in an event of default, outstanding amounts become immediately due if the County is unable to make payment.

III. DETAILED NOTES - ALL FUNDS

6. LONG-TERM DEBT (Continued)

On June 29, 2018, the County issued the Series 2018A Junior Subordinate Lien Revenue Notes (Series 2018A Note) for \$95.5 million. The net proceeds of \$103.4 million, along with a \$2.5 million contribution from the Series 2014B Notes sinking fund, were used to refund the outstanding principal and interest on the Series 2014B Notes. The Series 2018A Notes have a fixed interest rate of 5.00% and a yield of 1.98%. Interest payments are due on January 1 and July 1 of each year, and scheduled principal payments are due on July 1 of each year until the scheduled maturity on July 1, 2021. The present value over the three-year life of the aggregate debt service payments for the Series 2018A Notes is \$103.9 million. There is no aggregate debt to service on the refunding transaction between the refunding notes and the refunded notes due to the fact that the Series 2014B Notes matured on July 1, 2018. As of June 30, 2018, the aggregate debt service balance of defeased bonds in escrow was \$105.9 million.

III. DETAILED NOTES - ALL FUNDS

6. LONG-TERM DEBT (Continued)

Bonds and Loans Payable as of June 30, 2018									
Series	Purpose	Pledged Revenue	Issue Date	Maturity Date	Interest Rate	Original Issue	Balance at June 30, 2018		
<i>Governmental Activities:</i>									
<u>General Obligation Bonds</u>									
2006	Bond Bank	Local government securities Court administrative assessment.	11/02/06	11/01/36	2.50 - 5.00	\$ 604,140,000	\$ 69,545,000		
2007	Public Facilities	Consolidated tax; Interlocal agreement Beltway and Laughlin resort corridor room tax	05/24/07	06/01/24	4.00 - 5.00	22,325,000	9,295,000		
2008	Transportation Improvement		03/13/08	06/01/19	3.46	71,045,000	7,130,000		
2009	Public Facilities	None	03/10/09	11/01/18	3.00 - 4.00	31,700,000	2,870,000		
2009	Public Facilities	Interlocal agreement, Court administrative assessment	05/14/09	06/01/24	2.00 - 4.75	24,865,000	3,295,000		
2009	Transportation BABs	Strip resort corridor room tax	06/23/09	06/01/29	2.69 - 7.05	60,000,000	38,070,000		
2009	Bond Bank	Local government securities	11/10/09	06/01/30	5.00	50,000,000	37,905,000		
2009	Transportation	Beltway and strip resort corridor room tax	12/08/09	12/01/29	1.00 - 5.00	124,465,000	106,500,000		
2012	Bond Bank	Local government securities	06/20/12	06/01/32	4.00 - 5.00	85,015,000	79,515,000		
2014	Transportation Improvement	Beltway and Strip resort corridor room tax	09/10/14	12/01/19	1.80 - 1.19	36,926,000	12,529,000		
2015	Park and Justice Center	Consolidated tax	09/10/15	11/01/24	1.95	32,691,000	32,691,000		
2016A	Bond Bank	Local government securities; Interlocal agreement	03/03/16	11/01/29	5.00	263,955,000	226,905,000		
2016B	Bond Bank	Local government securities; Interlocal agreement	08/03/16	11/01/34	4.00 - 5.00	271,670,000	267,885,000		
2017	Bond Bank	Local government securities; Interlocal agreement	03/22/17	06/01/38	4.00 - 5.00	321,640,000	321,640,000		
N/A	Unamortized premiums	N/A	N/A	N/A	N/A	N/A	137,508,070		
N/A	Unamortized discounts	N/A	N/A	N/A	N/A	N/A	(29,215)		
Total general obligation bonds							1,353,253,855		
<u>Revenue Bonds</u>									
2009	Performing Arts	Car rental fees	04/01/09	04/01/59	5.83	10,000	10,000		



III. DETAILED NOTES - ALL FUNDS

6. LONG-TERM DEBT (Continued)

<u>Bonds and Loans Payable as of June 30, 2018 (continued)</u>									
<u>Special Assessment Bonds</u>	<u>Series</u>	<u>Purpose</u>	<u>Pledged Revenue</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance at June 30, 2018</u>	
	2001B	Summerlin Centre #128B	Property assessments	05/17/01	02/01/21	4.50 - 6.75	10,000,000	965,000	
	2003	Summerlin Gardens #124A	Property assessments	12/23/03	02/01/20	2.25 - 4.50	4,399,431	420,000	
	2003	Summerlin Gardens #124B	Property assessments	12/23/03	02/01/20	1.50 - 5.90	1,929,727	215,000	
	2003	Summerlin Centre #128A	Property assessments	11/03/03	02/01/21	3.50 - 6.30	10,000,000	885,000	
	2007	Summerlin Centre #128A	Property assessments	05/01/07	02/01/31	3.95 - 5.05	10,755,000	7,165,000	
	2007	Summerlin Centre #128A	Property assessments	05/01/07	02/01/21	3.95 - 5.00	480,000	130,000	
	2009	Industrial Road #135	Property assessments	11/10/09	08/01/18	2.00 - 4.00	431,459	43,384	
	2009	Durango Drive #144C	Property assessments	11/10/09	08/01/19	2.00 - 4.00	5,213,541	806,616	
	2012	Summerlin Centre #132	Property assessments	08/01/12	02/01/21	2.00 - 5.00	8,925,000	2,130,000	
	2012	Mountain's Edge #142	Property assessments	08/01/12	08/01/23	2.00 - 5.00	49,445,000	21,875,000	
	2015	Summerlin Mesa #151	Property assessments	07/29/15	08/01/25	2.00 - 4.50	13,060,000	10,090,000	
	2015	Summerlin Village 16A #159	Property assessments	12/08/15	08/01/35	2.00 - 5.00	24,500,000	23,195,000	
	2016	Southern Highlands #121	Property assessments	05/31/16	12/01/29	2.00 - 3.125	14,880,000	9,650,000	
	2017	LVB St. Rose to Pyle #158	Property assessments	7/11/2017	8/1/2037	5.00	12,130,000	11,955,000	
	2017	Flamingo Underground #112	Property assessments	8/24/2017	8/1/2037	2.00 - 4.00	54,110,000	54,110,000	
	N/A	Unamortized premiums	N/A	N/A	N/A	N/A	N/A	5,941,526	
	N/A	Unamortized discounts	N/A	N/A	N/A	N/A	N/A	(8,936)	
		Total special assessment bonds						149,567,590	
		<u>Capital leases</u>							
	N/A	Low-Level Offender Detention Facility	N/A	08/15/09	08/15/39	7.35	182,619,483	182,619,484	
	N/A	SNAC P25 Communications	N/A	12/15/14	12/15/24	3.86	4,795,356	3,320,981	
		Total capital leases						185,940,465	
		Total governmental activities bonds and loans payable						1,688,771,910	

III. DETAILED NOTES - ALL FUNDS

6. LONG-TERM DEBT (Continued)

<u>Bonds and Loans Payable as of June 30, 2018 (continued)</u>									
<i>Business-Type Activities:</i>	Series	Purpose	Pledged Revenue	Issue Date	Maturity Date	Interest Rate	Original Issue	Balance at June 30, 2018	
<u>General Obligation Bonds</u>									
	2008A	Department of Aviation	Dept. of Aviation enterprise fund	02/26/08	07/01/27	variable	43,105,000	\$ 43,105,000	
	2013B	Department of Aviation	Dept. of Aviation enterprise fund	04/02/13	07/01/33	5.00	32,915,000	32,915,000	
	2013	University Medical Center	UMC enterprise fund	09/03/13	09/01/23	3.10	26,065,000	25,435,000	
	2014	University Medical Center	UMC enterprise fund	12/01/14	03/01/20	.62-2.00	29,374,000	11,988,000	
	2008	Water Reclamation District	Water Reclamation enterprise fund	11/20/08	07/01/38	4.00-6.00	115,825,000	3,005,000	
	2009A	Water Reclamation District	Water Reclamation enterprise fund	04/01/09	07/01/38	4.00-5.25	135,000,000	6,000,000	
	2009B	Water Reclamation District	Water Reclamation enterprise fund	04/01/09	07/01/38	4.00-5.75	125,000,000	6,030,000	
	2009C	Water Reclamation District	Water Reclamation enterprise fund	10/16/09	07/01/29	0.00	5,744,780	3,571,079	
	2011A	Water Reclamation District	Water Reclamation enterprise fund	03/25/11	01/01/31	3.188	40,000,000	31,724,353	
	2012	Water Reclamation District	Water Reclamation enterprise fund	07/13/12	01/01/32	2.356	30,000,000	26,394,017	
	2015	Water Reclamation District	Water Reclamation enterprise fund	08/04/15	07/01/38	3.25-5.00	103,625,000	103,625,000	
	2016	Water Reclamation District	Water Reclamation enterprise fund	08/30/16	07/01/38	3.00-5.00	269,465,000	269,465,000	
	N/A	Unamortized premiums	N/A	N/A	N/A	N/A	N/A	43,179,023	
	N/A	Unamortized discounts	N/A	N/A	N/A	N/A	N/A	-	
	Total general obligation bonds								606,436,472
<u>Revenue Bonds</u>									
	2008C1	Department of Aviation	Dept. of Aviation enterprise fund	03/19/08	07/01/40	variable	122,900,000	122,900,000	
	2008C2	Department of Aviation	Dept. of Aviation enterprise fund	03/19/08	07/01/29	variable	71,550,000	65,815,000	
	2008C3	Department of Aviation	Dept. of Aviation enterprise fund	03/19/08	07/01/29	variable	71,550,000	65,810,000	
	2008D1	Department of Aviation	Dept. of Aviation enterprise fund	03/19/08	07/01/36	variable	58,920,000	55,040,000	
	2008D2	Department of Aviation	Dept. of Aviation enterprise fund	03/19/08	07/01/40	variable	199,605,000	199,605,000	
	2008D3	Department of Aviation	Dept. of Aviation enterprise fund	03/19/08	07/01/29	variable	122,865,000	121,435,000	
	2008E	Department of Aviation	Dept. of Aviation enterprise fund	05/28/08	07/01/17	4.00 - 5.00	61,430,000	-	
	2008APFC	Department of Aviation	Dept. of Aviation enterprise fund	06/26/08	07/01/18	5.00 - 5.25	115,845,000	17,565,000	
	2008A2	Department of Aviation	Dept. of Aviation enterprise fund	06/26/08	07/01/22	variable	50,000,000	46,200,000	
	2008B2	Department of Aviation	Dept. of Aviation enterprise fund	06/26/08	07/01/22	variable	50,000,000	46,235,000	
	2009B	Department of Aviation	Dept. of Aviation enterprise fund	09/24/09	07/01/42	6.88	300,000,000	300,000,000	
	2009C	Department of Aviation	Dept. of Aviation enterprise fund	09/24/09	07/01/26	5.00	168,495,000	168,495,000	
	2010A	Department of Aviation	Dept. of Aviation enterprise fund	02/03/10	07/01/42	3.00 - 5.25	450,000,000	447,360,000	

III. DETAILED NOTES - ALL FUNDS

6. LONG-TERM DEBT (Continued)

<u>Bonds and Loans Payable as of June 30, 2018 (continued)</u>									
<i>Business-Type Activities:</i>									
<u>Revenue Bonds (continued)</u>									
Series	Purpose	Pledged Revenue	Issue Date	Maturity Date	Interest Rate	Original Issue	Balance at June 30, 2018		
2010B	Department of Aviation	Dept. of Aviation enterprise fund	02/03/10	07/01/42	5.00 - 5.75	350,000,000	\$ 350,000,000		
2010C	Department of Aviation	Dept. of Aviation enterprise fund	02/23/10	07/01/45	6.82	454,280,000	454,280,000		
2010D	Department of Aviation	Dept. of Aviation enterprise fund	02/23/10	07/01/24	3.00 - 5.00	132,485,000	100,185,000		
2010F2	Department of Aviation	Dept. of Aviation enterprise fund	11/04/10	07/01/22	variable	100,000,000	97,470,000		
2011B1	Department of Aviation	Dept. of Aviation enterprise fund	08/03/11	07/01/22	variable	100,000,000	92,400,000		
2012BPFC	Department of Aviation	Dept. of Aviation enterprise fund	07/02/12	07/01/33	5.00	64,360,000	64,360,000		
2013A	Department of Aviation	Dept. of Aviation enterprise fund	04/02/13	07/01/29	5.00	70,965,000	70,965,000		
2014A1	Department of Aviation	Dept. of Aviation enterprise fund	04/08/14	07/01/24	4.00 - 5.00	95,950,000	22,340,000		
2014A2	Department of Aviation	Dept. of Aviation enterprise fund	04/08/14	07/01/36	4.00 - 5.00	221,870,000	221,870,000		
2015A	Department of Aviation	Dept. of Aviation enterprise fund	04/30/15	07/01/40	5.00	59,915,000	59,915,000		
2015CPFC	Department of Aviation	Dept. of Aviation enterprise fund	07/22/15	07/01/27	5.00	98,965,000	98,965,000		
2017A1	Department of Aviation	Dept. of Aviation enterprise fund	04/25/17	07/01/22	4.00 - 5.00	65,505,000	65,505,000		
2017A2	Department of Aviation	Dept. of Aviation enterprise fund	04/25/17	07/01/40	5.00	47,800,000	47,800,000		
2017B	Department of Aviation	Dept. of Aviation enterprise fund	04/25/17	07/01/25	3.25 - 5.00	69,305,000	69,305,000		
2017C	Department of Aviation	Dept. of Aviation enterprise fund	06/29/17	07/01/21	5.00	146,295,000	146,295,000		
2017D	Department of Aviation	Dept. of Aviation enterprise fund	12/06/17	07/01/22	variable	92,465,000	92,465,000		
2018A	Department of Aviation	Dept. of Aviation enterprise fund	06/29/18	07/01/21	5.00	103,365,000	95,545,000		
N/A	Imputed debt from termination of hedges	N/A	N/A	N/A	N/A	N/A	N/A	7,846,120	
N/A	Unamortized premiums	N/A	N/A	N/A	N/A	N/A	N/A	89,311,739	
N/A	Unamortized discounts	N/A	N/A	N/A	N/A	N/A	N/A	(16,631,508)	
Total revenue bonds							3,886,651,351		
Total business-type activities bonds and loans payable							4,493,087,823		
Total long-term debt							\$ 6,181,859,733		

III. DETAILED NOTES - ALL FUNDS

6. LONG-TERM DEBT (Continued)

Annual Debt Service Requirements to Maturity & Future Minimum Lease Payments							
<i>Governmental Activities</i>							
Year Ending June 30,	General Obligation Bonds			Revenue Bonds			
	Principal	Interest	Total	Principal	Interest	Total	
2019	\$ 77,768,000	\$ 53,606,143	\$ 131,374,143	\$ -	\$ 583	\$ 583	
2020	68,296,000	50,406,565	118,702,565	-	583	583	
2021	60,741,000	47,549,601	108,290,601	-	583	583	
2022	63,601,000	44,628,489	108,229,489	-	583	583	
2023	66,625,000	41,560,562	108,185,562	-	583	583	
2024-2028	368,864,000	156,367,497	525,231,497	-	2,915	2,915	
2029-2033	313,965,000	66,646,025	380,611,025	-	2,915	2,915	
2034-2038	195,915,000	18,634,587	214,549,587	-	2,915	2,915	
2039-2043	-	-	-	-	2,915	2,915	
2044-2048	-	-	-	-	2,915	2,915	
2049-2053	-	-	-	-	2,915	2,915	
2054-2058	-	-	-	-	2,915	2,915	
2059	-	-	-	10,000	583	10,583	
	<u>\$ 1,215,775,000</u>	<u>\$ 479,399,469</u>	<u>\$ 1,695,174,469</u>	<u>\$ 10,000</u>	<u>\$ 23,903</u>	<u>\$ 33,903</u>	
Year Ending June 30,	Special Assessment Bonds			Capital Leases			
	Principal	Interest	Total	Principal	Interest	Accrued Interest	Total
2019	\$ 12,785,000	\$ 5,516,429	\$ 18,301,429	\$ 458,777	\$ 14,450,303	\$ 20,397	\$ 14,929,477
2020	12,670,000	5,040,980	17,710,980	476,656	15,148,750	3,547	15,628,953
2021	10,660,000	4,555,724	15,215,724	495,233	15,273,439	-	15,768,672
2022	9,600,000	4,076,069	13,676,069	514,533	16,013,447	-	16,527,980
2023	10,000,000	3,677,256	13,677,256	534,586	16,145,258	-	16,679,844
2024-2028	34,725,000	13,635,402	48,360,402	16,414,093	73,419,321	-	89,833,414
2029-2033	27,965,000	7,827,591	35,792,591	48,967,164	53,538,254	-	102,505,418
2034-2038	25,230,000	2,362,100	27,592,100	90,459,200	28,588,651	-	119,047,851
2039-2043	-	-	-	27,620,223	1,243,680	-	28,863,903
	<u>\$ 143,635,000</u>	<u>\$ 46,691,551</u>	<u>\$ 190,326,551</u>	<u>\$ 185,940,465</u>	<u>\$ 233,821,103</u>	<u>\$ 23,944</u>	<u>\$ 419,785,512</u>
<i>Business-Type Activities</i>							
Year Ending June 30,	General Obligation Bonds			Revenue Bonds			
	Principal	Interest	Total	Principal	Interest	Total	
2019	\$ 20,823,701	\$ 20,493,038	\$ 41,316,739	\$ 130,455,000	\$ 148,700,417	\$ 279,155,417	
2020	21,988,761	19,715,376	41,704,137	141,605,000	142,247,458	283,852,458	
2021	22,461,759	18,789,628	41,251,387	145,050,000	138,087,730	283,137,730	
2022	23,393,783	17,857,703	41,251,486	390,445,000	130,063,775	520,508,775	
2023	24,373,921	16,883,945	41,257,866	152,760,000	121,744,375	274,504,375	
2024-2028	152,777,316	69,255,710	222,033,026	497,955,000	541,248,903	1,039,203,903	
2029-2033	144,588,208	43,102,411	187,690,619	522,340,000	449,567,337	971,907,337	
2034-2038	125,550,000	15,385,025	140,935,025	636,865,000	340,550,709	977,415,709	
2039-2043	27,300,000	441,625	27,741,625	882,585,000	178,146,695	1,060,731,695	
2044-2048	-	-	-	306,065,000	20,743,891	326,808,891	
	<u>\$ 563,257,449</u>	<u>\$ 221,924,461</u>	<u>\$ 785,181,910</u>	<u>\$ 3,806,125,000</u>	<u>\$ 2,211,101,290</u>	<u>\$ 6,017,226,290</u>	

III. DETAILED NOTES - ALL FUNDS

6. LONG-TERM DEBT (Continued)

Guarantees

The County guarantees general obligation bond issues of the Regional Flood Control District, a County component unit, and the Las Vegas Convention and Visitor's Authority, a legally separate entity within Clark County. Although guaranteed by the County, Regional Flood Control District bonds are pledged with sales tax revenues and Las Vegas Convention and Visitors Authority bonds are pledged with room tax revenue. In the event either agency is unable to make a debt service payment, Clark County will be required to make that payment. Both agencies have remained current on all debt service obligations.

General Obligation Bond Guarantees as of June 30, 2018					
Series	Date Issued	Date of Final Maturity	Interest	Original Issue	Balance June 30, 2018
<i>Regional Flood Control District</i>					
2009	06/23/09	11/01/38	2.70 - 7.25	\$ 150,000,000	\$ 120,955,000
2010	07/13/10	11/01/18	5.00	29,425,000	10,305,000
2013	12/19/13	11/01/38	5.00	75,000,000	74,800,000
2014	12/11/14	11/01/38	4.00 - 5.00	100,000,000	99,900,000
2015	03/31/15	11/01/35	4.00 - 5.00	186,535,000	186,535,000
2017	12/07/17	11/01/38	2.375 - 5.00	109,955,000	109,955,000
				<u>650,915,000</u>	<u>602,450,000</u>
<i>Las Vegas Convention and Visitors Authority</i>					
2008	08/19/08	07/01/38	4.00 - 5.00	26,455,000	630,000
2010A	01/26/10	07/01/38	6.60 - 6.75	70,770,000	70,770,000
2010B	01/26/10	07/01/22	2.00 - 5.00	28,870,000	13,660,000
2010B	01/26/10	07/01/26	2.00 - 5.00	24,650,000	24,010,000
2010C	12/08/10	07/01/38	4.00 - 7.00	155,390,000	146,620,000
2012	08/08/12	07/01/32	2.00 - 3.20	24,990,000	20,805,000
2014	02/20/14	07/01/43	2.00 - 5.00	50,000,000	50,000,000
2015	04/02/15	07/01/44	3.00 - 5.00	181,805,000	153,720,000
2017	05/09/17	07/01/38	3.00 - 5.00	21,175,000	21,175,000
2017C	12/28/17	07/01/38	3.00 - 5.00	126,855,000	126,855,000
2018	04/04/18	07/01/42	3.00 - 5.00	200,000,000	200,000,000
				<u>910,960,000</u>	<u>828,245,000</u>
				<u>\$ 1,561,875,000</u>	<u>\$ 1,430,695,000</u>

Pledged Revenues

*Consolidated Tax Supported Bonds*

These bonds are secured by a pledge of up to 15 percent of the consolidated taxes allocable to the County. These bonds also constitute direct and general obligations of the County, and the full faith and credit of the County is pledged for the payment of principal and interest. The following debt issuances are consolidated tax supported:

The total remaining principal and interest payments for consolidated tax supported bonds was \$35,302,339 at June 30, 2018. In fiscal year 2018, pledged revenues received totaled \$57,824,335 (of the total \$385,495,566 of general fund consolidated tax), and required debt service totaled \$7,236,004.

III. DETAILED NOTES - ALL FUNDS

6. LONG-TERM DEBT (Continued)

Pledged Revenues (Continued)

*Beltway Pledged Revenue Bonds*

These bonds are secured by the combined pledge of: 1) a one percent supplemental governmental services (motor vehicle privilege) tax; 2) a one percent room tax collected on the gross receipts from the rental of hotel and motel rooms within the County but outside of the strip and Laughlin resort corridors (non-resort corridor); and 3) a portion of the development tax. The development tax is \$800 per single-family dwelling of residential development, and 80 cents per square foot on commercial, industrial, and other development. Of this, \$500 per single-family dwelling and 50 cents per square foot of commercial, industrial, and other development is pledged. These bonds also constitute direct and general obligations of the County, and the full faith and credit of the County is pledged for the payment of principal and interest.

The total remaining principal and interest payments for Beltway pledged revenue tax supported bonds was \$146,712,627 at June 30, 2018. In fiscal year 2018, pledged revenues received totaled \$84,423,068; consisting of \$67,255,798 of supplemental governmental services tax; \$2,574,238 of non-resort corridor room tax; and \$14,593,032 of the total \$21,878,608 development tax. Required debt service totaled \$19,039,409. As described below, beltway pledged revenues are also pledged to make up any difference between pledged revenues and annual debt service for Laughlin resort corridor room tax supported bonds. During fiscal 2018, Laughlin Room Tax Collections were sufficient to cover the Laughlin Resort Corridor Debt (Series C) fiscal year debt service.

*Strip Resort Corridor Room Tax Supported Bonds*

These bonds are secured by a pledge of the one percent room tax collected on the gross receipts from the rental of hotel and motel rooms within the strip resort corridor. This tax is imposed specifically for the purpose of transportation improvements within the strip resort corridor, or within one mile outside the boundaries of the strip resort corridor. These bonds also constitute direct and general obligations of the County, and the full faith and credit of the County is pledged for the payment of principal and interest.

The total remaining principal and interest payments for strip resort corridor room tax supported bonds was \$66,575,104 at June 30, 2018. In fiscal year 2018, pledged revenues received totaled \$51,337,196. Required debt service totaled \$11,292,454.

*Laughlin Resort Corridor Room Tax Supported Bonds*

These bonds are secured by a pledge of the one percent room tax collected on the gross receipts from the rental of hotel and motel rooms within the Laughlin resort corridor. These bonds also constitute direct and general obligations of the County, and the full faith and credit of the County is pledged for the payment of principal and interest.

The total remaining principal and interest payments for Laughlin resort corridor room tax supported bonds was \$212,093 at June 30, 2018. In fiscal year 2018, revenues from the Laughlin room tax amounted to \$669,239, which was sufficient to cover the annual debt service of \$208,840. As described above, beltway pledged revenues are also pledged to make up any difference between pledged revenues and annual debt service.

*Court Administrative Assessment Supported Bonds*

These bonds are secured by a pledge of the \$10 court administrative assessment for the provision of justice court facilities. These bonds also constitute direct and general obligations of the County, and the full faith and credit of the County is pledged for the payment of principal and interest.

The total remaining principal and interest payments for court administrative assessment supported bonds was \$1,612,900 at June 30, 2018. In fiscal year 2018, pledged revenues received totaled \$1,612,900. Required debt service totaled \$1,580,569.

*Interlocal Agreement Supported Bonds*

These bonds are secured by a pledge through an interlocal agreement with the City of Las Vegas. These bonds also constitute direct and general obligations of the County, and the full faith and credit of the County is pledged for the payment of principal and interest.

The total remaining principal and interest payments for interlocal agreement supported bonds was \$11,968,018 at June 30, 2018. In fiscal year 2018, pledged revenues received totaled \$1,994,340. Required debt service totaled \$1,994,340.

*Special Assessment Bonds*

Special assessment supported bonds are secured by property assessments within the individual districts. The bonds are identified as special assessment bonds in this note above. The total remaining principal and interest payments for special assessment supported bonds was \$190,326,551 at June 30, 2018. In fiscal year 2018, pledged revenues received totaled \$26,715,941 (after a deduction allowing for timing differences). Required debt service totaled \$19,051,960.

III. DETAILED NOTES - ALL FUNDS

6. LONG-TERM DEBT (Continued)

Pledged Revenues (Continued)

*Bond Bank Bonds*

These bonds are secured by securities issued to the County by local governments utilizing the bond bank. These securities pledge system revenues and contain rate covenants to guarantee adequate revenues for bond bank debt service. These bonds also constitute direct and general obligations of the County, and the full faith and credit of the County is pledged for the payment of principal and interest.

The total remaining principal and interest payments for bond bank supported bonds was \$1,429,863,988 at June 30, 2018. In fiscal year 2018, pledged revenues received totaled \$85,974,975. Required debt service totaled \$85,974,975.

Capital Leases

*Low-Level Offender Detention Facility*

On September 14, 2007, the County entered in a long-term lease agreement (the "Master Lease") with PH Metro, LLC for the lease of a detention facility of approximately 1,000 beds contained in approximately 139,000 square feet and an administrative building of approximately 60,000 square feet located on 17 acres at the Northeast corner of Sloan and Las Vegas Boulevard, Las Vegas, Nevada (the "Leased Property"). The Leased Property is for the operation of a low level offender facility and administrative offices. The facility is valued at \$17,600,000 for land and \$165,019,483 for buildings. Accumulated depreciation is \$49,047,457 as of June 30, 2018. The term of the lease commenced on August 10, 2009 and continues for a period of approximately thirty years at a monthly base rent of \$945,660 and is subject to a 6% increase every 24 months. The Master Lease provides for the option to extend the lease term by three separate renewal periods, each of five years in duration. Accrued interest totals \$12,568,465, as of June 30, 2018.

Clark County has the option to purchase the Leased Property beginning on the date that is the earlier of (i) ten years after the recordation of the deed of trust for the Landlord's permanent loan on the Leased Property, and (ii) ten years and three months from the commencement date (the earlier of such dates shall be the "Option Commencement Date"), and expiring on the date that is twelve months after the Option Commencement Date. The purchase price for the Leased Property if purchased shall be based on the appraised fair value. In accordance with State law, the County may terminate the Master Lease at the end of each fiscal year if the County decides not to appropriate funds to pay amounts due under the Master Lease in the ensuing fiscal year.

*Southern Nevada Area Communications Council P25 Radio Equipment Upgrade*

On December 1, 2014, the County entered in a long-term lease agreement (the "Master Lease") with Motorola Solutions Inc. for the lease of radio equipment at the Southern Nevada Area Communications Council Headquarters. The Leased Property is necessary to upgrade aged equipment to keep the system current for the next twelve years and allow for better interoperability with other agencies. The equipment is valued at \$7,795,356. Accumulated depreciation is \$5,456,749 as of June 30, 2018. The term of the lease commenced on December 15, 2014 with a down payment of \$3,000,000 and continues for a period of approximately ten years at a semi-annual base rent of \$291,291.

Clark County has the option to purchase the Leased Property upon thirty days prior written notice from Lessee to Lessor, and provided that no Event of Default has occurred and is continuing, or no event, which with notice of lapse of time, or both could become an Event of Default, then exits, Lessee will have a right to purchase the Leased Property on the lease payment dates set forth in the contract schedule by paying to Lessor, on such date, the lease payment then due together with the balance payment amount set forth opposite such date. Upon satisfaction by Lessee of such purchase conditions, Lessor will transfer any and all of its right, title and interest in the Leased Property to Lessee as is, without warranty, express or implied, except that the Leased Property is free and clear of any liens created by Lessor.

III. DETAILED NOTES - ALL FUNDS

6. LONG-TERM DEBT (Continued)

Litigation Accrual and Arbitrage Liability

The County is a defendant in various litigation cases (see Note 10). \$2,500,000 has been recorded as an estimated liability for potential litigation losses that would be liquidated by general fund.

When a state or local government earns interest at a higher rate of return on tax-exempt bond issues than it pays on the debt, a liability for the spread is payable to the federal government. This interest spread, known as "rebtable arbitrage," is due five years after issuing the bonds. Excess earnings of one year may be offset by lesser earnings in subsequent years. Arbitrage liabilities are liquidated by the individual funds in which they are accrued.

The following summarizes activity for the year:

<u>Litigation Accrual and Arbitrage Liability Activity</u>		
	<u>Litigation</u>	<u>Arbitrage</u>
Balance, June 30, 2017	\$ 2,500,000	\$ -
Additions	-	-
Reductions	-	-
Balance, June 30, 2018	<u>\$ 2,500,000</u>	<u>\$ -</u>
Due within one year	<u>\$ -</u>	<u>\$ -</u>

Compensated Absences

<u>Compensated Absences Activity</u>		
	<u>Governmental Activities</u>	<u>Business- Types Activities</u>
Balance, June 30, 2017	\$ 217,300,213	\$ 44,820,059
Additions	143,419,054	39,555,559
Reductions	<u>(135,519,973)</u>	<u>(38,485,600)</u>
Balance, June 30, 2018	<u>\$ 225,199,294</u>	<u>\$ 45,890,019</u>
Due within one year	<u>\$ 135,519,973</u>	<u>\$ 39,120,590</u>

Compensated absences are liquidated by the individual funds in which they are accrued.



III. DETAILED NOTES - ALL FUNDS

6. LONG-TERM DEBT (Continued)

Prior Year Defeasance of Debt

In current and prior years, the County defeased certain general obligation and revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. At June 30, 2018, the following were the remaining balances of the defeased bond issues:

<i>CC Water Reclamation District</i>	
Series of 2008	\$ 99,635,000
Series of 2009A	116,595,000
Series of 2009B	106,240,000
<i>Airport Improvement Bonds</i>	
Series 2014B	103,365,000
	<u>\$ 425,835,000</u>

Conduit Debt Obligations

The County has issued approximately \$1,727,225,000 in economic development revenue bonds since 1990. The bonds have been issued for a number of economic development projects, including: utility projects, healthcare projects, and education projects. The bonds are paid solely from the revenues derived from the respective projects, therefore, these bonds are not liabilities of the County under any condition, and they are not included as a liability of the County.

Derivative Instruments

(a) Interest Rate Swaps

The intention of the County's implementation of a swap portfolio was to convert variable interest rate bonds to synthetically fixed interest rate bonds as a means to lower its borrowing costs when compared to fixed-rate bonds at the time of issuance. The County executed several floating-to-fixed swaps in connection with its issuance of variable rate bonds. The County also executed forward starting swaps to lock in attractive synthetically fixed rates for future variable rate bonds.

The derivative instruments are valued at fair value. The fair values of the interest rate derivative instruments are estimated using an independent pricing service. The valuations provided are derived from proprietary models based upon well-recognized principles and estimates about relevant future market conditions. The instruments' expected cash flows are calculated using the zero-coupon discount method, which takes into consideration the prevailing benchmark interest rate environment as well as the specific terms and conditions of a given transaction and which assumes that the current forward rates implied by the benchmark yield curve are the market's best estimate of future spot interest rates. The income approach is then used to obtain the fair value of the instruments by discounting future expected cash flows to a single valuation using a rate of return that takes into account the relative risk of nonperformance associated with the cash flows and the time value of money. This valuation technique is applied consistently across all instruments. Given the observability of inputs that are significant to the entire sets of measurements, the fair values of the instruments are based on inputs categorized as Level 2.

The mark-to-market value for each swap had been estimated using the zero-coupon method. Under this method, future cash payments were calculated either based on using the contractually-specified fixed rate or based on using the contractually-specified variable forward rates as implied by the SIFMA (Securities Industry and Financial Markets Association) Municipal Swap Index yield curve (formerly known as the Bond Market Association Municipal Swap Index yield curve, or BMA Municipal Swap Index yield curve), as applicable. Each future cash payment was adjusted by a factor called the swap rate, which is a rate that is set, at the inception of the swap and at the occurrence of certain events, such as a refunding, to such a value as to make the mark-to-market value of the swap equal to zero. Future cash receipts were calculated either based on using the contractually-specified fixed rate or based on using the contractually-specified variable forward rates as implied by the LIBOR (London Interbank Offered Rate) yield curve or the CMS (Constant Maturity Swap rate) yield curve, as applicable. The future cash payment, as modified by the swap rate factor, and the future cash receipt due on the date of each and every future net settlement on the swap were netted, and each netting was then discounted using the discount factor implied by the LIBOR yield curve for a hypothetical zero-coupon rate bond due on the date of the future net settlement. These discounted nettings were then summed to arrive at the mark-to-market value of the swap.

III. DETAILED NOTES - ALL FUNDS

6. LONG-TERM DEBT (Continued)

Derivative Instruments (Continued)

All the swaps entered into by the County comply with the County's swap policy. Each swap is written pursuant to guidelines and documentation promulgated by the International Swaps and Derivatives Association ("ISDA"), which include standard provisions for termination events such as failure to pay or bankruptcy. The County retains the right to terminate any swap agreement at market value prior to maturity. The County has termination risk under the contract, particularly if an additional termination event ("ATE") were to occur. An ATE occurs either if the credit rating of the bonds associated with a particular swap agreement and the rating of the swap insurer fall below a pre-defined credit rating threshold or if the credit rating of the swap counterparty falls below a threshold as defined in the swap agreement.

With regard to credit risk, potential exposure is mitigated through the use of an ISDA credit support annex ("CSA"). Under the terms of master agreements between the County and the swap counterparties, each swap counterparty is required to post collateral with a third party when the counterparty's credit rating falls below the trigger level defined in each master agreement. This protects the County from credit risks inherent in the swap agreements. As long as the County retains insurance, the County is not required to post any collateral; only the counterparties are required to post collateral.

The initial notional amount and outstanding notional amounts of all active swaps, as well as the breakout of floating-to fixed swaps, basis swaps, and fixed to fixed swaps as of June 30, 2018 are summarized as follows:

III. DETAILED NOTES - ALL FUNDS

6. LONG-TERM DEBT (Continued)

Swap#	Associated Variable Rate Bonds or Amended Swaps	County Pays	County Receives	Interest Rate Swap Analysis As of June 30, 2018			Counterparty Ratings			Outstanding Notional June 30, 2018	
				Effective Date	Maturity Date	Initial Notional Amount	Counterparty	Moody's	S&P		Fitch
Basic Swap											
02	N/A	SIFMA Swap Index - .41%	72.5% of USD LIBOR - 0.410%	8/23/2001	7/1/2036	\$ 185,855,000	Citigroup Financial Products Inc.	Baa1	BBB+	A	\$ 70,798,853
Floating to Fixed											
03*	N/A	5.49% to 7/2010, 3% to maturity	69% of USD LIBOR + 0.350%	4/4/2005	7/1/2022	259,900,000	Citigroup Financial Products Inc.	Baa1	BBB+	A	-
Basic Swap											
04	N/A	SIFMA Swap Index	68% of USD LIBOR + 0.435%	7/1/2003	7/1/2025	200,000,000	Citigroup Financial Products Inc.	Baa1	BBB+	A	95,660,354
Floating to Fixed											
05*	N/A	4.97% to 7/2010, 3% to maturity	62.6% of USD LIBOR + 0.330%	3/19/2008	7/1/2025	60,175,000	Citigroup Financial Products Inc.	Baa1	BBB+	A	-
Floating to Fixed											
07A†	2008 A-2, 2011 B-1	4.3057% to 7/2017, 0.25% to maturity	64.7% of USD LIBOR + 0.280%	7/1/2008	7/1/2022	150,000,000	JP Morgan Chase Bank, N.A.	Aa3	A+	AA--	138,600,000
07B†	2008 B-2, 2011 B-2	4.3057% to 7/2017, 0.25% to maturity	64.7% of USD LIBOR + 0.280%	7/1/2008	7/1/2022	150,000,000	UBS AG Citigroup Financial Products Inc.	A1	A	A	138,700,000
08A	2008C	4% to 7/2015, 3% to maturity	82% of 10 year CMS - 0.936%	3/19/2008	7/1/2040	151,200,000	JP Morgan Chase Bank, N.A.	Baa1	BBB+	A	143,700,000
08B	2008C	4% to 7/2015, 3% to maturity	82% of 10 year CMS - 0.936%	3/19/2008	7/1/2040	31,975,000	JP Morgan Chase Bank, N.A.	Aa3	A+	AA-	30,375,000
08C	2008C	4% to 7/2015, 3% to maturity	82% of 10 year CMS - 0.936%	3/19/2008	7/1/2040	31,975,000	UBS AG Citigroup Financial Products Inc.	A1	A	A	30,375,000
09A	2008 D-1	5% to 7/2015, 1.21% to maturity	82% of 10 year CMS - 1.031%	3/19/2008	7/1/2036	41,330,000	JP Morgan Chase Bank, N.A.	Baa1	BBB+	A	38,610,000
09B	2008 D-1	5% to 7/2015, 1.21% to maturity	82% of 10 year CMS - 1.031%	3/19/2008	7/1/2036	8,795,000	JP Morgan Chase Bank, N.A.	Aa3	A+	AA-	8,215,000
09C	2008 D-1	5% to 7/2015, 1.21% to maturity	82% of 10 year CMS - 1.031%	3/19/2008	7/1/2036	8,795,000	UBS AG	A1	A	A	8,215,000
10B	2008 D-2A, 2008 D-2B	4.0030% to 7/2015, 2.27% to maturity	LIBOR + 0.280%	3/19/2008	7/1/2040	29,935,000	JP Morgan Chase Bank, N.A.	Aa3	A+	AA-	29,935,000
10C	2008 D-2A, 2008 D-2B	4.0030% to 7/2015, 2.27% to maturity	LIBOR + 0.280%	3/19/2008	7/1/2040	29,935,000	UBS AG	A1	A	A	29,935,000

III. DETAILED NOTES - ALL FUNDS

6. LONG-TERM DEBT (Continued)

Swap#	Associated Variable Rate Bonds or Amended Swaps	County Pays	County Receives	Effective Date	Maturity Date	Initial Notional Amount	Counterparty	Counterparty Ratings			Outstanding Notional June 30, 2018	
								Moody's	S&P	Fitch		
Interest Rate Swap Analysis As of June 30, 2018 Continued												
Floating to Fixed	2008 D-2A, 2008 D-2B, 2008C, 2008 D- 3, 2010 F-2 PFC	5.626% to 7/2017, 0.25% to maturity	64.7% of USD LIBOR + 0.280%	7/1/2009	7/1/2026	200,000,000	Citigroup Financial Products Inc.	Baa1	BBB+	A	200,000,000	
12A			61.9% of USD LIBOR + 0.270%	7/1/2010	7/1/2040	150,000,000	Citigroup Financial Products Inc.	Baa1	BBB+	A	-	
13**	N/A	6% to 7/2017, 1.913% to maturity	64.4% of USD LIBOR + 0.280%	7/1/2011	7/1/2030	73,025,000	UBS AG	A1	A	A	73,025,000	
14**	2008 D-2, 2008 D-3 2008 C, 2008 D-2A, 2008 D- 2B, 2008A GO, 2010 F-2 PFC	3.886%	64.4% of USD LIBOR + 0.280%	7/1/2011	7/1/2037	145,150,000	Citibank, N.A., New York	A1	A+	A+	145,150,000	
14B**		3.881%										
<u>Remaining portions of swaps after April 6, 2010 terminations</u>												
Fixed to Fixed	swap #03 (amended and restated)	1.02% until 7/1/2010	1.47% starting at 7/1/2010	4/6/2010	7/1/2022	N/A	Citigroup Financial Products Inc.	Baa1	BBB+	A	29,844,054	
15	swap #05 (amended and restated)	1.37% until 7/1/2010	0.6% starting at 7/1/2010	4/6/2010	7/1/2025	N/A	Citigroup Financial Products Inc.	Baa1	BBB+	A	50,075,000	
16	swap #13 (amended and restated)	2.493% until 7/1/2017	1.594% starting at 7/1/2017	4/6/2010	7/1/2040	N/A	Citigroup Financial Products Inc.	Baa1	BBB+	A	150,000,000	
18						\$ 1,908,045,000					\$ 1,411,213,261	

Source: The PFM Group

III. DETAILED NOTES - ALL FUNDS

6. LONG-TERM DEBT (Continued)

\*On April 6, 2010, the County terminated the "on market" (at-market coupon) portion of its floating-to-fixed swaps #03, #05, #10A, #11, and #13. To fund the terminations, the County fully terminated the "off-market" (step-coupon) portion of swap #11 and partially terminated \$162.2 million of \$229.9 million notional of the "off-market" portion of swap #03. The agreements related to swaps #03, #05, #10A, and #13 were amended and restated, and the new terms of the swap agreements are presented in the table above as swaps #15, #16, #17, and #18, respectively.

‡On August 3, 2011, the County refunded the outstanding principal of its Series 2008 A-1 and B-1 Bonds with the Series 2011 B-1 and B-2 Bonds, respectively. Upon refunding, swap #07B was re-associated with the cash flows of the \$100 million of outstanding principal of the Series 2011 B-1 Bonds, and swap #07A was re-associated with the cash flows of the \$100 million of outstanding principal of the Series 2011 B-2 Bonds. On November 19, 2013, to better match the principal amortizations, swap #07A was re-associated with the Series 2011 B-1 Bonds, and swap #07B was re-associated with the Series 2011 B-2 Bonds. On December 6, 2017, the Series 2011B-2 Bonds were refunded by the issuance of the Series 2017D Bonds, therefore re-associating \$92.5 million in the notional of swap #07B with 2017D bonds.

\*\*On July 1, 2011, forward swaps #14A and #14B, both with a trade date of April 17, 2007, became effective as scheduled. \$4.48 million of the entire notional amount of swap #14A, \$73.025 million, was associated with the 2008A General Obligation Bonds, with the excess notional balance classified as an investment derivative. The entire notional amount of swap #14B, \$201.975 million, was associated both with the principal of the 2008A General Obligation Bonds remaining after the association of swap #14A and with the 2013 C-1 and 2013 C-2 Notes. Although these Notes are deemed to mature in perpetuity, the 2008A General Obligation Bond matures on July 1, 2027, a date in advance of the maturities of swaps #14A and #14B, which occur on July 1, 2030 and July 1, 2037, respectively. Therefore, those portions of swaps #14A and #14B associated with these excess maturities had been classified as investment derivatives. On November 19, 2013, these swaps were re-associated with variable rate bonds following the termination of swaps noted below. These swaps are fully hedged derivatives. On July 1, 2016, the outstanding notional amounts previously associated with the 2013 C-1 Notes were re-associated with the 2008 D-2A and 2008 D-2B Bonds to maximize the hedging of the derivative.

The following are the fair values and changes in fair values of the County's interest rate swap agreements for the fiscal year ended June 30, 2018:

<u>Interest Rate Swap Fair Value and Changes in Fair Values in Hedging Derivative Instruments</u>						
<u>Swap #</u>	<u>Outstanding Notional, Classification, and Fair Value as of June 30, 2018</u>			<u>Changes in Fair Value for the Fiscal Year Ended June 30, 2018</u>		
	<u>Outstanding Notional</u>	<u>Non-Current Derivative Instrument Classification</u>	<u>Fair Value</u>	<u>Increase (Decrease) in Deferred Inflows</u>	<u>Increase (Decrease) in Deferred Outflows</u>	<u>Net Change in Fair Value</u>
<u>Hedging derivative instruments</u>						
<i>Floating to fixed rate interest swap</i>						
03*	\$ -		\$ -	\$ -	\$ -	\$ -
05*	-		-	-	-	-
07A‡	138,600,000	Asset	1,741,838	1,464,928		1,464,928
07B‡	138,700,000	Asset	1,743,545	1,463,625		1,463,625
10B	29,935,000	Liability	(764,198)	-	(1,286,389)	1,286,389
10C	29,935,000	Liability	(764,207)	-	(1,286,402)	1,286,402
12A	200,000,000	Asset	19,914,612	2,510,909	-	2,510,909
<i>Forward floating-to-fixed interest rate swap</i>						
13*	-		-	-	-	-
<i>Floating to fixed rate interest swap</i>						
14A**	73,025,000	Liability	(11,592,138)	-	(4,049,241)	4,049,241
14B**	145,150,000	Liability	(29,391,008)	-	(8,100,133)	8,100,133
Total hedging derivative activities	<u>\$ 755,345,000</u>		<u>\$(19,111,556)</u>	<u>\$ 5,439,462</u>	<u>\$ (14,722,165)</u>	<u>\$ 20,161,627</u>

III. DETAILED NOTES - ALL FUNDS

6. LONG-TERM DEBT (Continued)

Interest Rate Swap Fair Value and Changes in Fair Values in Investment Derivative Instruments						
Swap #	Outstanding Notional, Classification, and Fair Value as of June 30, 2018			Changes in Fair Value for the Fiscal Year Ended June 30, 2018		
	Outstanding Notional	Non-Current Derivative Instrument Classification	Fair Value	Gain (Loss) on Investment	Deferrals Included in Gain (Loss)	Net Change in Fair Value
<u>Investment derivative instruments</u>						
Basis rate swap						
02	\$ 70,798,853	Liability	\$ (922,707)	\$ 539,744	\$ -	\$ 539,744
04	95,660,354	Asset	1,129,547	75,535	-	75,535
Floating to fixed rate interest swap						
08A	143,700,000	Liability	(17,637,956)	5,135,261	-	5,135,261
08B	30,375,000	Liability	(3,730,221)	1,085,406	-	1,085,406
08C	30,375,000	Liability	(3,730,264)	1,085,416	-	1,085,416
09A	38,610,000	Asset	1,182,880	763,302	-	763,302
09B	8,215,000	Asset	251,618	162,410	-	162,410
09C	8,215,000	Asset	251,620	162,411	-	162,411
<i>Remaining portions of swaps after April 6, 2010 terminations*</i>						
15 (formerly #03)	29,844,054	Asset	855,695	(423,830)	-	(423,830)
16 (formerly #05)	50,075,000	Asset	1,747,936	(315,804)	-	(315,804)
18 (formerly #13)	150,000,000	Asset	37,311,576	(3,386,492)	-	(3,386,492)
Total investment derivative activities	655,868,261		16,709,724	4,883,359	-	4,883,359
Total	\$ 1,411,213,261		\$ (2,401,832)			\$ 25,044,986

\* On April 6, 2010, the County terminated the "on market" (at-market coupon) portion of its floating-to-fixed swaps #03, #05, #10A, #11, and #13. To fund the terminations, the County fully terminated the "off-market" (step-coupon) portion of swap #11 and partially terminated \$162.2 million of \$229.9 million notional of the "off-market" portion of swap #03. The agreements related to swaps #03, #05, #10A, and #13 were amended and restated, and the new terms of the swap agreements are presented in the table above as swaps #15, #16, #17, and #18, respectively. Swap #17 was terminated on November 19, 2013.

‡ On August 3, 2011, the County refunded the outstanding principal of its Series 2008 A-1 and B-1 Bonds with the Series 2011 B-1 and B-2 Bonds, respectively. Upon refunding, swap #07B was re-associated with the cash flows of the \$100 million of outstanding principal of the Series 2011 B-1 Bonds, and swap #07A was re-associated with the cash flows of the \$100 million of outstanding principal of the Series 2011 B-2 Bonds. On November 19, 2013, to better match the principal amortizations, swap #07A was re-associated with the Series 2011 B-1 Bonds, and swap #07B was re-associated with the Series 2011 B-2 Bonds. On December 6, 2017, the Series 2011 B-2 Bonds were refunded by the issuance of Series 2017D Bonds, therefore re-associating \$92.4 million in notional of swap #07B with 2017D Bonds.

\*\* On July 1, 2011, forward swaps #14A and #14B, both with a trade date of April 17, 2007, became effective as scheduled. \$4.48 million of the entire notional amount of swap #14A, \$73.025 million, was associated with the 2008A General Obligation Bonds, with the excess notional balance classified as an investment derivative. The entire notional amount of swap #14B, \$201.975 million, was associated both with the principal of the 2008A General Obligation Bonds remaining after the association of swap #14A and with the 2013 C-1 and 2013 C-2 Notes. Although the Notes are deemed to mature in perpetuity, the 2008A General Obligation Bonds mature on July 1, 2027, a date in advance of the maturities of swaps #14A and #14B, which occur on July 1, 2030 and July 1, 2037, respectively. Therefore, those portions of swaps #14A and #14B associated with these excess maturities had been classified as investment derivatives. On July 1, 2016, the outstanding notional amounts previously associated with the 2013 C-1 Notes were re-associated with the 2008 D-2A and 2008 D-2B Bonds to maximize the hedging of the derivative.

III. DETAILED NOTES - ALL FUNDS

6. LONG-TERM DEBT (Continued)

On August 3, 2011, the County refunded the Series 2008 B-1 Bonds and the Series 2008 A-1 Bonds with the Series 2011 B-2 Bonds and the Series 2011 B-1 Bonds, respectively. Upon refunding, \$100,000,000 in notional of swap #07A and \$100,000,000 in notional of swap #07B were re-associated with the 2011 B-1 Bonds and the 2011 B-2 Bonds, respectively. This re-association resulted in a revaluation of swaps #07A and #07B to adjust the overall swap rate of each swap to the market rate, creating a deferred loss on imputed debt for each swap, and an offsetting liability for each swap, imputed debt, in the amounts of \$10,706,687 for swap #07A and \$10,706,687 for swap #07B. These deferred losses on imputed debt and corresponding imputed debts are amortized against each other on a straight-line basis over the remaining lives of the swaps. In November 2013, the County re-associated swap #07A with the 2011 B-1 Bonds and re-associated swap #07B with the 2011 B-2 Bonds. On December 6, 2017, the Series 2011 B-2 Bonds were refunded by the issuance of Series 2017D Bonds and therefore re-associating \$92,465,000 million in notional of swap #07B with 2017D Bonds.

On November 19, 2013, the County fully terminated swaps #06, #12B, and #17 and partially terminated swap #14B. Because swap #14B was only partially terminated, its outstanding notional value was reduced by \$56,825,000 from \$201,975,000 to \$145,150,000. At the transaction closing, the fair values of all the terminated swaps or portions thereof, coupled with their related accrued interest, resulted in a net termination payment of \$0. The County executed this transaction to lower overall swap exposure, reduce interest rate risk, increase cash flow, reduce debt service, and tailor its swap portfolio to better match its variable rate bond portfolio. Upon completion of the termination, the County re-associated the investment component of each of swap derivatives #14A and #14B with variable rate bonds, thereby resulting in the full hedging of these swaps.

Hedging Derivative Instruments

On June 30, 2018, the County had seven outstanding floating-to-fixed interest rate swap agreements considered to be hedging derivative instruments in accordance with the provisions of GASB 53. Five outstanding hedging swaps that have been structured with step-down coupons to reduce the cash outflows of the fixed leg of those swaps in the later years of the swap.

Forward Starting Swap Agreements Hedging Derivatives

On January 3, 2006, the County entered into five swap agreements (swaps #7A, #7B, #12A, #12B, and #13) to hedge future variable rate debt as a means to lower its borrowing costs and to provide favorable synthetically fixed rates for financing the construction of Terminal 3 and other related projects. Swaps #7A and #7B, with notional amounts of \$150,000,000 each, became effective July 1, 2008, while swaps #12A and #12B, with notional amounts totaling \$550,000,000, became effective July 1, 2009. Swap #13, with a notional amount totaling \$150,000,000, was scheduled to become effective July 1, 2010. However, due to the attractive market rates for fixed rate bonds, together with the favorable provisions of ARRA, the County chose to refinance its outstanding bond anticipation notes and issue fixed rate bonds to complete financing for the construction of Terminal 3, and, as a result, the planned \$550,000,000 of 2009 Series A and B variable rate bonds was not issued on July 1, 2009. In addition, to better match its outstanding notional of floating-to-fixed interest rate swaps to the cash flows associated with its outstanding variable rate bonds, on April 6, 2010, the County terminated \$543,350,000 in notional amounts of its outstanding floating-to-fixed interest rate swaps (swaps #3, #5, #10A, and #11) and \$150,000,000 in the notional amount of the July 1, 2010, forward starting swap #13. On April 17, 2007, the County entered into two additional forward starting swaps, swaps #14A and #14B, with notional amounts totaling \$275,000,000, which became effective on July 1, 2011, as scheduled and the Department later re-associated the investment component of each of swap derivatives #14A and #14B with variable rate bonds.

III. DETAILED NOTES - ALL FUNDS

6. LONG-TERM DEBT (Continued)

Terms, Notional Amounts, and Fair Values - Hedging Derivatives

The following are the notional amounts and fair values of the County's hedging derivatives at June 30, 2018:

Hedging Derivative Instruments - Terms, Notional Amounts, and Fair Values as of June 30, 2018								
Swap#	Interest Rate Swap Description	Associated Variable Rate Bonds or Amended Swaps	Effective Date	Outstanding Notional	County Pays	County Receives	Fair Value	Maturity Date
07A	Floating-to-Fixed	2008 A-2, 2011 B-1	7/1/2008	\$ 138,600,000	4.3057% to 7/2017, 0.25% to maturity	64.7% of USD LIBOR + 0.28%	\$ 1,741,838	7/1/2022
07B	Floating-to-Fixed	2008 B-2, 2011 B-2	7/1/2008	138,700,000	4.3057% to 7/2017, 0.25% to maturity	64.7% of USD LIBOR + 0.28%	1,743,545	7/1/2022
10B	Floating-to-Fixed	2008 D-2A, 2008 D-2B	3/19/2008	29,935,000	4.0030% to 7/2015, 2.27% to maturity	62.0% of USD LIBOR + 0.28%	(764,198)	7/1/2040
10C	Floating-to-Fixed	2008 D-2A, 2008 D-2B	3/19/2008	29,935,000	4.0030% to 7/2015, 2.27% to maturity	62.0% of USD LIBOR + 0.28%	(764,207)	7/1/2040
12A	Floating-to-Fixed	2008 D-2A, 2008 D-2B, 2008 D-2A, 2008 D-2B, 2008C, 2008 D-3, 2010 F-2 PFC	7/1/2009	200,000,000	5.6260% to 7/2017, 0.25% to maturity	64.7% of USD LIBOR + 0.28%	19,914,612	7/1/2026
14A	Floating-to-Fixed	2008 D-2, 2008 D-3, 2008 C, 2008 D-2A, 2008 D-2B, 2008A GO, 2010 F-2 PFC	7/1/2011	73,025,000	3.89%	64.4% of USD LIBOR + 0.280%	(11,592,138)	7/1/2030
14B	Floating-to-Fixed	2010 F-2 PFC	7/1/2011	145,150,000	3.88%	64.4% of USD LIBOR + 0.28%	(29,391,008)	7/1/2037
				<u>\$ 755,345,000</u>			<u>\$ (19,111,556)</u>	

The notional amounts of the swap agreements match the principal portions of the associated debt and contain reductions in the notional amounts that are expected to follow the reductions in principal of the associated debt, except as discussed in the section on rollover risk.

Due to an overall increase in variable rates, three of the County's hedging derivative instruments had a positive fair value as of June 30, 2018.



III. DETAILED NOTES - ALL FUNDS

6. LONG-TERM DEBT (Continued)

Associated Debt Cash Flows - Hedging Derivatives

The net cash flows for the County's hedging derivative instruments for the year ended June 30, 2018, are provided in the table below.

<u>Hedging Derivative Instruments - Net Cash Flows</u> <u>For the Fiscal Year Ended June 30, 2018</u>							
Swap#	Interest Rate Swap Description	Associated Variable Rate Bonds	<u>Counterparty Swap Interest</u>			Interest to Bondholders	Net Interest Payments 2018
			(Pay)	Receive	Net		
07A	Floating-to-Fixed	2008 A-2, 2011 B-1	\$ (5,609,267)	\$ 3,707,969	\$ (1,901,298)	\$ (1,230,815)	\$ (3,132,113)
07B	Floating-to-Fixed	2008 B-2, 2011 B-2	(5,612,136)	3,714,236	(1,897,900)	(1,249,291)	(3,147,191)
10B	Floating-to-Fixed	2008 D-2A, 2008 D-2B	(936,966)	544,471	(392,495)	(302,295)	(694,790)
10C	Floating-to-Fixed	2008 D-2A, 2008 D-2B	(682,633)	290,690	(391,943)	(302,295)	(694,238)
12A	Floating-to-Fixed	2008 D-2A, 2008 D-2B, 2008C, 2008 D-3, 2010 F-2 PFC	(8,393,484)	4,497,799	(3,895,685)	(1,726,273)	(5,621,958)
14A*	Floating-to-Fixed	2008 D-2, 2008 D-3	(2,523,446)	406,366	(2,117,080)	(660,039)	(2,777,119)
14B*	Floating-to-Fixed	2008 C, 2008 D-2A, 2008 D-2B, 2008A GO, 2010 F-2 PFC	(5,010,395)	806,814	(4,203,581)	(1,350,329)	(5,553,910)
			<u>\$ (28,768,327)</u>	<u>\$ 13,968,345</u>	<u>\$ (14,799,982)</u>	<u>\$ (6,821,337)</u>	<u>\$ (21,621,319)</u>

\* Hedging component only, pro-rated over swap notional

Credit Risk - Hedging Derivatives

The County was exposed to credit risk on the three investment derivatives that had positive fair values totaling \$23,999,995 as of June 30, 2018. However, a CSA is in place to provide collateral to protect the value of the swaps under specific circumstances. The following are the hedging swaps and their amounts at risk as of June 30, 2018, along with the counterparty credit ratings for these swaps:

<u>Counterparty Credit Ratings and Credit Risk Exposure - Hedging Derivative Instruments at June 30, 2018</u>						
Swap #	Interest Rate Swap Description	Counterparty	<u>Counterparty Ratings</u>			Credit Risk Exposure
			Moody's	S&P	Fitch	
07A	Floating-to-Fixed	JPMorgan Chase Bank, N.A.	Aa3	A+	AA-	\$ 1,741,838
07B	Floating-to-Fixed	UBS AG	A1	A	A	1,743,545
10B	Floating-to-Fixed	JPMorgan Chase Bank, N.A.	Aa3	A+	AA-	-
10C	Floating-to-Fixed	UBS AG	A1	A	A	-
12A	Floating-to-Fixed	Citigroup Financial Products Inc.	Baa1	BBB+	A	19,914,612
14A	Floating-to-Fixed	UBS AG	A1	A	A	-
14B	Floating-to-Fixed	Citibank, N.A., New York.	A1	A+	A+	-
						<u>\$ 23,999,995</u>

As of June 30, 2016, the counterparty to swap #12A was required to post collateral pursuant to the terms of the ISDA CSA Agreement. The credit rating of this counterparty declined to the rating threshold defined in the ISDA CSA Agreement, thereby requiring that the counterparty post collateral. On February 8, 2017, the counterparty posted \$13,000,000 in cash as collateral with the designated custodian. As of June 30, 2018, the cash collateral posted with the custodian for Swap #12A was \$20,980,000.

Basis and Interest Rate Risk - Hedging Derivatives

All the hedging derivative swaps are subject to basis risk and interest rate risk should the relationship between the LIBOR rate and the County's bond rates converge. If a change occurs that results in the rates moving to convergence, the expected cost savings and expected cash flows of the swaps may not be realized.

III. DETAILED NOTES - ALL FUNDS

6. LONG-TERM DEBT (Continued)

Tax Policy Risk - Hedging Derivatives

The County is exposed to tax risk if a permanent mismatch (shortfall) occurs between the floating rate received on the swap and the variable rate paid on the underlying variable rate bonds due to changes in tax law such that the federal or state tax exemption of municipal debt is eliminated or its value is reduced.

Termination Risk - Hedging Derivatives

The County is exposed to termination risk if either the credit rating of the bonds associated with the swap or the credit rating of the swap counterparty falls below the threshold defined in the swap agreement, i.e. if an ATE occurs. If at the time of the ATE the swap has a negative fair value, the County would be liable to the counterparty for a payment equal to the swap's fair value. For all swap agreements, except for swaps #08A and #09A, the County is required to designate a day between 5 and 30 days to provide written notice following the ATE date. For the exceptions, the designated date is 30 days after the ATE date.

Rollover Risk and Other Risk - Hedging Derivatives

There exists the possibility that the County may undertake additional refinancing with respect to its swaps to improve its debt structure or cash flow position and that such refinancing may result in hedging swap maturities that do not extend to the maturities of the associated debt, in hedging swaps becoming decoupled from associated debt, in the establishment of imputed debt, or in the creation of losses.

Terms, Notional Amounts, and Fair Values - Investment Derivatives

The terms, notional amounts, and fair values of the County's investment derivatives at June 30, 2018 are included in the tables below.

Investment Derivative Instruments - Terms, Notional Amounts, and Fair Values As of June 30, 2018								
Swap#	Interest Rate Swap Description	Associated Variable Rate Bonds or Amended Swaps	Effective Date	Outstanding Notional	County Pays	County Receives	Fair Value	Maturity Date
02	Basis Swap	N/A	8/23/2001	\$ 70,798,853	SIFMA Swap Index - 0.41%	72.5% of USD LIBOR - 0.410%	\$ (922,707)	7/1/2036
04	Basis Swap	N/A	7/1/2003	95,660,354	SIFMA Swap Index	68% of USD LIBOR + 0.435%	1,129,547	7/1/2025
08A	Floating-to-Fixed	2008C	3/19/2008	143,700,000	4% to 7/2015, 3% to maturity	82% of 10 year CMS - 0.936%	(17,637,956)	7/1/2040
08B	Floating-to-Fixed	2008C	3/19/2008	30,375,000	4% to 7/2015, 3% to maturity	82% of 10 year CMS - 0.936%	(3,730,221)	7/1/2040
08C	Floating-to-Fixed	2008C	3/19/2008	30,375,000	4% to 7/2015, 3% to maturity	82% of 10 year CMS - 0.936%	(3,730,264)	7/1/2040
09A	Floating-to-Fixed	2008 D-1	3/19/2008	38,610,000	5% to 7/2015, 1.21% to maturity	82% of 10 year CMS - 1.031%	1,182,880	7/1/2036
09B	Floating-to-Fixed	2008 D-1	3/19/2008	8,215,000	5% to 7/2015, 1.21% to maturity	82% of 10 year CMS - 1.031%	251,618	7/1/2036
09C	Floating-to-Fixed	2008 D-1	3/19/2008	8,215,000	5% to 7/2015, 1.21% to maturity	82% of 10 year CMS - 1.031%	251,620	7/1/2036
<u>Remaining portions of swaps after April 6, 2010 terminations</u>								
15	Fixed-to-Fixed	swap #03 (1)	4/6/2010	29,844,054	1.02% until 7/1/2010	1.47% starting at 7/1/2010	855,695	7/1/2022
16	Fixed-to-Fixed	swap #05 (1)	4/6/2010	50,075,000	1.37% until 7/1/2010	0.6% starting at 7/1/2010	1,747,936	7/1/2025
18	Fixed-to-Fixed	swap #13 (1)	4/6/2010	150,000,000	2.493% until 7/1/2017	1.594% starting at 7/1/2017	37,311,576	7/1/2040
				<u>\$ 655,868,261</u>			<u>\$ 16,709,724</u>	

(1) Amended and restated

III. DETAILED NOTES - ALL FUNDS

6. LONG-TERM DEBT (Continued)

Credit Risk - Investment Derivatives

The County was exposed to credit risk on the seven investment derivatives that had positive fair values totaling \$45,693,342 as of June 30, 2018. Nonetheless, as described earlier, a CSA is in place to provide collateral to protect the value of the swaps under specific circumstances. The investment swaps and their amounts at risk as of June 30, 2018, along with the counterparty credit ratings for these swaps, are disclosed the table below.

<u>Counterparty Credit Ratings and Credit Risk Exposure - Investment Derivative Swaps at June 30, 2018</u>						
Swap #	Interest Rate Swap Description	Counterparty	Counterparty Ratings			Credit Risk Exposure
			Moody's	S&P	Fitch	
02	Basis Swap	Citigroup Financial Products Inc.	Baa1	BBB+	A	\$ -
04	Basis Swap	Citigroup Financial Products Inc.	Baa1	BBB+	A	1,129,547
08A	Floating-to-Fixed	Citigroup Financial Products Inc.	Baa1	BBB+	A	-
08B	Floating-to-Fixed	JPMorgan Chase Bank, N.A.	Aa3	A+	AA-	-
08C	Floating-to-Fixed	UBS AG	A1	A	A	-
09A	Floating-to-Fixed	Citigroup Financial Products Inc.	Baa1	BBB+	A	1,182,880
09B	Floating-to-Fixed	JPMorgan Chase Bank, N.A.	Aa3	A+	AA-	251,618
09C	Floating-to-Fixed	UBS AG	A1	A	A	251,620
<u>Remaining portions of swaps after April 6, 2010 terminations</u>						
15	Fixed-to-Fixed	Citigroup Financial Products Inc.	Baa1	BBB+	A	855,695
16	Fixed-to-Fixed	Citigroup Financial Products Inc.	Baa1	BBB+	A	1,747,936
18	Fixed-to-Fixed	Citigroup Financial Products Inc.	Baa1	BBB+	A	37,311,576
						\$ 42,730,872

As of June 30, 2016, the counterparty's credit rating declined to the respective rating thresholds as defined in the ISA CSA agreement for Swap #18 and the counterparty is required to post collateral. On August 10, 2016, the County executed the Agreement for Swap #18, and the counterparty posted the initial cash collateral of \$39,900,000. As of June 30, 2018, the cash collateral posted with the custodian for Swap #18 was \$38,600,000.

Interest Rate Risk - Investment Derivatives

Swaps #02 and #04 are subject to interest rate risk should the relationship between the LIBOR rate and the SIFMA rate converge. If economic conditions change such that these rates converge, the expected cash flows of the swaps and expected cost savings may not be realized.

Swaps #08A, #08B, and #08C and swaps #09A, #09B, and #09C are subject to interest rate risk should the relationship between the 10-year CMS rate (Constant Maturity Swap rate) and the LIBOR rate converge. If economic conditions change such that these rates converge, the expected cash flows of the swaps and expected cost savings may not be realized.

The investment components of swaps #15, #16, and #18 are not subject to interest rate risk, since there is no variable rate component.

III. DETAILED NOTES - ALL FUNDS

6. LONG-TERM DEBT (Continued)

Projected Maturities and Interest on Variable Rate Bonds, Bond Anticipation Notes, and Swap Payments

Using the rates in effect on June 30, 2018, the approximate maturities and interest payments of the County's variable rate debt and bond anticipation notes associated with the interest rate swaps, as well as the net payment projections on the floating-to-fixed interest rate swaps, are as follows:

<u>Variable Rate Debt and Bond Anticipation Notes - Maturities and Net Payment Projections</u>						
<u>Year Ended</u> <u>June 30,</u>	<u>Variable Rate Bonds</u>		<u>Bond Anticipation Notes</u>		<u>Net Swap</u>	<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Payments</u>	
2019	\$ 84,195,000	\$ 15,102,498	\$ -	\$ -	\$ 518,503	\$ 99,816,001
2020	86,675,000	13,688,214	-	-	1,213,827	101,577,041
2021	87,705,000	12,257,862	-	-	1,893,635	101,856,497
2022	88,885,000	10,809,099	-	-	2,625,473	102,319,572
2023	72,465,000	9,636,477	-	-	3,333,827	85,435,304
2024-2028	191,815,000	41,354,492	-	-	25,748,729	258,918,221
2029-2033	165,325,000	24,949,988	-	-	21,997,364	212,272,352
2034-2038	167,065,000	13,057,539	-	-	7,174,711	187,297,250
2039-2043	104,350,000	1,621,078	-	-	266,918	106,237,996
Total	<u>\$ 1,048,480,000</u>	<u>\$ 142,477,247</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,772,987</u>	<u>\$ 1,255,730,234</u>

Discretely Presented Component Units

Flood Control District

The following is a summary of bonds and compensated absences payable by the Flood Control District for the year ended June 30, 2018:

<u>Bonds and Compensated Absences Payable For the Year Ended June 30, 2018</u>					
	<u>Balance at</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>June 30, 2018</u>	<u>Due Within One</u> <u>Year</u>
General obligation bonds	\$ 506,000,000	\$ 109,955,000	\$ (13,505,000)	\$ 602,450,000	\$ 14,140,000
Plus: issuance premiums	34,131,179	8,798,839	(2,403,173)	40,526,845	-
Total bonds payable	540,131,179	118,753,839	(15,908,173)	642,976,845	14,140,000
Compensated Absences	666,723	439,269	(338,041)	767,951	-
Total long-term liabilities	<u>\$ 540,797,902</u>	<u>\$ 119,193,108</u>	<u>\$ (16,246,214)</u>	<u>\$ 643,744,796</u>	<u>\$ 14,140,000</u>

III. DETAILED NOTES - ALL FUNDS

6. LONG-TERM DEBT (Continued)

Discretely Presented Component Units (Continued)

Flood Control District (Continued)

The following individual issues comprised the bonds payable at June 30, 2018:

<u>Bonds Payable as of June 30, 2018</u>					
<u>Series</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance at June 30, 2018</u>
General obligation bonds					
2009	6/23/09	11/01/38	2.69 - 7.25	\$ 150,000,000	\$ 120,955,000
2010	7/13/10	11/01/18	5.00	29,425,000	10,305,000
2013	12/19/13	11/01/38	5.00	75,000,000	74,800,000
2014	12/11/14	11/01/38	4.00 - 5.00	100,000,000	99,900,000
2015	03/31/15	11/01/35	3.00 - 5.00	186,535,000	186,535,000
2017	12/07/17	11/01/38	2.375 - 5.00	109,955,000	109,955,000
Unamortized premium/(discount)			N/A	N/A	40,526,845
Total long-term debt					<u>\$ 642,976,845</u>

All bonds issued by the Flood Control District are collateralized by a portion of the one-quarter cent sales tax authorized by NRS 543.600 for Flood Control District operations. Pledged revenues for the year ended June 30, 2018 totaled \$103,428,054 for a debt service coverage ratio of 2.52 times.

The debt service requirements are as follows:

<u>Annual Debt Service Requirements to Maturity</u>			
<u>Year Ending June 30,</u>	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 14,140,000	\$ 29,292,061	\$ 43,432,061
2020	13,765,000	28,573,683	42,338,683
2021	18,380,000	27,741,762	46,121,762
2022	19,355,000	26,760,030	46,115,030
2023	20,390,000	25,720,326	46,110,326
2024-2028	119,785,000	110,672,615	230,457,615
2029-2033	153,395,000	76,825,889	230,220,889
2034-2038	196,905,000	36,084,625	232,989,625
2039	46,335,000	1,143,193	47,478,193
	<u>\$ 602,450,000</u>	<u>\$ 362,814,184</u>	<u>\$ 965,264,184</u>

Deferred outflows of resources and deferred inflows of resources

Deferred outflows of resources for the Flood Control District consist of \$5,981,490 in unamortized losses on refunded bonds.

III. DETAILED NOTES - ALL FUNDS

6. LONG-TERM DEBT (Continued)

Discretely Presented Component Units (Continued)

RTC (Continued)

The following is a summary of bonds and compensated absences payable by the RTC for the year ended June 30, 2018:

<u>Bonds and Compensated Absences Payable For the Year Ended June 30, 2017</u>					
	<u>Balance at July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2018</u>	<u>Due Within One Year</u>
Revenue bonds	\$ 906,680,000	-	\$ 43,785,000	\$ 862,895,000	\$ 48,705,000
Plus premiums	99,999,187	-	8,827,979	91,171,208	-
Less discounts	(24,355)	-	(1,804)	(22,551)	-
Total bonds payable	1,006,654,832	-	52,611,175	954,043,657	48,705,000
Compensated Absences	3,997,154	2,281,090	2,097,275	4,180,969	2,097,275
Long-term liabilities	<u>\$ 1,010,651,986</u>	<u>\$ 2,281,090</u>	<u>\$ 54,708,450</u>	<u>\$ 958,224,626</u>	<u>\$ 50,802,275</u>

The following individual issues comprised the bonds payable at June 30, 2018:

<u>Bonds Payable as of June 30, 2018</u>					
<u>Series</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance at June 30, 2018</u>
<i>Revenue Bonds</i>					
<u>Motor Vehicle Fuel Tax Revenue Bonds</u>					
2007	06/12/07	07/01/27	3.00 - 5.00	\$ 300,000,000	\$ 64,700,000
2010A	02/25/10	07/01/29	6.10 - 6.35	32,595,000	32,595,000
2011	11/29/11	07/01/23	4.00 - 5.00	118,105,000	76,030,000
2014A	04/01/14	07/01/34	3.00 - 5.00	100,000,000	90,230,000
2015	11/10/15	07/01/35	5.00	85,000,000	82,480,000
2016	06/29/16	07/01/24	5.00	107,350,000	107,350,000
2016B	11/09/16	07/01/28	5.00	43,495,000	43,495,000
2017	06/13/17	07/01/37	4.00 - 5.00	150,000,000	150,000,000
<u>Sales Tax Revenue Bonds</u>					
2010	02/23/10	07/01/29	3.00 - 5.00	69,595,000	6,450,000
2010B	08/11/10	07/01/20	3.00 - 5.00	94,835,000	32,600,000
2010C	08/11/10	07/01/30	5.10 - 6.15	140,560,000	140,560,000
2016	11/09/16	07/01/29	5.00	36,405,000	36,405,000
Unamortized premium		N/A	N/A	N/A	91,171,208
Unamortized discount		N/A	N/A	N/A	(22,551)
Total long term debt					<u>\$ 954,043,657</u>

Pledged Revenues

*Motor Vehicle Fuel Tax Bonds*

Motor vehicle fuel tax revenue bonds issued for RTC purposes are collateralized by a maximum of twelve cents per gallon motor vehicle fuel tax levied by the County, except that portion required to be allocated as direct distributions for those political subdivisions not included in the "Las Vegas Valley Area Major Street and Highway Plan." The collateralized twelve cents includes the County's share of the three cents per gallon tax levied by the State pursuant to NRS 365.180 and 365.190 and accounted for in other County funds, and the County's share of the Indexed Fuel Taxes. Pledged revenues for the year ended June 30, 2018 totaled \$93,685,890 for a debt service coverage ratio of 2.39 times.

III. DETAILED NOTES - ALL FUNDS

6. LONG-TERM DEBT (Continued)

Discretely Presented Component Units (Continued)

RTC (Continued)

*Indexed Fuel Tax Bonds*

Indexed Fuel Tax revenue bonds include taxes calculated and imposed on motor vehicle fuel tax, and special fuels taxes that consist of taxes on diesel fuel, taxes on compressed natural gas, and taxes on liquefied petroleum gas. Pledged revenues for the year ended June 30, 2018 totaled \$148,699,002 for a debt service coverage ratio of 5.6 times.

*Sales Tax Revenue Bonds*

Series 2010 sales and excise tax revenue bonds issued for RTC purposes are collateralized by 1/8% sales and excise tax and a 1 cent jet aviation fuel tax in Clark County. Series 2010B and 2010C sales and excise tax revenue bonds issued for RTC purposes are collateralized by ¼% sales and excise tax and a 1 cent jet aviation fuel tax in Clark County. Pledged revenues for the year ended June 30, 2018 totaled \$107,356,731 for a debt service coverage ratio of 4.31 times.

The debt service requirements are as follows:

Year Ending June 30,	Annual Debt Service Requirements to Maturity		
	Revenue Bonds		
	Principal	Interest	Total
2019	\$ 48,705,000	\$ 41,916,613	\$ 90,621,613
2020	50,975,000	39,564,863	90,539,863
2021	52,900,000	36,999,888	89,899,888
2022	55,455,000	34,285,075	89,740,075
2023	58,045,000	31,434,468	89,479,468
2024-2028	292,695,000	114,687,480	407,382,480
2029-2033	211,850,000	44,138,125	255,988,125
2034-2038	92,270,000	9,842,750	102,112,750
	<u>\$ 862,895,000</u>	<u>\$ 352,869,262</u>	<u>\$ 1,215,764,262</u>

Arbitrage Rebate and Debt Covenant Requirements

The federal Tax Reform Act of 1986 imposes a rebate requirement with respect to some bonds issued by the County for the RTC. Under this Act, an amount may be required to be rebated to the United States Treasury (called "arbitrage") for interest on the bonds to qualify for exclusion from gross income for federal income tax purposes. Rebatable arbitrage is computed as of each installment computation date and as of the most recent such date the RTC's management believes that there is no rebatable arbitrage amount due. Future calculations might result in adjustments to this determination.

Long-term debt obligations are subject to restrictive debt covenants, including certain revenue levels and revenue/expense ratios, for which management believes the RTC is in compliance.

Deferred outflows of resources and deferred inflows of resources

Deferred outflows of resources for RTC consist of \$15,775,583 in unamortized losses on refunded bonds. Deferred inflows of resources for RTC consist of \$1,657,397 in unearned revenue from the Build America Bonds Rebate.

III. DETAILED NOTES - ALL FUNDS

6. LONG-TERM DEBT (Continued)

Discretely Presented Component Units (Continued)

Las Vegas Valley Water District:

The following is a summary of bonds and loans payable by the Las Vegas Valley Water District for the year ended June 30, 2018:

	<u>Bonds and Loans Payable For the Year Ended June 30, 2018</u>			<u>Balance at June 30, 2018</u>	<u>Due Within One Year</u>
	<u>Balance at July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>		
General obligation bonds	\$ 2,740,648,695	\$ 187,038,576	\$ (189,387,215)	\$ 2,738,300,056	105,835,146
Revenue bonds	1,008,000	-	(168,000)	840,000	168,000
Commercial paper loans	400,000,000	-	-	400,000,000	-
Plus premiums	<u>64,676,918</u>	<u>4,131,774</u>	<u>(4,850,174)</u>	<u>63,958,518</u>	
Total long-term debt	<u>\$ 3,206,333,613</u>	<u>\$ 191,170,350</u>	<u>\$ (194,405,389)</u>	<u>\$ 3,203,098,574</u>	<u>\$ 106,003,146</u>

The following individual issues comprised the bonds and loans payable at June 30, 2018:

<u>Series</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Bonds Payable as of June 30, 2018</u>
					<u>Balance at June 30, 2018</u>
<b>General Obligation Bonds</b>					
2009A	08/05/09	06/01/39	7.10	90,000,000	90,000,000
2009B	08/05/09	06/01/32	4.00 - 5.25	10,000,000	425,000
2009D	12/23/09	06/01/30	4.25 - 5.25	71,965,000	37,440,000
2010A	06/15/10	03/01/40	5.60 - 5.70	75,995,000	75,995,000
2010B	06/15/10	03/01/38	2.00 - 4.625	31,075,000	27,040,000
2011A	05/26/11	06/01/26	3.051 - 5.434	58,110,000	44,795,000
2011B	10/19/11	06/01/27	2.789 - 4.958	129,650,000	101,180,000
2011C	10/19/11	06/01/38	2.00 - 5.00	267,815,000	210,205,000
2011D	10/19/11	06/01/27	2.00 - 5.25	78,680,000	53,360,000
2012A	09/05/12	06/01/32	5.00	39,310,000	39,310,000
2012B	07/31/12	06/01/42	3.50 - 5.00	360,000,000	332,210,000
2014	12/01/14	06/01/35	2.57	20,000,000	19,452,115
2015A	06/01/15	06/01/27	2.00- 5.00	172,430,000	136,085,000
2015	01/13/15	06/01/39	4.00 - 5.00	332,405,000	332,405,000
2015B	06/01/15	06/01/28	4.00 - 5.00	177,635,000	155,795,000
2015C	06/18/15	06/01/30	3.00 - 5.00	42,125,000	36,755,000
2016A	04/06/16	06/01/36	3.00 - 5.00	497,785,000	481,210,000
2016B	04/06/16	06/01/36	2.50 - 5.00	108,220,000	101,910,000
2016D	07/18/16	06/01/36	2.50 - 5.00	125,600,000	117,840,000
2017A	03/14/17	06/01/38	2.50 - 5.00	130,105,000	129,510,000
2017B	03/14/17	06/01/36	2.50 - 5.00	22,115,000	22,115,000
2016	09/15/16	06/01/37	1.78	15,000,000	10,252,626
2017	05/03/17	06/01/37	2.41	15,000,000	3,925,315
2018A	06/26/18	06/01/48	3.00 - 5.00	100,000,000	100,000,000
2018B	03/06/18	06/01/26	5.00	79,085,000	79,085,000
Unamortized premium/(discount)					<u>63,958,518</u>
Total general obligation bonds					<u>2,802,258,574</u>
<b>Revenue Bonds</b>					
2008	07/15/08	12/15/22	1.30	2,520,000	840,000
<b>Commercial Paper Loans</b>					
2004	06/02/04	2020-2021	0.86 - .96	400,000,000	400,000,000
Total long-term debt					<u>\$ 3,203,098,574</u>



III. DETAILED NOTES - ALL FUNDS

6. LONG-TERM DEBT (Continued)

Discretely Presented Component Units (Continued)

Las Vegas Valley Water District (Continued)

These bonds are being serviced, principal and interest, by the Las Vegas Valley Water District.

The debt service requirements are as follows:

<u>Annual Debt Service Requirements to Maturity</u>						
<u>Year Ending June 30,</u>	<u>General Obligation Bonds</u>			<u>Revenue Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 105,835,146	\$ 130,178,399	\$ 236,013,545	\$ 168,000	\$ 9,828	\$ 177,828
2020	111,024,531	125,722,231	236,746,762	168,000	7,644	175,644
2021	118,815,834	120,648,355	239,464,189	168,000	5,460	173,460
2022	124,890,965	115,182,796	240,073,761	168,000	3,276	171,276
2023	131,277,052	109,241,802	240,518,854	168,000	1,092	169,092
2024-2028	635,396,656	448,732,047	1,084,128,703	-	-	-
2029-2033	448,451,170	326,888,227	775,339,397	-	-	-
2034-2038	597,808,702	208,880,341	806,689,043	-	-	-
2039-2043	356,740,000	65,280,370	422,020,370	-	-	-
2044-2048	108,060,000	11,526,000	119,586,000	-	-	-
	<u>\$ 2,738,300,056</u>	<u>\$ 1,662,280,568</u>	<u>\$ 4,400,580,624</u>	<u>\$ 840,000</u>	<u>\$ 27,300</u>	<u>\$ 867,300</u>

\$400,000,000 in principal and \$737,659 in interest were due on the commercial paper loans for the year ended June 30, 2018.

Deferred outflows of resources and deferred inflows of resources

Deferred outflows of resources for the Las Vegas Valley Water District consist of \$1,082,091 in unamortized losses on refunded bonds. Deferred inflows of resources for the Las Vegas Valley Water District consist of \$7,813,191 in unamortized gains on refunded bonds

Clark County Stadium Authority

The following is a summary of bonds payable by the Clark County Stadium Authority for the year ended June 30, 2018:

<u>Bonds Payable For the Year Ended June 30, 2018</u>						
	<u>Balance at July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2018</u>	<u>Due Within One Year</u>	
Revenue bonds	\$ -	\$ 645,145,000	\$ -	\$ 645,145,000	\$ 1,070,000	
Plus premiums	-	98,772,126	(548,734)	98,223,392	-	
Total long-term debt	<u>\$ -</u>	<u>\$ 743,917,126</u>	<u>\$ (548,734)</u>	<u>\$ 743,368,392</u>	<u>\$ 1,070,000</u>	

The following individual issue comprises the bonds payable at June 30, 2018:

<u>Bonds Payable as of June 30, 2018</u>					
<u>Series</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance at June 30, 2018</u>
Revenue bonds					
2018A	5/1/18	5/1/48	4.00 - 5.00	\$ 645,145,000	\$ 645,145,000
Unamortized premium/(discount)			N/A	N/A	98,223,392
Total long-term debt					<u>\$ 743,368,392</u>

III. DETAILED NOTES - ALL FUNDS

6. LONG-TERM DEBT (Continued)

Discretely Presented Component Units (Continued)

Clark County Stadium Authority (Continued)

As authorized by Senate Bill 1 during the 30<sup>th</sup> Special Session of the Nevada State Legislature in 2016, all bonds issued by the Clark County Stadium Authority are collateralized by specific taxes imposed on the gross receipts from the rental of transient lodging within the stadium district as defined by Senate Bill 1 and the primary gaming corridor of Clark County. Pledged revenues for the year ended June 30, 2018 totaled \$30,960,943.

The debt service requirements are as follows:

<u>Annual Debt Service Requirements to Maturity</u>			
<u>Year Ending June 30,</u>	<u>Revenue Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 1,070,000	\$ 34,933,762	\$ 36,003,762
2020	1,775,000	32,203,750	33,978,750
2021	2,545,000	32,115,000	34,660,000
2022	3,365,000	31,987,750	35,352,750
2023	4,240,000	31,819,500	36,059,500
2024-2028	36,485,000	154,936,250	191,421,250
2029-2033	68,540,000	142,804,000	211,344,000
2034-2038	111,730,000	121,602,750	233,332,750
2039-2043	169,390,000	88,232,500	257,622,500
2044-2048	246,005,000	38,435,542	284,440,542
	<u>\$ 645,145,000</u>	<u>\$ 709,070,804</u>	<u>\$ 1,354,215,804</u>

Other Discretely Presented Component Units

Big Bend Water District

The following is a summary of bonds payable by the Big Bend Water District for the year ended June 30, 3018:

<u>Bonds Payable For the Year Ended June 30, 2018</u>					
	<u>Balance at July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2018</u>	<u>Due Within One Year</u>
General obligation bonds	<u>\$ 3,532,220</u>	<u>\$ -</u>	<u>\$ 407,814</u>	<u>\$ 3,124,406</u>	<u>\$ 420,947</u>

The following individual issues comprised the bonds payable at June 30, 2018:

<u>Bonds Payable as of June 30, 2018</u>					
<u>Series</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue (*)</u>	<u>Balance at June 30, 2018</u>
General obligation bonds					
2003	06/03/04	01/01/25	3.19 %	\$ 4,000,000	\$ 1,694,845
2004	08/06/04	07/01/24	3.20%	6,000,000	1,429,561
Total long-term debt					<u>\$ 3,124,406</u>

These bonds are being serviced, principal and interest, by the Big Bend Water District.

III. DETAILED NOTES - ALL FUNDS

6. LONG-TERM DEBT (Continued)

Other Discretely Presented Component Units (Continued)

Big Bend Water District (Continued)

- \* The 2004 series bonds were authorized in the aggregate principal amount of \$6,000,000 for the purpose of expanding the District's water delivery system. The State of Nevada agreed to finance this expansion project by purchasing, at par, up to \$6,000,000 of the District's general obligation bonds as the project is completed. At June 30, 2018, the original amount of 2004 series bonds that had been purchased by the State of Nevada totaled \$3,197,729.

The debt service requirements are as follows:

<u>Annual Debt Service Requirements to Maturity</u>			
<u>Year Ending June 30,</u>	<u>Revenue Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 420,947	\$ 96,476	\$ 517,423
2020	434,503	82,920	517,423
2021	448,495	68,928	517,423
2022	462,938	54,485	517,423
2023	477,846	39,578	517,424
2024-2025	879,677	32,495	912,172
	<u>\$ 3,124,406</u>	<u>\$ 374,882</u>	<u>\$ 3,499,288</u>

III. DETAILED NOTES - ALL FUNDS

7. FINANCIAL INFORMATION FOR DISCRETELY PRESENTED COMPONENT UNITS - OTHER WATER DISTRICTS

Statement of Net Position			
	Kyle Canyon Water District	Big Bend Water District	Total
<b>Assets</b>			
Current assets	\$ 191,988	\$ 3,156,056	\$ 3,348,044
Noncurrent assets	<u>4,896,275</u>	<u>27,720,245</u>	<u>32,616,520</u>
Total assets	<u>5,088,263</u>	<u>30,876,301</u>	<u>35,964,564</u>
<b>Liabilities</b>			
Current liabilities	212,755	2,140,499	2,353,254
Noncurrent liabilities	-	<u>2,703,459</u>	<u>2,703,459</u>
Total liabilities	<u>212,755</u>	<u>4,843,958</u>	<u>5,056,713</u>
<b>Net Position</b>			
Net investment in capital assets	4,896,275	24,595,839	29,492,114
Restricted for capital projects	-	1,770,966	1,770,966
Unrestricted	<u>(20,767)</u>	<u>(334,462)</u>	<u>(355,229)</u>
Total Net Position	<u>\$ 4,875,508</u>	<u>\$ 26,032,343</u>	<u>\$ 30,907,851</u>

Statement of Revenues, Expenses and Changes in Net Position			
	Kyle Canyon Water District	Big Bend Water District	Total
Operating revenues	\$ 347,196	\$ 3,562,193	\$ 3,909,389
Operating expenses	(697,523)	(4,835,988)	(5,533,511)
Interest Income	401	32,760	33,161
Nonoperating revenue	53,247	-	53,247
Nonoperating expense	(5,638)	(102,046)	(107,684)
Capital contributions	-	<u>1,078,388</u>	<u>1,078,388</u>
Change in net position	<u>(302,317)</u>	<u>(264,693)</u>	<u>(567,010)</u>
<b>Net Position</b>			
Beginning of year	5,177,825	26,394,851	31,572,676
Prior period adjustment	-	<u>(97,815)</u>	<u>(97,815)</u>
Beginning of year, as restated	<u>5,177,825</u>	<u>26,297,036</u>	<u>31,474,861</u>
End of year	<u>\$ 4,875,508</u>	<u>\$ 26,032,343</u>	<u>\$ 30,907,851</u>

Statement of Cash Flows			
	Kyle Canyon Water District	Big Bend Water District	Total
Cash Flows From Operating Activities	\$ (39,056)	\$ 56,802	\$ 17,746
Cash Flows From Noncapital Financing Activities	10,346	-	10,346
Cash Flows From Capital and Related Financing Activities	42,901	525,445	568,346
Cash Flows From Investing Activities	<u>(5,378)</u>	<u>32,760</u>	<u>27,382</u>
Net increase (decrease) in cash and cash equivalents	<u>8,813</u>	<u>615,007</u>	<u>623,820</u>
<b>Cash and cash equivalents:</b>			
Beginning of year	158,746	2,031,340	2,190,086
End of year	<u>\$ 167,559</u>	<u>\$ 2,646,347</u>	<u>\$ 2,813,906</u>

III. DETAILED NOTES - ALL FUNDS

8. NET POSITION AND FUND BALANCES

Primary Government

Net Position - Government-wide Financial Statements:

The government-wide Statement of Net Position utilizes a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted. Net investment in capital assets is less the related debt outstanding that relates to the acquisition, construction, or improvement of capital assets.

Restricted assets are assets that have externally imposed (statutory, bond covenant, contract, or grantor) limitations on their use. Restricted assets are classified either by function, debt service, capital projects, or claims. Assets restricted by function relate to net position of government and enterprise funds whose use is legally limited by outside parties for a specific purpose. The restriction for debt service represents assets legally restricted by statute or bond covenants for future debt service requirements of both principal and interest. The amount restricted for capital projects consists of unspent grants, donations, and debt proceeds with third party restriction for use on specific projects or programs. The government-wide statement of net position reports \$1,364,506,326 of restricted net position, all of which is externally imposed.

Unrestricted net position represents financial resources of the County that do not have externally imposed limitations on their use.

III. DETAILED NOTES--ALL FUNDS

8. NET POSITION AND FUND BALANCES (Continued)

Primary Government (Continued)

Governmental Funds

Government fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the County is bound to observe constraints imposed on the use of the resources of the fund. Fund balance classifications by County function consist of the following:

Fund Balance	Governmental Funds Fund Balance as of June 30, 2018							Total
	Major Governmental Funds		Non-Major Governmental Funds					
	General Funds	LVMFD	Special Revenue	Debt Service	Capital Projects			
<b>Nonspendable:</b>								
Forensic services	\$ -	\$ -	\$ 29,884	\$ -	\$ -	\$ -	\$ 29,884	
Law enforcement	-	323,846	-	-	-	-	323,846	
Emergency management	-	-	629	-	-	-	629	
<b>Total nonspendable</b>	<b>-</b>	<b>323,846</b>	<b>30,513</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>354,359</b>	
<b>Restricted for:</b>								
Cooperative Extension programs	-	-	8,323,014	-	-	-	8,323,014	
Law enforcement Detention center commissary	-	-	2,392,826	-	-	-	2,392,826	
Forensic services Park and recreation facility construction and improvements	2,862,447	-	-	-	-	-	2,862,447	
Road and highway construction	-	-	573,993	-	-	-	573,993	
Mt. Charleston	-	-	8,621,228	-	46,348,743	-	54,969,971	
Marriage tourism	-	-	6,523,148	-	285,052,358	-	291,575,506	
District court investigators	-	-	196,036	-	-	-	196,036	
Law library operations	-	-	728,718	-	-	-	728,718	
Justice court administration	-	-	491,915	-	-	-	491,915	
Technology improvements	-	-	308,297	-	-	-	308,297	
Boat safety	134,794	-	3,155,786	-	-	-	3,155,786	
	-	-	-	-	-	-	134,794	
	-	-	18,313	-	-	-	18,313	

III. DETAILED NOTES - ALL FUNDS

8. NET POSITION AND FUND BALANCES (Continued)

Primary Government (Continued)

Governmental Funds

Fund Balance	Governmental Funds Fund Balance as of June 30, 2018 (Continued)					Total
	Major Governmental Funds	Non-Major Governmental Funds			Capital Projects	
	General Funds	LVMPD	Special Revenue	Debt Service		
Check restitution	-	-	5,290,431	-	-	5,290,431
Air quality improvements	-	-	38,435,609	-	-	38,435,609
Entitlement grants	-	-	64,762,373	-	-	64,762,373
LVMPD personnel	-	-	84,454,858	-	-	84,454,858
Fort Mohave development	-	-	9,426,813	-	-	9,426,813
Habitat conservation plan	-	-	34,563,255	-	-	34,563,255
Child welfare	-	-	7,850,390	-	-	7,850,390
Indigent medical assistance	-	-	961,049	-	-	961,049
Emergency telephone system	-	-	184,330	-	-	184,330
Disposition of trustee property proceeds	-	-	36,399	-	-	36,399
Family Service programs	-	-	494,843	-	-	494,843
Art programs	-	-	438,870	-	-	438,870
Fire services	-	-	278,437	-	-	278,437
SID maintenance	-	-	1,050,797	-	-	1,050,797
Spay and neutering	-	-	84,618	-	-	84,618
Refundable bail funds	-	-	3,130,247	-	-	3,130,247
Southern Nevada Area Communications operations	-	-	1,514,609	-	-	1,514,609
Court fee collection program	-	-	3,672,748	-	-	3,672,748
District court operations	-	-	4,298,846	-	-	4,298,846
Justice court operations	-	-	1,311,431	-	-	1,311,431
Clark County fire protection	25,904,430	-	-	-	-	25,904,430
Laughlin town services	-	-	7,022,658	-	-	7,022,658

III. DETAILED NOTES - ALL FUNDS

8. NET POSITION AND FUND BALANCES (Continued)

Primary Government (Continued)

Governmental Funds

Fund Balance	Major Governmental Funds		Non-Major Governmental Funds				Total
	General Funds	LVMPD	Special Revenue	Debt Service	Capital Projects		
Bunkerville town services	102,819	-	-	-	-	-	102,819
Enterprise town services	8,887,961	-	-	-	-	-	8,887,961
Indian Springs town services	339	-	-	-	-	-	339
Moapa town services	2,061	-	-	-	-	-	2,061
Moapa Valley town services	169,992	-	-	-	-	-	169,992
Moapa Valley fire protection	-	-	5,066,034	-	-	-	5,066,034
Mt. Charleston town services	392	-	-	-	-	-	392
Mt. Charleston fire protection	-	-	1,526,434	-	-	-	1,526,434
Paradise town services	25,602,176	-	-	-	-	-	25,602,176
Searchlight town services	67,190	-	-	-	-	-	67,190
Spring Valley town services	16,444,803	-	-	-	-	-	16,444,803
Summerlin town services	2,306,543	-	-	-	-	-	2,306,543
Summerlin town capital	-	-	-	-	11,140,646	-	11,140,646
Sunrise Manor town services	7,130,458	-	-	-	-	-	7,130,458
Whitney town services	426,289	-	-	-	-	-	426,289
Winchester town services	6,006,889	-	-	-	-	-	6,006,889
Debt service	-	-	-	156,771,703	-	-	156,771,703
Fort Mohave capital projects	-	-	-	-	1,760,576	-	1,760,576
Special Assessment capital	-	-	-	-	2,449,824	-	2,449,824
Total restricted	96,049,583	-	307,189,353	156,771,703	346,752,147	-	906,762,786



III. DETAILED NOTES - ALL FUNDS

8. NET POSITION AND FUND BALANCES (Continued)

Primary Government (Continued)

Governmental Funds

Fund Balance	Governmental Funds Fund Balance as of June 30, 2018 (Continued)					Total
	Major Governmental Funds	Non-Major Governmental Funds	Special Revenue	Debt Service	Capital Projects	
	General Funds	LVMPD				
Committed to:						
Housing grants	-	-	1,042,766	-	-	1,042,766
Road and highway construction	-	-	1,580,792	-	-	1,580,792
Grant programs	-	-	2,523,746	-	-	2,523,746
Detention operations	56,251	-	-	-	-	56,251
LVMPD operations	-	3,933,577	-	-	-	3,933,577
Arts program	-	-	1,876,725	-	-	1,876,725
Specialty court programs	-	-	116,532	-	-	116,532
Wetlands Park	-	-	3,164,513	-	-	3,164,513
Post-employment benefits Road and highway construction	6,276,288	-	-	-	-	6,276,288
Laughlin town capital	-	-	-	-	3,353,300	3,353,300
Searchlight town capital	-	-	-	-	66,000	66,000
Fire stations	-	-	-	-	21,563	21,563
County capital projects	-	-	-	-	2,947,052	2,947,052
Park and recreation facility construction and improvements	-	-	-	-	10,458,159	10,458,159
Information technology projects	-	-	-	-	10,556,851	10,556,851
SNPLMA capital projects	-	-	-	-	8,928,110	8,928,110
Regional improvements	-	-	-	-	541,626	541,626
Total committed	6,332,539	3,933,577	10,305,074	-	38,464,372	59,035,562

III. DETAILED NOTES - ALL FUNDS

8. NET POSITION AND FUND BALANCES (Continued)

Primary Government (Continued)

Governmental Funds

Fund Balance	Major Governmental Funds		Non-Major Governmental Funds			Total
	General Funds	LVMPD	Special Revenue	Debt Service	Capital Projects	
Governmental Funds Fund Balance as of June 30, 2018 (Continued)						
Assigned to:	-	-	-	-	-	-
Road maintenance	-	-	35,419,655	-	-	35,419,655
Grant programs	-	-	22,716,080	-	-	22,716,080
Cooperative Extension services	-	-	3,067,214	-	-	3,067,214
Law enforcement	-	-	2,537,146	-	-	2,537,146
Licensing applications	316,664	-	-	-	-	316,664
Detention operations	21,200,665	-	-	-	-	21,200,665
Forensic analysis	-	-	464,987	-	-	464,987
First responder	-	-	3,340,103	-	-	3,340,103
Coroner visitation program	-	-	605,645	-	-	605,645
Juvenile justice services	-	-	195,046	-	-	195,046
Criminal history depository	-	-	4,400,591	-	-	4,400,591
General government Park and recreation facility construction and improvements	1,947,324	-	3,581,250	-	-	5,528,574
Transportation construction and improvements	-	-	1,500,000	-	71,969,588	73,469,588
Law library operations	-	-	232,233	-	98,446,833	98,446,833
Driver education training	9,909,694	-	-	-	-	9,909,694
Citizen review board	50,121	-	-	-	-	50,121
Justice court administration	-	-	4,076,089	-	-	4,076,089
Specialty court programs	-	-	1,383,974	-	-	1,383,974
Family support DA services	-	-	10,147,003	-	-	10,147,003
Nuclear waste study	206,194	-	-	-	-	206,194

III. DETAILED NOTES - ALL FUNDS

8. NET POSITION AND FUND BALANCES (Continued)

Primary Government (Continued)

Governmental Funds

Fund Balance	Governmental Funds Fund Balance as of June 30, 2018 (Continued)							Total
	Major Governmental Funds		Non-Major Governmental Funds					
	General Funds	LVMPD	Special Revenue	Debt Service	Capital Projects			
Boat safety	-	-	985	-	-	-	985	
Check restitution	-	-	1,931,389	-	-	-	1,931,389	
Air quality improvements	-	-	8,700,397	-	-	-	8,700,397	
Technology improvements	632,639	-	-	-	-	-	632,639	
Entitlement grants	-	-	5,199,075	-	-	-	5,199,075	
LVMPD personnel	-	-	30,549,794	-	-	-	30,549,794	
LVMPD operations	-	7,997,420	-	-	-	-	7,997,420	
LVMPD capital projects	-	-	-	-	725,999	-	725,999	
Habitat conservation plan	-	-	16,850,758	-	-	-	16,850,758	
Child welfare	-	-	4,713,531	-	-	-	4,713,531	
Indigent medical assistance	-	-	211,954	-	-	-	211,954	
Emergency telephone system	-	-	285,492	-	-	-	285,492	
Disposition of trustee property proceeds	-	-	452,381	-	-	-	452,381	
Fire prevention	7,330,685	-	-	-	-	-	7,330,685	
SID administration	1,013,842	-	-	-	-	-	1,013,842	
SID maintenance	-	-	772,516	-	-	-	772,516	
Spray and neutering Southern Nevada Area	-	-	45,099	-	-	-	45,099	
Communications operations	-	-	1,338,866	-	-	-	1,338,866	
Court fee collection program	-	-	3,999,890	-	-	-	3,999,890	
District court operations	-	-	660,078	-	-	-	660,078	
Justice court operations	-	-	1,592,254	-	-	-	1,592,254	
Post-employment benefits	131,535,279	-	-	-	-	-	131,535,279	
Laughlin town capital	-	-	-	-	762,192	-	762,192	

III. DETAILED NOTES - ALL FUNDS

8. NET POSITION AND FUND BALANCES (Continued)

Primary Government (Continued)

Governmental Funds

Fund Balance	Major Governmental Funds		Non-Major Governmental Funds				Total
	General Funds	LVMPD	Special Revenue	Debt Service	Capital Projects		
Moapa town capital	-	-	-	-	110,657	-	110,657
Searchlight town capital	-	-	-	-	152,356	-	152,356
Summerlin town capital	-	-	-	-	5,936,212	-	5,936,212
Debt service	-	-	-	61,623,842	-	-	61,623,842
Las Vegas Monorail	-	-	-	-	4,500,000	-	4,500,000
Fire stations	-	-	-	-	23,180,633	-	23,180,633
Fort Mohave capital projects	-	-	-	-	110,208	-	110,208
County capital projects (unallocated)	-	-	-	-	312,581,949	-	312,581,949
Information Technology projects	-	-	-	-	28,766,727	-	28,766,727
Mountain's Edge Improvement District capital	-	-	-	-	3,032,814	-	3,032,814
Southern Highlands Improvement District capital	-	-	-	-	2,654,265	-	2,654,265
Special Assessment capital	-	-	-	-	2,262,651	-	2,262,651
SNPLMA capital projects	-	-	-	-	10,851,488	-	10,851,488
Total assigned	<u>174,143,107</u>	<u>7,997,420</u>	<u>170,971,475</u>	<u>61,623,842</u>	<u>566,044,572</u>	<u>-</u>	<u>980,780,416</u>
Unassigned	<u>227,543,963</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>227,543,963</u>
Total fund balances	<u>\$ 504,069,192</u>	<u>\$ 12,254,843</u>	<u>\$ 488,496,415</u>	<u>\$ 218,395,545</u>	<u>\$ 951,261,091</u>	<u>\$ -</u>	<u>\$ 2,174,477,086</u>

III. DETAILED NOTES - ALL FUNDS

8. NET POSITION AND FUND BALANCES (Continued)

Discretely Presented Component Units

Flood Control District

The government-wide statement of net position reports \$9,098,392 of restricted net position which is restricted by creditors for general obligation debt repayment.

RTC

The government-wide statement of net position reports \$448,638,507 of restricted net position, of which \$305,783,508 is restricted by enabling legislation for street and highway projects and other related activities and \$142,854,999 is restricted by creditors for debt repayment.

Las Vegas Valley Water District

The statement of net position reports \$10,645,884 of restricted net position, of which \$146,975 is restricted by enabling legislation for water projects and \$10,498,909 is restricted by creditors for debt repayment.

Clark County Stadium Authority

The government-wide statement of net position reports \$26,363,815 of restricted net position which is restricted by creditors for debt repayment.

9. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Over the past three years, settlements have not exceeded insurance coverage. The County maintains the following types of risk exposures:

Self-Funded Group Insurance and Group Insurance Reserve

The County has established self-insurance funds for insuring medical benefits provided to County employees and covered dependents. An independent claims administrator performs all claims-handling procedures.

Incurred but not reported claims have been accrued as a liability based upon a variety of actuarial and statistical techniques.

Clark County Workers' Compensation

The County has established a fund for self-insurance related to workers' compensation claims. For all employees except fire fighters, self-insurance is in effect up to an individual stop loss amount of \$1,000,000 per occurrence in the first year, \$250,000 in the second year and \$200,000 per year thereafter. For fire fighters, self-insurance is in effect up to an individual stop loss amount of \$1,000,000 per occurrence in the first year, \$350,000 in the second year and \$275,000 per year thereafter. Coverage from private insurers is maintained for losses in excess of the claim stop loss amount up to \$150,000,000. Incurred but not reported claims have been accrued as a liability based upon a variety of actuarial and statistical techniques.

The County has estimated the potential exposure for costs of indemnity (wage replacement) benefits, medical benefits, and other claim related expenses for disability of public safety employees (fire/bailiffs) who develop heart disease, cancer, lung disease or hepatitis. The estimated liability is the sum of two components:

- The outstanding costs due to reported claims for which the County is currently paying benefits, and
- The outstanding costs for future claims incurred but not reported (IBNR) by the County (current population of active and retired public safety employees who may meet future eligibility requirements for awards under Nevada Revised Statutes).

The claims liability currently payable for indemnity claims is estimated to be \$21,267,511. Reported as noncurrent is \$3,272,339 for incurred but not reported (IBNR) claims. IBNR is discounted utilizing an interest rate of 4.0%. The anticipated future exposure for potential claims associated with currently active employees based on an actuarial calculation is approximately \$36,056,681 discounted at 4.0%.

Las Vegas Metropolitan Police County (LVMPD) and Clark County Detention Center (CCDC) Self-Funded Insurance

The County has established separate self-insurance funds for general liabilities of the LVMPD and CCDC. Loss amounts of \$50,000 or more require approval of the LVMPD Fiscal Affairs Committee. Self-insurance is in effect for loss amounts up to \$2,000,000 per occurrence, accident, or loss. Coverage from private insurers is maintained for losses in excess of the stop loss amount up to \$20,000,000. An independent claims administrator performs claims-handling procedures for traffic claims. All other claims are administered through the LVMPD Office of General Counsel. Incurred but not reported claims have been accrued as a liability based upon a variety of actuarial and statistical techniques.

III. DETAILED NOTES - ALL FUNDS

9. RISK MANAGEMENT (Continued)

LVMPD and CCDC Self-Funded Industrial Insurance

The County has established separate self-insurance funds to pay workers' compensation claims of the LVMPD and CCDC. Self-insurance is in effect up to an individual stop loss amount of \$1,000,000 per occurrence in the first year, \$300,000 in the second year, and \$250,000 each year thereafter. Coverage from private insurers is maintained for losses in excess of the claim stop loss amount up to \$10,000,000. Incurred but not reported claims have been accrued as a liability based upon a variety of actuarial and statistical techniques.

County Liability Insurance

The County has established a general liability self-insurance fund for losses up to a \$25,000 per occurrence retention limit. Losses in excess of this retention are covered by the County liability insurance pool fund. An independent claims administrator performs all claims-handling procedures. Incurred but not reported claims have been accrued as a liability based upon a variety of actuarial and statistical techniques.

County Liability Insurance Pool

The County has established a general liability insurance pool for the benefit of County funds. Self-insurance is in effect for loss amounts over the \$25,000 retention up to \$2,000,000 per occurrence, accident, or loss.

Coverage from private insurers is maintained for losses in excess of the stop loss amount up to \$20,000,000. An independent claims administrator performs all claims-handling procedures. Incurred but not reported claims have been accrued as a liability based upon a variety of actuarial and statistical techniques.

Water Reclamation District

The Water Reclamation District does not participate in the County self-insurance funds related to workers' compensation or general liability. The Water Reclamation District is self-insured for workers compensation up to \$750,000 per occurrence. Coverage from private insurers is maintained for losses in excess of \$750,000. For all other risks, such as general, automobile and excess liabilities the Water Reclamation District purchases insurance coverage subject to self-insured retentions.

University Medical Center

The University Medical Center does not participate in the County self-insurance funds related to general liability. The University Medical Center self-insures portions of its general liability risks and has internally designated specific self-insured funds for such potential claims. The University Medical Center is self-insured for losses up to \$2,000,000 per claim. Coverage from private insurers is maintained for losses in excess of the stop loss amount up to \$20,000,000. Incurred but not reported claims have been accrued as a liability based upon a variety of actuarial and statistical techniques.

Changes in Liability Amounts

The total current claims liability at June 30, 2018, is included in the accounts payable line item in the government-wide financial statements. Changes in the funds' claims liability amounts for the past two years were:

<u>Change in Liability Accounts for the Year Ended June 30, 2018</u>				
	<u>Liability July 1, 2017</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Liability June 30, 2018</u>
Self-funded group insurance	\$ 16,686,850	\$ 86,408,078	\$ 88,934,417	\$ 14,160,511
Clark County workers' compensation	42,112,093	15,706,781	13,038,985	44,779,889
LVMPD self-funded insurance	12,794,670	5,200,244	5,547,015	12,447,899
LVMPD self-funded industrial insurance	53,251,007	14,726,069	12,335,522	55,641,554
CCDC self-funded insurance	1,280,897	710,014	728,519	1,262,392
CCDC self-funded industrial insurance	10,851,000	673,812	2,038,145	9,486,667
County liability insurance	2,309,293	566,818	720,217	2,155,894
County liability insurance pool	8,912,720	968,320	1,260,919	8,620,121
Water Reclamation District	1,064,767	915,788	272,770	1,707,785
University Medical Center	8,326,969	610,963	456,144	8,481,788
Total self-insurance funds	<u>\$ 157,590,266</u>	<u>\$ 126,486,887</u>	<u>\$ 125,332,653</u>	<u>\$ 158,744,500</u>

III. DETAILED NOTES - ALL FUNDS

9. RISK MANAGEMENT (Continued)

<u>Change in Liability Accounts for the Year Ended June 30, 2017</u>				
	<u>Liability</u> <u>July 1, 2016</u>	<u>Claims and</u> <u>Changes in</u> <u>Estimates</u>	<u>Claim Payments</u>	<u>Liability</u> <u>June 30, 2017</u>
Self-funded group insurance	\$ 28,386,552	\$ 82,895,949	\$ 94,595,651	\$ 16,686,850
Clark County workers' compensation	42,112,093	11,430,976	11,430,976	42,112,093
LVMPD self-funded insurance	12,833,734	5,019,345	5,058,409	12,794,670
LVMPD self-funded industrial insurance	53,292,337	9,012,637	9,053,967	53,251,007
CCDC self-funded insurance	1,248,602	511,939	479,644	1,280,897
CCDC self-funded industrial insurance	10,833,380	1,919,581	1,901,961	10,851,000
County liability insurance	2,255,594	814,327	760,628	2,309,293
County liability insurance pool	9,114,697	2,185,047	2,387,024	8,912,720
Water Reclamation District	1,034,259	351,649	321,141	1,064,767
University Medical Center	7,884,532	903,189	460,752	8,326,969
Total self-insurance funds	<u>\$ 168,995,780</u>	<u>\$ 115,044,639</u>	<u>\$ 126,450,153</u>	<u>\$ 157,590,266</u>

III. DETAILED NOTES - ALL FUNDS

10. COMMITMENTS AND CONTINGENCIES

Encumbrances

The County utilizes encumbrance accounting in its government 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 yearend are included in restricted, committed, or assigned fund balance, as appropriate. The following schedule outlines significant encumbrances included in governmental fund balances:

<u>Governmental Funds Fund Balance - Encumbrances as of June 30, 2018</u>			
Major Funds	<u>Restricted Fund Balance</u>	<u>Committed Fund Balance</u>	<u>Assigned Fund Balance</u>
General Fund	\$ -	\$ 56,251	\$ 51,210
LVMPD	-	3,933,577	808,673
<u>Nonmajor Funds</u>			
Aggregate nonmajor funds	<u>125,835,350</u>	<u>41, 808,091</u>	<u>2,221,087</u>
	<u>\$ 125,835,350</u>	<u>\$ 45,797,919</u>	<u>\$ 3,080,970</u>

Grant Entitlement

The County is a participant in a number of federal and state-assisted programs. These programs are subject to compliance audits by the grantors. The audits of these programs for fiscal year 2018 and certain earlier years have not yet been completed. Accordingly, the County's compliance with applicable program requirements is not completely established. The amount, if any, of expenditures that may be disallowed by the grantors cannot be determined at this time. The County believes it has adequately provided for potential liabilities, if any, which may arise from the grantors' audits.

Medicare and Medicaid Reimbursements

UMC's Medicare and Medicaid cost reports for certain prior years are in various stages of review by third-party intermediaries and have not been settled as a result of certain unresolved reimbursement issues. The County believes it has adequately provided for any potential liabilities that may arise from the intermediaries' audits.

Operating Lease Commitments

The following is a schedule of future minimum lease payments primarily for office and storage space (with initial or remaining terms in excess of one year) as of June 30, 2018:

<u>Governmental Activities</u>	
<u>Operating Leases Future Minimum Lease Payments</u>	
Years ending June 30,	
2019	\$ 10,827,806
2020	8,484,951
2021	5,787,776
2022	4,281,220
2023	4,205,275
Thereafter	<u>33,105,837</u>
Total minimum lease payments	<u>\$ 66,692,865</u>

Rental expenditures including nonrecurring items was approximately \$13,446,356 of which \$10,557,243 relates to non-cancellable operating leases for the year ended June 30, 2018.



III. DETAILED NOTES - ALL FUNDS

10. COMMITMENTS AND CONTINGENCIES (Continued)

Operating Lease Commitments - (Continued)

The UMC enterprise fund also had future minimum rental commitments as of June 30, 2018, for non-cancelable operating leases for property and equipment as follows:

<u>UMC</u>	
<u>Operating Leases Future Minimum Lease Payments</u>	
Years ending June 30,	
2019	\$ 7,948,296
2020	5,872,674
2021	4,833,701
2022	3,789,704
2023	2,876,459
Thereafter	6,975,661
Total minimum lease payments	<u>\$ 32,296,495</u>

The rental expense of UMC for property and equipment was approximately \$8,304,601 for the year ended June 30, 2018.

Rentals and Operating Leases

The Department of Aviation leases land, buildings, and terminal space to various tenants and concessionaires under operating agreements that expire at various times through 2099. Charges to air carriers are generated from terminal building rentals, gate use fees, and landing fees in accordance with the Agreement or with the provisions of the applicable County ordinance. Under the terms of these agreements, concession fees are based principally either on a percentage of the concessionaires' gross sales or a stated minimum annual guarantee, whichever is greater, or on other land and building rents that are based on square footage rental rates. The Department of Aviation received \$216,464,863 in the year ended June 30, 2018, for contingent rental payments in excess of stated annual minimum guarantees.

The following is a schedule of minimum future rentals receivable on non-cancelable operating leases (with initial or remaining terms in excess of one year) as of June 30, 2018:

<u>Department of Aviation</u>	
<u>Minimum Rents Receivable</u>	
Years ending June 30,	
2019	\$ 275,944,568
2020	273,172,734
2021	108,046,763
2022	96,556,081
2023	68,359,505
Thereafter	258,163,410
Total minimum rents receivable	<u>\$ 1,080,243,061</u>

III. DETAILED NOTES - ALL FUNDS

10. COMMITMENTS AND CONTINGENCIES (Continued)

Operating Lease Commitments (Continued)

Discretely Presented Component Units

RTC

On January 5, 2008 the RTC entered into a land lease for the Bonneville Transit Center for a monthly lease payment of \$144,069 through January 4, 2048. The following is a schedule of future minimum lease payments for operating leases as of June 30, 2018:

<u>Operating Leases Future Minimum Lease Payments</u>	
Years ending June 30,	
2019	\$ 1,805,866
2020	1,860,042
2021	1,915,844
2022	1,973,319
2023	2,062,556
Thereafter	<u>81,712,027</u>
Total minimum rents receivable	<u>\$ 91,329,654</u>

The total rent expense for fiscal year 2018 was \$1,728,824.

Litigation

There are various outstanding claims against the County for which a probability of loss exists with a cumulative amount of approximately \$2,500,000. An accrual for litigation losses has been provided in the governmental activities column. Other cases, some of which involve alleged civil rights violations, have been filed against the County. These cases are in the discovery stage and no estimate of the probability or extent of possible losses can be determined at this time.

UMC is involved in litigation and regulatory investigations arising in the ordinary course of business. UMC does not accrue for estimated future legal and defense costs, if any, to be incurred in connection with outstanding or threatened litigation and other disputed matters, but rather records such as period costs when services are rendered.

11. JOINT VENTURES

Southern Nevada Water Authority

The Water District, a component unit (see Note 1), has a joint venture with the Southern Nevada Water Authority ("SNWA"). The SNWA is a political subdivision of the State of Nevada, created on July 25, 1991, by a cooperative agreement between the Water District, the Big Bend Water District, the City of Boulder City, the City of Henderson, the City of Las Vegas, the City of North Las Vegas, and the Reclamation District (the "Members"). SNWA was created to secure additional supplies of water and effectively manage existing supplies of water on a regional basis through the cooperative action of the Members.

The SNWA is governed by a seven-member board of directors composed of one director from each member agency. The Water District is the operating agent for the SNWA; the General Manager of the Water District is the General Manager of the SNWA; and the Chief Financial Officer of the Water District is the Chief Financial Officer of the SNWA.

The SNWA has the power to periodically assess the Members directly for operating and capital costs and for the satisfaction of any liabilities imposed against the SNWA. The Water District and other members do not have an expressed claim to the resources of the SNWA except that, upon termination of the joint venture, any assets remaining after payment of all obligations shall be returned to the contributing Members.

In 1995, the SNWA approved agreements for the repayment of the cost of an additional expansion of the Southern Nevada Water System (SNWS). The agreements required contributions from purveyor members, including the Water District, benefiting from the expansion. In 1996, the Water District approved the collection of regional connection charges, regional commodity charges, and regional reliability surcharges to fund these contributions. In March 2012, a regional infrastructure charge based upon meter size was approved, which has been modified since that time to account for changing conditions.

The Water District records these charges as operating revenues, and contributions to the SNWA as operating expenses. However, to avoid a "grossing-up" effect on operating revenues and operating expenses in the Statements of Revenues, Expenses, and Changes in Net Position, revenue collected for the SNWA is offset against the related remittances to the SNWA. Any remaining balance is classified as an operating expense and adjusted in a following period. The table below show the SNWA regional charges collected for and remitted to the SNWA for the fiscal year 2018.

III. DETAILED NOTES - ALL FUNDS

11. JOINT VENTURES (Continued)

Southern Nevada Water Authority (Continued)

<u>SNWA Regional Charges Collected for and Remitted to the SNWA for Fiscal Year Ending June 30, 2018</u>	
Connection charges, net of refunds	\$ 46,415,820
Commodity and reliability charges	54,572,332
Infrastructure charges	108,194,046
Total	<u>\$ 209,182,198</u>

Audited financial reports for fiscal year 2018 can be obtained by contacting:

Chief Financial Officer  
Southern Nevada Water Authority  
1001 South Valley View Boulevard  
Las Vegas, Nevada 89153

12. RETIREMENT SYSTEM

	<u>Net Pension Liability</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Governmental activities			
Clark County	\$ 2,053,191,900	\$ 319,136,180	\$ 191,018,098
Business-type activities			
Clark County	202,621,462	31,533,394	17,724,019
UMC	476,011,834	81,483,542	40,511,412
Clark County Water Reclamation District	<u>56,558,019</u>	<u>10,440,542</u>	<u>3,979,582</u>
Total business-type activities	<u>735,191,315</u>	<u>123,457,478</u>	<u>62,215,013</u>
Total primary government	<u>\$ 2,788,383,215</u>	<u>\$ 442,593,658</u>	<u>\$ 253,233,111</u>

*Plan Description*

Public Employees Retirement System (PERS or System) administers a cost-sharing, multiple-employer, defined benefit public employees' retirement system which includes both Regular and Police/Fire members. The System was established by the Nevada Legislature in 1947, effective July 1, 1948. The System is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earnings capacities have been removed or substantially impaired by age or disability.

Benefits Provided

Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the System on or after January 1, 2010, and July 1, 2015. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

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

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

III. DETAILED NOTES - ALL FUNDS

12. RETIREMENT SYSTEM (Continued)

*Plan Description (Continued)*

Vesting

Regular members are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with thirty years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or any age with thirty years of service. Regular members entering the System on or after July 1, 2015, are eligible for retirement at age 65 with 5 years of service, or age 62 with 10 years of service, or at age 55 with 30 years of service or any age with 33 1/3 years of service. Police/Fire members are eligible for retirement at age 65 with five years of service, at age 55 with ten years of service, at age 50 with twenty years of service, or at any age with twenty-five years of service. Police/Fire members entering the System on or after January 1, 2010, are eligible for retirement at 65 with five years of service, or age 60 with ten years of service, or age 50 with twenty years of service, or at any age with thirty years of service. Only service performed in a position as a police officer or firefighter may be counted towards to eligibility for retirement as Police/Fire accredited service.

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

Contributions

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

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

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

The actuary funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contribution requirement as a percentage of salary. For the fiscal year ended June 30, 2018, the statutory Employer/Employee matching rate was 14.5% for Regular and 20.75% for Police/Fire. The Employer-pay contribution (EPC) rate was 28% for Regular and 40.50% for Police/Fire.

*Summary of Significant Accounting and Reporting Policies*

For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense, information about the fiduciary net position of the Public Employees' Retirement System of Nevada (PERS) and additions to/deductions from PERS's fiduciary 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. Investments are reported at fair value.

Basis of accounting

Employers participating in PERS cost sharing multiple-employer defined benefit plans are required to report pension information in their financial statements for fiscal periods beginning on or after June 15, 2014, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions.

The underlying financial information used to prepare the pension allocation schedules is based on PERS' financial statements. PERS' financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) that apply to governmental accounting for fiduciary funds.

Contributions for employer pay dates that fall within PERS' fiscal year ending June 30, 2017, are used as the basis for determining each employer's proportionate share of the collective pension amounts.

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

III. DETAILED NOTES - ALL FUNDS

12. RETIREMENT SYSTEM (Continued)

*Plan Description (Continued)*

*Investment Policy*

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

The following was the Board adopted policy target asset allocation as of June 30, 2017:

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%

*Pension Liability*

Net Pension Liability

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

Pension Liability Discount Rate Sensitivity

The following presents the net pension liability of the PERS as of June 30, 2017 and Clark County's proportionate share of the net pension liability of PERS as of June 30, 2017, calculated using the discount rate of 7.50%, as well as what the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1- percentage-point higher (8.50%) than the current discount rate:

	1% Decrease in Discount Rate (6.50%)		Discount Rate (7.50%)	1% Increase in Discount Rate (8.50%)		
PERS Net Pension Liability	\$	20,105,650,986	\$	13,299,844,084	\$	7,647,514,916
Clark County proportionate share of PERS Net Pension Liability	\$	3,410,159,988	\$	2,255,813,362	\$	1,297,110,419

(1) The Clark County proportionate share of the PERS net pension liability (discounted at 7.50% above) includes \$1,148,288,738 for Las Vegas Metropolitan Police County (LVMPD). LVMPD is jointly funded by the County and the City of Las Vegas. The City currently funds 36.3 percent of the LVMPD. The City is liable for \$329,210,318 of the Clark County proportionate share of the PERS net pension liability (discounted at 7.50% above). A receivable has been established in the government-wide statement of net position for the City's portion.

At June 30, 2018 and 2017, the County's proportionate share of the collective net pension liability was 16.96120% and 17.12305%, respectively.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the PERS Comprehensive Annual Financial Report, available on the PERS website.

III. DETAILED NOTES - ALL FUNDS

12. RETIREMENT SYSTEM (Continued)

*Plan Description (Continued)*

Actuarial Assumptions

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

Inflation rate	2.75%
Payroll Growth	5.00%, including inflation
Investment Rate of Return	7.50%
Productivity pay increase	0.50%
Projected salary increases	Regular: 4.25% to 9.15%, depending on service; Police/Fire: 4.55% to 13.9%, depending on service; Rates include inflation and productivity increases
Consumer Price Index	2.75%
Other assumptions	Same as those used in the June 30, 2017 funding actuarial valuation

Actuarial assumptions used in the June 30, 2017 valuation were based on the results of the experience review completed in 2017. 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.

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Clark County

As of June 30, 2018, the total employer pension expense is \$ 162,614,670. At June 30, 2017, the measurement date, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience (1)	\$ -	\$ 148,026,967
Net difference between projected and actual earnings on investments	14,646,598	-
Changes of assumptions	149,651,747	-
Changes in proportion and differences between actual contributions and proportionate share of contributions (1)	25,189,385	60,715,150
Contributions to PERS after measurement date	161,181,844	-
Total	<u>\$ 350,669,574</u>	<u>\$ 208,742,117</u>

(1) Average expected remaining service lives: 6.39 years

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling \$161,181,844 will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows/(inflows) of resources related to pension will be recognized in pension expense as follows:

Fiscal year ending June 30:	
2019	\$ (47,411,882)
2020	45,410,088
2021	6,566,273
2022	(44,471,399)
2023	13,311,986
Thereafter	7,340,547

III. DETAILED NOTES - ALL FUNDS

12. RETIREMENT SYSTEM (Continued)

University Medical Center

Pension Liability Discount Rate Sensitivity

The following presents University Medical Center's proportionate share of the net pension liability of PERS as of June 30, 2017, calculated using the discount rate of 7.50%, as well as what the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1- percentage-point higher (8.50%) than the current discount rate:

	1% Decrease in Discount Rate (6.50%)	Discount Rate (7.50%)	1% Increase in Discount Rate (8.50%)
Proportionate share of PERS Net Pension Liability	\$ 719,596,995	\$ 476,011,834	\$ 273,710,548

At June 30, 2018 and 2017, University Medical Center's proportionate share of the collective net pension liability was 3.57908% and 3.48522%, respectively.

As of June 30, 2018, the total employer pension expense is \$35,039,641. At June 30, 2017, the measurement date, University Medical Center reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience (1)	\$ -	\$ 31,236,001
Net difference between projected and actual earnings on pension plan investments	3,090,661	-
Changes of assumptions or other inputs	31,578,855	-
Changes in proportion and differences between employer contributions and proportionate share of contributions (1)	11,787,301	9,275,411
UMC contributions subsequent to the measurement date	35,026,725	-
Total	<u>\$ 81,483,542</u>	<u>\$ 40,511,412</u>

(1) Average expected remaining service lives: 6.39 years

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling \$35,026,725 will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows/(inflows) of resources related to pension will be recognized in pension expense as follows:

Fiscal year ending June 30:	
2019	\$ (8,909,179)
2020	10,677,706
2021	2,481,054
2022	(6,978,063)
2023	6,099,752
Thereafter	2,574,135

III. DETAILED NOTES - ALL FUNDS

12. RETIREMENT SYSTEM (Continued)

Clark County Water Reclamation District

Pension Liability Discount Rate Sensitivity

The following presents Water Reclamation District's proportionate share of the net pension liability of PERS as of June 30, 2017, calculated using the discount rate of 7.50%, as well as what the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1- percentage-point higher (8.50%) than the current discount rate:

	1% Decrease in Discount Rate (6.50%)	Discount Rate (7.50%)	1% Increase in Discount Rate (8.50%)
Proportionate share of PERS Net Pension Liability	\$ 85,499,933	\$ 56,558,019	\$ 32,521,306

At June 30, 2018 and 2017, the Water Reclamation District's proportionate share of the collective net pension liability was .42525% and .4277%, respectively.

As of June 30, 2018, the total employer pension expense is \$4,712,135. At June 30, 2017, the measurement date, the Water Reclamation District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience (1)	\$ -	\$ 3,711,350
Net difference between projected and actual earnings on pension plan investments	367,222	-
Changes of assumptions or other inputs	3,752,086	-
Changes in proportion and differences between employer contributions and proportionate share of contributions (1)	2,321,403	268,232
Contributions subsequent to the measurement date	3,999,831	-
	<u>\$ 10,440,542</u>	<u>\$ 3,979,582</u>

(1) Average expected remaining service lives: 6.39 years

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling \$3,999,831 will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows/(inflows) of resources related to pension will be recognized in pension expense as follows:

Fiscal year ending June 30:	
2019	\$ (6,118,871)
2020	7,920,926
2021	2,045,601
2022	(5,577,432)
2023	2,883,972
Thereafter	1,306,933



III. DETAILED NOTES - ALL FUNDS

12. RETIREMENT SYSTEM (Continued)

Discretely Presented Component Units

Flood Control District

Pension Liability Discount Rate Sensitivity

The following presents Flood Control District's proportionate share of the net pension liability of PERS as of June 30, 2017, calculated using the discount rate of 7.50%, as well as what the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1- percentage-point higher (8.50%) than the current discount rate:

	1% Decrease in Discount Rate (6.50%)	Discount Rate (7.50%)	1% Increase in Discount Rate (8.50%)
Proportionate share of PERS Net Pension Liability	\$ 6,624,844	\$ 4,382,337	\$ 2,519,868

At June 30, 2018 and 2017, the Flood Control District's proportionate share of the collective net pension liability was .03295% and .03441%, respectively.

As of June 30, 2018, the total employer pension expense is \$320,817. At June 30, 2017, the measurement date, the Flood Control District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience (1)	\$ -	\$ 287,570
Net difference between projected and actual earnings on investments	28,484	-
Changes of assumptions or other inputs	290,726	-
Changes in proportion and differences between actual contributions and proportionate share of contributions (1)	52,795	95,769
RFCD contributions subsequent to the measurement date	319,279	-
	<u>\$ 691,284</u>	<u>\$ 383,339</u>

(1) Average expected remaining service lives: 6.39 years

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling \$319,279 will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows/(inflows) of resources related to pension will be recognized in pension expense as follows:

Fiscal year ending June 30:	
2019	\$ (82,846)
2020	100,169
2021	21,747
2022	(85,809)
2023	24,013
Thereafter	11,392

III. DETAILED NOTES - ALL FUNDS

12. RETIREMENT SYSTEM (Continued)

Discretely Presented Component Units (Continued)

RTC

Pension Liability Discount Rate Sensitivity

The following presents RTC's proportionate share of the net pension liability of PERS as of June 30, 2017, calculated using the discount rate of 7.50%, as well as what the PERS net pension liability would be if it were calculated using a discount rate that is 1- percentage-point lower (6.50%) or 1- percentage-point higher (8.50%) than the current discount rate:

	1% Decrease in Discount Rate (6.50%)	Discount Rate (7.50%)	1% Increase in Discount Rate (8.50%)
Proportionate share of PERS Net Pension Liability	\$ 70,960,885	\$ 46,940,485	\$ 26,991,139

At June 30, 2018 and 2017, RTC's proportionate share of the collective net pension liability was .35294% and .33874%, respectively.

As of June 30, 2018, the total employer pension expense is \$4,482,771. At June 30, 2017, the measurement date, RTC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience (1)	\$ -	\$ 3,080,245
Net difference between projected and actual earnings on investments	304,776	-
Changes of assumptions or other inputs	3,114,054	-
Changes in proportion and differences between actual contributions and proportionate share of contributions (1)	4,385,792	-
RTC contributions subsequent to the measurement date	3,225,973	-
	<u>\$ 11,030,595</u>	<u>\$ 3,080,245</u>

(1) Average expected remaining service lives: 6.39 years

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling \$3,225,973 will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows/(inflows) of resources related to pension will be recognized in pension expense as follows:

Fiscal year ending June	
2019	\$ 158,120
2020	2,089,622
2021	1,267,217
2022	50,658
2023	863,797
Thereafter	294,963

III. DETAILED NOTES - ALL FUNDS

12. RETIREMENT SYSTEM (Continued)

Discretely Presented Component Units (Continued)

Las Vegas Valley Water District Retirement Plan

Plan Description

The Water District contributes to the Las Vegas Valley Water District Pension Plan (the "Plan"), a single-employer defined benefit pension trust fund established by the Water District to provide pension benefits solely for the employees of the Water District. A Board of Trustees, comprised of the Water District's Board, has the authority to establish and amend the benefit provisions of the Plan and the contribution requirements of the Water District and the employees. Employee contributions are not required or permitted, except under certain conditions in which employees may purchase additional years of service for eligibility and increased benefits. During fiscal year 2018 employee contributions for this purpose was \$0.6 million.

The Plan was amended effective February 15, 2005, to provide the following: (1) Increase the annual service credit of 2 percent to 2.17 percent for years of service after July 1, 2001 (service credit is the accumulation of pension plan years while an employee was in paid status at the Water District.); (2) Change the benefit formula to increase the calculation of highest average pay by 50 percent of the employer contribution rate charged by Nevada PERS to employers who pay the full contribution rate, as prescribed in the Nevada Revised Statutes; (3) Add shift differential and standby pay to the total compensation counted toward the pension benefit.

Other than cost of living adjustments, the Plan does not provide ad hoc post-retirement benefit increases nor does it administer post-employment healthcare plans. The Plan does not issue a stand-alone financial report.

All Water District employees are eligible to participate in the Plan after attaining age 20 and completing six months of employment. Subject to a maximum pension benefit, normally 60 percent of average monthly compensation, Water District employees who retire at age 65 are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2 percent of their average monthly compensation multiplied by the years of service prior to July 1, 2001, and 2.17 percent of their average monthly compensation multiplied for the years of service after July 1, 2001. For the purpose of calculating the pension benefit, average monthly compensation means the average of a member's 36 consecutive months of highest compensation, after excluding certain elements, increased by 50 percent of the employer contribution rate charged by Nevada PERS to employers who pay the full contribution rate that is in effect for the 36 consecutive months of highest compensation, while participating in the Plan.

For participants in the plan prior to January 1, 2001, benefits start to vest after three years of service with a 20 percent vested interest; after four years of service, 40 percent; and after five years of service, 100 percent. New participants after January 1, 2001, start to vest at 5 years of service, at which time they are vested 100 percent. The Plan also provides for early retirement and pre-retirement death benefits. The Plan is not subject to the Employee Retirement Income Security Act (ERISA) of 1974, but is operated consistent with ERISA fiduciary requirements.

For employees on or after January 1, 2001, benefits are increased after retirement by cost of living adjustments that become effective on the first month following the anniversary of benefit commencement according to the following schedule:

<u>Schedule of Benefit Increases - Employees hired on or after January 2, 2001</u>	
0.0%	following the 1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> anniversaries
2.0%	following the 4 <sup>th</sup> , 5 <sup>th</sup> and 6 <sup>th</sup> anniversaries
3.0%	following the 7 <sup>th</sup> , 8 <sup>th</sup> and 9 <sup>th</sup> anniversaries
3.5%	following the 10 <sup>th</sup> , 11 <sup>th</sup> and 12 <sup>th</sup> anniversaries
4.0%	following the 13 <sup>th</sup> and 14 <sup>th</sup> anniversaries
5.0%	following each anniversary thereafter

However, if the benefit amount at the time of an increase is at least or equal to the original benefit amount multiplied by cumulative inflation since retirement, as measured by the increase in the Consumer Price Index (All Items), then the increase cannot exceed the average rate of inflation for the three preceding years.

The Water District contributes amounts actuarially determined necessary to fund the Plan in order to pay benefits when due and to provide an allowance sufficient to finance the administrative costs of the Plan. Contributions cannot revert to or be revocable by the Water District or be used for any purpose other than the exclusive benefit of the participants.

III. DETAILED NOTES - ALL FUNDS

12. RETIREMENT SYSTEM (Continued)

Discretely Presented Component Units (Continued)

Las Vegas Valley Water District Retirement Plan (Continued)

A. Plan Description (Continued)

At June 30, 2018, participants in the Plan consisted of the following:

<u>Plan Participants as of June 30, 2018</u>	
	<u>2018</u>
Participant Count	
Retirees in pay status with unpurchased benefits	302
Terminated employees not yet receiving benefits	377
Retirees paid monthly from plan	334
Active employees	
fully vested	970
non-vested	170
Total active employees	<u>1,140</u>
Total participants	<u>2,153</u>

B. Basis of Accounting

The financial statements of the Plan are prepared using the accrual basis of accounting. Employer contributions are recognized when due. Participants do not make contributions except voluntarily under certain conditions to purchase additional years of service. Participant contributions are non-refundable.

C. Allocated Insurance Contracts

Through December 31, 2013, benefit obligations were recognized and paid when due by purchasing annuity contracts from a life insurance company rated A++ by A.M. Best rating company. Beginning January 1, 2014, benefit obligations are paid by the Plan through a large multi-national bank. Cost of living adjustments for benefit obligations that were initially paid by purchasing annuity contracts from a life insurance company continue to be paid by purchasing additional annuity contracts from a life insurance company. The costs to purchase annuity contracts from a life insurance company for benefit obligations or cost of living adjustments was \$3.8 million the year ended June 30, 2018. The obligation for the payment of benefits covered by these annuity contracts have been transferred to a life insurance company and are excluded from the Plan assets.

D. Method Used to Value Investments

The domestic equity, international equity, domestic bond, global real estate investment trust (REIT) and money market accounts are stated at fair value, measured by the underlying market value as reported by the managing institutions. Investments at contract value are insurance contracts and pooled accounts, stated at contract value as determined by the insurance companies in accordance with the terms of the contracts.

E. Actuarially Determined Contribution

The Water District's policy is to pay the current year's actuarially determined contribution when due. This amount was \$35.8 million for the year ended June 30, 2018. The District also contributed \$1.2 million in excess of the actuarially determined contribution for the year ended June 30, 2018.

III. DETAILED NOTES - ALL FUNDS

12. RETIREMENT SYSTEM (Continued)

Discretely Presented Component Units (Continued)

Las Vegas Valley Water District Retirement Plan (Continued)

F. Net Pension Liability

The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based upon the discount rate and actuarial assumptions listed below. The total pension liability was then projected forward to the measurement date taking into account any significant changes between the valuation date and the fiscal year end. The liabilities are calculated using a discount rate that is a blend of the expected investment rate of return and a high quality bond index rate. The expected investment rate of return applies for as long as the Plan assets (including future contributions) are projected to be sufficient to make the projected benefit payments. If Plan assets are projected to be depleted at some point in the future, the rate of return of a high quality bond index is used for the period after the depletion date. The disclosures below exclude assets and liabilities held with a life insurance company, which provides benefits for retirees or their beneficiaries whose benefits were purchased with annuity contracts from the life insurance company.

<u>Net Pension Liability Components</u>	
	<u>June 30, 2018</u>
Total pension liability	\$ 666,168,809
Fiduciary net position	460,096,344
Net pension liability	\$ 206,072,465
Fiduciary net position as a % of total pension liability	69.07%
Covered payroll	\$ 120,874,059
Net pension liability as a % of covered payroll	170.49%
Valuation date	June 30, 2017
Measurement date	June 30, 2018
GASB No. 67 reporting date	June 30, 2018
Depletion date	None
Discount rate	6.75%
Expected rate of return, net of investment expenses	6.75%
Municipal bond rate	N/A

If the assets and liabilities for retirees or their beneficiaries whose benefits were purchased with annuity contracts from a life insurance company were included with the Plan assets:

	<u>June 30, 2018</u>
Fiduciary net position as a % of total pension liability	75.38%

G. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability calculated using the discount rate of 6.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) and 1 percentage point higher (7.75%) than the current rate.

<u>Discount Rate Sensitivity as of June 30, 2018</u>			
	1% Decrease in Discount Rate 5.75%	Discount Rate 6.75%	1% Increase In Discount Rate 7.75%
Total Pension Liability	\$ 770,576,935	\$ 666,168,809	\$ 579,666,410
Fiduciary Net Position	460,096,344	460,096,344	460,096,344
Net Pension Liability	\$ 310,480,591	\$ 206,072,465	\$ 119,570,066

III. DETAILED NOTES - ALL FUNDS

12. RETIREMENT SYSTEM (Continued)

Discretely Presented Component Units (Continued)

Las Vegas Valley Water District Retirement Plan (Continued)

H. Actuarial Assumptions

Actuarial cost method	Entry age.
Amortization method	20-year amortization of unfunded liability (closed period) as a level percent of pay, using layered bases starting July 1, 2016. In prior years, 30-year amortization of unfunded liability (closed period) as a level percent of pay, using layered bases starting July 1, 2009.
Remaining amortization period	Bases established between July 1, 2016 and July 1, 2017 have remaining amortization periods ranging from 18 to 19 years. Bases established between July 1, 2009 and July 1, 2015 have remaining amortization periods ranging from 21 to 27 years.
Inflation	2.75% per year.
Salary increases	4.75% per year, including inflation.
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation.
Retirement age	Normal retirement age is attainment of age 65. Unreduced early retirement is available after either 1) 30 years of service, or 2) age 60 with 10 years of service. Reduced early retirement benefits are available after attainment of age 55 and completion of 5 years of service (3 years of service if a participant prior to January 1, 2001).
Mortality	Future mortality follows the RP-2000 Combined Healthy/Disabled mortality table projected to 2015 using Scale AA.

I. Changes in Net Pension Liability

	Total Pension Liability	Fiscal Year Ending June 30, 2018 Increase/Decrease Plan Fiduciary Net Position	Net Pension Liability
Balance as of June 30, 2017	\$ 583,905,760	\$ 396,658,965	\$ 187,246,795
Service Cost	20,249,802	-	20,249,802
Interest on the Total Pension Liability	42,648,094	-	42,648,094
Changes in Benefit Terms	-	-	-
Differences between Actual and Expected Experience with regard to Economic or Demographic Factors	(6,502,587)	-	(6,502,587)
Changes of Assumptions	42,821,654	-	42,821,654
Contributions from Employer	-	37,000,000	(37,000,000)
Purchase of Service Payments	635,292	635,292	-
Net Investment Income	-	43,789,984	(43,789,984)
Benefit Payments	(17,589,206)	(17,589,206)	-
Administration Expense	-	(398,691)	398,691
Total Changes	82,263,049	63,437,379	18,825,670
Balance as of June 30, 2018	\$ 666,168,809	\$ 460,096,344	\$ 206,072,465

J. Changes in Actuarial Assumptions

For the fiscal year ending June 30, 2018, amounts reported as changes of assumptions resulted from lowering the discount rate to 6.75% from 7.25% as of June 30, 2018.

III. DETAILED NOTES - ALL FUNDS

12. RETIREMENT SYSTEM (Continued)

Discretely Presented Component Units (Continued)

Las Vegas Valley Water District Retirement Plan (Continued)

K. Pension Expense

Total employer pension expense was \$39.9 million for the fiscal year ended June 30, 2018

L. Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018, the District reported the following deferred inflows of resources and deferred outflows of resources related to pensions:

<u>As of June 30, 2018</u>		
	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between Expected and Actual Experience	\$ (8,604,246)	\$ 6,634,564
Changes of Assumptions	-	41,895,512
Net Difference between Projected and Actual Earnings	(17,465,847)	-
Contributions Made Subsequent to Measure Date	-	-
<b>Total</b>	<b>\$ (26,070,093)</b>	<b>\$ 48,530,076</b>

Amounts currently reported as deferred inflows of resources and deferred outflows of resources related to pensions will be recognized as follows:

<u>Fiscal year ending June 30:</u>	<u>Recognized Deferred Inflows/Outflows</u>
2019	\$ 4,926,247
2020	3,517,213
2021	(296,782)
2022	4,795,106
2023	6,216,466
Thereafter	3,301,733

M. Investment Rate of Return

<u>Investment Rate of Return as of June 30, 2018</u>		
<u>Asset Class</u>	<u>Expected Nominal Return</u>	<u>Target Asset Allocation</u>
Large Cap U.S. Equities	7.29%	38%
Small/Mid Cap U.S. Equities	8.39%	16%
International Equities	8.55%	15%
Core Fixed Income	5.25%	22%
High Yield Bonds	8.22%	6%
REITs	8.59%	3%
Expected Average Return (1 year)		7.30%
Expected Geometric Average Return (75 years)		6.59%

The expected geometric average return over 75 years is less than the expected 1 year return due to expected deviations each year from the average which, due to the compounding effect, lower long term returns.

III. DETAILED NOTES - ALL FUNDS

12. RETIREMENT SYSTEM (Continued)

Discretely Presented Component Units (Continued)

Las Vegas Valley Water District Retirement Plan (Continued)

N. Pension Investments

Management believes the Water District's pension investment policy conforms to the Water District's enabling act which requires the District to follow the "prudent person" rule, i.e., invest with discretion, care and intelligence. The investment policy does not specify credit quality ratings or maturities except that investments must be those that are allowed by law and those that the investment managers are trained and competent to handle.

To diversify investment risk, the Water District's investment policy currently limits pension plan investments as follows:

<u>Pension Plan investment Limits</u>		
<u>Investment Type</u>	<u>Percent of Portfolio</u>	
Cash and Cash Equivalents	2%	+/- 2%
Fixed-Income Securities	27%	+/- 10%
Equity Securities	68%	+/- 10%
Global REIT	3%	+/- 3%

O. Rate of Return

For the year ended June 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.42%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.



III. DETAILED NOTES - ALL FUNDS

12. RETIREMENT SYSTEM (Continued)

Discretely Presented Component Units (Continued)

Las Vegas Valley Water District Retirement Plan (Continued)

P. Financial Statements

Las Vegas Valley Water District Pension Plan Statement of Net Position June 30, 2018	
<u>Assets</u>	
Cash and Investments:	
With a fiscal agent	
Money market funds	\$ 2,015,501
Insurance account and contracts	3,241,202
Domestic equity funds	261,942,779
Domestic bond funds	112,355,264
International equity fund	66,753,459
Global REIT	13,835,014
Interest receivable	48,343
Total assets	<u>\$ 460,191,562</u>
<u>Liabilities</u>	
Accounts payable	<u>95,218</u>
<u>Net Position</u>	
Held in trust for pension benefits	<u>460,096,344</u>
Total Liabilities and Net Position	<u>\$ 460,191,562</u>

Las Vegas Valley Water District Pension Plan Statement of Changes in Net Position For the Fiscal Year Ended June 30, 2018	
<u>Additions:</u>	
Contributions:	
Contributions from employer	\$ 37,000,000
Contributions from employees	635,292
Total contributions	<u>37,635,292</u>
Investment earnings	
Interest	202,869
Net increase in fair value of investments	<u>43,751,867</u>
Total investment earnings	43,954,736
Less investment expenses	<u>(164,752)</u>
Net investment earnings	<u>43,789,984</u>
Total additions	<u>81,425,276</u>
<u>Deductions:</u>	
General and administrative	398,691
Benefit payments	<u>17,589,206</u>
Total deductions	<u>17,987,897</u>
Change in net position	63,437,379
<u>Net Position:</u>	
Beginning of year	<u>396,658,965</u>
End of year	<u>\$ 460,096,344</u>

III. DETAILED NOTES - ALL FUNDS

12. RETIREMENT SYSTEM (Continued)

Discretely Presented Component Units (Continued)

Las Vegas Valley Water District Retirement Plan (Continued)

Q. Fair Value Measurement

The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Plan had the following recurring fair value measurements as of June 30, 2018.

	June 30, 2018	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Other Unobservable Inputs
		(Level 1)	(Level 2)	(Level 3)
Money Market Fund	\$ 2,015,501	\$ 2,015,501	\$ -	\$ -
U.S. Equities Securities Funds	261,942,779	261,942,779	-	-
International Equities Securities Funds	66,753,459	66,753,459	-	-
U.S. Fixed Income Securities Fund	84,742,197	84,742,197	-	-
High Yield Fixed Income Securities Fund	27,613,067	27,613,067	-	-
Global REIT Fund	13,835,014	13,835,014	-	-
Insurance Contracts	3,241,202	-	3,241,202	-
Totals	\$ 460,143,219	\$ 456,902,017	\$ 3,241,202	\$ -

13. RELATED PARTY TRANSACTIONS

The County transfers sales, fuel, and various other taxes and fees deposited in the Master Transportation Plan special revenue fund to the RTC, a discretely presented component unit. Transfers during the fiscal year ended June 30, 2018, totaled \$310,518,171. The balance payable from the Master Transportation Plan fund to the RTC as of June 30, 2018, was \$60,167,519.

The County is reimbursed by the RTC for construction and maintenance of transportation projects. At June 30, 2018, the County had open interlocal contracts totaling \$234,730,150. Of those contracts, \$133,598,819 was spent, and there remain outstanding contract balances totaling \$101,131,331. Reimbursements during the fiscal year ended June 30, 2018 totaled \$32,735,159. The balance receivable from the RTC to the County as of June 30, 2018 was \$1,104,734.

The County is reimbursed by the RFCD for construction and maintenance of flood control projects. At June 30, 2018, the County had open interlocal contracts totaling \$193,218,108. Of those contracts, \$170,545,376 was spent, and there remain outstanding contract balances totaling \$22,672,732. Reimbursements during the fiscal year ended June 30, 2018 totaled \$18,887,095. The balance receivable from the RFCD to the County as of June 30, 2018 was \$482,984.

Las Vegas Valley Water District

The Las Vegas Valley Water District is a member of the Southern Nevada Water Authority ("SNWA") (see Note 11). Besides being a member of the SNWA, the Water District is its operating agent. Beginning in fiscal year 2009, the SNWA advanced funds to the Water District for expenditures to be made on its behalf. The Water District credits the SNWA interest on a monthly average advance balance at the Water District's current investment earnings rates. The SNWA owed the Water District \$10,022,590 at June 30, 2018 for expenditures made on its behalf in excess of advanced funds, which the District recorded as a current receivable.

The Water District has allocated to and recorded receivable balances from SNWA of \$75,697,899 for net pension liability and \$14,917,015 for postemployment benefits other than pensions for Water District employees devoted to SNWA operations.

As of June 30, 2018 the Water District recorded a receivable balance of \$1,923,620,000 from SNWA for outstanding general obligation bonds whose proceeds were delivered to SNWA to finance water projects and refund existing debt. The Water District also recorded receivable balance of \$8,238,006 from SNWA for accrued interest related to these general obligation bonds.

As of June 30, 2018 the Water District recorded a receivable balance of \$400,000,000 from SNWA for outstanding general obligation commercial paper notes whose proceeds were delivered to SNWA to fund the SNWA's capital expenditures, to purchase a 25% interest in the Silverhawk power plant and purchase water resources.

III. DETAILED NOTES - ALL FUNDS

14. Postemployment Benefits Other Than Pensions (OPEB)

Clark County contributes to seven different defined benefit OPEB Plans as described below. At June 30, 2018, the County reported aggregate amounts related to OPEB for all plans to which it contributes.

	<u>Net OPEB Liability</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
<b>Governmental activities</b>			
Clark County Self-Funded OPEB Trust	\$ 355,085,013	\$ 5,784,377	\$ 60,079,538
LVMPD OPEB Trust	72,269,920	8,000,000	185,470
PEBP	45,139,832	1,787,383	-
Fire Plan	81,035,000	-	3,421,000
Clark County Retiree Health Program Plan	48,354,229	1,112,246	3,808,646
<b>Total governmental activities</b>	<b>601,883,994</b>	<b>16,684,006</b>	<b>67,494,654</b>
<b>Business-Type activities</b>			
Clark County Self-Funded OPEB Trust	68,126,086	713,999	10,972,042
PEBP	29,788,081	1,174,680	-
Clark County Retiree Health Program Plan	13,675,549	644,792	879,937
UMC Retiree Health Program Plan	252,674,005	3,229,599	31,249,305
CCWRD Retiree Health Program Plan	36,723,630	558,320	4,327,511
<b>Total business-type activities</b>	<b>400,987,351</b>	<b>6,321,390</b>	<b>47,428,795</b>
<b>Total Primary Government</b>	<b>\$ 1,002,871,345</b>	<b>\$ 23,005,396</b>	<b>\$ 114,923,449</b>

OPEB Plans Administered Through Trusts

Clark County Self-Funded (CCSF) OPEB Trust

*General Information about the Other Post Employment Benefit (OPEB) Plan*

Plan Description

Clark County Self-Funded (CCSF) OPEB Trust provides OPEB to all permanent full-time employees of Clark County (primary government only) enrolled in the Clark County Self-Funded Group Medical and Dental Benefit Plan. The CCSF OPEB Trust is a single-employer defined benefit OPEB plan administered by Clark County, Nevada. CCSF OPEB Trust issues a publicly available financial report. The report may be obtained at <http://www.clarkcountynv.gov/finance/comptroller/Pages/ClarkCounty,NevadaOPEBTrustFund.aspx>.

Benefits Provided

CCSF OPEB Trust provides medical, dental, vision, and prescription drug benefits to eligible retirees and beneficiaries. Retirees are eligible to continue coverage in the Clark County Self-Funded Group Medical and Dental Benefit Plan as a participant with active employees at a blended premium rate, resulting in an implicit subsidy. Benefit provisions are established and amended through negotiations between the respective unions and the County.

Employees Covered by Benefit Terms

At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefit payments	1,121
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	3,679
<b>Total</b>	<b>4,800</b>

III. DETAILED NOTES - ALL FUNDS

14. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

Clark County Self-Funded (CCSF) OPEB Trust (Continued)

Contributions

The CCSF OPEB Trust does not have contractually or statutorily required contributions. State law requires health insurance to be provided to retirees at a blended rate. For fiscal year ended June 30, 2018, the estimated implicit subsidy was \$6,015,812. Clark County can make voluntary cash contributions to the plan for purposes of prefunding obligations for past service. Clark County did not make cash contributions during the fiscal year.

Net OPEB Liability

The CCSF OPEB Trust's net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial assumptions: The total OPEB liability as of June 30, 2018 was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary increases	Ranges from 4.25% to 13.90% based on years of service, including inflation
Investment rate of return	4.00%
Healthcare cost trend rates	7.50% decreasing to an ultimate rate of 4.50%
Retirees' share of benefit-related costs	100% of premium amounts based on years of service

Mortality rates were based on the following:

Health: RP-2000 Combined Healthy Mortality Table, projected to 2013 with Scale AA, set back one year for females (no age set forward for males).

Disabled: RP-2000 Disabled Retiree Mortality Table, projected to 2013 with Scale AA, set forward three years.

The demographic assumptions are based on the Nevada PERS Actuarial Experience Study for the period from July 1, 2006 through June 30, 2012. Salary scale and inflation assumptions are based on the Nevada PERS Actuarial Experience Study for the period from July 1, 2012 through June 30, 2016.

The long-term expected rate of return on the CCSF OPEB Trust investments was based upon a description of the plan assets invested in Retirement Benefits Investment Fund (RBIF) and Clark County Treasurer Investment Pool.

Discount rate: The discount rate used to measure the total OPEB liability was 3.60%. Because the County is not fully prefunding benefits, Plan assets are expected to be sufficient to make benefit payments to current members through June 30, 2027. The projection of cash flows used to determine the discount rate assumed employer and plan member contributions will be made at the current contribution rate. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service cost of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Plan's assets were projected to be sufficient to make projected future benefit payments for current plan members through June 30, 2027. Payments after that date would be funded by employer assets. The long-term rate of expected return on Plan investments (4%) was applied to periods of projected benefit payments through June 30, 2027, and the 20-year municipal bond rate (3.58% based on Bond Buyer 20-Bond GO Index) was applied to periods after June 30, 2027 to determine Total OPEB Liability.

III. DETAILED NOTES - ALL FUNDS

14. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

Clark County Self-Funded (CCSF) OPEB Trust (Continued)

Changes in the Net OPEB Liability

	Increases (Decreases)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances at 6/30/17	\$ 549,054,069	\$ 85,004,405	\$ 464,049,664
Changes for the year:			
Service cost	32,809,016	-	32,809,016
Interest	16,699,338	-	16,699,338
Differences between expected and actual experience	(666,758)	-	(666,758)
Change in assumptions	(73,345,189)	-	(73,345,189)
Contributions- employer	-	6,015,812	(6,015,812)
Net investment income	-	10,327,440	(10,327,440)
Benefit payments	(6,015,812)	(6,015,812)	-
Administrative expense	-	(8,280)	8,280
Net Changes	<u>(30,519,405)</u>	<u>10,319,160</u>	<u>(40,838,565)</u>
Balances at 6/30/18	<u>\$ 518,534,664</u>	<u>\$ 95,323,565</u>	<u>\$ 423,211,099</u>

Changes in Assumptions: The discount rate was updated from 2.88% as of June 30, 2016 to 3.60% as of June 30, 2017. The actuarial cost method was changed from Entry age level dollar to Entry age level of percent of pay.

Sensitivity of the net OPEB liability to changes in the discount rate: The following presents the net OPEB liability of the CCSF OPEB Trust as well as what the CCSF OPEB Trust's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.60%) or 1-percentage-point higher (4.60%) than the current discount rate:

	1% Decrease 2.60%	Discount Rate 3.60%	1% Increase 4.60%
CCSF OPEB Trust	\$ 529,590,757	\$ 423,211,099	\$ 339,660,392

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates: The following presents the net OPEB liability of the CCSF OPEB Trust as well as what the CCSF OPEB Trust's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (6.50% decreasing to 3.50%) or 1-percentage-point higher (8.50% decreasing to 5.50%) than the current healthcare cost trend rates:

	1% Decrease Ultimate 3.50%	Trend Rates Ultimate 4.50%	1% Increase Ultimate 5.50%
CCSF OPEB Trust	\$ 289,119,513	\$ 423,211,099	\$ 611,121,407

OPEB plan fiduciary net position: Detailed information about the CCSF OPEB Trust's fiduciary net position is available in the separately issued financial report.

III. DETAILED NOTES - ALL FUNDS

14. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

Clark County Self-Funded (CCSF) OPEB Trust (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the County recognized OPEB expense of \$36,228,825 related to the CCSF OPEB Trust. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to the CCSF OPEB Trust from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 577,963
Changes in assumptions	-	64,173,744
Net difference between projected and actual earnings on investments	-	6,299,873
Contributions made after measurement date	6,498,376	-
Total	<u>\$ 6,498,376</u>	<u>\$ 71,051,580</u>

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date totaling \$6,498,376 will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows/(inflows) of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal year ending June 30:	
2019	\$ (10,835,208)
2020	(10,835,208)
2021	(10,835,208)
2022	(10,835,208)
2023	(9,260,240)
Thereafter	(18,450,508)

LVMPD OPEB Trust

*General Information about the Other Post Employment Benefit (OPEB) Plan*

Plan Description

LVMPD OPEB Trust provides OPEB to all permanent full-time employees of the Las Vegas Metropolitan Police Department. Additionally, the LVMPD OPEB Trust subsidizes eligible retirees' contributions to the Public Employees' Benefits Plan (PEBP). The LVMPD OPEB Trust is a single-employer defined benefit OPEB plan administered by LVMPD. The LVMPD OPEB Trust issues a publicly available financial report. The report may be obtained at <http://www.lvmpd.com/en-us/Pages/LVMPD-OPEBTrustFund.aspx>.

Benefits Provided

The LVMPD OPEB Trust provides benefits to four classes of employees; Police Protective Association (PPA) employees, Police Managers & Supervisors Association (PMSA) employees, Police Protection Association Civilian Employees (PPACE), and Appointed Employees (Appointed).

LVMPD OPEB Trust provides medical, dental, vision and prescription drug benefits to eligible PPA and PMSA retirees and beneficiaries. Retirees and surviving spouses are eligible to continue coverage in the Las Vegas Metropolitan Police Department Employee Health and Welfare Trust medical plan as a participant with active employees at a blended premium rate, resulting in an implicit subsidy. Effective April 1, 2014, all retirees and spouses over the age of 65 are no longer covered under the Plan. Effective 2017, retirees and spouses over the age of 65 are eligible to continue coverage for dental and vision only.

III. DETAILED NOTES - ALL FUNDS

14. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

LVMPD OPEB Trust (Continued)

LVMPD OPEB Trust provides medical, dental, vision, prescription drug and life benefits to eligible PPACE retirees and beneficiaries. Retirees are eligible to continue coverage in the PPACE medical plan as a participant with active employees at a blended premium rate, resulting in an implicit subsidy.

LVMPD OPEB Trust provides medical, dental, vision, prescription drug, and life benefits to eligible Appointed retirees and beneficiaries. Retirees and beneficiaries are eligible to continue coverage in the Clark County Self-Funded Group Medical and Dental Benefit Plan as a participant with active employees at a blended premium rate, resulting in an implicit subsidy.

The LVMPD OPEB Trust pays a portion of the monthly premiums for former employees who retired and enrolled in the PEBP health plan. The subsidy is based on the retiree's years of service with the County.

Benefit provisions are established and amended through negotiations between the respective unions and the County.

Employees Covered by Benefit Terms

At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefit payments	713
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>5,171</u>
Total	<u>5,884</u>

Contributions

With the exception of the PEBP subsidies required by Nevada Revised Statutes, the LVMPD OPEB Trust does not have contractually or statutorily required contributions. State law requires health insurance to be provided to retirees at a blended rate. For fiscal year ended June 30, 2018, the estimated implicit subsidy was \$2,637,848, and cash contributions to PEBP were \$669,556. Clark County can make voluntary cash contributions to the plan for purposes of prefunding obligations for past service. Clark County made voluntary cash contributions of \$4,000,001.

Net OPEB Liability

The LVMPD OPEB Trust's net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial assumptions: The total OPEB liability as of June 30, 2018 was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	Ranges from 4.30% to 14.30% based on years of service, including inflation
Investment rate of return	6.25%
Healthcare cost trend rates	6.75% decreasing to an ultimate rate of 4.25%
Retirees' share of benefit-related costs	0% to 100% premium amounts based on years of service

Mortality rates were based on RP-2014 Mortality Tables adjusted to reflect Mortality Improvement Scale MP-2017 from the 2006 base year, and projected forward on a generational basis. For the PPA and PMSA employee groups, the assumed 10% of pre-retirement mortality is due to death in the line of duty.

The demographic assumptions for PPA and PMSA employee groups were developed based on observed demographic experience from 2010 to 2016, and the salary increase assumption is based on the Nevada PERS Actuarial Experience Study for the period from July 1, 2012 to June 30, 2016. The demographic and salary increase assumptions for the PPACE and Appointed employee groups are based on the Nevada PERS Actuarial Experience Study for the period from July 1, 2012 to June 30, 2016.

III. DETAILED NOTES - ALL FUNDS

14. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

LVMPD OPEB Trust (Continued)

The long-term expected rate of return on the LVMPD OPEB Trust investments, net of investment expenses, was based on the investment policy of the State of Nevada's Retiree Benefit Investment Fund (RBIF) where the LVMPD OPEB Trust invests its assets. The rate is based on the RBIF's investment policy summarized in the following table:

Asset Class	Asset Allocation
Foreign Developed Equity	21.00%
U.S. Fixed Income	30.00%
U.S. Large Cap Equity	49.00%

Discount rate: The discount rate used to measure the total OPEB liability was 6.25%. The projection of cash flows used to determine the discount rate assumed the County's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the LVMPD OPEB Trust's fiduciary net position was projected to be available to make all projected OPEB payments for current and inactive employees. Therefore, the long-term expected rate of return on the LVMPD OPEB Trust's plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability

	Increases (Decreases)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances at 6/30/17	\$ 75,976,870	\$ 4,115,747	\$ 71,861,123
Changes for the year:			
Service cost	3,423,578	-	3,423,578
Interest	4,860,736	-	4,860,736
Contributions- employer	-	7,307,405	(7,307,405)
Net investment income	-	610,862	(610,862)
Benefit payments	(3,307,404)	(3,307,404)	-
Administrative expense	-	(42,750)	42,750
Net Change	4,976,910	4,568,113	408,797
Balances at 6/30/18	\$ 80,953,780	\$ 8,683,860	\$ 72,269,920

- (1) The County is responsible for 100% of the Net OPEB Liability for Detention Center employees covered under the plan in the amount of \$14,284,829. The remaining Net OPEB Liability of \$57,985,091 is jointly funded by the County and the City of Las Vegas. The City of Las Vegas currently funds 36.3% of the LVMPD and is liable for \$21,048,588 of the Net OPEB Liability. A receivable has been established in the government-wide statement of net position for the City's portion.



III. DETAILED NOTES - ALL FUNDS

14. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

LVMPD OPEB Trust (Continued)

Sensitivity of the net OPEB liability to changes in the discount rate: The following presents the net OPEB liability of the LVMPD OPEB Trust as well as what the LVMPD OPEB Trust's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.25%) or 1-percentage-point higher (7.25%) than the current discount rate:

	1% Decrease in Discount Rate (5.25%)	Discount Rate (6.25%)	1% Increase in Discount Rate (7.25%)
LVMPD OPEB Trust	\$ 82,643,465	\$ 72,269,920	\$ 63,598,999

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates: The following presents the net OPEB liability of the LVMPD OPEB Trust as well as what the LVMPD OPEB Trust's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (5.75% decreasing to 3.25%) or 1-percentage-point higher (7.75% decreasing to 5.25%) than the current healthcare cost trend rates:

	1% Decrease Ultimate 3.25%	Trend Rates Ultimate 4.25%	1% Increase Ultimate 5.25%
LVMPD OPEB Trust	\$ 62,311,304	\$ 72,269,920	\$ 84,513,039

OPEB plan fiduciary net position: Detailed information about the LVMPD OPEB Trust's fiduciary net position is available in the separately issued financial report.

OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the County recognized OPEB expense of \$7,901,672 related to the LVMPD OPEB Trust. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to the LVMPD OPEB Trust from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions		-
Net difference between projected and actual earnings on investments		185,470
Contributions made after measurement date	8,000,000	
Total	<u>\$ 8,000,000</u>	<u>\$ 185,470</u>

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date totaling \$8,000,000 will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows/ (inflows) of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal year ending June 30:	
2019	\$ (46,368)
2020	(46,368)
2021	(46,368)
2022	(46,366)
2023	-
Thereafter	-

III. DETAILED NOTES - ALL FUNDS

14. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

OPEB Plans Not Administered Through Trusts

*General Information about the Other Post Employment Benefit (OPEB) Plans*

Plan Description

Public Employees' Benefits Plan (PEBP) is a non-trust, agent multiple-employer defined benefit OPEB plan administered by the State of Nevada. Clark County subsidizes eligible retirees' contributions to PEBP. 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 future retirees, however, County 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 County as determined by the number of years of service. The PEBP issues a publicly available financial report. The report may be obtained at <https://pebp.state.nv.us/resources/fiscal-utilization-reports/>.

Clark County Firefighters Plan (Fire Plan) provides OPEB to all permanent full-time firefighters. The Fire Plan is a non-trust, single-employer defined benefit OPEB Plan administered by the Clark County Firefighters Union Local 1908. The Clark County Firefighters Union Local 1908 issues a publicly available financial report. The report may be obtained by writing to Clark County Firefighters Union Local 1908 Security Fund, 6200 W. Charleston Boulevard, Las Vegas, NV, 89146 or calling 702-870-1908.

Clark County Retiree Health Program Plan (CC RHPP) provides OPEB to all permanent full-time employees of Clark County (primary government only) enrolled in the health maintenance organization (HMO) Plan. The plan also provides life insurance to eligible retirees of Clark County (primary government only). The CC RHPP is a non-trust, single-employer defined benefit OPEB Plan administered by Clark County.

UMC Retiree Health Program Plan (UMC RHPP) provides OPEB to all permanent full-time employees of UMC. The UMC RHPP is a non-trust single-employer defined benefit OPEB Plan administered by UMC.

CCWRD Retiree Health Program Plan (CCWRD RHPP) provides OPEB to all permanent full-time employees of CCWRD. The CCWRD RHPP is a non-trust, single-employer defined benefit OPEB Plan administered by CCWRD.

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.

The Fire Plan provides medical, dental, vision and prescription drug benefits to eligible retirees who remain enrolled in the Clark County Firefighters Union Local 1908 Security Fund's Health & Welfare Plan. Retirees are eligible to continue coverage in the Health & Welfare Plan as a participant with active employees at a blended premium rate, resulting in an implicit subsidy. Benefit provisions are established and amended through negotiations between the union and the County.

CC RHPP provides medical, dental, vision, prescription drug, and life insurance benefits to eligible retirees and beneficiaries. Retirees are eligible to continue coverage in the HMO Plan as a participant with active employees at a blended premium rate, resulting in an implicit subsidy. Benefit provisions are established and amended through negotiations between the respective unions and the County.

UMC RHPP provides medical, dental, vision, prescription drug, and life insurance benefits to eligible retirees and beneficiaries. Retirees are eligible to continue coverage in the Clark County Self-Funded Group Medical and Dental Benefit Plan or HMO plan as a participant with active employees at a blended premium rate, resulting in an implicit subsidy. Benefit provisions are established and amended through negotiations between the respective unions and UMC.

CCWRD RHPP provides medical, dental, vision, prescription drug, and life insurance benefits to eligible retirees and beneficiaries. Retirees are eligible to continue coverage in the Clark County Self-Funded Group Medical and Dental Benefit Plan or HMO plan as a participant with active employees at a blended premium rate, resulting in an implicit subsidy. Benefit provisions are established and amended through negotiations between the respective unions and CCWRD.

III. DETAILED NOTES - ALL FUNDS

14. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

OPEB Plans Not Administered Through Trusts (Continued)

Employees Covered by Benefit Terms

At June 30, 2018, the following employees were covered by the benefit terms:

	PEBP	Fire Plan	CC RHPP(1)	UMC RHPP	CCWRD RHPP
Inactive employees or beneficiaries currently receiving benefit payments	859	292	1,395	535	92
Inactive employees entitled to but not yet receiving benefit payments	-	-	-	-	-
Active employees	-	694	6,084	3,027	325
<b>Total</b>	<b>859</b>	<b>986</b>	<b>7,479</b>	<b>3,562</b>	<b>417</b>

(1) Includes 3,679 active employees and 1,121 retirees who receive life benefits only.

As of November 1, 2008, PEBP was closed to any new participants.

Total OPEB Liability

The PEBP, CC RHPP, UMC RHPP, and CCWRD RHPP Plan's Total OPEB liability was measured as of June 30, 2017, and was determined by an actuarial valuation as of that date.

Actuarial assumptions: The total OPEB liability for the PEBP, CC RHPP, UMC RHPP, and CCWRD RHPP as of June 30, 2018 was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary increases	Ranges from 4.25% to 13.90% based on years of service, including inflation
Discount Rate	3.58%
Healthcare cost trend rates	7.50% decreasing to an ultimate rate of 4.50%
Retirees' share of benefit-related costs	0% to 100% premium amounts based on years of service

The discount rate was based on Bond Buyer 20-Bond GO Index.

Mortality rates were based on the following:

Health: RP-2000 Combined Healthy Mortality Table, projected to 2013 with Scale AA, set back one year for females (no age set forward for males).

Disabled: RP-2000 Disabled Retiree Mortality Table, projected to 2013 with Scale AA, set forward three years.

The demographic assumptions are based on the Nevada PERS Actuarial Experience Study for the period from July 1, 2006 through June 30, 2012. Salary scale and inflation assumptions are based on the Nevada PERS Actuarial Experience Study for the period from July 1, 2012 through June 30, 2016.

III. DETAILED NOTES - ALL FUNDS

14. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

OPEB Plans Not Administered Through Trusts (Continued)

The Fire Plan's Total OPEB Liability was measured as of June 30, 2018, and was determined by an actuarial valuation as of June 30, 2016.

Actuarial assumptions: The total OPEB liability for the Fire Plan as of June 30, 2018 was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.50%
Salary increases	Ranges from 5.25% to 14.50% based on years of service, including inflation
Discount Rate	3.87%
Healthcare cost trend rates	8.00% decreasing to an ultimate rate of 4.50%
Retirees' share of benefit-related costs	100% of premium amounts based on years of service

The discount rate was based on Bond Buyer 20-Bond GO Index.

Mortality rates were based on the following:

Health: RP-2000 Combined Healthy Mortality Table, projected to 2013 with Scale AA, set forward one year.

Disabled: RP-2000 Disabled Retiree Mortality Table, projected to 2013 with Scale AA, set forward three years.

The retirement, withdrawal, and disability assumptions are aligned with the most recent available Nevada PERS full pension valuation. The initial health care trend rates were set to be consistent with projected medical costs for the next three years and then grading to the ultimate trend assumption that is consistent with the economic assumptions underlying the discount rate. The participation election is based on the Clark County Firefighters Union Local 1908 Security Fund's assumption that all eligible participants elect coverage upon retirement.

Changes in the Total OPEB Liability

	<u>PEBP</u>	<u>Fire Plan</u>	<u>CC RHPP</u>	<u>UMC RHPP</u>	<u>CCWRD RHPP</u>
Balances at 6/30/17	\$ 83,110,653	\$ 81,418,000	\$ 62,622,618	\$ 264,930,262	\$ 38,947,630
Changes for the year:					
Service cost	-	2,703,000	3,980,478	18,335,102	2,063,444
Interest	2,342,253	2,927,000	1,900,381	8,032,804	1,162,967
Differences between expected and actual experience	224,632	-	269,445	5,259	(71,011)
Change in assumptions	(7,738,866)	(3,992,000)	(5,211,875)	(35,408,967)	(4,911,726)
Benefit payments	(3,010,759)	(2,021,000)	(1,531,269)	(3,220,455)	(467,674)
Net Changes	<u>(8,182,740)</u>	<u>(383,000)</u>	<u>(592,840)</u>	<u>(12,256,257)</u>	<u>(2,224,000)</u>
Balances at 6/30/18	<u>\$ 74,927,913</u>	<u>\$ 81,035,000</u>	<u>\$ 62,029,778</u>	<u>\$ 252,674,005</u>	<u>\$ 36,723,630</u>

Changes in Assumptions:

PEBP, CC RHPP, UMC RHPP and CCWRD RHPP: The discount rate was updated from 2.85% as of June 30, 2016 to 3.58% as of June 30, 2017. The actuarial cost method was changed from Entry age level dollar to Entry age level of percent of pay.

Fire Plan: The discount rate was updated from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018.

III. DETAILED NOTES - ALL FUNDS

14. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

OPEB Plans Not Administered Through Trusts (Continued)

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the plans as well as what the plans' total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87% for Fire Plan/ 2.58% for all other plans) or 1-percentage-point higher (4.87% for Fire Plan/4.58% for all other plans) than the current discount rate:

	1% Decrease 2.58%	Discount Rate 3.58%	1% Increase 4.58%
PEBP	\$ 85,947,624	\$ 74,927,913	\$ 65,935,860
CC RHPP	\$ 69,507,839	\$ 62,029,778	\$ 55,655,282
UMC RHPP	\$ 302,843,987	\$ 252,674,005	\$ 213,046,012
CCWRD RHPP	\$ 43,677,314	\$ 36,723,630	\$ 31,199,952

	1% Decrease 2.87%	Discount Rate 3.87%	1% Increase 4.87%
Fire Plan	\$ 96,057,000	\$ 81,035,000	\$ 69,266,000

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates: The following presents the total OPEB liability of the plans as well as what the plans' total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (7.0% decreasing to 3.50% for the Fire Plan and 6.50% decreasing to 3.50% for all other plans) or 1-percentage-point higher (9.0% decreasing to 5.50% for the Fire Plan and 8.50% decreasing to 5.50% for all other plans) than the current healthcare cost trend rates:

	1% Decrease Ultimate 3.50%	Trend Rates Ultimate 4.50%	1% Increase Ultimate 5.50%
PEBP	\$ 65,709,386	\$ 74,927,913	\$ 86,007,067
Fire Plan	\$ 66,566,000	\$ 81,035,000	\$ 99,894,000
CC RHPP	\$ 50,318,321	\$ 62,029,778	\$ 86,822,879
UMC RHPP	\$ 187,812,202	\$ 252,674,005	\$ 347,111,011
CCWRD RHPP	\$ 28,279,343	\$ 36,723,630	\$ 48,758,876

OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the County recognized the following OPEB expense for plans not administered through a trust.

	PEBP	Fire Plan	CC RHPP	UMC RHPP	CCWRD RHPP
OPEB Expense	\$ (5,171,981)	\$ 5,059,000	\$ 5,312,044	\$ 22,136,166	\$ 2,571,185

III. DETAILED NOTES - ALL FUNDS

14. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

OPEB Plans Not Administered Through Trusts (Continued)

At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources for OPEB plans not administered through trusts from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>PEBP</u>		
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Contributions made after measurement date	2,962,063	-
Total PEBP	<u>\$ 2,962,063</u>	<u>\$ -</u>
<u>Fire Plan</u>		
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	3,421,000
Contributions made after measurement date	-	-
Total Fire	<u>\$ -</u>	<u>\$ 3,421,000</u>
<u>CC RHPP</u>		
Differences between expected and actual experience	\$ 314,968	\$ 76,234
Changes in assumptions	-	4,612,349
Contributions made after measurement date	1,442,070	-
Total CC RHPP	<u>\$ 1,757,038</u>	<u>\$ 4,688,583</u>
<u>UMC RHPP</u>		
Differences between expected and actual experience	\$ 77,337	\$ 71,952
Changes in assumptions	-	31,177,353
Contributions made after measurement date	3,152,262	-
Total UMC RHPP	<u>\$ 3,229,599</u>	<u>\$ 31,249,305</u>
<u>CCWRD RHPP</u>		
Differences between expected and actual experience	\$ -	\$ 61,663
Changes in assumptions	-	4,265,848
Contributions made after measurement date	558,320	-
Total CCWRD RHPP	<u>\$ 558,320</u>	<u>\$ 4,327,511</u>

III. DETAILED NOTES - ALL FUNDS

14. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

OPEB Plans Not Administered Through Trusts (Continued)

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date totaling \$8,114,715 will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows/ (inflows) of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Fire Plan</u>	<u>CC RHPP</u>	<u>UMC RHPP</u>	<u>CCWRD RHPP</u>
2019	\$ (571,000)	\$ (561,639)	\$ (4,231,740)	\$ (655,226)
2020	(571,000)	(561,639)	(4,231,740)	(655,226)
2021	(571,000)	(561,639)	(4,231,740)	(655,226)
2022	(571,000)	(561,639)	(4,231,740)	(655,226)
2023	(571,000)	(561,639)	(4,231,740)	(655,226)
Thereafter	(566,000)	(1,565,420)	(10,013,268)	(1,051,381)

Discretely Presented Component Units

Clark County Regional Flood Control District

*General Information about the Other Post Employment Benefit (OPEB) Plans*

Plan Descriptions

Public Employees' Benefits Plan (PEBP) is a non-trust, agent multiple-employer defined benefit OPEB plan administered by the State of Nevada. Clark County Regional Flood Control District (the "District") subsidizes eligible retirees' contributions to PEBP. 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 future retirees, however, County 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 County as determined by the number of years of service. The PEBP issues a publicly available financial report. The report may be obtained at <https://pebp.state.nv.us/resources/fiscal-utilization-reports/>.

Retiree Health Program Plan (RHPP) provides OPEB to all permanent full-time employees of the District. The RHPP is a non-trust single-employer defined benefit OPEB Plan administered by the District.

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.

RHPP provides medical, dental, vision, prescription drug, and life insurance benefits to eligible retirees and beneficiaries. Retirees are eligible to continue coverage in the Clark County Self-Funded Group Medical and Dental Benefits Plan or HMO plan as a participant with active employees at a blended premium rate, resulting in an implicit subsidy. Benefit provisions are established and amended through negotiations between the respective unions and the District.

Employees Covered by Benefit Terms

At June 30, 2018, the following employees were covered by the benefit terms:

	<u>PEBP</u>	<u>RHPP</u>
Inactive employees or beneficiaries currently receiving benefit payments	3	8
Inactive employees entitled to but not yet receiving benefit payments	-	-
Active employees	-	21
Total	<u>3</u>	<u>29</u>

As of November 1, 2008, PEBP was closed to any new participants.

III. DETAILED NOTES - ALL FUNDS

14. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

Discretely Presented Component Units (Continued)

Clark County Regional Flood Control District (Continued)

Total OPEB Liability

The District's Total OPEB liability was measured as of June 30, 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:

Inflation	2.75%
Salary increases	Ranges from 4.25% to 13.90% based on years of service, including inflation
Discount Rate	3.58%
Healthcare cost trend rates	7.50% decreasing to an ultimate rate of 4.50%
Retirees' share of benefit-related costs	0% to 100% premium amounts based on years of service

The discount rate was based on Bond Buyer 20-Bond GO Index.

Mortality rates were based on the following:

Health: RP-2000 Combined Healthy Mortality Table, projected to 2013 with Scale AA, set back one year for females (no age set forward for males).

Disabled: RP-2000 Disabled Retiree Mortality Table, projected to 2013 with Scale AA, set forward three years.

The demographic assumptions are based on the Nevada PERS Actuarial Experience Study for the period from July 1, 2006 through June 30, 2012. Salary scale and inflation assumptions are based on the Nevada PERS Actuarial Experience Study for the period from July 1, 2012 through June 30, 2016.

Changes in the Total OPEB Liability

	PEBP	RHPP	Total OPEB Liability
Balances at 6/30/17	\$ 157,350	\$ 2,980,962	\$ 3,138,312
Changes for the year:			
Service cost	-	133,566	133,566
Interest	4,428	88,281	92,709
Differences between expected and actual experience	(2,546)	(2,134)	(4,680)
Change in assumptions	(11,840)	(369,545)	(381,385)
Benefit payments	(4,164)	(38,224)	(42,388)
Net Changes	(14,122)	(188,056)	(202,178)
Balances at 6/30/18	\$ 143,228	\$ 2,792,906	\$ 2,936,134

Changes in Assumptions:

The discount rate was updated from 2.85% as of June 30, 2016 to 3.58% as of June 30, 2017. The actuarial cost method was changed from Entry age level dollar to Entry age level of percent of pay.

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%) or 1-percentage-point higher (4.58%) than the current discount rate:



III. DETAILED NOTES - ALL FUNDS

14. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

Discretely Presented Component Units (Continued)

Clark County Regional Flood Control District (Continued)

	1% Decrease 2.58%	Discount Rate 3.58%	1% Increase 4.58%
PEBP	\$ 159,829	\$ 143,228	\$ 129,139
RHPP	3,315,465	2,792,906	2,374,722
Total OPEB Liability	<u>\$ 3,475,294</u>	<u>\$ 2,936,134</u>	<u>\$ 2,503,861</u>

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 a healthcare cost trend rate that is 1-percentage-point lower (6.50% decreasing to 3.50%) or 1-percentage-point higher (8.50% decreasing to 5.50%) than the current healthcare cost trend rates:

	1% Decrease Ultimate 3.50%	Trend Rates Ultimate 4.50%	1% Increase Ultimate 5.50%
PEBP	\$ 128,692	\$ 143,228	\$ 160,031
RHPP	2,129,517	2,792,906	3,713,946
Total OPEB Liability	<u>\$ 2,258,209</u>	<u>\$ 2,936,134</u>	<u>\$ 3,873,977</u>

OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the District recognized the following OPEB expense of \$146,478. The breakdown by plan is as follows:

PEBP	RHPP	Total All Plans
\$ (9,958)	\$ 156,436	\$ 146,478

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>PEBP</b>		
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Contributions made after measurement date	7,067	-
Total PEBP	<u>\$ 7,067</u>	<u>\$ -</u>
<b>RHPP</b>		
Differences between expected and actual experience	\$ -	\$ 1,756
Changes in assumptions	-	304,512
Contributions made after measurement date	44,997	-
Total RHPP	<u>\$ 44,997</u>	<u>\$ 306,268</u>
<b>Total All Plans</b>		
Differences between expected and actual experience	\$ -	\$ 1,756
Changes in assumptions	-	304,512
Contributions made after measurement date	52,064	-
Total All Plans	<u>\$ 52,064</u>	<u>\$ 306,268</u>

III. DETAILED NOTES - ALL FUNDS

14. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

Discretely Presented Component Units (Continued)

Clark County Regional Flood Control District (Continued)

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date totaling \$52,064 will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows/ (inflows) of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal year ending June 30:	
2019	\$ (45,849)
2020	(45,849)
2021	(45,849)
2022	(45,849)
2023	(45,849)
Thereafter	(77,023)

Regional Transportation Commission of Southern Nevada

*General Information about the Other Post Employment Benefit (OPEB) Plans*

Plan Descriptions

Public Employees' Benefits Plan (PEBP) is a non-trust, agent multiple-employer defined benefit OPEB plan administered by the State of Nevada. Regional Transportation Commission of Southern Nevada (RTC) subsidizes eligible retirees' contributions to PEBP. 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 future retirees, however, County 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 County as determined by the number of years of service. The PEBP issues a publicly available financial report. The report may be obtained at <https://pebp.state.nv.us/resources/fiscal-utilization-reports/>.

Retiree Health Program Plan (RHPP) provides OPEB to all permanent full-time employees of the RTC. The RHPP is a non-trust single-employer defined benefit OPEB Plan administered by RTC.

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.

RHPP provides medical, dental, vision, prescription drug, and life insurance benefits to eligible retirees and beneficiaries. Retirees are eligible to continue coverage in the Clark County Self-Funded Group Medical and Dental Benefit Plan or HMO plan as a participant with active employees at a blended premium rate, resulting in an implicit subsidy. Benefit provisions are established and amended through negotiations between the respective unions and the RTC.

Employees Covered by Benefit Terms

At June 30, 2018, the following employees were covered by the benefit terms:

	PEBP	RHPP
Inactive employees or beneficiaries currently receiving benefit payments	23	19
Inactive employees entitled to but not yet receiving benefit payments	-	-
Active employees	-	298
Total	<u>23</u>	<u>317</u>

As of November 1, 2008, PEBP was closed to any new participants.

III. DETAILED NOTES - ALL FUNDS

14. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

Discretely Presented Component Units (Continued)

Regional Transportation Commission of Southern Nevada (Continued)

Total OPEB Liability

The RTC's Total OPEB liability was measured as of June 30, 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:

Inflation	2.75%
Salary increases	Ranges from 4.25% to 13.90% based on years of service, including inflation
Discount Rate	3.58%
Healthcare cost trend rates	7.50% decreasing to an ultimate rate of 4.50%
Retirees' share of benefit-related costs	0% to 100% premium amounts based on years of service

The discount rate was based on Bond Buyer 20-Bond GO Index

Mortality rates were based on the following:

Health: RP-2000 Combined Healthy Mortality Table, projected to 2013 with Scale AA, set back one year for females (no age set forward for males).

Disabled: RP-2000 Disabled Retiree Mortality Table, projected to 2013 with Scale AA, set forward three years.

The demographic assumptions are based on the Nevada PERS Actuarial Experience Study for the period from July 1, 2006 through June 30, 2012. Salary scale and inflation assumptions are based on the Nevada PERS Actuarial Experience Study for the period from July 1, 2012 through June 30, 2016.

Changes in the Total OPEB Liability

	<u>PEBP</u>	<u>RHPP</u>	<u>Total OPEB Liability</u>
Balances at 6/30/17	\$ 1,358,211	\$ 17,221,184	\$ 18,579,395
Changes for the year:			
Service cost	-	1,548,246	1,548,246
Interest	37,523	534,440	571,963
Differences between expected and actual experience	27,873	(82,457)	(54,584)
Change in assumptions	(107,325)	(2,389,821)	(2,497,146)
Benefit payments	(85,082)	(60,628)	(145,710)
Net Changes	<u>(127,011)</u>	<u>(450,220)</u>	<u>(577,231)</u>
Balances at 6/30/18	<u>\$ 1,231,200</u>	<u>\$ 16,770,964</u>	<u>\$ 18,002,164</u>

Changes in Assumptions:

The discount rate was updated from 2.85% as of June 30, 2016 to 3.58% as of June 30, 2017. The actuarial cost method was changed from Entry age level dollar to Entry age level of percent of pay.

III. DETAILED NOTES - ALL FUNDS

14. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

Discretely Presented Component Units (Continued)

Regional Transportation Commission of Southern Nevada (Continued)

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the RTC as well as what the RTC's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58%) or 1-percentage-point higher (4.58%) than the current discount rate:

	1% Decrease 2.58%	Discount Rate 3.58%	1% Increase 4.58%
PEBP	\$ 1,381,924	\$ 1,231,200	\$ 1,104,703
RHPP	20,158,159	16,770,964	14,101,269
Total OPEB Liability	<u>\$ 21,540,083</u>	<u>\$ 18,002,164</u>	<u>\$ 15,205,972</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates: The following presents the total OPEB liability of the RTC as well as what the RTC's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (6.50% decreasing to 3.50%) or 1-percentage-point higher (8.50% decreasing to 5.50%) than the current healthcare cost trend rates:

	1% Decrease Ultimate 3.50%	Trend Rates Ultimate 4.50%	1% Increase Ultimate 5.50%
PEBP	\$ 1,100,879	\$ 1,231,200	\$ 1,383,512
RHPP	12,225,425	16,770,964	23,628,765
Total OPEB Liability	<u>\$ 13,326,304</u>	<u>\$ 18,002,164</u>	<u>\$ 25,012,277</u>

OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the RTC recognized the following OPEB expense of \$ 1,791,376. The breakdown by plan is as follows:

PEBP	RHPP	Total All Plans
\$ (41,929)	\$ 1,833,305	\$ 1,791,376

III. DETAILED NOTES - ALL FUNDS

14. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

Discretely Presented Component Units (Continued)

Regional Transportation Commission of Southern Nevada (Continued)

At June 30, 2018, the RTC reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
PEBP		
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Contributions made after measurement date	60,753	-
Total PEBP	<u>\$ 60,753</u>	<u>\$ -</u>
RHPP		
Differences between expected and actual experience	\$ -	\$ 74,184
Changes in assumptions	-	2,148,713
Contributions made after measurement date	145,977	-
Total RHPP	<u>\$ 145,977</u>	<u>\$ 2,222,897</u>
Total All Plans		
Differences between expected and actual experience	\$ -	\$ 74,184
Changes in assumptions	-	2,148,713
Contributions made after measurement date	206,730	-
Total All Plans	<u>\$ 206,730</u>	<u>\$ 2,222,897</u>

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date totaling \$206,730 will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows/ (inflows) of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal year ending June 30:	
2019	\$ (249,381)
2020	(249,381)
2021	(249,381)
2022	(249,381)
2023	(249,831)
Thereafter	(975,992)

Las Vegas Valley Water District

*General Information about the Other Post Employment Benefit (OPEB) Plan*

Plan Description

The Las Vegas Valley Water District (LVVWD) provides OPEB to all permanent full-time employees of the LVVWD. The OPEB plan is a non-trust single-employer defined benefit OPEB Plan administered by the LVVWD.

Benefits Provided

The OPEB plan provides medical, dental, vision, prescription drug, and life insurance benefits to eligible retirees and beneficiaries. Under the OPEB plan, employees who retire directly from the District are eligible to continue health benefits through Clark County, Nevada, the LVVWD's insurance provider. For retirees who retire with pension benefits unreduced for early retirement, the LVVWD pays the full premium for retirees and 85% of the premiums for their dependents until the retirees are eligible for Medicare or reach age 65. When the retirees are eligible for Medicare or at 65, the retirees may continue coverage but must pay 100% of the premium. Retirees who retire early with reduced pension benefits can stay enrolled as a participant with active employees paying 100% of a blended premium rate,

III. DETAILED NOTES - ALL FUNDS

14. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

Discretely Presented Component Units (Continued)

Las Vegas Valley Water District (Continued)

resulting in an implicit subsidy. Benefit provisions are established and amended through negotiations between the respective unions and the LVVWD.

Employees Covered by Benefit Terms

At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefit payments	143
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	1,193
Total	<u>1,336</u>

Total OPEB Liability

The LVVWD's Total OPEB liability was measured as of June 30, 2018, and was determined by an actuarial valuation as of July 1, 2016.

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:

Inflation	2.75%
Salary increases	3.00%
Discount Rate	3.87%
Healthcare cost trend rates	6.75% decreasing to an ultimate rate of 4.25%
Retirees' share of benefit-related costs	Retiree with full pension benefits not eligible for Medicare or age 65-15% for dependent coverage. All other retirees pay 100% of premium amounts.

The discount rate was based on Bond Buyer 20-Bond GO Index

Mortality rates were based on RP-2000 Combined Healthy/Disabled Mortality Table, projected to 2015 using projection scale AA.

The actuarial assumptions used in the June 30, 2018 valuation were not based on a formal experience study. The actuary reviews the experience and assumptions each year and makes recommendations when a change is needed.

Changes in the Total OPEB Liability

Balance at 6/30/17	\$	45,166,019
Changes for the year:		
Service cost		2,570,819
Interest		1,670,930
Differences between expected and actual experience		-
Change in assumptions		(1,361,784)
Benefit payments		(2,144,464)
Net Changes		<u>735,501</u>
Balance at 6/30/18	\$	<u>45,901,520</u>

III. DETAILED NOTES - ALL FUNDS

14. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

Discretely Presented Component Units (Continued)

Las Vegas Valley Water District (Continued)

Changes in Assumptions:

The discount rate was updated from 3.58% as of June 30, 2017 to 3.87% 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 LVVWD as well as what the LVVWD's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87%) or 1-percentage-point higher (4.87%) than the current discount rate:

	1% Decrease 2.87%	Discount Rate 3.87%	1% Increase 4.87%
LVVWD OPEB Plan	\$ 53,022,890	\$ 45,901,520	\$ 39,841,647

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates: The following presents the total OPEB liability of the LVVWD as well as what the LVVWD's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (5.75% decreasing to 3.25%) or 1-percentage-point higher (7.75% decreasing to 5.25%) than the current healthcare cost trend rates:

	1% Decrease Ultimate 3.25%	Trend Rates Ultimate 4.25%	1% Increase Ultimate 5.25%
LVVWD OPEB Plan	\$ 39,910,449	\$ 45,901,520	\$ 53,078,054

OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the LVVWD recognized the following OPEB expense of \$4,100,000. The breakdown by plan is as follows:

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	1,231,843
Net difference between projected and actual earnings on investments	-	-
Contributions made after measurement date	-	-
Total	<u>\$ -</u>	<u>\$ 1,231,843</u>

Amounts reported as deferred outflows/ (inflows) of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal year ending June 30:	
2019	\$ (129,941)
2020	(129,941)
2021	(129,941)
2022	(129,941)
2023	(129,941)
Thereafter	(582,138)

III. DETAILED NOTES - ALL FUNDS

15. SUBSEQUENT EVENTS

Primary Government

On October 16, 2018, the County issued \$1,803,030 in Special Improvement District No. 162A (Laughlin Lagoon) Local Improvement Bonds with an interest rate of 6.93%. Additionally, \$1,611,465 was received in prepayments. The proceeds totaled \$3,414,495. The proceeds are being used to: (i) finance the cost of improving a waterfront project; and (ii) pay the costs of issuing the Bonds. The bonds will be repaid from assessments levied in SID 162A. Principal and Interest is paid semiannually beginning February 1, 2019. The bonds mature on August 1, 2028.

On November 1, 2018, the County issued \$25,000,000 in Subordinate Revenue Notes, Series 2018A (Regional Justice Center) with an interest rate of 2.75%. The note proceeds totaled \$25,000,000. The proceeds are being used to purchase the City's leasehold space in the Regional Justice Center to accommodate additional County courtroom facilities and related support offices as well as necessary tenant improvements. These notes are an interim financing method and will be refinanced with long-term 20-year General Obligation (Limited Tax) Bonds additionally secured by court administrative assessment fees in the spring of 2019. Interest is paid on February 1, 2019 and August 1, 2019. The note matures and the principal will be paid on August 1, 2019.

On November 20, 2018, the County issued \$150,000,000 in General Obligation (Limited Tax) Park Improvement Bonds (Additionally Secured by Pledged Revenues) Series 2018. The bond proceeds totaled \$166,409,119. The proceeds of the bonds will be used to acquire, improve, equip, operate and maintain park projects and pay the costs of issuing the 2018 Bonds. The long-term bonds will be repaid by consolidated tax revenues. Interest payments are paid semiannually on December 1 and June 1 beginning December 1, 2019 with an interest rate ranging from 4.0% to 5.0%. Principal payments will be paid annually beginning December 1, 2020. The bonds mature on December 1, 2038.

On November 20, 2018, the County issued \$272,565,000 in General Obligation (Limited Tax) Transportation Improvement Bonds (Additionally Secured by Pledged Revenues) Series 2018B (Strip Resort Corridor). The bond proceeds totaled \$301,216,997. The proceeds of the bonds will be used to accelerate the construction of transportation projects and pay the costs of issuing the 2018B Bonds. Projects include but are not limited to pedestrian bridges and improvements to roadways in the Strip Resort Corridor. The long-term bonds will be repaid by proceeds from a 1 % room tax collected on the gross receipts from the rental of transient lodging (hotel/motel rooms) in the Strip Resort Corridor. Interest payments are paid semiannually on December 1 and June 1 beginning June 1, 2019 with an interest rate ranging from 4.0% to 5.0%. Principal payments will be paid annually beginning December 1, 2020. The bonds mature on December 1, 2039.

On December 19, 2018, the County issued \$215,170,000 in Subordinate Revenue Notes, Series 2018B (Detention Center) with an interest rate of 2.7855%. The note proceeds totaled \$215,170,000. The proceeds are being used to purchase the Detention Leased Property that is being used for the operation of a low level offender facility and administrative offices located at 4900 North Sloan Lane that the County entered in to a long-term lease agreement with PH Metro, LLC for the lease of approximately 15.3 acres of land with a 230,834 square foot correctional, administrative building, and related facilities in September 2007, and pay the costs of issuing the 2018B notes. The term of the lease commenced on August 10, 2009. Clark County had the option to purchase the Detention Leased Property beginning ten years after the recordation of the deed of trust for the landlord's permanent loan and exercised its purchase option. These notes are an interim financing method and will be refinanced with long-term General Obligation Bonds additionally secured by pledged consolidated tax revenues in 2019. Interest payments are paid monthly beginning February 1, 2019 at an interest rate of 2.7855% per annum. The notes mature on August 1, 2019.

On December 19, 2018, the County issued \$60,000,000 in Subordinate Revenue Notes, Series 2018C (Family Services Building) Drawdown-Line of Credit. The note proceeds totaled \$127,066. The proceeds are being used to pay the costs of issuing the 2018C notes. The 2018C notes are being issued for the purpose of providing moneys to finance all or a portion of the cost of acquiring, improving, and equipping of building(s) for use by the Department of Family Services. These notes are an interim financing method and will be refinanced with long-term General Obligation Bonds additionally secured by pledged consolidated tax revenues in 2019. Interest payments are paid monthly beginning February 1, 2019 at an interest rate of 80% of the 1-month LIBOR Index plus 0.28%. The notes mature on December 18, 2019.

The County intends to issue General Obligation (Limited Tax) Transportation Improvement Bonds (Additionally Secured by Pledged Revenues) in an amount not to exceed \$300,000,000 for the purpose of financing costs to acquire, improve, equip, operate and maintain transportation projects. The long-term bonds will be general obligations of the County, and will be additionally secured and paid from Master Transportation Plan revenues which include the Governmental Services Tax, Development Tax, and Non-Resort Corridor Room Tax (Beltway Pledged Revenues).

The County intends to issue General Obligation (Limited Tax) (Additionally Secured with Pledged Revenues) Transportation Refunding Bonds in an amount not to exceed \$32,555,000 for the purpose of refunding a portion of the General Obligation (Limited Tax) Transportation Bonds (Additionally Secured with Pledged Revenues) Series 2009B-1 (Taxable Direct Pay Build America Bonds) (the Series "2009B Bonds") for interest rate savings. The proceeds of the Series 2009B Bonds were originally used to finance transportation improvement projects.

Regional Flood Control District

On August 9, 2018, the Regional Flood Control District's Board of Directors adopted a resolution requesting the Board of County Commissioners to issue general obligation bonds on behalf of the District in the maximum principal amount of no more than \$200 million. The proceeds will be used to accelerate the construction of flood control projects identified on the District's Ten-Year Construction Program. Projects include detention basins, storm drains, and open channels located throughout Clark County that are identified in the



III. DETAILED NOTES - ALL FUNDS

15. SUBSEQUENT EVENTS (Continued)

Master Plans and will improve the protection of life and property for residents and visitors from the impacts of flooding. The estimated Series 2019 Bond sale and closing is expected in March 2019.

16. TAX ABATEMENTS

State of Nevada Tax Abatements

For year ended June 30, 2018, Clark County tax revenues were reduced by a total of \$2,310,669 under agreements entered into by the State of Nevada that include the following:

- Aviation (NRS 360.753) - Partial abatement of one or more of personal property and local sales and use taxes imposed on aircraft, components of aircraft and other personal property used for certain purposes related to aircraft.
- Data Centers (NRS 360.754) - Partial abatement of one or more of property and local sales and use taxes imposed on a new or expanded data center.
- Renewable Energy (NRS 701A.370) - Partial abatement of one or more of property and local sales and use taxes imposed on renewable energy facilities.
- Standard (NRS 374.357) - Partial abatement of sales and use taxes imposed on eligible machinery or equipment used by certain new or expanded businesses.

The total amounts abated by agreement for Clark County for the year ended June 30, 2018 were as follows:

Agreement	Tax Abated	<u>Amount Abated</u>
Aviation (NRS 360.753)	Personal property taxes and/or sales and use taxes	\$ 97,682
Data Centers (NRS 360.754)	Property taxes and/or sales and use taxes	1,234,888
Renewable Energy (NRS 701A.370)	Property taxes and/or sales and use taxes	150,709
Standard (NRS 374.357)	Sales and use taxes	<u>827,390</u>
Total		<u>\$ 2,310,669</u>

## APPENDIX B

### SUMMARY OF CERTAIN PROVISIONS OF THE BOND ORDINANCE

The following is a brief summary of certain provisions of the Bond Ordinance. Such statements do not purport to be complete and reference is made to the Bond Ordinance, copies of which are on file and available for examination at the principal office of the County.

#### Definitions

Certain terms used in the Bond Ordinance are defined substantially as follows:

“Acquisition Account” means the special account designated as the “Clark County, Nevada, General Obligation (Limited Tax) Family Services Bonds, Series 2019 Acquisition Account” and created in the Bond Ordinance.

“Annual principal and interest requirements” means the sum of the principal of and interest on the Outstanding Bonds and any other Outstanding securities designated payable from the Pledged Revenues having a lien thereon superior to or on a parity with the lien thereon of the Bonds, to be paid during any Bond Year, but excluding any reserve requirements to secure such payments unless otherwise expressly provided and excluding any amount payable from capitalized interest. In calculating this amount, the principal amount of bonds required to be redeemed prior to maturity pursuant to a mandatory redemption schedule contained in the ordinance or other instrument authorizing the issuance of such bonds (e.g., the schedule, if any, set forth in the Certificate of the Chief Financial Officer) shall be treated as maturing in the Bond Year in which such bonds are so required to be redeemed, rather than in the Bond Year in which the stated maturity of such bonds occurs.

“Board” means the Board of County Commissioners of Clark County, in the State of Nevada, including any successor of the County.

“Bond Act” means NRS 350.500 through 350.720, and all laws amendatory thereof, designated in NRS 350.500 thereof as the Local Government Securities Law.

“Bond Fund” or “2019 Bond Fund” means the special account designated as the “Clark County, Nevada, General Obligation (Limited Tax) Family Services Bonds, Series 2019, Pledged Revenues Interest and Principal Retirement Fund,” created in the Bond Ordinance, which shall be held separate and apart from the Revenue Account.

“2019 Detention Center Bond Fund” means the special account designated as the “Clark County, Nevada, General Obligation (Limited Tax) Detention Center Bonds, Series 2019, Pledged Revenues Interest and Principal Retirement Fund,” created in the 2019 Detention Center Bond Ordinance.

“2018 Bond Fund” means the special account designated as the “Clark County, Nevada, General Obligation (Limited Tax) Park Improvement Bonds, Series 2018, Pledged Revenues Interest and Principal Retirement Fund,” created in the 2018 Bond Ordinance.

“2015 Bond Fund” means the special account designated as the “Clark County, Nevada, General Obligation (Limited Tax) Park & Regional Justice Center Refunding Bonds, Series 2015, Pledged Revenues Interest and Principal Retirement Fund,” created in the 2015 Bond Ordinance.

“2019 Detention Center Bond Ordinance” means the ordinance adopted by the Board authorizing the issuance of the 2019 Detention Center Bonds.

“2018 Bond Ordinance” means the ordinance adopted by the Board authorizing the issuance of the 2018 Bonds.

“2015 Bond Ordinance” means the ordinance adopted by the Board authorizing the issuance of the 2015 Bonds.

“Bond Requirements” means the principal of, any prior redemption premiums due in connection with, and the interest on the Bonds, the 2015 Bonds, the 2018 Bonds, the 2019 Detention Center Bonds and any additional bonds or other additional securities payable from the Pledged Revenues and hereafter issued, or such part of such securities or such other securities as may be designated, as such principal, premiums and interest become due at maturity or on a Redemption Date designated in a mandatory redemption schedule, in a notice of prior redemption, or otherwise.

“Bonds”, “Bond” or “2019 Bonds” means the securities issued pursuant to the Bond Ordinance and designated as the “Clark County, Nevada, General Obligation (Limited Tax) Family Services Bonds (Additionally Secured by Pledged Revenues), Series 2019.”

“2019 Detention Center Bonds” means the securities issued pursuant to the 2019 Detention Center Bond Ordinance and designated as the “Clark County, Nevada, General Obligation (Limited Tax) Detention Center Bonds (Additionally Secured by Pledged Revenues), Series 2019.”

“2018 Bonds” means the securities issued pursuant to the 2018 Bond Ordinance and designated as the “Clark County, Nevada, General Obligation (Limited Tax) Park Improvement Bonds (Additionally Secured by Pledged Revenues), Series 2018.”

“2015 Bonds” means the securities issued pursuant to the 2015 Bond Ordinance and designated as the “Clark County, Nevada, General Obligation (Limited Tax) Park & Regional Justice Center Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2015.”

“Bond Year” means the 12 months commencing on June 2 of any calendar year and ending on June 1 of the next succeeding calendar year.

“Budget Act” means NRS 354.470 to 354.626, inclusive, and all laws amendatory thereof, designated in 354.470 thereof as the Local Government Budget and Finance Act.

“Certificate of the Chief Financial Officer” means the certificate dated on or before the date of delivery of the Bonds executed by the Chief Financial Officer.

“Chair” means the de jure or de facto chair of the Board of County Commissioners, or his successor in functions, if any.

“Chief Financial Officer” means the de jure or de facto chief financial officer of the County and designated as such by the County.

“Clerk” or “County Clerk” means the de jure or de facto county clerk of the County and designated as such by the County, or his successor in functions, if any.

“combined maximum annual principal and interest requirements” means the greatest of the annual principal and interest requirements to be paid during any Bond Year for the period beginning with the Bond Year in which such computation is made and ending with the Bond Year in which any bond last becomes due at maturity or on a Redemption Date on which any bond thereafter maturing is called for prior redemption. If any Outstanding bonds are subject to variable interest rates, for the purpose of such computation, such interest rates shall be determined by an Independent Accountant, an independent feasibility consultant or the Chief Financial Officer. Any such computation shall be adjusted as provided in the Bond Ordinance, and shall be made by an Independent Accountant, an independent feasibility consultant or the Chief Financial Officer if expressly so required.

“Comparable Bond Year” means, in connection with any Fiscal Year, the Bond Year which ends in the Fiscal Year. For example, for the Fiscal Year commencing on July 1, 2019, the Comparable Bond Year commences on June 2, 2019 and ends on June 1, 2020.

“Consolidated Tax” means certain proceeds of liquor taxes, tobacco taxes, real property transfer taxes, governmental services taxes and basic and supplemental sales taxes distributed to and imposed within the County pursuant to the Consolidated Tax Act.

“Consolidated Tax Act” means, collectively, NRS Chapter 360, as amended from time to time, as implemented by the County pursuant to the Clark County Code, as amended from time to time.

“Costs of Issuance Account” means the special account designated as the “Clark County, Nevada, General Obligation (Limited Tax) Family Services Bonds, Series 2019 Costs of Issuance Account” created in the Bond Ordinance.

“Cost of the Project” means all or any part designated by the County of the cost of the Project, which cost, at the option of the County, except as limited by law, may include all or any part of the incidental costs relating to the Project, including, without limitation:

(a) Preliminary expenses advanced by the County from funds available for use therefor or from any other source, or advanced with the approval of the County from funds available therefor or from any other source by the State, the Federal Government, or by any other Person with the approval of the County (or any combination thereof);

(b) The costs in the making of surveys, audits, preliminary plans, other plans, specifications, estimates of costs, and other preliminaries;

(c) The costs of appraising, printing, estimates, advice, services of engineers, architects, accountants, financial consultants, attorneys at law, clerical help, or other agents or employees;

(d) The costs of making, publishing, posting, mailing and otherwise giving any notice in connection with the Project, the filing or recordation of instruments, the taking of options, the issuance of the Bonds and any other securities relating to the Project, and bank fees and expenses;

(e) The costs of contingencies;

(f) The costs of any discount on the bonds or other securities, and of any reserves for the payment of the principal of and interest on the Bonds or other securities, of any replacement expenses, and of any other cost of the issuance of the Bonds or other securities relating to the Project;

(g) The costs of amending any ordinance, resolution or other instrument authorizing the issuance of or otherwise relating to the Outstanding Bonds or other securities relating to the Project; and

(h) All other expenses necessary or desirable and relating to the Project, as estimated or otherwise ascertained by the County.

“County” means the County of Clark in the State, and constituting a political subdivision thereof, or any successor municipal corporation.

“County Treasurer” or “Treasurer” means the de jure or de facto county treasurer of the County and designated as such by the County.

“Escrow Account” means the special account designated as the “Clark County, Nevada, General Obligation (Limited Tax) Family Services Bonds, Series 2019C Escrow Account,” created in the Bond Ordinance and held by the Escrow Bank.

“Escrow Agreement” means the agreement, if any, between the County and the Escrow Bank concerning the outstanding 2018C Notes.

“Escrow Bank” means The Bank of New York Mellon Trust Company, N.A., and its successors or assigns.

“Department of Taxation” means the Nevada Department of Taxation of the State created by section 11, chapter 748, Statutes of Nevada 1975.

“Events of Default” means the events stated in the Bond Ordinance.

“Federal Government” means the United States, or any agency, instrumentality or corporation thereof.

“Federal Securities” means bills, certificates of indebtedness, notes, bonds or similar securities which are direct obligations of, or the principal and interest of which securities are unconditionally guaranteed by, the United States.

“Fiscal Year” means the 12 months commencing on July 1 of any calendar year and ending on June 30 of the next succeeding calendar year; but if the Nevada legislature

changes the statutory fiscal year relating to the County, the Fiscal Year shall conform to such modified statutory fiscal year from the time of each such modification, if any.

“General Tax Interest Account” means the “Clark County, Nevada, General Obligation (Limited Tax) Family Services Bonds, Series 2019, General Tax Interest Account,” created in the Bond Ordinance.

“General Tax Principal Account” means the “Clark County, Nevada, General Obligation (Limited Tax) Family Services Bonds, Series 2019, General Tax Principal Account,” created in the Bond Ordinance.

“General Taxes” or “Taxes” means general (ad valorem) taxes levied by the County against all taxable property within the boundaries of the County (unless otherwise qualified).

“Improvement Project” means the financing and refinancing of the acquisition and/or renovation of public buildings, including but not limited to, for the Department of Family Services for the County.

“Independent Accountant” means any certified public accountant, or any firm of certified public accountants, duly licensed to practice and practicing as such under the laws of the State, as from time to time appointed and compensated by the County:

- a. Who or which is, in fact, independent and not under the domination of the County;
- b. Who or which does not have any substantial interest, direct or indirect, with the County, and
- c. Who or which is not connected with the County as an officer or employee thereof, but who may be regularly retained to make annual or similar audits of any books or records of the County.

“2018C Notes” means the Clark County, Nevada, Subordinate Revenue Notes, Series 2018C, which were issued to finance all or a portion of the cost of acquiring, improving and equipping of building projects as defined in NRS 244A.019, including but not limited to the acquisition and/or renovation of public buildings, including but not limited to, for the Department of Family Services for the County.

“NRS” means Nevada Revised Statutes.

“newspaper” means a newspaper printed in the English language, published at least once each calendar week.

“Outstanding” when used with reference to the Bonds or any other designated securities and as of any particular date means all the Bonds or any such other securities payable from the Pledged Revenues, as the case may be, in any manner theretofore and thereupon being executed and delivered:

a. Except any Bond or other security canceled by the County, by the Paying Agent or otherwise on the County's behalf, at or before such date;

b. Except any Bond or other security the payment of which is then due or past due and moneys fully sufficient to pay the same are on deposit with the Paying Agent;

c. Except any Bond or other security for the payment or the redemption of which moneys at least equal to the County's Bond Requirements to the date of maturity or to any Redemption Date, shall have heretofore been deposited with a Trust Bank in escrow or in trust for that purpose, as provided in the Bond Ordinance; and

d. Except any Bond or other security in lieu of or in substitution for which another bond or other security shall have been executed and delivered pursuant to the Bond Ordinance .

“owner” or any similar term, when used in conjunction with any Bonds, or any other designated securities, means the registered owner of any Bonds or other security which is registrable for payment if it shall at the time be registered for payment otherwise than to bearer.

“Parity Securities” means bonds or securities which have a lien on the Pledged Revenues that is on a parity with the lien thereon of the Bonds, the 2019 Detention Center Bonds, the 2018 Bonds and the 2015 Bonds.

“Paying Agent” means The Bank of New York Mellon Trust Company, N.A., or any successor or assigns.

“Person” means a corporation, firm, other body corporate (including, without limitation, the Federal Government, the State, or any other body corporate and politic other than the County), partnership, association or individual, and also includes an executor, administrator, trustee, receiver or other representative appointed according to law.

“Pledged Revenues” means a 15% portion of all income and revenue derived by the County from the levy of the Consolidated Tax distributed and imposed pursuant to the Consolidated Tax Act in the County.

The Pledged Revenues means all or a portion of the Pledged Revenues. The designated term indicates sources of revenues and does not necessarily indicate all or any portion or other part of such revenues in the absence of further qualification. “Pledged Revenues” includes income derived from any supplemental Consolidated Tax imposed by the County if the Board is authorized to include and elects to include the additional tax in “Pledged Revenues” for the remaining term of the Bonds.

“Project” means the financing and refinancing of the Improvement Project, including the financing and refinancing of the acquisition and/or renovation of public buildings, including but not limited to, for the Department of Family Services for the County, and the

Refunding Project, including the refinancing of the Outstanding 2018C Notes issued to finance a portion of the cost of the Improvement Project and paying the costs of issuance of the bonds.

“Project Act” means NRS 244A.011 through 244A.065, as amended from time to time.

“Purchaser” means the purchaser of the Bonds as identified in the Certificate of the Chief Financial Officer.

“Rebate Account” means the “Clark County, Nevada, General Obligation (Limited Tax) Family Services Bonds, Series 2019, Rebate Account” created in the Bond Ordinance.

“Redemption Date” means a date fixed for the redemption prior to their respective maturities of any Bonds or other designated securities payable from any Pledged Revenues in any mandatory redemption schedules, or in any notice of prior redemption or otherwise fixed and designated by the County.

“Redemption Price” means, when used with respect to a Bond or other designated security payable from any Pledged Revenues, the principal amount thereof plus the applicable premium, if any, payable upon the redemption thereof prior to the stated maturity date of such Bond or other security on a Redemption Date in the manner contemplated in accordance with the security’s terms.

“Refunding Project” means the refinancing of the Outstanding 2018C Notes.

“Registrar” means The Bank of New York Mellon Trust Company, N.A., or its successor or assigns.

“Revenue Account” means the special account previously created and designated as the “Clark County, Nevada, SCCRT Pledged Revenues Income Fund, Series 1993, and continued in the Bond Ordinance and redesignated therein as the “Clark County, Nevada, Consolidated Tax Revenue Account”, which shall be held separate and apart from the Bond Fund.

“State” means the State of Nevada, in the United States.

“Subordinate Securities” means bonds or securities, including the 2018C Notes, which have a lien on the Pledged Revenues that is subordinate and junior to the lien thereon of the Bonds, the 2019 Detention Center Bonds, the 2018 Bonds, the 2015 Bonds.

“Superior Securities” means bonds or securities which have a lien on the Pledged Revenues that is superior to the lien thereon of the Bonds, the 2019 Detention Center Bonds, the 2018 Bonds and the 2015 Bonds.

“Tax Code” means the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds.



“Taxes” means General Taxes.

“Trust Bank” means a state or national bank or trust company which is a member of the Federal Deposit Insurance Corporation and of the Federal Reserve System, is located within the United States, and has a capital and surplus of \$100,000,000 or more, which bank is authorized to exercise and is exercising trust powers, and also means any branch of the Federal Reserve Bank.

### **Application of Proceeds**

The proceeds of the Bonds shall be deposited as follows: First, to the Escrow Account held by the paying agent Bank for the 2018C Notes, as Escrow Bank, an amount sufficient from the proceeds of the Bonds, together with other available moneys of the County, to pay all of the principal and interest due on the 2018C Notes on the date designated in the Certificate of the Chief Financial Officer as set forth in the Escrow Agreement, if any. Second, there shall be credited to the Acquisition Account the balance of the proceeds of the Bonds to be used for the Cost of the Project, including the costs of issuance of the Bonds. The unexpended proceeds derived from the sale of the Bonds and remaining in the Acquisition Account after completion of the Project shall be deposited into the Bond Fund.

### **Flow of Funds**

So long as any of the Bonds shall be Outstanding, as to any Bond Requirements, the entire Pledged Revenues, upon their receipt from time to time by the County, shall continue to be set aside and credited immediately to the Revenue Account. Such Revenue Account shall be administered, and the moneys on deposit therein shall be applied in the following priority:

(a) First, from the Pledged Revenues, there shall be credited to any bond fund created to pay the principal of, interest on and prior redemption premiums due on any Superior Securities issued in accordance with the provisions of the Bond Ordinance:

(1) Monthly, an amount in equal monthly installments necessary, together with any other moneys from time to time available therefor from whatever source, to pay the next maturing installment of interest on the Superior Securities, and monthly thereafter, commencing on each interest payment date, one-sixth of the amount necessary, together with any other moneys from time to time available therefor and on deposit therein from whatever source, to pay the next maturing installment of interest on the Superior Securities then outstanding.

(2) Monthly, an amount in equal monthly installments necessary, together with any other moneys from time to time available therefor from whatever source, to pay the next installment of principal of the Superior Securities coming due at maturity, and monthly thereafter, commencing on each principal payment date, one-twelfth of the amount necessary, together with any other moneys from time to time available therefor and on deposit therein from whatever source, to pay the next installment of principal of the Superior Securities coming due at maturity, or, if any, an amount sufficient to pay the principal of, interest on and any prior redemption premiums due on the Outstanding Superior Securities.

(b) Second, and contemporaneously with the transfers required to be made to the 2019 Detention Center Bonds, 2018 Bonds, the 2015 Bonds, and any bond funds for parity bonds hereafter issued, in accordance with the provisions of the 2019 Detention Center Bond Ordinance, 2018 Bond Ordinance, the 2015 Bond Ordinance and the requirements of the bond ordinance authorizing any parity bonds hereafter issued, the following transfers shall be credited to the Bond Fund:

(1) Monthly, commencing on the first of the month following the date of delivery of the Bonds, an amount in equal monthly installments necessary, together with any other moneys from time to time available therefor from whatever source, to pay the next maturing installment of interest on the Bonds, and monthly thereafter, commencing on each interest payment date, one-sixth of the amount necessary, together with any other moneys from time to time available therefor and on deposit therein from whatever source, to pay the next maturing installment of interest on the Bonds then Outstanding.

(2) Monthly, commencing on the first of the month following the date of delivery of the Bonds, an amount in equal monthly installments necessary, together with any other moneys from time to time available therefor from whatever source, to pay the next installment of principal of the Bonds coming due at maturity, and monthly thereafter, commencing on each principal payment date, one-twelfth of the amount necessary, together with any other moneys from time to time available therefor and on deposit therein from whatever source, to pay the next installment of principal of the Bonds coming due at maturity.

No payment need be made into the Bond Fund if the amount in the Bond Fund totals a sum at least equal to the entire amount of the Outstanding Bond as to all Bond Requirements, to its maturity, and both accrued and not accrued, in which case moneys in that account in an amount at least equal to such Bond Requirements shall be used solely to pay such Bond Requirements as the same become due; and any moneys in excess thereof in that account and any other moneys derived from the Pledged Revenues shall be applied as provided in the Bond Ordinance.

(c) Third, either concurrently with or subsequent to the payments required above, any moneys remaining in the Revenue Account may be used by the County for the payment of Bond Requirements of additional bonds or other additional securities payable from the Pledged Revenues and the pledge thereof for the payment of such additional securities payable from the Pledged Revenues and hereafter authorized to be issued and any other provisions supplemental thereto, including reasonable reserves for such securities, as the same accrue. The lien of such additional bonds or other additional securities on the Pledged Revenues and the pledge thereof for the payment of such additional securities shall be superior to, on a parity with or subordinate to the lien and pledge of the Bonds as provided in the Bond Ordinance. Payments for bond, rebate and reserve funds for any Superior Securities shall be made concurrently with the payments for the Bonds required by the Bond Ordinance. Payments for bond, rebate and reserve funds for additional Parity Securities shall be made concurrently with the payments for the Bonds, the 2019 Detention Center Bonds, the 2018 Bonds and the 2015 Bonds required above, but payments for bond, rebate and reserve funds for additional

Subordinate Securities shall be made after the payments required in the Bond Ordinance for Superior or Parity Securities.

(d) Fourth, and subject to the above provisions, and concurrently with the deposits to any rebate funds for the Outstanding Parity Securities and any additional Parity Securities required by any bond ordinances authorizing the issuance of such Parity Securities hereafter adopted, there shall be transferred into the Rebate Account such amounts as are required to be deposited therein to meet the County's obligations under the tax covenant section contained in the 2015 Bond Ordinance, the 2018 Bond Ordinance, the 2019 Detention Center Bond Ordinance and the Bond Ordinance, in accordance with Section 148(f) of the Tax Code. Amounts in the Rebate Account shall be used for the purpose of making the payments to the United States required by such covenant and Section 148(f) of the Tax Code. Any amounts in the Rebate Account in excess of those required to be on deposit therein by such covenants and Section 148(f) of the Tax Code may be withdrawn therefrom and used for any lawful purpose.

(e) Fifth, any moneys thereafter remaining in the Revenue Account may be used at any time during any Fiscal Year whenever in the Fiscal Year there shall have been credited to the Bond Fund, to the 2019 Detention Center Bond Fund, to the 2018 Bond Fund, to the 2015 Bond Fund, to the Rebate Account, and to each other bond fund, rebate account and reserve fund, if any, for the payment of any other securities payable from the Pledged Revenues, all amounts required to be deposited in those special accounts for such portion of the Fiscal Year, for any one or any combination of lawful purposes, as the County may from time to time determine.

### **Lien of the Bonds**

The Bonds constitute an irrevocable lien (but not necessarily an exclusive lien) upon the Pledged Revenues on a parity with the lien of the 2019 Detention Center Bonds, 2018 Bonds and the 2015 Bonds, subject to and after any superior liens upon such Pledged Revenues of any superior bonds or Superior Securities.

The Bonds, the 2019 Detention Center Bonds, the 2018 Bonds, the 2015 Bonds, and any Parity Securities hereafter authorized to be issued and from time to time Outstanding are equally and ratably secured by a lien on the Pledged Revenues and shall not be entitled to any priority one over the other in the application of the Pledged Revenues, regardless of the time or times of the issuance of the Bonds and any other such securities, it being the intention of the County that there shall be no priority among the Bonds, the 2019 Detention Center Bonds, the 2018 Bonds, the 2015 Bonds, and any such Parity Securities, regardless of the fact that they may be actually issued and delivered at different times.

## **Superior Securities or Parity Securities**

The County may issue additional securities payable from the Pledged Revenues and constituting a lien thereon superior to or on a parity with, the lien thereon of the Bonds, the 2019 Detention Center Bonds, the 2018 Bonds and the 2015 Bonds; however, such additional Superior Securities shall not be issued as general obligations of the County. The County may issue securities refunding all or a part of the Bonds, the 2019 Detention Center Bonds, the 2018 Bonds or the 2015 Bonds (or funding or refunding any other then Outstanding securities payable from Pledged Revenues), as provided in “Refunding Securities” below; but before any such additional Superior Securities or Parity Securities are authorized or actually issued (excluding any refunding Superior Securities or Parity Securities other than any securities refunding subordinate bonds or other Parity Securities):

(a) At the time of the adoption of the supplemental instrument authorizing the issuance of the additional securities, the County shall not be in default in making any required payments described at subsections (a), (b), (c), or (d) of the section entitled “Flow of Funds” above, with respect to any Superior Securities or Parity Securities.

(b) Except as hereinafter otherwise provided: (1) the Pledged Revenues derived in the Fiscal Year immediately preceding the date of the issuance of the additional Superior Securities or Parity Securities shall have been at least sufficient to pay an amount equal to the combined maximum annual principal and interest requirements (to be paid during any one Bond Year, commencing with the Bond Year in which the additional Superior Securities or Parity Securities are issued and ending on the first day of June of the year in which any then Outstanding Bonds last mature) of the Outstanding Bonds, the Outstanding 2019 Detention Center Bonds, the Outstanding 2018 Bonds, the Outstanding 2015 Bonds and any other Outstanding Superior Securities or Parity Securities of the County and the bonds or other securities proposed to be issued (excluding the reserves therefor); or, (2) the Pledged Revenues estimated by the Chief Financial Officer, independent feasibility consultant, or an Independent Accountant to be derived in the first five Fiscal Years immediately succeeding the issuance of the other additional Superior Securities or Parity Securities proposed to be issued, shall be at least equal to such combined maximum annual principal and interest requirements to be paid during such Comparable Bond Year (the “Earnings Test”).

(c) In the computation of the Earnings Test, the amount of the Pledged Revenues for the next preceding Fiscal Year shall be decreased and may be increased by the amount of any loss or gain conservatively estimated by the Chief Financial Officer, independent feasibility consultant or Independent Accountant making the computation, which loss or gain results from any change in the rate of the levy of that part of the Consolidated Tax constituting a part of the Pledged Revenues which change took effect during the next preceding Fiscal Year or thereafter prior to the issuance of such Superior Securities or Parity Securities, as if such modified rate shall have been in effect during the entire next preceding Fiscal Year, if such change shall have been made by the County before the computation of the designated Earnings Test but made in the same Fiscal Year as the computation is made or in the next preceding Fiscal Year.

(d) A written certification or written opinion by the Chief Financial Officer, an independent feasibility consultant or an Independent Accountant, based upon estimates

thereby as provided in the Bond Ordinance, that the annual revenues which adjusted as provided above, shall be conclusively presumed to be accurate in determining the right of the County to authorize, issue, sell and deliver additional bonds or additional Superior Securities or Parity Securities.

### **Subordinate Securities**

Nothing in the Bond Ordinance, subject to the limitations stated therein, prevents the County from issuing additional bonds or other additional securities payable from the Pledged Revenues having a lien thereon subordinate, inferior and junior to the lien thereon of the Bonds.

### **Refunding Securities**

At any time after the Bonds, or any part thereof, are issued and remain Outstanding, if the County shall find it desirable to refund any Outstanding Bonds or other Outstanding securities payable from and constituting a lien upon any Pledged Revenues, such Bonds or other securities, or any part thereof, may be refunded only if the Bonds or other securities at the time or times of their required surrender for payment shall then mature or shall be then callable for prior redemption for the purpose of refunding them at the County's option upon proper call, unless the owner or owners of all such Outstanding Bonds or other securities consent to such surrender and payment, regardless of whether the priority of the lien for the payment of the refunding securities on the Pledged Revenues is changed (except as provided below and provided that additional Superior Securities shall not be issued as general obligations of the County).

Refunding bonds or other refunding securities issued, unless issued as Subordinate Securities, shall enjoy complete equality of lien with the portion of any securities of the same issue which is not refunded, if there is any; and the owner or owners of the refunding securities shall be subrogated to all of the rights and privileges enjoyed by the owner or owners of the unrefunded securities of the same issue partially refunded by the refunding securities.

If only a part of the Outstanding Bonds and other Outstanding securities of any issue or issues payable from the Pledged Revenues is refunded, then such securities may not be refunded without the consent of the owner or owners of the unrefunded portion of such securities:

(a) Unless the refunding securities do not increase for any Bond Year the annual principal and interest requirements evidenced by the refunding securities and by the Outstanding securities not refunded on and before the last maturity date or last Redemption Date, if any, whichever is later, of the unrefunded securities, and unless the lien of any refunding bonds or other refunding securities on the Pledged Revenues is not raised to a higher priority than the lien thereon of the bonds or other securities thereby refunded; or

(b) Unless the lien on any Pledged Revenues for the payment of the refunding securities is subordinate to each such lien for the payment of any securities not refunded; or

(c) Unless the refunding bonds or other refunding securities are issued in compliance with the requirements listed above under "Superior or Parity Securities".

### **Performance of Duties Covenant**

The County shall faithfully and punctually perform or cause to be performed all duties with respect to the Pledged Revenues and the Project required by the Constitution and laws of the State and the various resolutions, ordinances and other instruments of the County, including, without limitation, the proper segregation of the proceeds of the Bonds and the Pledged Revenues and their application from time to time to the respective accounts provided therefor.

### **Further Assurances Covenant**

At any and all times the County, except when otherwise required by law, shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge, deliver and file or record all and every such further instruments, acts, deeds, conveyances, assignments, transfers, other documents and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular rights, the Pledged Revenues, and other moneys and accounts hereby pledged or assigned, or which the County may hereafter become bound to pledge or to assign, or as may be reasonable and required to carry out the purposes of the Bond Ordinance and to comply with the Project Act, the Bond Act and all laws supplemental thereto. The County shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Pledged Revenues and other moneys and accounts pledged hereunder and all the rights of every owner of any Bonds against all claims and demands of all Persons whomsoever.

### **Conditions Precedent Covenant**

Upon the date of issuance of any Bonds, all conditions, acts and things required by the Constitution or statutes of the State, including without limitation, the Project Act, the Consolidated Tax Act and the Bond Act, or the Bond Ordinance, to exist, to have happened, and to have been performed precedent to or in the issuance of the Bonds shall exist, have happened, and have been performed; and the Bonds, together with all other obligations of the County, shall not contravene any debt or other limitation prescribed by the State Constitution or statutes.

### **Covenant to Perform**

The County shall observe and perform all of the terms and conditions contained in the Bond Ordinance and the Project Act, the Bond Act and all laws supplemental thereto and shall comply with all valid acts, rules, regulations, orders and directives of any legislative, executive, administrative or judicial body applicable to the Project or to the County.

### **Protective Security Covenant**

The County and the officers, agents and employees of the County shall not take any action in such manner or to such extent as might prejudice the security for the payment of the Bond Requirements of the Bonds and any other securities payable from the Pledged Revenues according to the terms thereof. No contract shall be entered into nor any other action taken by which the rights of any owner of any Bond or other security payable from the Pledged Revenues might be prejudicially and materially impaired or diminished.

### **Accumulation of Interest Claims Covenant**

In order to prevent any accumulation of coupons or claims for interest after maturity, the County shall not directly or indirectly extend or assent to the extension of the time for the payment of any coupon or claim for interest on any of the Bonds or any other securities payable from the Pledged Revenues; and the County shall not directly or indirectly be a party to or approve any arrangements for any such extension or for the purpose of keeping alive any of such coupons or other claims for interest. If the time for the payment of any such coupons or of any other such installment of interest shall be extended in contravention of the foregoing provisions, such coupon or installment or installments of interest after such extension or arrangement shall not be entitled in case of default hereunder to the benefit or the security of the Bond Ordinance, except upon the prior payment in full of the principal of all Bonds and any such other securities then Outstanding and of all matured interest on such securities the payment of which has not been extended.

### **Prompt Payment of Bonds Covenant**

The County shall promptly pay the Bond Requirements of every Bond issued hereunder and secured hereby at the places, on the dates, and in the manner specified herein and in the Bonds according to the true intent and meaning hereof.

### **Use of Bond Fund Covenant**

The Bond Fund shall be used solely, and the moneys credited to such account are hereby pledged, for the purpose of paying the Bond Requirements of the Bonds, subject to the provisions concerning surplus moneys in the Bond Ordinance.

### **Additional Securities Covenant**

Any other securities hereafter authorized to be issued and payable from the Pledged Revenues shall not hereafter be issued, unless the additional securities are also issued in conformance with the provisions of "Flow of Funds", "Superior or Parity Securities", "Subordinate Securities" and "Refunding Securities" hereof.

### **Other Liens Covenant**

Other than as provided herein, there are no liens or encumbrances of any nature whatsoever on or against the Project, or any part thereof, or on or against the Pledged Revenues derived or to be derived.

### **Corporate Existence Covenant**

The County shall maintain its corporate identity and existence so long as any of the Bonds remain Outstanding, unless another body corporate and politic by operation of law succeeds to the powers, privileges, rights, liabilities, disabilities, duties and immunities of the County and is obligated by law to fix and collect the Pledged Revenues as herein provided

without adversely affecting to any substantial degree at any time the privileges and rights of any owner of any Outstanding Bond.

### **Distribution of Pledged Revenues**

The County shall maintain its corporate identity and existence so long as any of the Bonds remain Outstanding, unless another body corporate and politic by operation of law succeeds to the powers, privileges, rights, liabilities, disabilities, duties and immunities of the County and is obligated by law to fix and collect the Pledged Revenues as herein provided without adversely affecting to any substantial degree at any time the privileges and rights of any owner of any Outstanding Bond.

### **Records Covenant**

So long as any of the Bonds and any other securities payable from the Pledged Revenues remain Outstanding, proper records and accounts shall be kept by the County, separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the Pledged Revenues.

### **Rights Concerning Records of Pledged Revenues Covenant**

Any owner of any of the Bonds or any other securities payable from the Pledged Revenues, or any duly authorized agent or agents of such owner, shall have the right at all reasonable times to inspect all records, accounts and data of the County relating thereto, concerning the Pledged Revenues and to make copies of such records, accounts and data.

### **Tax Levies Covenant**

The County annually shall levy, or cause to be levied, General Taxes on all taxable property in the County fully sufficient to pay the Bond Requirements of Outstanding Bonds (and any other indebtedness or other obligations of the County), except to the extent other revenues are available therefor, including, without limitation, the Pledged Revenues pledged for the payment of the Bonds, as the Bond Requirements accrue, reasonable allowance being made for delinquent tax collections anticipated at the time of each levy, at the time and in the manner provided by law for levying other Taxes; and the County and the Board shall require the officers of the County to levy, extend, and collect General Taxes in the manner provided by law for the purpose of creating funds for the payment of the Bond Requirements of the Bonds, other indebtedness, or general obligations. General Taxes for the Bonds, when collected, shall be kept for and applied only to the payment of the Bond Requirements of the Bonds, as provided in the Bond Ordinance.



## **Continuing Disclosure Undertaking Covenant**

The County covenants for the benefit of the holders and Beneficial Owners of the Bonds to comply with the provisions of the final Continuing Disclosure Certificate in substantially the form now on file with the County Clerk, to be executed by the Chief Financial Officer and delivered in connection with the delivery of the Bonds. Failure of the County to comply with the Continuing Disclosure Certificate shall not constitute an Event of Default under the Bond Ordinance.

## **Tax Covenant**

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

## **Bondowner's Remedies**

Each owner of any Bond issued hereunder shall be entitled to all of the privileges, rights and remedies provided or permitted in the Project Act and the Bond Act, and as otherwise provided or permitted by law or in equity or by other statutes, except as provided in the Bond Ordinance but subject to the provisions therein concerning the pledge of and the covenants and the other contractual provisions concerning the Pledged Revenues and the proceeds of the Bonds.

## **Events of Default**

Each of the following events is an "event of default" under the Bond Ordinance:

(a) Payment of the principal of any of the Bonds, or any prior redemption premium due in connection therewith, or both, is not made when the same becomes due and payable, at maturity, or by proceedings for optional prior redemption, or otherwise;

(b) Payment of any installment of interest on the Bonds is not made when the same becomes due and payable;

(c) The County for any reason is rendered incapable of fulfilling its obligations hereunder;

(d) The County fails to carry out and to perform (or in good faith to begin the performance of) all acts and things lawfully required to be carried out or to be performed by it under any contract relating to the Pledged Revenues, or otherwise, including, without limitation, the Bond Ordinance, and such failure continues for 60 days after receipt of notice from the owners of 10% in principal amount of the Bonds then Outstanding;

(e) An order or decree is entered by a court of competent jurisdiction with the consent or acquiescence of the County appointing a receiver or receivers for the Pledged Revenues and any other moneys subject to the lien to secure the payment of the Bonds, or if an order or decree having been entered without the consent or acquiescence of the County is not vacated or discharged or stayed on appeal within 60 days after entry; and

(f) The County makes any default in the due and punctual performance of any other of the representations, covenants, conditions, agreements and other provisions contained in the Bonds or in the Bond Ordinance on its part to be performed, and if the default continues for 60 days after written notice specifying the default and requiring the same to be remedied is given to the County by the owners of 10% in principal amount of the Bonds then Outstanding.

### **Remedies for Default**

Upon the happening and continuance of any of the events of default described in (a) through (f) above, then and in every case the owner or owners or not less than 10% in principal amount of the Bonds then Outstanding, including, without limitation, a trustee or trustees therefor, may proceed against the County and its agents, officers and employees to protect and to enforce the rights of any owner of Bonds under the Bond Ordinance by mandamus or by other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction in Clark County, Nevada, either for the appointment of a receiver or for the specific performance of any covenant or agreement contained in the Bond Ordinance or in an award of execution of any power granted in the Bond Ordinance for the enforcement of any proper, legal or equitable remedy as the owner or owners may deem most effectual to protect and to enforce the rights, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of any owner of any Bond, or to require the County to act as it if were the trustee of an express trust, or any combination of such remedies. All proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all owners of the Bonds and any Parity Securities then Outstanding.

### **Amendment of the Bond Ordinance**

The Bond Ordinance may be amended or supplemented by instruments adopted by the County in accordance with the laws of the State, without receipt by the County of any additional consideration, but with the written consent of the owners of a majority in aggregate principal amount of the Bonds authorized by the Bond Ordinance and Outstanding at the time of the adoption of the amendatory or supplemental instrument, excluding any Bonds which may then be held or owned for the account of the County, but including such refunding securities as may be issued for the purpose of refunding any of the Bonds if the refunding securities are not owned by the County. No such instrument shall permit without the written consent of all owners of the Bonds adversely and materially affected thereby:

(a) A change in the maturity or in the terms of redemption of the principal of any Outstanding Bond or any installment of interest thereon; or

(b) A reduction in the principal amount of any Bond, the rate of interest thereon, or any prior redemption premium payable in connection therewith, without the consent of the owner of the Bond; or

(c) A reduction of the percentages or otherwise affecting the description of Bonds the consent of the owners of which is required for any modification or amendment; or

(d) The establishment of priorities as between Bonds issued and Outstanding under the provisions of the Bond Ordinance; or

(e) The modifications of or otherwise materially and prejudicially affecting the rights or privileges of the owners of less than all of the Bonds then Outstanding.

Whenever the County proposes to amend or modify the Bond Ordinance, it shall cause notice of the proposed amendment to be given not later than 30 days prior to the date of the proposed enactment of the amendment by mailing to each of the insurer of the Bonds, if any, the Paying Agent, the Registrar, and the owner of each of the Bonds Outstanding. The notice will briefly set forth the nature of the proposed amendment and will state that a copy of the proposed amendatory instrument is on file in the office of the Clerk for public inspection.

Whenever at any time within one year from the date of such notice there shall be filed in the office of the Clerk an instrument or instruments executed by owners of at least a majority in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed amendatory instrument described in the notice and shall specifically consent to and approve the adoption of the instrument; thereupon, but not otherwise, the County may adopt the amendatory instrument and the instrument shall become effective.

If the owners of at least a majority in aggregate principal amount of the Bonds Outstanding, at the time of the adoption of the amendatory instrument, or the predecessors in title of such owners shall have consented to and approved the adoption thereof as herein provided, no owner of any Bond, whether or not the owner shall have consented to or shall have revoked any consent as provided in the Bond Ordinance shall have any right or interest to object to the adoption of the amendatory instrument or to object to any of the terms or provisions therein contained or to the operation thereof or to enjoin the County from taking any action pursuant to the provisions thereof.

Any consent to an amendment to the Bond Ordinance given by the owner of a Bond shall be irrevocable for a period of 6 months from the date of the notice as described above, and shall be conclusive and binding upon all future owners of the same Bond during that period. The consent may be revoked at any time after 6 months from the date of the notice by - the owner who gave the consent or by a successor in title by filing notice of the revocation with the Clerk, but the revocation shall not be effective if the owners of a majority in aggregate principal amount of the Bonds Outstanding, before the attempted revocation, consented to and approved the amendatory instrument referred to in the revocation.

If the owners of all the then Outstanding Bonds consent, the terms and the provisions of the Bond Ordinance or of any instrument amendatory thereof or supplemental thereto and the rights and the obligations of the County and of the owners of the Bonds thereunder may be modified or

amended in any respect upon the adoption by the County and upon the filing with the Clerk of an instrument to that effect, and no notice to owners of Bonds shall be required, nor shall the time of consent be limited except as may be provided in the consent.

## APPENDIX C

### BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the Bonds. The 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 maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 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](http://www.dtcc.com).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each 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 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 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all 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 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 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 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 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 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 County 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption proceeds on the 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 County 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 County, 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 County 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 Bonds at any time by giving reasonable notice to the County or the Registrar and Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 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 County believes to be reliable, but the County takes no responsibility for the accuracy thereof.*

## APPENDIX D

### FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by Clark County, Nevada (the “Issuer”) in connection with the issuance of the Issuer’s Clark County, Nevada, General Obligation (Limited Tax) Family Services Bonds (Additionally Secured by Pledged Revenues) Series 2019, in the aggregate principal amount of \$80,000,000 (the “Bonds”). The Bonds are being issued pursuant to the Ordinance adopted by the Board of County Commissioners of the Issuer on September 17, 2019 (the “Ordinance”). 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 Ordinance or parenthetically defined herein, which apply to any capitalized terms used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Dissemination Agent” shall mean, initially, the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“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.

“Material Events” shall mean any of the events listed in Section 5 of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board. The MSRB’s required method of filing is electronically via its Electronic Municipal Market Access (EMMA) system available on the Internet at <http://emma.msrb.org>.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with an offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.



### SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than nine (9) months following the end of the Issuer's fiscal year of each year, commencing nine (9) months following the end of the Issuer's fiscal year ending June 30, 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 send or cause to be sent 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 provide or cause to be provided, in a timely manner not in excess of 10 business days after the occurrence of the event, notice of any of the following events 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 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\*;
- (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;

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\* For the purposes of the event identified in subparagraph (b)(5)(i)(C)(12), 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.

(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. 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 Ordinance, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter, and the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

DATE: November 1, 2019.

CLARK COUNTY, NEVADA

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Chief Financial Officer

**EXHIBIT A**

**NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD  
OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: Clark County, Nevada

Name of Bond Issue: General Obligation (Limited Tax) Family Services  
Bonds (Additionally Secured by Pledged Revenues) Series 2019

Date of Issuance: November 1, 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 Ordinance adopted on September 17, 2019 and the Continuing Disclosure Certificate executed on November 1, 2019 by the Issuer. The Issuer anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

CLARK COUNTY, NEVADA

By: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT B**

INDEX OF OFFICIAL STATEMENT TABLES TO BE UPDATED

(See page iv of this Official Statement)

## APPENDIX E

### FORM OF APPROVING OPINION OF BOND COUNSEL

Clark County, Nevada  
500 South Grand Central Parkway  
Las Vegas, Nevada 89106

**\$80,000,000**  
**Clark County, Nevada**  
**General Obligation (Limited Tax)**  
**Family Services Bonds**  
**(Additionally Secured by Pledged Revenues)**  
**Series 2019**

Ladies and Gentlemen:

We have acted as bond counsel to Clark County, Nevada (the “County” and the “State,” respectively), in connection with the issuance of its “Clark County, Nevada, General Obligation (Limited Tax) Family Services Bonds (Additionally Secured by Pledged Revenues) Series 2019” in the aggregate principal amount of \$80,000,000 (the “Bonds”) pursuant to an authorizing ordinance of the Board of County Commissioners of the County adopted and approved on September 17, 2019 (the “Bond Ordinance”). In such capacity, we have examined the County’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 Ordinance.

Regarding questions of fact material to our opinions, we have relied upon the County’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 County.
2. All of the taxable property in the County is subject to the levy of annual general (ad valorem) taxes to pay the Bonds, subject to the limitations imposed by the Constitution and laws of the State.
3. As provided in the Bond Ordinance and in accordance with the provisions of NRS 361.463, taxes levied for the payment of the bonded indebtedness (including the Bonds) of all overlapping units within the boundaries of the County (i.e., the State, the County, and any other political subdivision therein) and for the payment of interest on such indebtedness enjoy a priority over taxes levied by each such unit (including, without limitation, the State and the

County) for all other purposes (subject to any exception implied by law for the exercise of the police power) where reduction is necessary in order to comply with NRS 361.453.

4. The Bonds are additionally secured by and payable from the Pledged Revenues. The Bond Ordinance creates a valid lien on the Pledged Revenues pledged therein for the security of the Bonds on a parity with any Parity Securities outstanding and hereafter issued, subject to and after any superior liens upon such Pledged Revenues of any Superior Securities hereafter issued and prior to any subordinate liens upon such Pledged Revenues of any Subordinate Securities outstanding and hereafter issued. The Bond Ordinance also creates a valid lien on the Bond Fund. Except as described in this paragraph, we express no opinion regarding the priority of the lien on the Pledged Revenues or on funds and accounts created by the Bond Ordinance.

5. 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 County's certified proceedings and in certain other documents and certain other certifications furnished to us.

6. 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 the provisions of chapter 375A of NRS and the tax on generation-skipping transfers imposed pursuant to the provisions of chapter 375B of NRS.

The opinions expressed in this opinion letter are subject to the following:

The obligations of the County pursuant to the Bonds and the Bond Ordinance may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

In this opinion letter rendered in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not passing upon the adequacy, accuracy or completeness of the Official Statement or any other statements made in connection with any offer or sale of the Bonds or upon any state or federal tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Bonds, except those specifically addressed herein.

This opinion letter is rendered as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in laws that may hereafter occur.

Respectfully submitted,



## APPENDIX F

### ECONOMIC AND DEMOGRAPHIC INFORMATION

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

#### Population and Age Distribution

Population. The table below sets forth the population growth of the County and the State since 1970. Between 2011 and 2018, the County's population increased approximately 14.4% and the State's population increased approximately 12.3%.

Year	<u>Population</u>			
	Clark County	Percent Change	State of Nevada	Percent Change
1970	273,288	--	488,738	--
1980	463,087	69.5%	800,493	63.8%
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
2011	1,967,722	0.8	2,721,794	0.8
2012	1,988,195	1.0	2,750,217	1.0
2013	2,031,723	2.2	2,800,967	1.8
2014	2,069,450	1.9	2,843,301	1.5
2015	2,118,353	2.4	2,897,584	1.9
2016	2,166,181	2.3	2,953,375	1.9
2017	2,193,818	1.3	2,986,656	1.1
2018	2,251,175	2.6	3,057,582	2.4

Sources: United States Department of Commerce, Bureau of Census (1970-2010 as of April 1<sup>st</sup>), and Nevada State Department of Taxation (2011-2018 estimates as of July 1, 2018). Estimated 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 United States as of January 1, 2019.

Age Distribution

Age	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 also the percentage of households by EBI groups. EBI is defined as “money income” (defined as follows) less personal tax and nontax payments. “Money income” is defined as 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<sup>(1)</sup>

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.

Source: © 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.

Per Capita Personal Income<sup>(1)</sup>

Year	Clark County	State of Nevada	United States
2013	\$38,423	\$39,271	\$44,851
2014	40,459	41,484	47,058
2015	42,665	44,065	48,978
2016	43,005	44,967	49,870
2017	44,217	46,914	51,885
2018	n/a	49,176	54,446

(1) County figures posted March 2019; state and national figures posted September 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 Las-Vegas-Henderson-Paradise MSA is coextensive with Clark County.

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

Calendar Year	2014	2015	2016	2017	2018	2019 <sup>(2)</sup>
TOTAL LABOR FORCE	1,015.1	1,034.0	1,046.1	1,069.5	1,098.1	1,118.0
Unemployment	81.1	70.7	61.4	56.4	52.6	48.2
Unemployment Rate <sup>(3)</sup>	8.0%	6.8%	5.9%	5.3%	4.8%	4.3%
Total Employment	934.0	963.3	984.7	1,013.1	1,045.5	1,069.9

(1) All figures are subject to change.

(2) Averaged figures through August 31, 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<sup>(1)</sup>  
Las Vegas-Henderson-Paradise MSA, Nevada (Clark County)  
(Estimates in Thousands)

Calendar Year	2014	2015	2016	2017	2018	2019 <sup>(2)</sup>
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	67.5
Manufacturing	21.1	21.6	22.2	23.1	24.3	25.3
Trade (Wholesale and Retail)	124.0	128.1	128.7	130.6	132.4	129.0
Transportation, Warehousing & Utilities	38.3	40.6	41.7	44.1	46.2	47.8
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	55.7
Professional and Business Services	117.8	126.7	134.0	138.9	140.9	148.0
Education and Health Services	82.3	86.6	91.6	96.7	101.0	103.9
Leisure and Hospitality (casinos excluded)	115.7	121.4	127.8	132.4	137.2	140.5
Casino Hotels and Gaming	162.6	161.1	158.3	157.1	156.7	157.9
Other Services	25.6	26.9	30.8	31.4	33.2	33.5
Government	96.4	98.0	99.9	101.7	107.4	103.0
TOTAL ALL INDUSTRIES <sup>(1)</sup>	<u>883.6</u>	<u>919.0</u>	<u>949.4</u>	<u>977.5</u>	<u>1,007.8</u>	<u>1,023.8</u>

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

(2) Averaged figures through August 31, 2019.

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

The following table is based on unemployment insurance tax account numbers and is an estimate based on reported information. No independent investigation has been made of and consequently no assurances can be given as to the financial condition or stability of the employers listed below or the likelihood that such entities will maintain their status as major employers in the County.

Clark County Major Employers  
2<sup>nd</sup> Quarter 2019

Employer	Employment Range	Industry
Venetian Hotel & Casino	10,000 or More	Hotels & motels
US Air Force Base	5,000 - 9,999	National security
Las Vegas Metropolitan Police	5,000 - 9,999	Municipal police department
MGM Grand	5,000 - 9,999	Casinos
Flamingo Hotel	5,000 - 9,999	Hotels & motels
Orleans Hotel & Casino	5,000 - 9,999	Casinos
Las Vegas Sands Corp	5,000 - 9,999	Hotel & motel management
Mandalay Bay	5,000 - 9,999	Traveler accommodation
Caesars Palace Las Vegas Hotel	5,000 - 9,999	Casinos
Aquarius Casino Resort	5,000 - 9,999	Casinos

Source: Infogroup®, Omaha, NE, 800-555-5211 © July 1, 2019 (as posted by Nevada DETR Research & Analysis Bureau). All Rights Reserved.

The following table sets forth the firm employment size breakdown for the County.

Size Class of Industries<sup>(1)</sup>  
Clark County, Nevada (Non-Government Worksites)

CALENDAR YEAR	1 <sup>st</sup> Qtr. 2019	1 <sup>st</sup> Qtr. 2018	Percent Change 2019/2018	Employment Totals 1 <sup>st</sup> Qtr. 2019
<b>TOTAL NUMBER OF WORKSITES</b>	56,010	54,716	2.4%	906,334
Less Than 10 Employees	41,414	40,541	2.2	110,883
10-19 Employees	6,852	6,696	2.3	92,546
20-49 Employees	4,838	4,712	2.7	145,701
50-99 Employees	1,603	1,500	6.9	110,367
100-249 Employees	919	905	1.5	134,331
250-499 Employees	210	190	10.5	72,234
500-999 Employees	104	105	(1.0)	70,725
1000+ Employees	70	67	4.5	169,547

(1) Subject to revisions.

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

### **Retail Sales**

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

Taxable Sales<sup>(1)</sup>

<u>Fiscal Year<sup>(2)</sup></u>	<u>County Total</u>	<u>Percent Change</u>	<u>State Total</u>	<u>Percent Change</u>
2015	\$37,497,073,742	--	\$50,347,535,591	--
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
2019	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)

<u>Calendar Year</u>	<u>2015</u>		<u>2016</u>		<u>2017</u>		<u>2018</u>		<u>2019<sup>(1)</sup></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>	<u>Permits</u>	<u>Value</u>
Las Vegas <sup>(2)</sup>	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 <sup>(3)</sup>	1,696	255,663	2,197	317,413	2,391	340,826	2,373	332,205	1,707	232,305
Mesquite	206	40,564	246	56,274	329	73,396	340	76,843	221	49,467
Unincorporated Clark County <sup>(4)</sup>	3,847	492,320	4,048	518,263	4,592	527,303	4,553	630,849	2,623	376,308
Boulder City <sup>(5)</sup>	22	6,977	3	962	21	4,633	75	17,644	13	4,322
<b>TOTAL</b>	<b>8,132</b>	<b>\$1,130,660</b>	<b>8,820</b>	<b>\$1,345,301</b>	<b>9,880</b>	<b>\$1,395,053</b>	<b>10,512</b>	<b>\$1,573,585</b>	<b>7,034</b>	<b>\$1,123,005</b>

(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 2016-2019 are not directly comparable to prior years.

(3) After the City of Henderson implemented a new reporting system, permit data in 2017 was restated. Permit data in 2017-2019 are not directly 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 building permits within the County and its incorporated areas.

### Total Building Permits

Calendar Year	2014	2015	2016	2017	2018	2019 <sup>(1)</sup>
Las Vegas <sup>(2)</sup>	\$ 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 <sup>(3)</sup>	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	59,342,589
Unincorporated Clark County <sup>(4)</sup>	1,987,655,692	2,251,507,323	2,306,747,407	2,280,233,271	4,453,805,000	1,714,206,044
Boulder City	29,391,159	18,566,548	92,521,659	10,921,222	51,333,177	11,060,783
<b>TOTAL</b>	<b>\$3,299,412,085</b>	<b>\$3,604,736,410</b>	<b>\$4,245,812,557</b>	<b>\$4,399,488,015</b>	<b>\$6,781,867,415</b>	<b>\$3,633,537,516</b>
 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 2016-2019 are not directly comparable to prior years.

(3) After the City of Henderson implemented a new reporting system, permit data in 2017 was restated. Permit data in 2017-2019 are not directly comparable to prior years.

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

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<sup>(1)</sup>

Fiscal Year Ended	Gross Taxable Gaming Revenue <sup>(2)</sup>		% Change	State Gaming Collection <sup>(3)</sup>		% Change
	State Total	Clark County	Clark County	State Total	Clark County	Clark County
	June 30	June 30	June 30	June 30	June 30	June 30
2015	\$10,511,495,144	\$9,025,697,588	--	\$909,857,085	\$790,506,339	--
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)
2019	11,358,392,003	9,702,395,766	0.11	919,517,317	789,848,137	7.14
July 2018	\$ 986,534,274	\$ 835,990,910	--	\$ 50,307,457	\$ 40,264,887	--
July 2019	1,027,973,571	874,027,219	4.55%	59,468,602	50,486,623	25.39%

(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 growth of tourism in southern Nevada is the increase in the number of hotel and motel rooms available for occupancy. The area's hotels and motels have historically experienced higher occupancy rates than those on a national level. Set forth in the table below is the Las Vegas Convention and Visitors Authority ("LVCVA") Marketing Department's estimate of the number of visitors to the Las Vegas Metropolitan Area since 2014.



Visitor Volume and Room Occupancy Rate

Calendar Year	Total Visitor Volume	Number of Hotel/Motel Rooms Available	Hotel/Motel Occupancy Rate <sup>(1)</sup>	National Occupancy Rate <sup>(2)</sup>
2014	41,126,512	150,544	86.8%	64.4%
2015	42,312,216	149,213	87.7	65.6
2016	42,936,100	149,339	89.1	65.5
2017 <sup>(2)</sup>	42,208,200	148,896	88.7	65.9
2018	42,116,800	149,158	88.2	66.2
2019 <sup>(3)</sup>	24,825,400	148,789	89.6	65.9

(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.

Source: 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 room tax revenue collected is set forth in the following table.

Room Tax Revenue<sup>(1)</sup>  
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	282,497,536	3.4
2018	282,596,040	0.0
2019 <sup>(2)</sup>	128,489,608	--

(1) Subject to revision. Room tax revenue shown represents a 5% tax allocated to the Las Vegas Convention & Visitors Authority. Other overlapping room taxes are also imposed. The above table is intended to show trends in room tax collections and not total room tax revenues collecting from all overlapping room taxes.

(2) As of May 31, 2019. Revenue total reflects a 3.1% 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 <sup>(1)</sup>	28,577,788	1,209,269	29,787,057	--

(1) As of July 31, 2019. Total passenger statistics reflect a 3.0% 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.

**Federal Activities**

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

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

Nellis Air Force Base. Nellis Air Force Base, a part of the U.S. Air Force Air Combat Command, is located adjacent to the City of Las Vegas. The base itself covers more than 14,000 acres of land, while the total land area occupied by Nellis Air Force Base and its ranges is over three million acres. The base hosts numerous military programs as well as civilian workers. It is the home base of the “Thunderbirds,” the world famous air demonstration squadron.

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