# CLARK COUNTY
# DEBT MANAGEMENT POLICY
# June 30, 2012

## BOARD OF COUNTY COMMISSIONERS

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Jeff Wells, Assistant County Manager
George W. Stevens, Chief Financial Officer

# EXECUTIVE SUMMARY

The Clark County Debt Management Policy (the "Policy") was created and established by the Board of County Commissioners (BCC) in Fiscal Year (FY) 1992-93. Nevada Revised Statute 350.013 requires the County to annually update and submit the Policy to the Clerk of the Debt Management Commission (DMC) and the State Department of Taxation. The Policy should be read in conjunction with the County's Capital Improvement Plan (CIP) and the County's Indebtedness Report as these documents are incorporated in the Policy by reference.

The Policy is comprised of three sections: ***Debt Summary, Debt Issuance Policy*** and ***Debt Statistics***. The Policy serves as a guide for determining the County's use of debt financing as a funding alternative for capital projects and establishes guidelines for the issuance of debt.

> ***Debt Summary*** - The Debt Summary presents the County's existing and proposed indebtedness to assess the County's ability to repay such indebtedness. Annual debt service requirements and the revenues pledged or available to pay the bonds are detailed by repayment source. A discussion of the County's proposed bonds is also contained in this section.
>
> ***Debt Issuance Policy*** - The Debt Issuance Policy establishes guidelines for the issuance of debt. The Department of Finance is the initial coordinator of all bond issue requests. The Debt Issuance Policy identifies the types of financing allowed, optimal terms and permitted use of financing methods. The Debt Issuance Policy is a useful tool for the effective coordination of County debt financing.
>
> ***Debt Statistics*** - This section contains additional statistical information about the County's debt and overlapping debt. Comparison and calculation of various debt ratios are also shown here. Strong debt ratios allow the County to maintain its high credit rating resulting in lower interest costs for County bonds.

State statutes limit the volume of indebtedness allowed by the County. Clark County has consistently complied with all statutory debt limitations. The County's unused statutory debt capacity is $3,993,126,218 or 72.31 % of total statutory debt capacity. A discussion of legal debt limitations is included in the section entitled "Statutory Debt Capacity."

Credit ratings indicate to potential buyers whether a governmental entity is considered a good credit risk. Credit ratings issued by the bond rating agencies are a major factor in determining the cost of borrowed funds in the municipal bond market. Moody's Investors Service and Standard & Poor's are two of the principal rating agencies for municipal debt. Standard and Poor's has maintained their ratings of Clark County's General Obligation bonds "AA+". Moody's has maintained their rating of the County as "Aa1." Copies of the most recent rating reports are located in Appendix C.

The County's Policy complies with Amended Securities and Exchange Commission Rule 15c2-12 (the "Rule") by requiring secondary market disclosure for all long-term debt obligations which are subject to the Rule. The County has submitted annual financial information to all nationally recognized municipal securities repositories pursuant to the Rule. A description of the County's policy for compliance is included in the "Debt Issuance

Policy" section.

This policy includes descriptions and debt service schedules for all Clark County General Obligation debt issues. It also includes summary information for revenue and special assessment debt. Even though some of their debt issuances are captured in this document (by virtue of their Clark County General Obligation commitment) this policy does not constitute a Debt Management Report for, among others, the Las Vegas Valley Water District, Clark County Water Reclamation District, Clark County Health District, Clark County Regional Transportation Commission, or the Las Vegas Convention and Visitors Authority.

Clark County will continue to be proactive in planning for the capital improvement and infrastructure needs of its dynamic community. Conformance with the Policy, and other finance guidelines, will ensure the County's ability to meet these needs in an optimal manner and maintain its overall financial health, including its debt rating.

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# DEBT SUMMARY

## General Policy Statement

The purpose of the Clark County Debt Summary is to provide an overview of the County's existing and proposed debt obligations, as well as the County's ability to fund additional capital improvements.

A review of the County's debt position is important, as growth in the County continues to require additional capital financing. The County's approach to capital financing is premised on the idea that resources, as well as needs, should drive the County's debt issuance program. Proposed long-term financing is linked with the economic, demographic and financial resources expected to be available to pay for these anticipated obligations that impact the County's financial position. The County strives to ensure that, as it issues future debt, its credit quality and market access will not be impaired. However, overemphasis on debt ratios is avoided because they are only one of many factors that influence bond ratings. Long-term financing is used only after considering alternative funding sources, such as project revenues, Federal and State grants and special assessments.

## Debt Capacity Guidelines

In reviewing the need to finance capital improvements and other needs with long-term debt, the County will follow these guidelines:

- The County's Direct Debt shall be maintained at a level considered manageable by the rating agencies based upon the current economic conditions including, among others, population, per capita income, and assessed valuation.

- The Department of Finance shall structure all long-term debt with prepayment options except when alternative structures are more advantageous to the County. The County will consider prepaying or defeasing portions of outstanding debt when available resources are identified.

- For bonds repaid solely with property taxes, the Department of Finance will strive for a debt service fund balance in an amount not less than the succeeding year's principal and interest requirements. The reserve fund requirements for other bonds issues will be set forth in their respective bond covenants.

## Outstanding Debt

The table on the following pages lists the total outstanding debt and other obligations of the County. Information presented in subsequent tables will only represent General Obligation (G.O.) type debt. G.O. debt is legally payable from general (property tax) revenues, as a primary or secondary source of repayment, and is backed by the full faith and credit of the County. As such, the County will be obligated to pay the difference between revenues and the debt service requirements of the respective bonds from general taxes. The County has no obligation for non-G.O. type debt (e.g., Revenue Bonds), if pledged revenues are insufficient to cover the debt service.

**Clark County, Nevada**
**Outstanding Debt and Other Obligations**
**June 30, 2012**

| | Date Issued | Original Amount | Principal Outstanding | Retirement Date |
|---|---|---|---|---|
| **Property Tax Supported G.O. Bonds:** (1) | | | | |
| Public Safety Refunding, Series A | 4/1/2004 | $ 75,610,000 | $ 38,850,000 | 6/1/2017 |
| **Subtotal Property Tax Supported G.O. Bonds** | | | **38,850,000** | |
| **Medium-Term General Obligation Bonds** (2) | | | | |
| Public Facilities Medium Term | 3/10/2009 | $ 24,750,000 | $ 18,180,000 | 11/1/2018 |
| **Subtotal Medium-Term G.O. Bonds** | | | **$ 18,180,000** | |
| **Self-Supporting General Obligation Bonds and Notes** (3) | | | | |
| Consolidated Tax Supported Bonds | | | | |
| Government Center Refunding | 4/1/2004 | $ 7,910,000 | $ 6,070,000 | 1/1/2014 |
| Park/RJC/Public Safety Ref., Series C | 12/30/2004 | 48,935,000 | 37,305,000 | 11/1/2017 |
| Park/RJC Refunding, Series B | 7/6/2005 | 32,310,000 | 32,310,000 | 11/1/2024 |
| Public Facilities Ref., Series A | 5/24/2007 | 2,655,000 | 2,655,000 | 6/1/2019 |
| Public Facilities Ref., Series A | 5/14/2009 | 10,985,000 | 1,360,000 | 6/1/2019 |
| Beltway Pledged Revenue Bonds | | | | |
| Transp. Bonds, Series A | 6/1/1992 | 136,855,000 | 11,675,000 | 6/1/2017 |
| Transp. Refunding, Series A | 12/30/2004 | 41,685,000 | 37,455,000 | 12/1/2019 |
| Transp. Refunding, Series A | 3/7/2006 | 64,240,000 | 39,365,000 | 6/1/2016 |
| Transp. Refunding, Series A | 3/13/2008 | 64,625,000 | 43,870,000 | 6/1/2019 |
| Transp. Refunding, Series A | 12/8/2009 | 111,605,000 | 108,645,000 | 12/1/2029 |
| Strip Resort Corridor Room Tax Supported | | | | |
| Transp. Improvement, Series B | 6/1/1992 | 103,810,000 | 9,370,000 | 6/1/2017 |
| Transp. Refunding, Series B | 12/30/2004 | 33,210,000 | 30,455,000 | 12/1/2019 |
| Transp. Refunding, Series B | 3/7/2006 | 51,345,000 | 31,455,000 | 6/1/2016 |
| Transp. Bonds, Series B1 - BABs | 6/23/2009 | 60,000,000 | 53,150,000 | 6/1/2029 |
| Transp. Refunding, Series B3 | 12/8/2009 | 12,860,000 | 10,865,000 | 12/1/2019 |
| Laughlin Room Tax Supported Bonds | | | | |
| Transp. Improvement, Series C | 6/1/1992 | 9,335,000 | 755,000 | 6/1/2017 |
| Transp. Refunding, Series C | 3/13/2008 | 6,420,000 | 4,070,000 | 6/1/2019 |
| University Medical Center Revenue Supported Bonds | | | | |
| Hospital Improvement & Refunding | 11/1/2003 | 36,765,000 | 9,055,000 | 9/1/2023 |
| Hospital Refunding | 7/28/2005 | 48,390,000 | 43,140,000 | 3/1/2020 |
| Hospital Refunding | 5/22/2007 | 18,095,000 | 17,990,000 | 9/1/2023 |
| Hospital Medium-Term Note Refunding | 3/10/2009 | 6,950,000 | 6,285,000 | 11/1/2017 |
| Flood Control Sales Tax Supported Bonds | | | | |
| Flood Control Refunding | 2/21/2006 | 200,000,000 | 199,600,000 | 11/1/2035 |
| Flood Control Refunding | 8/20/2008 | 50,570,000 | 35,085,000 | 11/1/2015 |
| Flood Control B - BABs | 6/23/2009 | 150,000,000 | 140,415,000 | 11/1/2038 |
| Flood Control Refunding | 7/13/2010 | 29,425,000 | 29,425,000 | 11/1/2018 |
| Court Administrative Assessment Supported Bonds | | | | |
| Public Facilities Refunding Series B | 5/24/2007 | 5,800,000 | 5,800,000 | 6/1/2019 |
| Public Facilities Refunding Series B | 5/14/2009 | 5,820,000 | 3,200,000 | 6/1/2019 |
| Interlocal Agreement Supported Bonds | | | | |
| Public Facilities Refunding, Series C | 5/24/2007 | 13,870,000 | 12,795,000 | 6/1/2024 |
| Public Facilities Refunding, Series C | 5/14/2009 | 8,060,000 | 5,735,000 | 6/1/2024 |
| Airport Revenue Supported Bonds | | | | |
| Airport G.O. Refunding, Series B | 5/29/2003 | 37,000,000 | 37,000,000 | 7/1/2024 |
| Airport G.O. Refunding, Series A | 2/26/2008 | 43,105,000 | 43,105,000 | 7/1/2027 |
| LVCVA Pledged Revenue Supported Bonds (3) | | | | |
| LVCVA Refunding | 5/31/2007 | 38,200,000 | 29,920,000 | 7/1/2021 |
| LVCVA | 8/19/2008 | 26,455,000 | 25,080,000 | 7/1/2038 |
| LVCVA Series A BABs | 1/26/2010 | 70,770,000 | 70,770,000 | 7/1/2038 |

**Continued**

## Clark County, Nevada
## Outstanding Debt and Other Obligations
## June 30, 2012

| | Date Issued | Original Amount | Principal Outstanding | Retirement Date |
|---|---|---|---|---|
| LVCVA Series B | 1/26/2010 | $ 28,870,000 | $ 26,870,000 | 7/1/2022 |
| LVCVA Series B Refunding | 1/26/2010 | 24,650,000 | 24,570,000 | 7/1/2026 |
| LVCVA Series C BABs | 12/8/2010 | 155,390,000 | 155,390,000 | 7/1/2038 |
| LVCVA Series D | 12/8/2010 | 18,515,000 | 15,355,000 | 7/1/2015 |
| **Subtotal Self-Supporting G.O. Bonds and Notes** | | | **$ 1,397,415,000** | |
| | | | | |
| **Total G.O. Debt Subject to 10% of A.V. Limit:** | | | **$ 1,454,445,000** | |
| **Self-Supporting Bond Bank Bonds** [4] | | | | |
| Bond Bank SNWA Ref. 2006 | 6/13/2006 | $ 242,880,000 | $ 210,210,000 | 6/1/2030 |
| Bond Bank SNWA 2006 | 11/2/2006 | 604,140,000 | 533,020,000 | 11/1/2036 |
| Bond Bank SNWA 2008 | 7/2/2008 | 400,000,000 | 362,155,000 | 6/1/2038 |
| Bond Bank SNWA Ref. 2009 | 11/10/2009 | 50,000,000 | 50,000,000 | 6/1/2030 |
| Bond Bank SNWA Ref 2012 | 6/20/2012 | 85,015,000 | 85,015,000 | 6/1/2032 |
| **Total G.O. Debt Subject to 15% of A.V. Limit:** | | | **$ 1,240,400,000** | |
| | | | | |
| **Total General Obligations** | | | **$ 2,694,845,000** | |
| **Revenue Bonds** [5] | | | | |
| Airport | | | | |
| Airport Ref Revenue 1993 Series A | 5/18/1993 | $ 339,000,000 | $ 34,400,000 | 7/1/2012 |
| Airport - PFC Ref 1998 Series A | 4/1/1998 | 214,245,000 | 81,690,000 | 7/1/2022 |
| Airport PFC Ref 2002 Series A | 10/1/2002 | 34,490,000 | 5,645,000 | 7/1/2013 |
| Airport 2003 Series C | 5/29/2003 | 105,435,000 | 89,405,000 | 7/1/2022 |
| Airport Series 2004A - 1 (AMT) | 9/1/2004 | 128,430,000 | 128,430,000 | 7/1/2024 |
| Airport Series 2004A-2 - (NON-AMT) | 9/1/2004 | 232,725,000 | 232,725,000 | 7/1/2036 |
| Airport Senior Series 2005A (NON-AMT) | 9/14/2005 | 69,590,000 | 69,590,000 | 7/1/2040 |
| Airport Sub Lien Rev 2006 A | 9/21/2006 | 100,000,000 | 32,585,000 | 7/1/2040 |
| Airport Sub Lien 2007 A-1 (AMT) | 5/16/2007 | 150,400,000 | 150,400,000 | 7/1/2027 |
| Airport Sub Lien 2007 A-2 (NON AMT) | 5/16/2007 | 56,225,000 | 56,225,000 | 7/1/2040 |
| Airport PFC Series 2007 A-1 (AMT) | 4/27/2007 | 113,510,000 | 112,205,000 | 7/1/2026 |
| Airport PFC Series 2007 A-2 (NON AMT) | 4/27/2007 | 105,475,000 | 105,475,000 | 7/1/2027 |
| Airport 2008 C1 | 3/19/2008 | 122,900,000 | 122,900,000 | 7/1/2040 |
| Airport 2008 C2 | 3/19/2008 | 71,550,000 | 71,550,000 | 7/1/2029 |
| Airport 2008 C3 | 3/19/2008 | 71,550,000 | 71,450,000 | 7/1/2029 |
| Airport 2008 D1 | 3/19/2008 | 58,920,000 | 58,920,000 | 7/1/2036 |
| Airport 2008 D2 | 3/19/2008 | 199,605,000 | 199,605,000 | 7/1/2040 |
| Airport 2008 D3 | 3/19/2008 | 122,865,000 | 122,865,000 | 7/1/2029 |
| Airport 2008 E | 5/28/2008 | 61,430,000 | 42,750,000 | 7/1/2017 |
| Airport 2008 A PFC | 6/26/2008 | 115,845,000 | 100,345,000 | 7/1/2018 |
| Airport 2008 A VRB | 6/26/2008 | 150,000,000 | 50,000,000 | 7/1/2022 |
| Airport 2008 B VRB | 6/26/2008 | 150,000,000 | 50,000,000 | 7/1/2022 |
| Airport 2009 B BABs | 9/24/2009 | 300,000,000 | 300,000,000 | 7/1/2042 |
| Airport 2009 C | 9/24/2009 | 168,495,000 | 168,495,000 | 7/1/2026 |
| Airport PFC 2010 A | 2/3/2010 | 450,000,000 | 450,000,000 | 7/1/2042 |
| Airport 2010 B | 2/3/2010 | 350,000,000 | 350,000,000 | 7/1/2042 |
| Airport 2010 C BABs | 2/23/2010 | 454,280,000 | 454,280,000 | 7/1/2045 |
| Airport 2010 D | 2/23/2010 | 132,485,000 | 132,485,000 | 7/1/2024 |
| Airport 2010 E | 5/27/2010 | 300,000,000 | 200,000,000 | 7/1/2012 |
| Airport PFC Refund 2010 F1 | 11/4/2010 | 104,160,000 | 90,065,000 | 7/1/2017 |
| Airport PFC Refund 2010 F2 | 11/4/2010 | 100,000,000 | 100,000,000 | 7/1/2022 |
| Airport 2011 B1 | 8/3/2011 | 100,000,000 | 100,000,000 | 7/1/2022 |
| Airport 2011 B2 | 8/3/2011 | 100,000,000 | 100,000,000 | 7/1/2022 |

**Continued**

| | Date Issued | Original Amount | Principal Outstanding | Retirement Date |
|---|---|---|---|---|
| Performing Arts Center | | | | |
| Performing Arts | 4/1/2009 | $ 10,000 | $ 10,000 | 4/1/2059 |
| Regional Transportation Commission | | | | |
| Highway Improvement | 9/9/2003 | 200,000,000 | 18,335,000 | 7/1/2013 |
| Highway Improvement/Refunding | 6/12/2007 | 300,000,000 | 261,325,000 | 7/1/2027 |
| Highway Improvement CP MVFT | 2/27/2008 | 200,000,000 | 8,000,000 | 7/6/2012 |
| Highway Improvement Sales/Excise | 2/23/2010 | 69,595,000 | 64,590,000 | 7/1/2029 |
| Highway Improvement A1 BABs | 2/25/2010 | 32,595,000 | 32,595,000 | 7/1/2029 |
| Highway Improvement Refunding B | 2/25/2010 | 51,180,000 | 51,180,000 | 7/1/2028 |
| Highway Improvement Refunding B | 8/11/2010 | 94,835,000 | 86,965,000 | 7/1/2020 |
| Highway Improvement BABs C | 8/11/2010 | 140,560,000 | 140,560,000 | 7/1/2030 |
| Highway Improvement/Refunding | 11/29/2011 | 118,105,000 | 118,105,000 | 7/1/2023 |
| **Subtotal Revenue Bonds** | | | **$ 5,216,150,000** | |
| | | | | |
| **Land Secured Assessment Bonds** [6] | | | | |
| Special Improvement Dist. 128B | 5/17/2001 | $ 10,000,000 | $ 3,705,000 | 2/1/2021 |
| Special Improvement Dist. 132 | 5/17/2001 | 24,000,000 | 12,495,000 | 2/1/2021 |
| Special Improvement Dist. 128A - Fixed | 11/3/2003 | 10,000,000 | 6,125,000 | 2/1/2021 |
| Special Improvement Dist. 142 | 12/4/2003 | 92,360,000 | 64,625,000 | 8/1/2023 |
| Special Improvement Dist. 108A - Sr. | 12/23/2003 | 17,335,569 | 6,375,086 | 2/1/2017 |
| Special Improvement Dist. 108B - Sub. | 12/23/2003 | 8,375,273 | 3,280,408 | 2/1/2017 |
| Special Improvement Dist. 124 - Sr. | 12/23/2003 | 4,399,431 | 2,149,914 | 2/1/2020 |
| Special Improvement Dist. 124 - Sub. | 12/23/2003 | 1,929,727 | 989,592 | 2/1/2020 |
| Special Improvement Dist. 151 | 10/12/2005 | 25,485,000 | 19,975,000 | 8/1/2025 |
| Special Improvement Dist. 121 A - Sr. | 5/31/2006 | 30,620,000 | 17,725,000 | 12/1/2019 |
| Special Improvement Dist. 121 B - Sub. | 5/31/2006 | 13,515,000 | 10,305,000 | 12/1/2029 |
| Special Improvement Dist. 128-2021 | 5/1/2007 | 480,000 | 345,000 | 2/1/2021 |
| Special Improvement Dist. 128-2031 | 5/1/2007 | 10,755,000 | 9,440,000 | 2/1/2031 |
| Special Improvement Dist. 112 | 5/13/2008 | 70,000,000 | 65,720,000 | 8/1/2037 |
| **Subtotal Land Secured Assessment Bonds** | | | **$ 223,255,000** | |
| **Various Special Improvement Districts** [7] | | | **$ 10,740,000** | |
| | | | | |
| **Grand Total Outstanding Debt** | | | **$ 8,144,990,000** | |

1 General Obligation bonds secured by the full faith, credit and taxing power of the County and payable from a dedicated property tax. The property tax available to pay these bonds is limited to the $3.64 statutory limit and the $5.00 constitutional limit per $100 of assessed valuation.

2 General Obligation bonds secured by the full faith, and credit and payable from all legally available funds of the County. The property tax rate available to pay these bonds is limited to the $3.64 statutory and the $5.00 constitutional limit as well as to the County's maximum operating levy and any legally available tax-overrides.

3 Further information regarding the LVCVA's debt is available in their Debt Management Policy.

4 General Obligation bonds and notes additionally secured by pledged revenues; if revenues are insufficient, the County is obligated to pay the difference between such revenues and debt service requirements of the respective obligations. The property tax rate available to pay these bonds is limited to the $3.64 statutory and $5.00 constitutional limit.

5 These bonds are secured entirely by pledged revenues other than property taxes including airport and hospital revenues and motor vehicle fuel, sales and excise taxes. Economic Development Revenue Bonds issued for and payable by private companies are not included in this schedule.

6 Secured by assessments against property improved. These bonds do not constitute a debt of the County, and the County is not liable. 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.

7 Secured by assessments against property improved; the County's General Fund and the taxing power are contingently liable if collections of assessments are insufficient.

SOURCE: Clark County Department of Finance

**Property Tax Supported Debt**

The County uses property tax as the primary payment source for approximately 2.1 percent of its total general obligation debt issuances. In addition to bonds repaid by the County's property tax debt levy, some outstanding bonds are repaid from the revenues generated by such sources as room taxes, sales tax levies, the County's allocation of Consolidated Taxes (consisting of local government revenues transferred to the County by the State pursuant to an intra-county formula), as well as other taxes and fees levied on vehicles, property transfers, etc.

The following table illustrates a record of the County's assessed valuation.

**SIX-YEAR RECORD OF ASSESSED VALUATION**
(Excluding Redevelopment Agencies)
Clark County, Nevada

| Fiscal Year Ended June 30, | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|
| Boulder City | $ 752,160,390 | $ 751,133,100 | $ 675,629,306 | $ 564,973,634 | $ 525,806,003 | $ 510,495,001 |
| Henderson | 15,913,241,892 | 16,308,288,716 | 12,969,946,316 | 9,784,715,277 | 8,941,510,959 | 8,255,600,100 |
| Las Vegas | 24,649,348,111 | 24,992,555,583 | 18,289,314,192 | 13,718,834,481 | 12,958,012,131 | 11,926,888,555 |
| Mesquite | 820,135,858 | 903,591,652 | 809,678,379 | 636,455,142 | 560,975,540 | 518,858,360 |
| North Las Vegas | 8,961,029,085 | 9,132,667,067 | 6,660,944,839 | 4,719,007,066 | 4,434,688,599 | 3,987,869,401 |
| Uninc. Clark Co. | 55,038,325,753 | 59,818,303,118 | 50,788,968,337 | 34,502,276,027 | 30,458,253,033 | 28,995,556,680 |
| TOTAL | $106,134,241,089 | $111,906,539,236 | $89,981,571,327 | $63,926,261,627 | $57,879,246,265 | $54,195,268,097 |
| Percent Change | 18.6% | 5.4% | -19.6% | -29.0% | -9.5% | -6.4% |

SOURCE: Nevada Department of Taxation

The County anticipates levying a tax rate of $0.0129 for the repayment of voter-approved bonds for Fiscal Year 2012-13. This rate is estimated to provide sufficient revenue to make principal and interest payments due in Fiscal Year 2012-2013, and if continued into the future, is projected to provide sufficient revenue to cover annual payments due on the bonds through their respective maturities. The County's debt levy is a function of the amount of annual debt service, assessed value change, interest earnings, and available balances.

The following tables illustrate the outstanding bond issues currently being supported with property taxes and the corresponding annual debt requirements.

The following table lists the outstanding debt issues that are secured by a dedicated property tax. The property tax available to pay these bonds is limited to the $3.64 per $100 of assessed valuation statutory limit and the $5.00 per $100 of assessed valuation constitutional limit. The table on the following page lists the corresponding required debt payments for these issues.

**PROPERTY TAX SUPPORTED GENERAL OBLIGATION BONDS**
**Clark County, Nevada**
**June 30, 2012**

| Issue | Issue Date | Original Issuance | Amount Outstanding | Retirement Date |
|---|---|---|---|---|
| Public Safety Refunding, Series A | 4/1/2004 | $ 75,610,000 | $ 38,850,000 | 6/1/2017 |
| Total Outstanding | | | $ 38,850,000 | |

SOURCE: Clark County Department of Finance

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**PROPERTY TAX SUPPORTED GENERAL OBLIGATION BONDS**
**DEBT SERVICE REQUIREMENTS**
**Clark County, Nevada**
**June 30, 2012**

| Fiscal Year Ending June 30, | Principal | Interest | Grand Total |
|---|---|---|---|
| 2013 | $ 7,015,000 | $ 1,903,750 | $ 8,918,750 |
| 2014 | 7,375,000 | 1,553,000 | 8,928,000 |
| 2015 | 7,750,000 | 1,184,250 | 8,934,250 |
| 2016 | 8,130,000 | 835,500 | 8,965,500 |
| 2017 | 8,580,000 | 429,000 | 9,009,000 |
| TOTAL | $ 38,850,000 | $ 5,905,500 | $ 44,755,500 |

SOURCE: Clark County Department of Finance

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Medium-term bonds do not have a pledged revenue source, but are repaid from the unreserved General Fund revenues of the County. The property tax available to pay these bonds is limited to the $3.64 per $100 of assessed valuation statutory limit and the $5.00 per $100 of assessed valuation constitutional limit. The table on the following page lists the corresponding required debt payment for these issues.

**MEDIUM-TERM GENERAL OBLIGATION BONDS**
**Clark County, Nevada**
**June 30, 2012**

| Issue | Date Issued | Original Issuance | Amount Outstanding | Retirement Date |
|---|---|---|---|---|
| Public Facilities Medium Term | 3/10/2009 | $ 24,750,000 | $ 18,180,000 | 11/1/2018 |
| Total Outstanding | | | $ 18,180,000 | |

[1] Partially funded by the City of Las Vegas based on the Las Vegas Metropolitan Police Department funding formula.

SOURCE: Clark County Department of Finance

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**MEDIUM-TERM GENERAL OBLIGATION BONDS**
**DEBT SERVICE REQUIREMENTS AND AVAILABLE REVENUE**
**Clark County, Nevada**
**June 30, 2012**

| Fiscal Year Ending June 30, | Principal | Interest | Grand Total | Pledged Revenues[1] |
|---|---|---|---|---|
| 2013 | $ 2,360,000 | $ 565,875 | $ 2,925,875 | $ 2,928,300 |
| 2014 | 2,430,000 | 494,025 | 2,924,025 | 2,928,300 |
| 2015 | 2,505,000 | 420,000 | 2,925,000 | 2,928,300 |
| 2016 | 2,580,000 | 343,725 | 2,923,725 | 2,928,300 |
| 2017 | 2,670,000 | 258,300 | 2,928,300 | 2,928,300 |
| 2018 | 2,765,000 | 163,188 | 2,928,188 | 2,928,300 |
| 2019 | 2,870,000 | 57,400 | 2,927,400 | 2,928,300 |
| TOTAL | $ 18,180,000 | $ 2,302,513 | $ 20,482,513 | |

[1] Represents enough pledged revenue to cover largest payment. Projections represent a zero percent growth rate.

SOURCE: Clark County Department of Finance

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The following table lists the outstanding bonds secured by pledged Consolidated Tax revenues and by the full faith, credit and taxing power of the County. The property tax available to pay these bonds is limited to the $3.64 per $100 of assessed valuation statutory limit and the $5 per $100 of assessed valuation constitutional limit. The Consolidated Tax available is limited to 15% of the annual Consolidated Tax distribution. The table on the following page lists the corresponding required debt payment for these bonds.

**SELF-SUPPORTING GENERAL OBLIGATION BONDS**
**(Consolidated Tax Supported)**
**Clark County, Nevada**
**June 30, 2012**

| Issue | Date Issued | Original Issuance | Amount Outstanding | Retirement Date |
|---|---|---|---|---|
| Government Center Refunding | 4/1/2004 | $ 7,910,000 | $ 6,070,000 | 1/1/2014 |
| Park/RJC/Public Safety Ref., Series C | 12/30/2004 | 48,935,000 | 37,305,000 | 11/1/2017 |
| Park/RJC Refunding, Series B | 7/6/2005 | 32,310,000 | 32,310,000 | 11/1/2024 |
| Public Facilities Ref., Series A | 5/24/2007 | 2,655,000 | 2,655,000 | 6/1/2019 |
| Public Facilities Ref., Series A | 5/14/2009 | 10,985,000 | 1,360,000 | 6/1/2019 |
| Total Outstanding | | | $ 79,700,000 | |

SOURCE: Clark County Department of Finance

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**SELF-SUPPORTING GENERAL OBLIGATION BONDS**
**(Consolidated Tax Supported)**
**DEBT SERVICE REQUIREMENTS AND AVAILABLE REVENUES**
**Clark County, Nevada**
**June 30, 2012**

| Fiscal Year Ending June 30, | Principal | Interest | Grand Total | Pledged Revenues [1] |
|---|---|---|---|---|
| 2013 | $ 9,775,000 | $ 3,748,204 | $ 13,523,204 | $ 41,700,000 |
| 2014 | 10,285,000 | 3,261,279 | 13,546,279 | 41,700,000 |
| 2015 | 7,490,000 | 2,746,004 | 10,236,004 | 41,700,000 |
| 2016 | 6,065,000 | 2,414,404 | 8,479,404 | 41,700,000 |
| 2017 | 6,375,000 | 2,110,704 | 8,485,704 | 41,700,000 |
| 2018 | 6,700,000 | 1,791,219 | 8,491,219 | 41,700,000 |
| 2019 | 7,485,000 | 1,444,694 | 8,929,694 | 41,700,000 |
| 2020 | 7,140,000 | 1,068,569 | 8,208,569 | 41,700,000 |
| 2021 | 3,335,000 | 821,284 | 4,156,284 | 41,700,000 |
| 2022 | 3,490,000 | 665,250 | 4,155,250 | 41,700,000 |
| 2023 | 3,665,000 | 486,375 | 4,151,375 | 41,700,000 |
| 2024 | 3,850,000 | 298,500 | 4,148,500 | 41,700,000 |
| 2025 | 4,045,000 | 101,125 | 4,146,125 | 41,700,000 |
| TOTAL | $ 79,700,000 | $ 20,957,611 | $ 100,657,611 | |

[1] Represents 15% of budgeted FY 2012-13 Consolidated Tax Revenues. Projections represent a zero percent growth rate.

SOURCE: Clark County Department of Finance

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The following table lists the outstanding transportation bonds supported by the one-percent Supplemental Motor Vehicle Privilege Tax, Non-Corridor Room Tax, and the Development Privilege Tax (collectively known as the "Beltway Pledged Revenues"), each of which became effective July 1, 1991, for the purpose of transportation improvements. The bonds are also secured by the full faith, credit and taxing power of the County. The property tax available to pay these bonds is limited to the $3.64 per $100 of assessed valuation statutory limit and the $5.00 per $100 of assessed valuation constitutional limit. The table on the following page lists the annual debt service requirements.

**SELF-SUPPORTING GENERAL OBLIGATION BONDS**
**(Beltway Pledged Revenue Bonds)**
**Clark County, Nevada**
**June 30, 2012**

| Debt Issue | Date Issued | Original Issuance | Amount Outstanding | Retirement Date |
|---|---|---|---|---|
| Transp. Bonds, Series A | 6/1/1992 | $ 136,855,000 | $ 11,675,000 | 6/1/2017 |
| Transp. Refunding, Series A | 12/30/2004 | 41,685,000 | 37,455,000 | 12/1/2019 |
| Transp. Refunding, Series A | 3/7/2006 | 64,240,000 | 39,365,000 | 6/1/2016 |
| Transp. Refunding, Series A | 3/13/2008 | 64,625,000 | 43,870,000 | 6/1/2019 |
| Transp. Refunding, Series A | 12/8/2009 | 111,605,000 | 108,645,000 | 12/1/2029 |
| Total Outstanding | | | $ 241,010,000 | |

SOURCE: Clark County Department of Finance

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**SELF-SUPPORTING GENERAL OBLIGATION BONDS**
**(Beltway Pledged Revenue Supported)**
**DEBT SERVICE REQUIREMENTS AND AVAILABLE REVENUES**
**Clark County, Nevada**
**June 30, 2012**

| Fiscal Year Ending June 30, | Principal | Interest | Grand Total | Pledged Revenues [1] |
|---|---|---|---|---|
| 2013 | $ 20,490,000 | $ 10,708,146 | $ 31,198,146 | $ 50,035,159 |
| 2014 | 21,370,000 | 9,793,431 | 31,163,431 | 50,035,159 |
| 2015 | 22,325,000 | 8,807,819 | 31,132,819 | 50,035,159 |
| 2016 | 23,345,000 | 7,777,085 | 31,122,085 | 50,035,159 |
| 2017 | 24,995,000 | 6,736,085 | 31,731,085 | 50,035,159 |
| 2018 | 13,845,000 | 5,461,348 | 19,306,348 | 50,035,159 |
| 2019 | 14,425,000 | 4,904,124 | 19,329,124 | 50,035,159 |
| 2020 | 7,860,000 | 4,322,969 | 12,182,969 | 50,035,159 |
| 2021 | 7,575,000 | 3,996,669 | 11,571,669 | 50,035,159 |
| 2022 | 7,885,000 | 3,687,469 | 11,572,469 | 50,035,159 |
| 2023 | 8,210,000 | 3,365,569 | 11,575,569 | 50,035,159 |
| 2024 | 8,545,000 | 3,030,469 | 11,575,469 | 50,035,159 |
| 2025 | 8,895,000 | 2,676,109 | 11,571,109 | 50,035,159 |
| 2026 | 9,280,000 | 2,295,450 | 11,575,450 | 50,035,159 |
| 2027 | 9,720,000 | 1,855,250 | 11,575,250 | 50,035,159 |
| 2028 | 10,215,000 | 1,356,875 | 11,571,875 | 50,035,159 |
| 2029 | 10,740,000 | 833,000 | 11,573,000 | 50,035,159 |
| 2030 | 11,290,000 | 282,250 | 11,572,250 | 50,035,159 |
| TOTAL | $ 241,010,000 | $ 81,890,115 | $ 322,900,115 | |

[1] Represents pledged FY 2012-2013 budgeted Motor Vehicle Privilege Tax, Development Tax Revenues, budgeted Non-Corridor Room Tax. These revenues are also pledged to the Series B and Series C Master Transportation Plan bonds. In fiscal year 2012, approximately $514,897 of Beltway Pledged Revenues were required to cover the Laughlin Resort Corridor debt (Series C), representing the difference between fiscal year debt service and Laughlin Room Tax Collections. Pledged revenues represent a zero percent growth rate.

SOURCE: Clark County Department of Finance

The following table lists the outstanding transportation bonds secured by the Strip Resort Corridor Room Tax and the full faith, credit and taxing power of the County. The property tax available to pay these bonds is limited to the $3.64 per $100 of assessed valuation statutory limit and the $5.00 per $100 of assessed valuation constitutional limit. The 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 Corridor. The table on the following page lists the annual debt service requirements.

**SELF-SUPPORTING GENERAL OBLIGATION BONDS**
**(Strip Resort Corridor Room Tax Supported)**
**Clark County, Nevada**
**June 30, 2012**

| Debt Issue | Date Issued | Original Issuance | Amount Outstanding | Retirement Date |
|---|---|---|---|---|
| Transp. Improvement, Series B | 6/1/1992 | $ 103,810,000 | $ 9,370,000 | 6/1/2017 |
| Transp. Refunding, Series B | 12/30/2004 | 33,210,000 | 30,455,000 | 12/1/2019 |
| Transp. Refunding, Series B | 3/7/2006 | 51,345,000 | 31,455,000 | 6/1/2016 |
| Transp. Bonds, Series B1 - BABs | 6/23/2009 | 60,000,000 | 53,150,000 | 6/1/2029 |
| Transp. Refunding, Series B3 | 12/8/2009 | 12,860,000 | 10,865,000 | 12/1/2019 |
| Total Outstanding | | | $ 135,295,000 | |

SOURCE: Clark County Department of Finance

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**SELF-SUPPORTING GENERAL OBLIGATION BONDS**
**(Strip Resort Corridor Room Tax Supported)**
**DEBT SERVICE REQUIREMENTS AND AVAILABLE REVENUES**
**Clark County, Nevada**
**June 30, 2012**

| Fiscal Year Ending June 30, | Principal | Interest | Grand Total | Pledged Revenues [1] |
|---|---|---|---|---|
| 2013 | $ 13,990,000 | $ 7,214,214 | $ 21,204,214 | $ 36,468,000 |
| 2014 | 14,630,000 | 6,528,229 | 21,158,229 | 36,468,000 |
| 2015 | 15,300,000 | 5,803,204 | 21,103,204 | 36,468,000 |
| 2016 | 16,005,000 | 5,034,797 | 21,039,797 | 36,468,000 |
| 2017 | 17,275,000 | 4,251,663 | 21,526,663 | 36,468,000 |
| 2018 | 8,230,000 | 3,283,136 | 11,513,136 | 36,468,000 |
| 2019 | 8,580,000 | 2,892,564 | 11,472,564 | 36,468,000 |
| 2020 | 8,955,000 | 2,475,437 | 11,430,437 | 36,468,000 |
| 2021 | 3,030,000 | 2,171,832 | 5,201,832 | 36,468,000 |
| 2022 | 3,150,000 | 1,988,214 | 5,138,214 | 36,468,000 |
| 2023 | 3,275,000 | 1,794,174 | 5,069,174 | 36,468,000 |
| 2024 | 3,410,000 | 1,589,159 | 4,999,159 | 36,468,000 |
| 2025 | 3,550,000 | 1,372,283 | 4,922,283 | 36,468,000 |
| 2026 | 3,715,000 | 1,122,008 | 4,837,008 | 36,468,000 |
| 2027 | 3,885,000 | 860,100 | 4,745,100 | 36,468,000 |
| 2028 | 4,065,000 | 586,208 | 4,651,208 | 36,468,000 |
| 2029 | 4,250,000 | 299,625 | 4,549,625 | 36,468,000 |
| TOTAL | $ 135,295,000 | $ 49,266,843 | $ 184,561,843 | |

[1] Represents budgeted FY 2012-13 Strip Resort Corridor 1% Room Tax revenues. Projections represent a zero percent growth rate.

SOURCE: Clark County Department of Finance

The following table lists the outstanding transportation bonds secured by the Laughlin Resort Corridor Room Tax and the full faith, credit and taxing power of the County. The revenues are derived from a one percent room tax collected on the gross receipts from the rental of hotel/motel rooms within the Laughlin Resort Corridor as authorized by NRS 244.3351. The property tax available to pay these bonds is limited to the $3.64 per $100 of assessed valuation statutory limit and the $5.00 per $100 of assessed valuation constitutional limit. The table on the following page lists the annual debt service requirements.

**SELF-SUPPORTING GENERAL OBLIGATION BONDS**
**(Laughlin Resort Corridor Room Tax Supported)**
**Clark County, Nevada**
**June 30, 2012**

| Debt Issue | Date Issued | Original Issuance | Amount Outstanding | Retirement Date |
|---|---|---|---|---|
| Transp. Improvement, Series C | 6/1/1992 | $9,335,000 | $ 755,000 | 6/1/2017 |
| Transp. Refunding, Series C | 3/13/2008 | 6,420,000 | 4,070,000 | 6/1/2019 |
| Total Outstanding | | | $ 4,825,000 | |

SOURCE: Clark County Department of Finance

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**SELF-SUPPORTING GENERAL OBLIGATION BONDS**
**(Laughlin Resort Corridor Room Tax Supported)**
**DEBT SERVICE REQUIREMENTS AND AVAILABLE REVENUES**
**Clark County, Nevada**
**June 30, 2012**

| Fiscal Year Ending June 30, | Principal | Interest | Grand Total | Pledged Revenues[1] |
|---|---|---|---|---|
| 2013 | $ 825,000 | $ 189,897 | $ 1,014,897 | $ 1,021,148 |
| 2014 | 855,000 | 161,352 | 1,016,352 | 1,021,148 |
| 2015 | 885,000 | 131,769 | 1,016,769 | 1,021,148 |
| 2016 | 920,000 | 101,148 | 1,021,148 | 1,021,148 |
| 2017 | 940,000 | 69,316 | 1,009,316 | 1,021,148 |
| 2018 | 195,000 | 13,840 | 208,840 | 1,021,148 |
| 2019 | 205,000 | 7,093 | 212,093 | 1,021,148 |
| TOTAL | $ 4,825,000 | $ 674,415 | $ 5,499,415 | |

[1] Represents maximum debt service. In fiscal year 2012, the 1% Laughlin Room Tax generated an estimated $500,000. The balance was provided from Beltway Pledged Revenues (see page 13).

SOURCE: Clark County Department of Finance

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The following table lists the University Medical Center of Southern Nevada revenue supported outstanding bonds and notes. Pledged revenues include net patient revenue and rental income. These bonds are also secured by the full faith, credit and taxing power of the County. The property tax available to pay these bonds is limited to the $3.64 per $100 of assessed valuation statutory limit and the $5.00 per $100 of assessed valuation constitutional limit. The table on the following page lists the annual debt service requirements.

**SELF-SUPPORTING GENERAL OBLIGATION BONDS AND NOTES**
**(University Medical Center Revenue Supported)**
**Clark County, Nevada**
**June 30, 2012**

| Debt Issue | Date Issued | Original Issuance | Amount Outstanding | Retirement Date |
|---|---|---|---|---|
| Hospital Improvement & Refunding | 11/1/2003 | $ 36,765,000 | $ 9,055,000 | 9/1/2023 |
| Hospital Refunding | 7/28/2005 | 48,390,000 | 43,140,000 | 3/1/2020 |
| Hospital Refunding | 5/22/2007 | 18,095,000 | 17,990,000 | 9/1/2023 |
| Hospital Medium-Term Note Refunding | 3/10/2009 | 6,950,000 | 6,285,000 | 11/1/2017 |
| Total Outstanding | | | $ 76,470,000 | |

SOURCE: Clark County Department of Finance & University Medical Center

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**SELF-SUPPORTING GENERAL OBLIGATION BONDS AND NOTES**
**(University Medical Center Revenue Supported)**
**DEBT SERVICE REQUIREMENTS AND AVAILABLE REVENUES**
**Clark County, Nevada**
**June 30, 2012**

| Fiscal Year Ending June 30, | Principal | Interest | Grand Total | Pledged Revenues [1] |
|---|---|---|---|---|
| 2013 | $ 5,730,000 | $ 3,531,908 | $ 9,261,908 | $ 549,471,249 |
| 2014 | 5,995,000 | 3,265,064 | 9,260,064 | 549,471,249 |
| 2015 | 6,220,000 | 2,988,734 | 9,208,734 | 549,471,249 |
| 2016 | 6,510,000 | 2,700,087 | 9,210,087 | 549,471,249 |
| 2017 | 6,815,000 | 2,395,780 | 9,210,780 | 549,471,249 |
| 2018 | 7,135,000 | 2,073,856 | 9,208,856 | 549,471,249 |
| 2019 | 6,155,000 | 1,759,453 | 7,914,453 | 549,471,249 |
| 2020 | 6,480,000 | 1,452,327 | 7,932,327 | 549,471,249 |
| 2021 | 5,940,000 | 999,050 | 6,939,050 | 549,471,249 |
| 2022 | 6,210,000 | 728,935 | 6,938,935 | 549,471,249 |
| 2023 | 6,495,000 | 446,403 | 6,941,403 | 549,471,249 |
| 2024 | 6,785,000 | 150,975 | 6,935,975 | 549,471,249 |
| TOTAL | $ 76,470,000 | $ 22,492,572 | $ 98,962,572 | |

[1] Represents budgeted FY2012-13 gross pledged revenues and a zero growth rate in revenues.

SOURCE: Clark County Department of Finance

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The following table lists the outstanding bonds secured by a voter-approved one-quarter of one percent sales tax dedicated to flood control. This tax has been imposed since 1986. These bonds are also secured by the full faith, credit and taxing power of the County. The property tax available to pay these bonds is limited to the $3.64 per $100 of assessed valuation statutory limit and the $5.00 per $100 of assessed valuation constitutional limit. The table on the following page lists the annual debt service requirements.

**SELF-SUPPORTING GENERAL OBLIGATION BONDS**
**(Flood Control / Sales Tax Supported)**
**Clark County, Nevada**
**June 30, 2012**

| Debt Issue | Date Issued | Original Issuance | Amount Outstanding | Retirement Date |
|---|---|---|---|---|
| Flood Control Refunding | 2/21/2006 | $ 200,000,000 | $ 199,600,000 | 11/1/2035 |
| Flood Control Refunding | 8/20/2008 | 50,570,000 | 35,085,000 | 11/1/2015 |
| Flood Control B - BABs | 6/23/2009 | 150,000,000 | 140,415,000 | 11/1/2038 |
| Flood Control Refunding | 7/13/2010 | 29,425,000 | 29,425,000 | 11/1/2018 |
| Total Outstanding | | | $ 404,525,000 | |

SOURCE: Clark County Department of Finance and Regional Flood Control District

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**SELF-SUPPORTING GENERAL OBLIGATION BONDS**
**(Flood Control Sales Tax Supported)**
**DEBT SERVICE REQUIREMENTS AND AVAILABLE REVENUES**
**Clark County, Nevada**
**June 30, 2012**

| Fiscal Year Ending June 30, | Principal | Interest | Grand Total | Pledged Revenues [1] |
|---|---|---|---|---|
| 2013 | $ 11,240,000 | $ 21,661,513 | $ 32,901,513 | $ 77,400,000 |
| 2014 | 11,730,000 | 21,124,138 | 32,854,138 | 77,400,000 |
| 2015 | 12,260,000 | 20,546,098 | 32,806,098 | 77,400,000 |
| 2016 | 12,820,000 | 19,929,849 | 32,749,849 | 77,400,000 |
| 2017 | 12,810,000 | 19,288,140 | 32,098,140 | 77,400,000 |
| 2018 | 13,405,000 | 18,623,020 | 32,028,020 | 77,400,000 |
| 2019 | 14,040,000 | 17,921,441 | 31,961,441 | 77,400,000 |
| 2020 | 11,780,000 | 17,287,748 | 29,067,748 | 77,400,000 |
| 2021 | 12,260,000 | 16,700,950 | 28,960,950 | 77,400,000 |
| 2022 | 12,765,000 | 16,058,280 | 28,823,280 | 77,400,000 |
| 2023 | 13,300,000 | 15,382,789 | 28,682,789 | 77,400,000 |
| 2024 | 13,870,000 | 14,674,422 | 28,544,422 | 77,400,000 |
| 2025 | 14,475,000 | 13,931,021 | 28,406,021 | 77,400,000 |
| 2026 | 15,120,000 | 13,136,048 | 28,256,048 | 77,400,000 |
| 2027 | 15,810,000 | 12,288,588 | 28,098,588 | 77,400,000 |
| 2028 | 16,535,000 | 11,402,231 | 27,937,231 | 77,400,000 |
| 2029 | 17,305,000 | 10,474,849 | 27,779,849 | 77,400,000 |
| 2030 | 18,145,000 | 9,503,421 | 27,648,421 | 77,400,000 |
| 2031 | 19,050,000 | 8,478,425 | 27,528,425 | 77,400,000 |
| 2032 | 20,010,000 | 7,396,313 | 27,406,313 | 77,400,000 |
| 2033 | 21,010,000 | 6,260,213 | 27,270,213 | 77,400,000 |
| 2034 | 22,070,000 | 5,067,438 | 27,137,438 | 77,400,000 |
| 2035 | 23,180,000 | 3,814,938 | 26,994,938 | 77,400,000 |
| 2036 | 24,350,000 | 2,499,663 | 26,849,663 | 77,400,000 |
| 2037 | 8,000,000 | 1,535,913 | 9,535,913 | 77,400,000 |
| 2038 | 8,390,000 | 941,775 | 9,331,775 | 77,400,000 |
| 2039 | 8,795,000 | 318,819 | 9,113,819 | 77,400,000 |
| TOTAL | $ 404,525,000 | $ 326,248,036 | $ 730,773,036 | |

[1] Represents budgeted FY2012-13 sales tax revenue projections.

SOURCE: Clark County Department of Finance

The following tables list the outstanding bonds secured by the court facility administrative assessment fee and the corresponding required debt payments. The bonds are also secured by the full faith, credit and taxing power of the County. The property tax available to pay these bonds is limited to the $3.64 per $100 of assessed valuation statutory limit and the $5.00 per $100 of assessed valuation constitutional limit.

**SELF-SUPPORTING GENERAL OBLIGATION BONDS**
**(Court Administrative Assessment Supported)**
**Clark County, Nevada**
**June 30, 2012**

| Issue | Issue Date | Original Issuance | Amount Outstanding | Retirement Date |
|---|---|---|---|---|
| Public Facilities Refunding Series B | 5/24/2007 | $5,800,000 | $ 5,800,000 | 6/1/2019 |
| Public Facilities Refunding Series B | 5/14/2009 | 5,820,000 | 3,200,000 | 6/1/2019 |
| Total Outstanding | | | $ 9,000,000 | |

**SELF-SUPPORTING GENERAL OBLIGATION BONDS**
**(Court Administrative Assessment Supported)**
**DEBT SERVICE REQUIREMENTS AND AVAILABLE REVENUES**
**Clark County, Nevada**
**June 30, 2012**

| FY Ending June 30 | Principal | Interest | Grand Total | Pledged Revenues [1] |
|---|---|---|---|---|
| 2013 | $ 1,065,000 | $ 367,224 | $ 1,432,224 | $ 1,612,900 |
| 2014 | 1,120,000 | 335,274 | 1,455,274 | 1,612,900 |
| 2015 | 1,200,000 | 293,524 | 1,493,524 | 1,612,900 |
| 2016 | 1,270,000 | 247,999 | 1,517,999 | 1,612,900 |
| 2017 | 1,365,000 | 196,574 | 1,561,574 | 1,612,900 |
| 2018 | 1,440,000 | 140,569 | 1,580,569 | 1,612,900 |
| 2019 | 1,540,000 | 72,900 | 1,612,900 | 1,612,900 |
| TOTAL | $ 9,000,000 | $ 1,654,064 | $ 10,654,064 | |

[1] Per the bond covenants, the Administrative Assessment Pledged Revenues have been deposited in the Revenue Stabilization Fund (3120). The balance reached the required minimum balance of 100% of the combined maximum annual debt service in FY 2004-05. Transfers to the Revenue Stabilization Fund are no longer required.

SOURCE: Clark County Department of Finance

The following tables list the outstanding bonds secured by the interlocal agreement between the County and the City of Las Vegas, dated October 20, 1998, and the corresponding annual debt service requirements. The bonds are also secured by the full faith, credit and taxing power of the County. The property tax available to pay these bonds is limited to $3.64 per $100 of assessed valuation statutory limit and the $5.00 per $100 of assessed valuation constitutional limit.

**SELF-SUPPORTING GENERAL OBLIGATION BONDS**
**(Interlocal Agreement Supported)**
**Clark County, Nevada**
**June 30, 2012**

| Debt Issue | Issue Date | Original Issuance | Amount Outstanding | Retirement Date |
|---|---|---|---|---|
| Public Facilities Refunding, Series C | 5/24/2007 | $13,870,000 | $ 12,795,000 | 6/1/2024 |
| Public Facilities Refunding, Series C | 5/14/2009 | 8,060,000 | 5,735,000 | 6/1/2024 |
| Total Outstanding | | | $ 18,530,000 | |

**SELF-SUPPORTING GENERAL OBLIGATION BONDS**
**(Interlocal Agreement Supported Bonds)** [1]
**DEBT SERVICE REQUIREMENTS**
**Clark County, Nevada**
**June 30, 2012**

| Fiscal Year Ending June 30 | Principal | Interest | Grand Total |
|---|---|---|---|
| 2013 | $ 1,250,000 | $ 747,090 | $ 1,997,090 |
| 2014 | 1,285,000 | 709,040 | 1,994,040 |
| 2015 | 1,330,000 | 661,040 | 1,991,040 |
| 2016 | 1,385,000 | 610,465 | 1,995,465 |
| 2017 | 1,435,000 | 555,615 | 1,990,615 |
| 2018 | 1,495,000 | 499,340 | 1,994,340 |
| 2019 | 1,555,000 | 440,034 | 1,995,034 |
| 2020 | 1,615,000 | 377,834 | 1,992,834 |
| 2021 | 1,680,000 | 310,690 | 1,990,690 |
| 2022 | 1,755,000 | 240,290 | 1,995,290 |
| 2023 | 1,830,000 | 164,553 | 1,994,553 |
| 2024 | 1,915,000 | 84,618 | 1,999,618 |
| TOTAL | $ 18,530,000 | $ 5,400,609 | $ 23,930,609 |

[1] The interlocal agreement calls for the City of Las Vegas to pay all debt service requirements of the bonds.

SOURCE: Clark County Department of Finance

The following table lists the outstanding general obligation bonds that are supported by and payable from the net revenues of the McCarran International Airport System. The bonds are also secured by the full faith, credit and taxing power of the County. The property tax available to pay these bonds is limited to the $3.64 per $100 of assessed valuation statutory limit and the $5.00 per $100 of assessed valuation constitutional limit. The table on the following page lists the annual debt service requirements.

**SELF-SUPPORTING GENERAL OBLIGATION BONDS**
**(Airport Revenue Supported)**
**Clark County, Nevada**
**June 30, 2012**

| Debt Issue | Date Issued | Original Issuance | Amount Outstanding | Retirement Date |
|---|---|---|---|---|
| Airport G.O. Refunding, Series B | 5/29/2003 | $ 37,000,000 | $ 37,000,000 | 7/1/2024 |
| Airport G.O. Refunding, Series A | 2/26/2008 | 43,105,000 | 43,105,000 | 7/1/2027 |
| Total Outstanding | | | $ 80,105,000 | |

SOURCE: Clark County Department of Finance & Department of Aviation

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**SELF-SUPPORTING GENERAL OBLIGATION BONDS**
**(Airport Revenue Supported)**
**DEBT SERVICE REQUIREMENTS AND AVAILABLE REVENUES**
**Clark County, Nevada**
**June 30, 2012**

| Fiscal Year Ending June 30, | Principal | Interest[1] | Grand Total | Pledged Revenues[2] |
|---|---|---|---|---|
| 2013 | $ - | $ 3,496,400 | $ 3,496,400 | $ 241,983,580 |
| 2014 | - | 3,496,400 | 3,496,400 | 241,983,580 |
| 2015 | - | 3,496,400 | 3,496,400 | 241,983,580 |
| 2016 | - | 3,496,400 | 3,496,400 | 241,983,580 |
| 2017 | - | 3,496,400 | 3,496,400 | 241,983,580 |
| 2018 | - | 3,496,400 | 3,496,400 | 241,983,580 |
| 2019 | - | 3,496,400 | 3,496,400 | 241,983,580 |
| 2020 | - | 3,496,400 | 3,496,400 | 241,983,580 |
| 2021 | - | 3,496,400 | 3,496,400 | 241,983,580 |
| 2022 | - | 3,496,400 | 3,496,400 | 241,983,580 |
| 2023 | 5,880,000 | 3,349,400 | 9,229,400 | 241,983,580 |
| 2024 | 15,375,000 | 2,837,244 | 18,212,244 | 241,983,580 |
| 2025 | 15,745,000 | 2,098,144 | 17,843,144 | 241,983,580 |
| 2026 | - | 1,724,200 | 1,724,200 | 241,983,580 |
| 2027 | - | 1,724,200 | 1,724,200 | 241,983,580 |
| 2028 | 43,105,000 | 855,014 | 43,960,014 | 241,983,580 |
| TOTAL | $80,105,000 | $ 47,552,202 | $ 127,657,202 | |

[1] Interest on the Series A bonds are at a variable rate.

[2] The bonds are additionally secured by and are payable from the Net Revenues of the Airport System subordinate and junior to the lien thereon of Senior Securities, subordinate and junior to the lien thereon of Second Lien Subordinate Securities, and subordinate and junior to the lien thereon of Third Lien Subordinate Securities and on a parity with a lien thereon of the Series 2003 B bonds.

SOURCE: Clark County Department of Finance

The following table lists the outstanding general obligation bonds that are supported by and payable from the net revenues of the Las Vegas Convention and Visitors Authority (LVCVA). The bonds are also secured by the full faith, credit and taxing power of the County. The property tax available to pay these bonds is limited to the $3.64 per $100 of assessed valuation statutory limit and the $5.00 per $100 of assessed valuation constitutional limit. The table on the following page lists the annual debt service requirements.

**SELF-SUPPORTING GENERAL OBLIGATION BONDS**
**(LVCVA Revenue Supported)**
**Clark County, Nevada**
**June 30, 2012**

| Debt Issue | Date Issued | Original Issuance | Amount Outstanding | Retirement Date |
|---|---|---|---|---|
| LVCVA Refunding | 5/31/2007 | $ 38,200,000 | $ 29,920,000 | 7/1/2021 |
| LVCVA | 8/19/2008 | 26,455,000 | 25,080,000 | 7/1/2038 |
| LVCVA Series A BABs | 1/26/2010 | 70,770,000 | 70,770,000 | 7/1/2038 |
| LVCVA Series B | 1/26/2010 | 28,870,000 | 26,870,000 | 7/1/2022 |
| LVCVA Series B Refunding | 1/26/2010 | 24,650,000 | 24,570,000 | 7/1/2026 |
| LVCVA Series C BABs | 12/8/2010 | 155,390,000 | 155,390,000 | 7/1/2038 |
| LVCVA Series D | 12/8/2010 | 18,515,000 | 15,355,000 | 7/1/2015 |
| Total Outstanding | | | $ 347,955,000 | |

SOURCE: Clark County Department of Finance

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**SELF-SUPPORTING GENERAL OBLIGATION BONDS**
**(LVCVA Revenue Supported)**
**DEBT SERVICE REQUIREMENTS AND AVAILABLE REVENUES**
**Clark County, Nevada**
**June 30, 2012**

| Fiscal Year Ending June 30, | Principal | Interest | Grand Total |
|---|---|---|---|
| 2013 | $ 8,570,000 | $ 20,058,283 | $ 28,628,283 |
| 2014 | 8,930,000 | 19,706,333 | 28,636,333 |
| 2015 | 9,335,000 | 19,299,283 | 28,634,283 |
| 2016 | 9,760,000 | 18,873,058 | 28,633,058 |
| 2017 | 10,200,000 | 18,429,383 | 28,629,383 |
| 2018 | 10,580,000 | 17,970,266 | 28,550,266 |
| 2019 | 10,995,000 | 17,497,217 | 28,492,217 |
| 2020 | 11,430,000 | 16,988,273 | 28,418,273 |
| 2021 | 11,910,000 | 16,436,450 | 28,346,450 |
| 2022 | 12,430,000 | 15,835,795 | 28,265,795 |
| 2023 | 13,265,000 | 15,172,158 | 28,437,158 |
| 2024 | 13,850,000 | 14,436,273 | 28,286,273 |
| 2025 | 14,445,000 | 13,650,695 | 28,095,695 |
| 2026 | 15,060,000 | 12,818,523 | 27,878,523 |
| 2027 | 15,745,000 | 11,918,468 | 27,663,468 |
| 2028 | 11,045,000 | 11,103,681 | 22,148,681 |
| 2029 | 11,535,000 | 10,376,294 | 21,911,294 |
| 2030 | 12,055,000 | 9,608,122 | 21,663,122 |
| 2031 | 12,595,000 | 8,795,064 | 21,390,064 |
| 2032 | 13,175,000 | 7,930,245 | 21,105,245 |
| 2033 | 13,790,000 | 7,020,989 | 20,810,989 |
| 2034 | 14,425,000 | 6,069,681 | 20,494,681 |
| 2035 | 15,100,000 | 5,074,296 | 20,174,296 |
| 2036 | 15,800,000 | 4,032,684 | 19,832,684 |
| 2037 | 16,530,000 | 2,942,987 | 19,472,987 |
| 2038 | 17,300,000 | 1,802,837 | 19,102,837 |
| 2039 | 18,100,000 | 609,908 | 18,709,908 |
| TOTAL | $ 347,955,000 | $ 324,457,246 | $ 672,412,246 |

SOURCE: Clark County Department of Finance

The following table lists the outstanding bonds of the County Bond Bank. For various types of projects, other local governmental entities within the County can issue bonds through the County's Bond Bank. The bonds are repaid with revenues received from the agencies utilizing the bond bank. The bonds are also secured by the full faith, credit and taxing power of the County. The property tax available to pay these bonds is limited to the $3.64 per $100 of assessed valuation statutory limit and the $5.00 per $100 of assessed valuation constitutional limit. The table on the following page lists the annual debt service requirements.

**SELF-SUPPORTING GENERAL OBLIGATION BONDS**
**(Bond Bank Supported)**
**Clark County, Nevada**
**June 30, 2012**

| Debt Issue | Date Issued | Original Issuance | Amount Outstanding | Retirement Date |
|---|---|---|---|---|
| Bond Bank SNWA Ref. 2006 | 6/13/2006 | $ 242,880,000 | $ 210,210,000 | 6/1/2030 |
| Bond Bank SNWA 2006 | 11/2/2006 | 604,140,000 | 533,020,000 | 11/1/2036 |
| Bond Bank SNWA 2008 | 7/2/2008 | 400,000,000 | 362,155,000 | 6/1/2038 |
| Bond Bank SNWA Ref. 2009 | 11/10/2009 | 50,000,000 | 50,000,000 | 6/1/2030 |
| Bond Bank SNWA Ref 2012 | 6/20/2012 | 85,015,000 | 85,015,000 | 6/1/2032 |
| Total Outstanding | | | $ 1,240,400,000 | |

SOURCE: Clark County Department of Finance

**SELF-SUPPORTING GENERAL OBLIGATION BONDS**
**(Bond Bank Supported)**
**DEBT SERVICE REQUIREMENTS** [1]
**Clark County, Nevada**
**June 30, 2012**

| Fiscal Year Ending June 30, | Principal | Interest | Grand Total |
|---|---|---|---|
| 2013 | $ 1,780,000 | $ 57,389,602 | $ 59,169,602 |
| 2014 | 1,865,000 | 57,482,981 | 59,347,981 |
| 2015 | 1,960,000 | 57,389,731 | 59,349,731 |
| 2016 | 31,145,000 | 57,291,731 | 88,436,731 |
| 2017 | 42,865,000 | 55,427,013 | 98,292,013 |
| 2018 | 44,960,000 | 53,341,213 | 98,301,213 |
| 2019 | 47,150,000 | 51,153,288 | 98,303,288 |
| 2020 | 49,450,000 | 48,837,125 | 98,287,125 |
| 2021 | 51,875,000 | 46,407,513 | 98,282,513 |
| 2022 | 54,440,000 | 43,835,363 | 98,275,363 |
| 2023 | 57,445,000 | 40,852,913 | 98,297,913 |
| 2024 | 60,360,000 | 37,962,750 | 98,322,750 |
| 2025 | 63,410,000 | 34,926,213 | 98,336,213 |
| 2026 | 66,630,000 | 31,736,238 | 98,366,238 |
| 2027 | 69,700,000 | 28,689,688 | 98,389,688 |
| 2028 | 72,610,000 | 25,804,838 | 98,414,838 |
| 2029 | 75,545,000 | 22,754,900 | 98,299,900 |
| 2030 | 80,410,000 | 19,506,981 | 99,916,981 |
| 2031 | 65,545,000 | 15,828,900 | 81,373,900 |
| 2032 | 51,785,000 | 12,811,225 | 64,596,225 |
| 2033 | 41,015,000 | 10,323,850 | 51,338,850 |
| 2034 | 42,865,000 | 8,470,150 | 51,335,150 |
| 2035 | 44,755,000 | 6,580,988 | 51,335,988 |
| 2036 | 46,725,000 | 4,613,575 | 51,338,575 |
| 2037 | 48,540,000 | 2,798,563 | 51,338,563 |
| 2038 | 25,570,000 | 1,278,500 | 26,848,500 |
| TOTAL | $ 1,240,400,000 | $ 833,495,827 | $ 2,073,895,827 |

[1] The County has purchased bonds from the local governments which have payments equal to those shown.

SOURCE: Clark County Department of Finance

**REGIONAL TRANSPORTATION REVENUE BONDS**
**(Supported by Sales/Excise Jet A Fuel Tax and Motor Vehicle Fuel Tax)**
**Clark County, Nevada**
**June 30, 2012**

| Debt Issue | Date Issued | Original Issuance | Amount Outstanding | Retirement Date |
|---|---|---|---|---|
| Highway Improvement | 9/9/2003 | $ 200,000,000 | $ 18,335,000 | 7/1/2013 |
| Highway Improvement/Refunding | 6/12/2007 | 300,000,000 | 261,325,000 | 7/1/2027 |
| Highway Improvement CP MVFT | 2/27/2008 | 200,000,000 | 8,000,000 | 7/6/2012 |
| Highway Improvement Sales/Excise | 2/23/2010 | 69,595,000 | 64,590,000 | 7/1/2029 |
| Highway Improvement A1 BABs | 2/25/2010 | 32,595,000 | 32,595,000 | 7/1/2029 |
| Highway Improvement Refunding B | 2/25/2010 | 51,180,000 | 51,180,000 | 7/1/2028 |
| Highway Improvement Refunding B | 8/11/2010 | 94,835,000 | 86,965,000 | 7/1/2020 |
| Highway Improvement BABs C | 8/11/2010 | 140,560,000 | 140,560,000 | 7/1/2030 |
| Highway Improvement/Refunding | 11/29/2011 | 118,105,000 | 118,105,000 | 7/1/2023 |
| Total Outstanding | | | $ 781,655,000 | |

SOURCE: Clark County Department of Finance

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**County Debt Service and Reserve Funds**

Reserve requirements and debt service reserves are specified in the bond documents for individual bond issues. For bonds paid solely from property taxes, it is the County's policy to strive for a debt service fund balance in an amount not less than the succeeding fiscal year's principal and interest requirement. Reserve and principal and interest set asides for other issues are currently in compliance with specific issue requirements.

**Possible County Capital Projects Requiring Long-Term Financing Repayment Sources**

The Clark County Regional Flood Control District also intends to issue $75 million in general obligation long-term debt additionally secured by pledged revenues.

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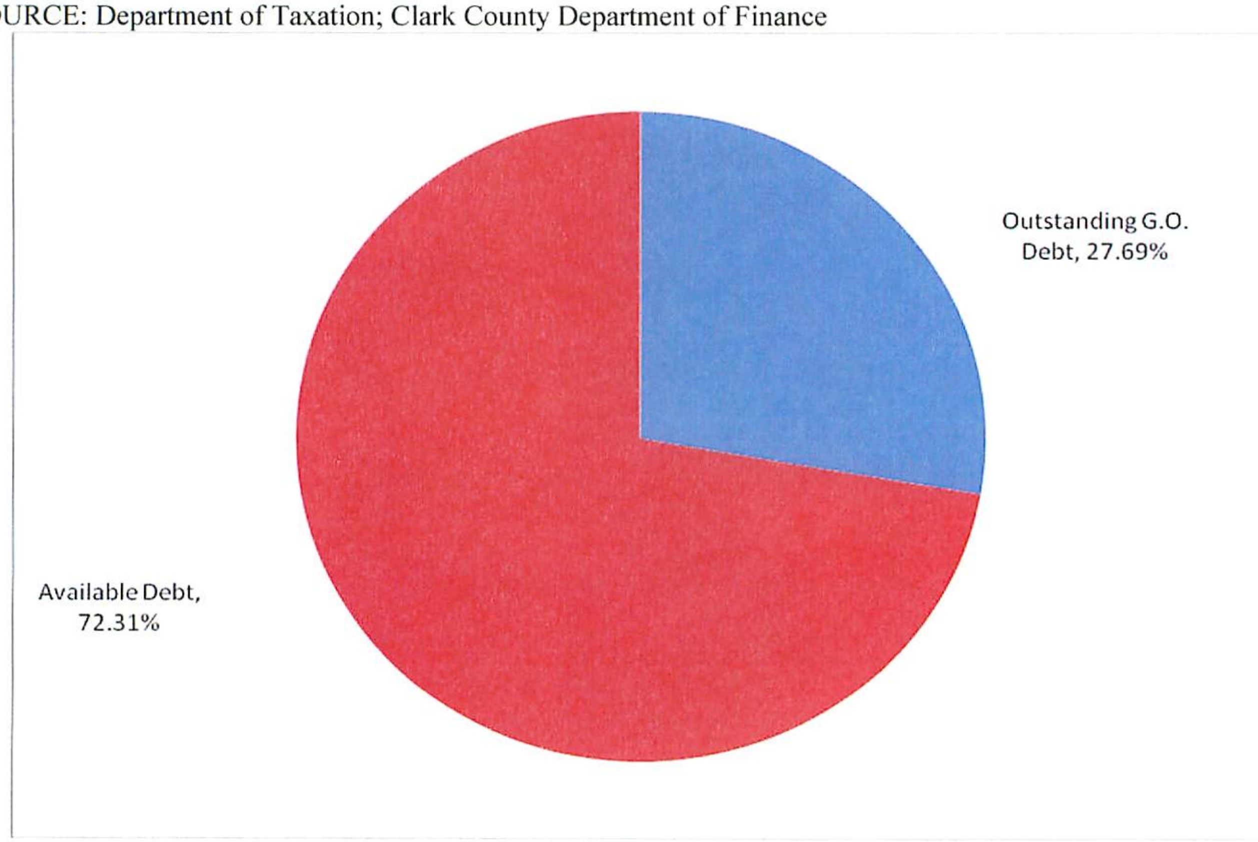
**Statutory Debt Capacity**

State statutes limit the aggregate principal amount of the County's general obligation indebtedness to ten percent of the County's total reported assessed valuation (including the assessed valuation of the redevelopment agencies). Based upon the estimated Fiscal Year 2012-2013 assessed value of $55,225,712,175 the County's statutory debt limitation is $5,522,571,218. The following table represents the County's outstanding and proposed general obligation indebtedness with respect to its statutory debt limitation.

**STATUTORY DEBT CAPACITY**
Clark County, Nevada
June 30, 2012

| | |
|---|---|
| Statutory Debt Limitation | $5,522,571,218 |
| Less: Outstanding Total G.O. Indebtedness (subject to ten percent limitation) | 1,454,445,000 |
| Less: Proposed Capital Projects Requiring Long-Term Financing | 75,000,000 |
| Available Statutory Debt Limitation | $3,993,126,218 |

SOURCE: Department of Taxation; Clark County Department of Finance



**Bond Bank Debt Capacity**

The County bond law provides a County debt limitation of fifteen percent of assessed valuation for general obligation bonds issued through its bond bank. This bond bank debt limitation is separate from, and in addition to, the ten percent debt limitation for the County's general obligation debt as described on the previous page. Based upon the estimated Fiscal Year 2012-2013 assessed value of $55,225,712,175 (including the assessed value of the redevelopment agencies), the County's bond bank statutory debt limitation is $8,283,856,826. The following table represents the County's outstanding and proposed bond bank indebtedness with respect to its statutory debt limitation.

**BOND BANK DEBT CAPACITY**
Clark County, Nevada
June 30, 2012

| | |
|---|---|
| Statutory Debt Limitation | $8,283,856,826 |
| Less: Outstanding Bond Bank Indebtedness | 1,240,400,000 |
| Less: Proposed Bond Bank Financed Projects | - |
| Available Bond Bank Statutory Debt Limitation | $7,043,456,826 |

SOURCE: Nevada Department of Taxation; Clark County Department of Finance

**Direct Debt Comparison**

A comparison of the direct debt, and debt per capita as compared with the average for such debt of other municipalities, is shown below. Direct debt is defined as a calculation of indebtedness that consists of issuances serviced primarily from the County's governmental funds that pay principal and interest payments with revenues received directly from County property taxes or medium-term issuances. Medium-term bonds do not have a pledged revenue source, but are repaid from the unreserved General Fund revenues of the County. Self-supporting general obligations, self-supporting bond bank, and self-supporting commercial paper issuances are not included in this calculation.

| County | Direct Debt | Estimated Population at 7/01/12[2] | FY2012 Assessed Value | Direct Debt Per Capita | Direct Debt as a Percentage of Assessed Value |
|---|---|---|---|---|---|
| Clark County[1] | $57,030,000 | 1,967,722 | $55,225,712,175 | $29 | .10% |
| Douglas County | 4,984,031 | 47,661 | 2,613,102,579 | 105 | .19% |
| Washoe County | 46,093,000 | 421,593 | 12,491,620,284 | 109 | .37% |

[1] Based on the March 15, 2012 (FY 2012-13) Assessed Value including a total of $1,030,444,078 for all six redevelopment districts in Clark County.
[2] Certified by Governor on March 1, 2012

Source: Nevada Department of Taxation; Estimated from Washoe County 2011 CAFR, Estimated from Douglas County 2011 CAFR, Clark County Department of Finance, Nevada State Demographer

**Preliminary Summary and Conclusion**

The County's direct and overlapping debt position is growing as infrastructure and other needs are met with long-term financing. Recent strain in the local and national economies have necessitated closer monitoring of County debt, however, the County's direct debt is considered manageable.

Clark County continues to evaluate how much tax-supported debt is prudent, (i.e. what can the tax base support? what can the taxpayers afford?).

It is important to match capital needs with economic resources on an ongoing basis to ensure that the proposed level of debt issuance does not place a constraint on maintenance of the County's credit worthiness or future credit rating improvements. In this regard, the County includes in its capital budgeting process a complete and detailed description of the anticipated sources of funds for future capital projects, as well as the resulting impact of long-term financing on the County's debt position. Periodic monitoring of issuances is performed to ensure that an erosion of the County's credit quality does not occur.

It should be recognized that changing circumstances require flexibility and revision. Clark County is one of the most unique, fastest-growing areas in the country. Anticipating every future contingency is unrealistic. When adjustments to debt plans become necessary, the reasons will be documented to demonstrate that the County's commitment to sound debt management remains unchanged.

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# DEBT ISSUANCE POLICY

**Administration of Policy**

The County Manager is the County's chief executive officer and serves at the pleasure of the Board of County Commissioners (BCC). The County Manager is ultimately responsible for administration of County financial policies. The BCC is responsible for the approval of any form of County borrowing and the details associated therewith. Unless otherwise designated, the Chief Financial Officer coordinates the administration and issuance of debt.

The Chief Financial Officer is also responsible for the attestation of disclosure and other bond related documents. References to the "County Manager or his designee" in the document are hereinafter assumed to be assigned to the Chief Financial Officer as the "designee" for administration of this policy. The County Manager may designate officials from issuing entities to discharge the provisions of this policy.

**Initial Review and Communication of Intent**

All borrowing requests are communicated to the Clark County Department of Finance during the annual budget process. Requests for projects, which may require a new bond issue, must be identified as a part of a Capital Improvement Program (CIP) request. Justification and requested size of the bond issue must be presented as well as the proposed timing of the project. Additionally, opportunities for refunding shall originate with, or be communicated to, the Department of Finance.

The Department of Finance, in conjunction with the County's Senior Management Team, will evaluate each proposal comparing it with other competing interests within the County. All requests will be considered in accordance with the County's overall adopted priorities. If it is determined that proposals are a Countywide priority, and require funding, the Department of Finance will coordinate the issuance of debt including size of issuance, debt structuring, repayment sources, determination of mix (e.g., debt financing versus pay-as-you-go), and method of sale.

**Debt Management Commission**

In Nevada, governments must present their general obligation debt proposals, (with exception of medium-term financings issued under NRS 350), to the County Debt Management Commission (the Commission). The Commission reviews the statutory debt limit, method of repayment and possible impact on other underlying or overlapping entities. When considering the possible impact on other entities, the Commission generally considers the property tax rate required versus others' need for a tax rate - all of which must fall at or below the statutory $3.64 property tax cap. The $3.64 is not usually a limiting factor. However, the cap will become an issue if local governments begin levying a property tax that is closer to $3.64. The Debt Management Commission does not generally make judgments about a proposal's impact on the debt ratios of all the affected governments.

The Commission requires that each governmental entity in the County provide a five-year forecast of operating tax rates, including a description of the projected use of the tax rate and identification of any tax rate tied to the Capital Improvement Plan. The County's forecasted tax rate schedule for the next five fiscal years is shown in Appendix D. The projected use of the tax rates listed in the Appendix D is for support of ongoing operations for each of the listed entities and/or special districts.

**Types of Debt**

General Obligation Bonds - Under NRS 350.580, the County may issue as general obligations any of the following types of securities:

1. Notes
2. Warrants
3. Interim debentures
4. Bonds and
5. Temporary bonds

A general obligation bond is a debt that is legally payable from general revenues, as a primary or secondary funding source of repayment, and is backed by the full faith and credit of the County, subject to certain constitutional and statutory limitations. The Nevada Constitution and State statutes limit the total taxes levied by all governmental units to an amount not to exceed $5.00, and $3.64 per $100 of assessed valuation, with a priority for taxes levied for the payment of general obligation indebtedness.

Any outstanding general obligation bonds, or temporary general obligation bonds to be exchanged for such definitive bonds and general interim debentures, constitute outstanding indebtedness of the County and exhaust the debt-incurring power of the County. Nevada statutes require that most general obligation bonds mature within 30 years from their respective issuance dates.

Bonding should be used to finance or refinance capital improvements, long-term assets, or other costs directly associated with financing a project, which has been determined to be beneficial to a significant proportion of the citizens in Clark County, and for which repayment sources have been identified. Bonding should be used only after considering alternative funding sources such as project revenues, federal and state grants, and special assessments.

Voter-approved general obligation bonds issued under this heading are used when a specific property tax is the desired repayment source.

General Obligation/Revenue Bonds - Such bonds are payable from taxes, and are additionally secured by a pledge of revenues. If pledged revenues are not sufficient, the County is obligated to pay the difference between such revenues and the debt service requirements of the respective bonds from general taxes.

Interim Debentures - Under NRS 350.672, the County is authorized to issue general obligation/special obligation interim debentures in anticipation of the proceeds of taxes, the proceeds of general obligation or revenue bonds, the proceeds of pledged revenues or any other special obligations of the County and its pledged revenues. These securities are often used in anticipation of assessment district bonds.

Revenue Bonds - Under NRS 350.582, the County may issue as special obligations any of the following types of revenue securities:

1. Notes
2. Warrants
3. Interim debentures
4. Bonds and
5. Temporary bonds

Securities issued as special obligations do not constitute outstanding indebtedness of the County nor do they exhaust its legal debt-incurring power. Bonding should be limited to projects with available revenue sources whether self-generated or dedicated from other sources. Adequate financing feasibility studies should be performed for each revenue issue. Sufficiency of revenues should continue throughout the life of the bonds.

Medium-Term General Obligation Financing - Under NRS 350.087 - 350.095, the County may issue negotiable notes or short-term negotiable bonds. Those issues, approved by the Executive Director of the Nevada Department of Taxation, are payable from all legally available funds (General Fund, etc.). The statutes do not authorize a special property tax override. The negotiable notes or bonds:

1. Must mature no later than 10 years after the date of issuance.

2. Must bear interest at a rate that does not exceed by more than 3 percent the Index of Twenty Bonds that was most recently published before the bids are received or a negotiated offer is accepted.

3. May, at the option of the County, contain a provision that allows redemption of the notes or bonds before maturity, upon such terms as the BCC determines.

4. Term of bonds may not exceed the estimated useful life of the asset to be purchased with the proceeds from the financing, if the term of the financing is more than five years.

5. Must have a medium-term financing resolution approved, which becomes effective after approval by the Executive Director of the Nevada Department of Taxation.

Certificates of Participation/Other Leases - Certificates of participation are essentially leases that are sold to the public. The lease payments are subject to annual appropriation. Investors purchase certificates representing their participation in the lease. Often, the equipment or facility being acquired serves as collateral. These securities are most useful when other means to finance are not available under state law.

Refunding - A refunding is generally the underwriting of a new bond issue whose proceeds are used to redeem an outstanding issue. Key definitions follow:

1. Advance Refunding - A method of providing for payment of debt service on a bond until the first call date or designated call date from available funds. An advance refunding is accomplished by issuing a new bond, or using available funds, and investing the proceeds in an escrow account in a portfolio of U.S. government securities that are structured to provide enough cash flow to pay debt service on the refunded bonds.

2. Current Refunding – When refunding bonds are issued within 90 days of the call date of the refunded bonds.

3. Gross Savings - Difference between the debt service on refunding bonds and refunded bonds less any contribution from a reserve or debt service fund.

4. Present Value Savings - Present value of gross savings discounted at the refunding bond yield to the closing date, plus accrued interest less any contribution from a reserve or debt service fund.

Prior to beginning a refunding bond issue, the County will review an estimate of the savings achievable from the refunding. The County may also review a pro forma schedule to estimate the savings assuming that the refunding is done at various points in the future.

The County will generally consider refunding outstanding bonds if one or more of the following conditions exist:

1. Present value savings are at least three percent of the par amount of the refunding bonds.
2. The bonds to be refunded have restrictive or outdated covenants.
3. Restructuring the debt is deemed to be desirable.

The County may pursue a refunding that does not meet the above criteria if:

1. Present value savings exceed the costs of issuing the bonds.
2. Current savings are acceptable when compared to savings that could be achieved by waiting for more favorable interest rates and/or call premiums.

**Debt Structuring**

Maturity Structures - The term of County debt issues should not extend beyond the useful life of the project or equipment financed. The repayment of principal on tax supported debt should generally not extend beyond twenty years unless there are compelling factors which make it necessary to extend the term beyond this point.

Debt issued by the County should be structured to provide for either level principal or level debt service. Deferring the repayment of principal should be avoided except in select instances where it will take a period of time before project revenues are sufficient to pay debt service. Ascending debt service should generally be avoided.

Bond Insurance - Bond insurance is an insurance policy purchased by an issuer or an underwriter for either an entire issue or specific maturities, which guarantees the payment of principal and interest. This security provides a higher credit rating and thus a lower borrowing cost for an issuer.

Bond insurance can be purchased directly by the County prior to the bond sale (direct purchase) or at the underwriter's option and expense (bidder's option). The County will attempt to qualify its bond issues for insurance with bond insurance companies rated AAA by Moody's Investors Service and Standard & Poor's Corporation.

The decision to purchase insurance directly versus bidder's option is based on: volatile markets, current investor demand for insured bonds, level of insurance premiums, or ability of the County to purchase bond insurance from bond proceeds.

When insurance is purchased directly by the County, the present value of the estimated debt service savings from insurance should be at least equal to or greater than the insurance premium. The bond insurance company will usually be chosen based on an estimate of the greatest net present value insurance benefit (present value of debt service savings less insurance premium).

Reserve Fund and Coverage Policy - A debt service reserve fund is created from the proceeds of a bond issue and/or the excess of applicable revenues to provide a ready reserve to meet current debt service payments should monies not be available from current revenues.

Coverage is the ratio of pledged revenues to related debt service for a given year. For each bond issue, the Department of Finance shall determine the appropriate reserve fund and coverage requirements, if any. This determination will consider arbitrage issues related to reserve levels. The reserve for County General Obligation Bonds should approximate one year of principal and interest or other level as determined adequate by the Department of Finance. It is Clark County's policy to strive for a one-year reserve of principal and interest on all obligations.

Interest Rate Limitation - Under NRS 350.2011, the maximum rate of interest must not exceed by more than 3 percent:

1. for general obligations: the Index of Twenty Bonds; and
2. for special obligations: the Index of Revenue Bonds, which was most recently published before the County adopts a bond ordinance.

**Method of Sale**

There are two ways bonds can be sold: competitive (public) or negotiated sale. Competitive and negotiated sales provide for one or more pricings depending upon market conditions or other factors. Either method can provide for changing issue size, maturity amounts, term bond features, etc. The timing of competitive and negotiated sales is generally related to the requirements of the Nevada Open Meeting Law and various notice requirements of the applicable statutes.

Competitive Sale - With a competitive sale, any interested underwriter(s) is invited to submit a proposal to purchase an issue of bonds. The bonds are awarded to the underwriter(s) presenting the best bid according to stipulated criteria set forth in the notice of sale. The best bid is usually determined based on the lowest overall interest rate. Competitive sales should be used for all issues unless circumstances dictate otherwise.

Negotiated Sale - A negotiated securities sale is an exclusive arrangement between the issuer and an underwriter or underwriting syndicate. At the end of successful negotiations, the issue is awarded to the underwriters.

Negotiated underwriting may be considered upon recommendation of the Department of Finance based on one or more of the following criteria:

1. Extremely large issue size;
2. Complex financing structure (i.e., variable rate financings, new derivatives and certain revenue issues, etc.) which provides a desirable benefit to the County;
3. Comparatively lesser credit rating; and
4. Other factors that lead the Department of Finance to conclude that a competitive sale would not be effective.

**Secondary Market Disclosure**

In November 1994, the Securities and Exchange Commission (SEC) amended Rule 15c2-12 (the "Rule") to prohibit any broker, dealer, or municipal securities dealer from acting as an underwriter in a primary offering of municipal securities unless the issuer promises in writing to provide certain ongoing information (unless the offering satisfies certain exemptions).

The County will comply with the Rule by providing the secondary market disclosure required in any case in which the Rule applies to the County as an obligated person as defined in the Rule.

The County will also require certain governmental organizations and private organizations (the "Organizations"), on behalf of which the County issues bonds or who otherwise are beneficiaries of the bonds, to comply with the Rule pursuant to a loan agreement or other appropriate financing document as a condition to providing the financing. The County is not required, nor will it obligate itself, to provide secondary market disclosure for any obligated person (other than the County) and the County will have no liability or responsibility for the secondary market disclosure requirements imposed upon other obligated persons. The County may, in appropriate cases, exempt Organizations and other obligated persons from this policy where the County determines, in its sole discretion, that an exemption permitted by the Rule is available.

**Underwriter Selection for Negotiated Sale**

1. Underwriter selection for economic development revenue bonds, and other bonds which are not secured by a pledge of the taxing power and general fund of the County, may be approved via the County's guidelines for such bonds.

2. The Department of Finance will solicit proposals from underwriters who have submitted bids, in their own name or as part of a syndicate, for County competitive bond issues during the past three years. All such firms will have an equal opportunity to be selected to the County's negotiated underwriting pool. The review of proposals shall include, but not be limited to, the requirements of NRS 350.185.

3. Before selling bonds at a negotiated sale, underwriters in the County's pool may be contacted to provide additional information including, but not limited to, requirements outlined by NRS 350.185.

4. The book-running senior manager and other members of the underwriting syndicate for a particular issue or project will be designated by the Department of Finance and ratified by the Board of County Commissioners. It is the County's intent, once a team is established, to provide equal opportunity for the position of book-running senior manager. The Department of Finance will rotate the book-running senior manager on a deal-by-deal basis as appropriate for the particular bond issue or project.

5. The underwriting team should be balanced with firms having institutional, retail and regional sales strengths. Qualified minority and/or woman-owned firms will be included in the underwriting team and given an equal opportunity to be senior manager.

5\. The size of an issue will determine the number of members in the underwriting team and whether more than one senior manager is desirable.

**Underwriting Spread**

Before work commences on a bond issue to be sold through a negotiated sale, the underwriter shall provide the Department of Finance with a detailed estimate of all components of his/her compensation. Such estimates should be contained in the Request For Proposal, or provided immediately after an underwriter is designated.

The book-running senior manager must provide an updated estimate of the expense component of gross spread to the Department of Finance no later than one week prior to the day of pricing.

**Establishment of a Selling Group**

When deemed appropriate by the Department of Finance, a selling group will also be established to assist the underwriting team in the marketing of the bond issue.

**Priority of Orders**

The priority of orders to be established for negotiated sales follows:

1. Nevada Investors
2. Group Orders
3. Designated Orders
4. Member Orders

For underwriting syndicates with three or more underwriters, a three-firm rule for net designated orders will be established as follows:

1. The designation of takedown on net designated orders is to benefit at least three firms of the underwriting team.
2. No more than 50 percent of the takedown may be designated to any one firm. No less than 10 percent of the takedown will be designated to any one firm.

**Retentions**

If the use of retentions is desirable, the Department of Finance will approve the percentage (up to 30 percent) of term bonds to be set aside. The amount of total retention will be allocated to members of the underwriting team in accordance with their respective underwriting liability.

**Allocation of Bonds**

1. The book-running senior manager will be responsible for ensuring that the overall allocation of bonds meets the County's goals of obtaining the best price for the issue and a balanced distribution of the bonds.
2. The Department of Finance must approve the final bond allocation process with input from the book-running senior manager.

**Miscellaneous**

MBE/WBE Statement - It is a continuing goal of Clark County to actively pursue minority-owned business enterprises (MBE) and women-owned business enterprises (WBE) to take part in Clark County's procurement and contracting activity. MBE and WBE enterprises will be solicited in the same manner as non-minority firms. Clark County encourages participation by minority and women-owned business enterprises, and will afford full opportunity for bid submission. MBE and WBE will not be discriminated against on the grounds of race, color, creed, sex, or national origin in consideration for an award.

Bond Closings - All bond closings shall be held in Clark County unless circumstances dictate otherwise.

Gift Policy – Employees will not directly or indirectly solicit, accept, or receive any gift whether in the form of money, services, loan, travel, entertainment, hospitality, promise, or any other form. Unsolicited gifts must be returned, shared with other employees, or given to charity. Gifts, which may influence a reasonable employee in the performance of his/her duties, will be refused.

An unsolicited payment of meals with a value less than $50 may be accepted provided the acceptance of the meal is not intended to influence the employee's performance, to reward official action, or create a potential for a perception of impropriety. Employees must disclose this information to their Department Head or applicable Assistant County Manager.

Tickets provided to employees for events that may provide an opportunity to build relationships within the community must be disclosed to the employee's Department Head or applicable Assistant County Manager. Tickets that have the potential to influence a reasonable employee in the performance of his/her duties, or appear to be intended as a reward for any official action on the employee's part, or create a potential for a perception of impropriety as determined by the Department Head or applicable Assistant County Manager, will be refused.

# DEBT STATISTICS

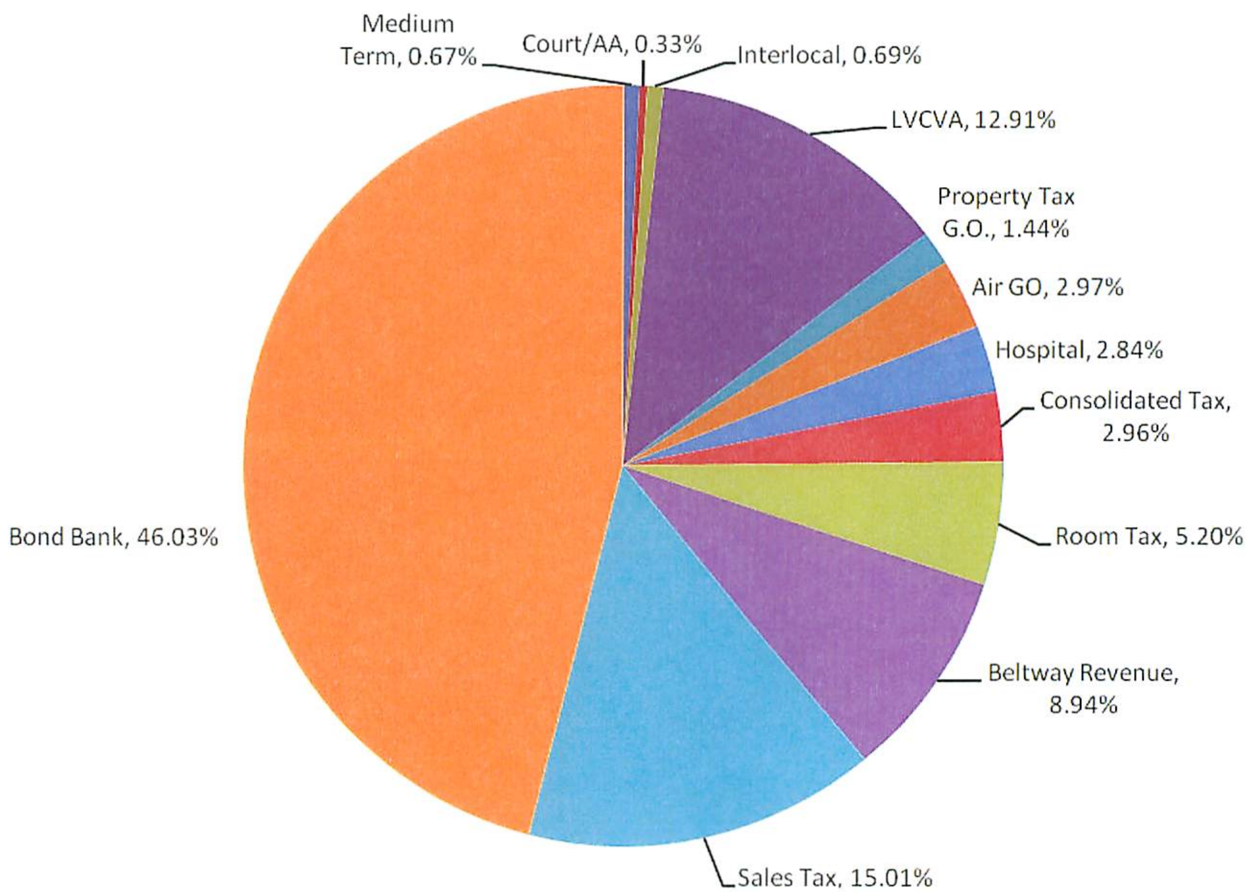
**Current Debt Position Summary**

In analyzing the County's debt position, credit analysts look at a variety of factors. Included in those factors are the overall debt burden and various debt ratios. The following are definitions of some of the various debt measures.

| | |
|---|---|
| Gross Direct Debt - | A calculation of County general obligation indebtedness that consists of all debt serviced from the County's governmental funds secured directly by property tax collections, or at least includes property tax as a pledged funding source. This calculation also includes medium-term issues. Medium-term bonds do not have a pledged revenue source, but are repaid from the County's unreserved General Fund revenues. |
| Self - Supporting Debt - | A calculation of general obligation indebtedness that consists of all debt serviced from the County's governmental funds that is not pledged through revenues of the General Fund (medium-term issues) or does not receive property tax collection revenues as the primary funding source of annual principal and interest payments. These issues are additionally (secondarily) secured by property taxes - meaning the County may levy a general tax on all taxable property within the County to pay debt associated with these issuances. |
| Direct Debt - | A calculation of indebtedness that consists of issuances serviced primarily from the County's governmental funds that pay principal and interest payments with revenues received directly from County property taxes or medium-term issuances. |
| Indirect Debt - | Other taxing entities within the boundaries of the County are authorized to incur general obligation debt. Indirect debt is a calculation of the Direct Debt paid by County residents to governmental agencies other than the County whose jurisdictions overlap the County's boundaries. |
| Overall Net Tax-Supported Debt - | The combination of Direct Debt and Indirect Debt. This calculation demonstrates the total debt burden on the County's tax base. |

**COMPOSITION OF GROSS DIRECT DEBT
BY REPAYMENT SOURCE**

June 30, 2012



The following table illustrates the County's overlapping general obligation debt.

**OVERLAPPING NET GENERAL OBLIGATION INDEBTEDNESS**
**Clark County, Nevada**
**As of June 30, 2012**

| | Gross Direct Overlapping Debt | Self-Supporting Overlapping Debt | Percent Applicable(1) | Overlapping Net Direct Debt (2) |
|---|---|---|---|---|
| Clark County School District | $3,554,575,000 | $752,450,000 | 100.0% | $2,802,125,000 |
| City of Henderson | 274,212,082 | 246,853,082 | 100.0% | 27,359,000 |
| City of Las Vegas | 349,175,000 | 270,650,000 | 100.0% | 78,525,000 |
| City of Mesquite | 26,363,984 | 25,025,084 | 100.0% | 1,338,900 |
| City of North Las Vegas | 459,376,000 | 440,636,000 | 100.0% | 18,740,000 |
| Water Reclamation District | 476,003,987 | 476,003,987 | 100.0% | - |
| Las Vegas Valley Water District | 2,399,790,000 | 2,399,790,000 | 100.0% | - |
| Las Vegas/Clark Co. Library Dist. | 44,530,000 | - | 100.0% | 44,530,000 |
| Boulder City Library District | 2,095,000 | - | 100.0% | 2,095,000 |
| Big Bend Water District | 5,215,555 | 5,215,555 | 100.0% | - |
| State of Nevada | 2,055,615,000 | 595,415,000 | 65.92% | 962,563,840 |
| TOTAL | $9,646,951,608 | $5,212,038,708 | | $3,937,276,740 |

(1) Based on fiscal year 2012 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.
(2) 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.

Shown below is a record of Clark County's tax supported debt position.

**TAX SUPPORTED DEBT POSITION**
Clark County, Nevada
As of June 30, 2012

| Fiscal Year Ended June 30, | Gross Direct Debt[1] | Self-Supporting Debt[1] | Direct Debt[1] | Overlapping Net Direct Debt[2] | Overall Net Tax Supported Debt[1] |
|---|---|---|---|---|---|
| 2008 | $2,567,681,338 | $2,481,996,338 | $85,685,000 | $5,351,512,296 | $5,437,197,296 |
| 2009 | 2,808,368,817 | 2,711,658,817 | 96,710,000 | 5,208,118,987 | 5,304,828,987 |
| 2010 | 2,815,340,067 | 2,732,490,067 | 82,850,000 | 4,781,939,934 | 4,864,789,934 |
| 2011 | 2,904,455,000 | 2,836,090,000 | 68,365,000 | 4,262,539,492 | 4,330,904,492 |
| 2012 | 2,694,845,000 | 2,637,815,000 | 57,030,000 | 3,937,276,740 | 3,994,306,740 |

[1] Defined in the "Debt Statistics" section.
[2] Defined on Table entitled "Gross Overlapping General Obligation Debt".

SOURCE: Clark County Finance Department & respective taxing jurisdictions

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**Tax Supported Debt Burden**

The following table shows the Direct Debt and Overall Debt ratios for the County.

**EXISTING NET TAX SUPPORTED DEBT BURDEN**

| | |
|---|---|
| **Clark County, Nevada Debt Position** [1]: | |
| Gross Direct Debt: | $2,694,845,000 |
| Less: Self-Supporting Debt: | 2,637,815,000 |
| Net Direct Debt: | $ 57,030,000 |
| Overlapping Net Direct Debt: | 3,937,276,740 |
| Overall Debt: | $3,994,306,740 |
| **Clark County, Nevada Debt Ratios**: | |
| Gross Direct Debt to Taxable-Value:[2] | 1.71% |
| Gross Direct Debt Per Capita[3] | $1,370 |
| Overall Debt to Taxable-Value:[2] | 2.53% |
| Overall Debt Per Capita[3] | $2,030 |

**Debt Retirement**

90.12% of net direct tax-supported debt is paid off in 5 years.
100% of net direct tax-supported debt is paid off in 7 years.

[1] As of June 30, 2012.
[2] Based upon preliminary FY2012-13 Taxable Value - $157,787,749,071
[3] Based on FY2012-13 population estimate of 1,967,722.

SOURCE: Clark County Department of Finance, State of Nevada Department of Taxation and Clark County Department of Comprehensive Planning.

In addition to showing the relative position of Clark County, these ratios indicate the significant impact of overlapping debt (See the table entitled "OVERLAPPING GENERAL OBLIGATION DEBT") on the County's overall debt position. As can be seen in the calculation of overlapping debt shown earlier, overlapping jurisdictions include the State, the Clark County School District and incorporated cities over which the County has little control. Nonetheless, the debt issuance of these governments directly impacts the overall net direct tax supported debt position of the County.

## GROSS DIRECT DEBT SERVICE REQUIREMENTS
**Clark County, Nevada**
**June 30, 2012**

| Fiscal Year Ending June 30, | Principal | Interest | Grand Total |
|---|---|---|---|
| 2013 | $ 84,090,000 | $ 131,582,105 | $ 215,672,105 |
| 2014 | 87,870,000 | 127,910,545 | 215,780,545 |
| 2015 | 88,560,000 | 123,767,855 | 212,327,855 |
| 2016 | 119,935,000 | 119,656,248 | 239,591,248 |
| 2017 | 136,325,000 | 113,643,972 | 249,968,972 |
| 2018 | 110,750,000 | 106,857,394 | 217,607,394 |
| 2019 | 115,000,000 | 101,646,607 | 216,646,607 |
| 2020 | 104,710,000 | 96,306,682 | 201,016,682 |
| 2021 | 97,605,000 | 91,340,836 | 188,945,836 |
| 2022 | 102,125,000 | 86,535,994 | 188,660,994 |
| 2023 | 113,365,000 | 81,014,332 | 194,379,332 |
| 2024 | 127,960,000 | 75,064,409 | 203,024,409 |
| 2025 | 124,565,000 | 68,755,589 | 193,320,589 |
| 2026 | 109,805,000 | 62,832,466 | 172,637,466 |
| 2027 | 114,860,000 | 57,336,293 | 172,196,293 |
| 2028 | 157,575,000 | 51,108,847 | 208,683,847 |
| 2029 | 119,375,000 | 44,738,668 | 164,113,668 |
| 2030 | 121,900,000 | 38,900,775 | 160,800,775 |
| 2031 | 97,190,000 | 33,102,389 | 130,292,389 |
| 2032 | 84,970,000 | 28,137,783 | 113,107,783 |
| 2033 | 75,815,000 | 23,605,052 | 99,420,052 |
| 2034 | 79,360,000 | 19,607,269 | 98,967,269 |
| 2035 | 83,035,000 | 15,470,221 | 98,505,221 |
| 2036 | 86,875,000 | 11,145,922 | 98,020,922 |
| 2037 | 73,070,000 | 7,277,462 | 80,347,462 |
| 2038 | 51,260,000 | 4,023,112 | 55,283,112 |
| 2039 | 26,895,000 | 928,727 | 27,823,727 |
| TOTAL | $ 2,694,845,000 | $ 1,722,297,552 | $ 4,417,142,552 |

SOURCE: Clark County Department of Finance

**County Debt Trends**

The table below reflects the County's historical debt trends and its projected debt ratio.

**HISTORICAL**
**GROSS DIRECT TAX SUPPORTED DEBT TRENDS**

| Fiscal Year Ended June 30, | Gross Direct Debt | Gross Direct Debt Per Capita | Gross Direct Debt to Taxable Value[2] | Population[1] |
|---|---|---|---|---|
| 2008 | 2,567,681,338 | 1,314.00 | .78% | 1,954,319 |
| 2009 | 2,808,368,817 | 1,351.83 | 1.05% | 2,077,463 |
| 2010 | 2,815,340,067 | 1,440.72 | 1.50% | 1,952,040 |
| 2011 | 2,904,455,000 | 1,475.22 | 1.72% | 1,968,831 |
| 2012 | 2,694,845,000 | 1,370.53 | 1.71% | 1,967,722 |

[1] Source: Nevada Department of Taxation

SOURCE: Clark County Department of Finance

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# APPENDIX A

## CLARK COUNTY, NEVADA
## DEVELOPER SPECIAL IMPROVEMENT DISTRICT GUIDELINES

Under chapter 271 of Nevada Revised Statutes (NRS), the County is authorized to acquire street, sidewalk, water, sewer, curb, gutter, flood control and other publicly-owned "infrastructure" improvements that benefit new development by the creation of a special improvement district as specified in NRS 271.265. The purpose of these guidelines is to outline the circumstances under which the County will consider this type of financing for improvements for new developments involving one or a small number of private property owners who intend on developing their property for residential, commercial, industrial or other beneficial use.

Except as provided in the following two sentences, these guidelines apply to all assessment districts financed under NRS 271.710 through 271.730 and to all other assessment districts in which all three of the following conditions are met: (1) 5 or fewer property owners own 85% or more of the property to be assessed, (2) 80% or more of the property to be assessed is unimproved and (3) the value of any parcel to be assessed "as is" (without considering the improvements to be installed or further subdivision), as shown in the records of the County Assessor or by an appraisal acceptable to the County, is less than three times the amount of the proposed assessment. These guidelines do not apply: (a) if 50% or more of the cost of the project proposed to be funded is being funded from a governmental source other than special assessments or the proceeds of special assessment bonds (e.g., RTC); or (b) if the district is initiated by the provisional order method on recommendation of the Director of Public Works after consultation with the Department of Finance. These guidelines also do not apply to districts that were initiated by action of the Board of County Commissioners prior to the adoption of these guidelines.

The County Commission reserves the right, on a case-by-case basis, to impose additional requirements or waive specific requirements listed herein. Such waived requirements shall be noted in the approval of any petition together with a finding that the deviation from this policy is in the best interest of the County. Additional requirements shall be noted in the approval.

The County will consider the impact of issuing bonds under these guidelines on its overall tax supported debt ratios and bond ratings.

A. <u>Eligible Improvements</u>

1. <u>Regional Improvements</u>: The County will consider financing only regional infrastructure improvements i.e., regional improvements are those streets, storm drains, water systems, sewer and other utilities, which will provide benefit to the entire new development project. Such improvements are those with respect to which the County Commission has made a finding of regional benefit that benefit the general area in which the development is located as opposed to improvements that exclusively benefit a particular subdivision. (Only the portion of the total cost that benefits the special improvement district will be assessed). Thus, only streets or highways which are collector roadways or greater, as defined in the Clark County Transportation Element adopted July 16, 2003, or major sewer, storm drain and/or water lines which provide benefit to the entire project and are found to be of regional benefit by the commission, would be considered for financing. The applicant shall provide a written description of improvements together with a map delineating their location when submitting the Application (Section I.2 of these Guidelines).

2. Public Ownership Requirement: Only publicly owned infrastructure is eligible for financing. Privately-owned improvements such as electric, gas and cable television improvements, streets or roads which are not dedicated to the County and private portions of other improvements, such as water and sewer service lines from the property lines to the home or other structure are not eligible for financing.

3. Benefit: The improvements proposed to be constructed must benefit the property assessed by an amount at least equal to the amount of the assessment. In addition, the property owner must identify to the County the amount of the expected benefit to the property owner (stated in a dollar amount) from using financing provided under these guidelines.

4. Subdivision Improvements: The County will not consider financing "subdivision" or "in-tract" improvements, that is, improvements within a subdivision that benefit only the land within a subdivision such as neighborhood streets.

5. Size: Generally, the County will not consider stand alone assessment districts which involve less than $3,000,000 in bonds.

B. Environment Matters

1. A Phase 1 environmental assessment (hazardous material assessment) on the property to be assessed, property on which the improvements are to be located, and on any property to be dedicated to the County, must be provided by the property owner prior to the bonds being issued by the County. The property owner must also provide the County with an indemnification agreement in a form acceptable to the County, promising to indemnify the County against any and all liability and/or costs associated with any environmental hazards located on property assessed with respect to hazards that existed at the time the developer owned the property. With respect to abating environmental hazards that are located on property on which improvements are financed within the proposed assessment district or on any property dedicated to the County, the County and the property owner will reach an accord before the bonds are issued. Where the Phase 1 assessment indicates that there may be an environmental hazard on any of the assessed property, property on which improvements are to be financed are located, or on any property that is to be dedicated to the County, the property owner will be required to abate the problem or to post security for environmental clean up costs prior to the County proceeding with the district. An environmental engineer acceptable to the County shall perform the environmental assessment.

2. The developer must undertake all steps required by the "Habitat Conservation Plan Compliance Report" or other future federal requirements in the project area and other areas owned by the same developer that are used in connection with the project.

C. Development

1. Property Owner Experience: The property owner must demonstrate to the County that it has the expertise to complete the new development that the assessment district will support. In order to demonstrate its ability to develop, the property owner should furnish the County with the following: (a) its last three years prior audited financial statements (audit to be performed by a CPA firm acceptable to the County), (b) a list of prior development of similar or larger size which the property owner has completed, (c) a list of references consisting of the names of officials of other political subdivisions in which the property owner has completed similar or larger size developments and (d) a description of any financial obligations on which the property owner or a related party has defaulted in the past ten (10) years, including any non-

recourse or assessment financing on property owned by the property owner or a related party with respect to which a payment was not timely made. The County will accept, in place of financial statements stated in (a) above, a comfort letter from a mutually acceptable CPA firm indicating that for the past three (3) years: (1) that a minimum level of net worth, acceptable to the County, has been maintained; (2) whether or not there have been any material adverse changes in operations; and, (3) whether or not there have been any exceptions in the accountant's opinion letter on the property owner's financial statements. If this alternative is utilized, the property owner shall also provide such other financial information as the County and its consultant's request.

2. Financing Completion: Equity The property owner must provide the County with its plan for financing the new development to completion and advise the County of the amount of equity it has invested in the proposed development. Before bonds are issued the property owner must provide evidence of its ability (e.g., a commitment letter from a lending institution acceptable to the County) and/or plan to finance the portion of the development expected to be completed in the ensuing 12 months.

3. Land Use: The proposed development must be consistent with the County's Comprehensive Plan. Proper zoning or other required land use approval must be in place for the development. The property owner must demonstrate that it reasonably expects to obtain the required development permits (e.g. subdivision recording and building permits) in sufficient time to proceed with the development to completion as proposed.

4. Water, Sewer and Other Utilities: The property owner must provide letters from each entity that will provide utility (e.g., electricity, gas, telephone) services to the development, stating that capacity is then in existence or otherwise to be made available, for the portions of the development to be assessed, in a sufficient quantity for the development to proceed to completion as proposed. Property owner must provide its plan for obtaining water and sewer for the new development.

5. Other Permits: The property owner must demonstrate that there are no significant permitting requirements (i.e. permitting requirements which could result in substantial delay or alteration in the project as proposed, e.g., wetlands permits, archeological permits, etc.) applicable to the project or other governmental impediments to development which have not yet been satisfied and which are required to be satisfied for the development to proceed to completion as proposed.

6. Absorption Study: The property owner must provide the County with funds with which to have an absorption study prepared by a recognized expert in the field. The County shall select and contract with the expert to prepare the study illustrating the economic feasibility of the new development based upon supply and demand trends and estimated conditions in the market area for the proposed product mix. If the appraiser of the real property for the project conducts his or her own absorption analysis and provides an opinion to its reasonable, the County may accept the absorption study in lieu of this requirement. The appraiser may be required to provide an opinion on the reasonableness of the absorption analysis if it is included as part of the report.

D. Assessment Bonds and Bond Security

1. Primary Security: The primary security for bonds will be the assessment lien on the land proposed to be assessed. A preliminary title report indicating that the petitioners are the owners of all of the assessed property must accompany the petition. The County may also require ALTA title insurance policy in the amount equal to the bonds in appropriate situations.

2. Reserve Fund: A reserve fund in an amount equal to the lesser of one year's principal and interest on the bonds or 10% of the proceeds of the bonds must be funded at the time bonds are issued.

3. Appraisal Valuation: The property owner must provide the County with funds for an appraisal of the property which will be assessed which in the case of the appraised value of each parcel to be assessed "as is" (prior to further subdivision and without considering the installation of the improvements) is at least equal to 1.15 times the proposed amount of the assessment against that parcel and that the value of each parcel to be assessed after the improvements financed with the assessment bonds are installed is at least three (3) times the amount of the proposed amount of the assessment against that parcel. The appraiser will be selected by, and contract with, the County.

4. Additional Security: The property owner must demonstrate to the County that there is not significant financial risk to the County in issuing the bonds. Credit enhancement will be required if, after review by the County or consultant(s) hired by the County, it is determined that security for payment(s) of the assessments is insufficient. The applicant will be responsible for payment to consultant(s) hired by the County for this purpose. Credit enhancements may take the form of cash, letters of credit, surety bonds, insurance policies, or other collateral. The County shall determine the form of the credit enhancement. Credit enhancement from a provider with a rating less than A- are not acceptable.

   A pro-rata portion of the foregoing additional security will be released with respect to any parcel assessed (1) which has been improved in any manner if the appraised value (as determined by an appraiser acceptable to the County) of the parcel is 5.0 or more times the amount of the unpaid assessment on such parcel, (2) on which a substantial improvement (e.g., a home or commercial building) has been completed if the parcel has a size of one acre or less, or (3) which is subdivided by a final recorded subdivision map to its final configuration of developable lots and for which all required infrastructure (water, sewer, streets, other utilities) has been installed or bonded in accordance with the Clark County Code.

5. Payment of Assessments; Capitalized Interest: The assessments shall be payable over not more than 30 years in substantially equal semiannual installments (excluding variable rate bonds with regard to equal payments) commencing within one year of the levy of assessments; provided that if capitalized interest is approved, the payments during the capitalized interest period may be interest only, and may amortize only that amount of principal as the County requires. If the County approves capitalized interest, it will allow not more than two years of interest or the maximum permitted under federal tax laws, whichever is less, to be capitalized.

6. Floating Rate Bonds: The County will consider applications for floating rate assessment bonds only if those bonds and the assessments underlying those bonds automatically convert to a fixed interest rate at or before the time the initial property owner sells property, regardless of whether the sale is wholesale sale to a merchant builder or a developer or a sale to a potential homeowner. Floating rate bonds must be secured by a letter of credit issued by a bank acceptable to the County.

7. No Pledge of Surplus and Deficiency Fund, General Fund or Taxing Power: The County will not pledge its Surplus and Deficiency Fund, General Fund or taxing power to bonds.

8. Bond Underwriting Commitment: The property owner must demonstrate to the County and its financial advisor that bonds proposed to be issued for the financing are saleable. The

property owner must provide the County with a letter, accompanying the application, from a reputable underwriter or bond buyer approved by the County, which states that the underwriter has completed a due diligence review of the project and the underwriter believes that the bonds are marketable at an interest rate acceptable to the property owner based on then prevailing market conditions and that it is willing, subject to reasonable conditions precedent, to contract with the County to underwrite the bonds on a best efforts basis, or that the bond buyer has completed a due diligence review of the project and the property owner and intends to acquire the bonds at an interest rate which the bond buyer and property owner agree is acceptable and that it is willing, to contract with the County to so acquire the bonds.

E. Consultants The County will permit the property owner to choose the consulting engineers (from the County's list of approved firms) and underwriter (with the County's approval) provided that the entities chosen are acceptable to the County. The counsel for the underwriters may be selected by the underwriters after consultation with an opportunity to comment by the County. Underwriter's counsel's opinion must include the County as an addressee. The County will select the assessment engineer and project management engineer after receiving comments on its proposed selection from the developer. The County also will select its financial consultants, bond counsel and bond trustee. The payment of all fees and expenses of these consultants shall be the responsibility of the property owner; however, these consultants will be responsible to and will act as consultants to and on behalf of the County in connection with the district.

F. Expenses The property owner will be required to pay from its funds, all of the costs of the project prior to the time bonds are issued, including the costs of consulting engineers, assessment engineers, project management engineers, underwriters, the County's financial consultant, the County's bond counsel, County direct staff time set by an hourly rate or by formula, the cost of preparing the appraisals, absorption study, environmental review and other matters listed above. These items will be eligible for reimbursement from bond proceeds if the bonds are ultimately issued; however, the property owner must agree to pay these costs even if bonds are not issued. At the time of application, the County will provide an estimate for these expenses in order to enable the developer to more precisely anticipate costs associated with the process.

G. Project Acquisition

1. The County intends to acquire completed improvements only after final inspection by the County, an audit by the County assessment engineer and County staff and acceptance by the County.

2. The County intends to accept for maintenance responsibility only completed improvements (i.e., there are no further subprojects to complete within the same right-of-way). A completed improvement may be comprised of multiple subprojects. The County may make payments to the developer for individual subprojects as they are completed. However, the County will not accept maintenance responsibility on the completed improvements until after final inspection by the County, an audit by the County assessment engineer and County staff, and acceptance by the County. Guarantee bonds, guaranteeing workmanship and materials; and payment and performance bonds or cash deposits may be required, as determined by the Department of Finance, Department of Public Works, Department of Development Services, and the County Counsel.

H. Cost Overruns The property owner must agree to fund and/or provide payment and performance bonds, as required by the County, for all project costs that exceed the amount available from the proceeds of the bonds issued for the project. The County will not commit to issue additional bonds or otherwise provide funding for any such cost overruns.

I. Procedure

1. Pre-Application Meeting: Initially, the property owner shall schedule a meeting with representatives of the Department of Finance and the Department of Public Works to review the proposed improvement project to discuss whether the improvement project is one which may be eligible for financing under these guidelines.

2. Application: If the property owner decides to proceed after the initial meeting, all owners of record of property in the proposed district must sign a petition requesting that the district be formed and file the petition and an application which contains sufficient information and exhibits to demonstrate that the proposed district will comply with parts A-H of these guidelines. (All persons who hold a lien or encumbrance against the property as of the date of presentation of the petition must sign the petition or a certificate acknowledging that they had received a copy of the petition.) A preliminary title report prepared by a title insurance company licensed in the state that shows the ownership of the property and liens and encumbrances against the property must accompany the petition. Copies of the petition and application must be filed with the office of the Chief Financial Officer and the office of the Director of Public Works.

3. Commission Approval: If, after an initial review, the County staff believes the application satisfies parts A-H hereof, an item will be placed on the Commission's agenda authorizing negotiations with respect to the proposed improvement project. If the Commission approves this item, it is anticipated that staff will be authorized to begin negotiating the particulars of the financing with the property owner and other appropriate parties. Prior to Commission approval, a developer will submit to the Department of Public Works, plans and specifications that are sufficiently specific to allow a competent contractor with the assistance of a competent engineer to estimate the cost of constructing the projects within the district and to construct the projects. Additional detail may be required to make this determination.

4. Security for Costs: Prior to entering negotiations, the property owner must post a letter of credit, surety bond, cash or other acceptable form of security for payment of the costs described in F above in an amount and in a form approved by the Chief Financial Officer. The interest earned on the security will be paid to the developer. The County shall invest such security according to NRS 355 and 356.

# APPENDIX B

## OTHER LOCAL GOVERNMENT DEBT INFORMATION

Appendix B contains debt information for local governments for which the Board of Clark County Commissioners sits as the governing body. These local governmental organizations do not prepare a separate debt management policy.

Included in this appendix are:

Town of Searchlight
Kyle Canyon Water District
Clark County Fire Service District
Town of Moapa

## Town of Searchlight

### Outstanding Debt

| Issue | Issue Date | Principal Amount | Principal Outstanding | Retirement Date |
|---|---|---|---|---|
| None Outstanding | | | $- | |

### Debt Limit

| | |
|---|---|
| FY 2012 Est. Assessed Value | $25,953,349 |
| Debt Limit (25%) | 6,488,337 |
| Outstanding Debt | - |
| Available Debt Limit | $ 6,488,337 |

### Debt Service Schedule

| Fiscal Year Ending June 30, | Principal | Interest | Total |
|---|---|---|---|
| Total | $- | $- | $- |

SOURCE: Clark County Department of Finance

## Kyle Canyon Water District

### Outstanding Debt

| Issue | Issue Date | Original Amount | Principal Outstanding | Retirement Date |
|---|---|---|---|---|
| None Outstanding | | | $- | |

### Debt Limit

| | |
|---|---|
| FY2012 Assessed Value | $29,958,151 |
| Debt Limit (50%) | 14,979,076 |
| Outstanding Debt | 0 |
| Available Debt Limit | $14,979,076 |

### Debt Service Schedule

| Fiscal Year Ending June 30, | Principal | Interest | Total |
|---|---|---|---|
| Total | $- | $- | $- |

SOURCE: Clark County Department of Finance & State Department of Taxation

## Clark County Fire Service District

### Outstanding Debt

| Issue | Issue Date | Principal Amount | Principal Outstanding | Retirement Date |
|---|---|---|---|---|
| None Outstanding | | | $- | |

### Debt Limit

| | |
|---|---|
| FY12 Est. Assessed Value | $27,866,332,642 |
| Debt Limit (25%) | 6,966,583,161 |
| Outstanding Debt | - |
| Available Debt Limit | $ 6,966,583,161 |

### Debt Service Schedule

| Fiscal Year Ending June 30, | Principal | Interest | Total |
|---|---|---|---|
| Total | $- | $- | $- |

SOURCE: Clark County Department of Finance

## Town of Moapa

### Outstanding Debt

| Issue | Date Issued | Original Amount | Principal Outstanding | Retirement Date |
|---|---|---|---|---|
| None Outstanding | | | $- | |

### Debt Limit

| | |
|---|---|
| FY2012 Assessed Value | $92,783,841 |
| Debt Limit (25%) | 21,472,883 |
| Outstanding Debt | - |
| Available Debt Limit | $23,195,960 |

### Debt Service Schedule

| Fiscal Year Ending June 30, | Principal | Interest | Total |
|---|---|---|---|
| Total | $- | $- | $- |

SOURCE: Clark County Department of Finance

**APPENDIX C**

CLARK COUNTY GENERAL OBLIGATION BOND RATING REPORTS
FROM MOODY'S INVESTORS SERVICE AND STANDARD AND POOR'S

MOODY'S
INVESTORS SERVICE

# New Issue: Moody's Assigns Aa1 Rating to Clark County, Nevada's Limited Tax G.O. Bonds; Stable Outlook Affirmed

Global Credit Research - 21 May 2012

**$3.1 Billion of Rated Debt Affected**

CLARK (COUNTY OF) NV
Counties
NV

**Moody's Rating**

| ISSUE | RATING |
|---|---|
| General Obligation (Limited Tax) Bond Bank Refunding Bonds (Additionally Secured by Pledged Revenues) Series 2012 | Aa1 |

| | |
|---|---|
| **Sale Amount** | $75,935,000 |
| **Expected Sale Date** | 05/30/12 |
| **Rating Description** | General Obligation Limited Tax |

**Moody's Outlook** STA

## Opinion

NEW YORK, May 21, 2012 --Moody's Investors Service has assigned a Aa1 rating to Clark County, Nevada's General Obligation (Limited Tax) Bond Bank Refunding Bonds (Additionally Secured by Pledged Revenues) Series 2012 in the estimated amount of $75.9 million. At this time, Moody's also affirms the Aa1 rating on the county's rated parity debt outstanding in the amount of $2.7 billion, along with the Aa2 and Aa3 ratings on the county's lease revenue bonds outstanding in the combined amount of $370.3 million. The bonds are secured by the county's full faith and credit pledge, subject to Nevada's constitutional and statutory limitations on overlapping levy rates for ad valorem taxes and are additionally secured by a pledge of net revenues and other unrestricted resources of the Southern Nevada Water Authority (SNWA). The bonds are being issued through the county's bond bank, and proceeds will refund certain maturities of the authority's outstanding General Obligation (Limited Tax) Bond Bank Bonds (Additionally Secured by Pledged Revenues), Series 2001 and Series 2002.

SUMMARY RATING RATIONALE

The Aa1 rating primarily reflects the county's favorable long-term credit characteristics that include a still large tax base and a narrowed but still satisfactory financial position despite recent revenue pressures that have been offset in part by expenditure adjustments implemented by management. Additionally, the rating reflects the county's notable financial flexibility that is supported by significant though diminished reserves available to support operations as well as consistently conservative budget practices. Lastly, the county's net direct debt burden remains modest.

The stable rating outlook primarily reflects nascent improvement in the county's cyclical economy that remains dependent on tourism-related activity. The county's tax base remains large compared to similarly-rated peers, and the rate of decline for property values continue to moderate from prior levels. Additionally, Moody's expects that the county's financial position will remain consistent with peers and benefit from the county's practice of managing operations with conservative budgetary practices. Lastly, it is anticipated that the county's debt profile will remain manageable.

STRENGTHS

- Large service area featuring the City of Las Vegas (Aa2 LTGO rating and stable outlook) metro area

- Slow rebound in visitor volumes and related consumer spending benefitting cyclical revenues

- Still sizable reserves available to support operations

- Management's willingness to implement significant budgetary adjustments since fiscal 2008

- Low net direct debt burden since most LTGO debt is self-supported by additionally pledged resources

CHALLENGES

- Protracted housing market pressuring property values, though the pace of declines has slowed

- Continued budgetary challenges stemming from softness in economically-sensitive revenues and an anticipated slow economic recovery

- Reduced property tax levy potential amid assessed valuation (AV) declines, and potential narrowing of levy rate margin available under statutory limits

DETAILED CREDIT DISCUSSION

SOUTHERN NEVADA'S CYCLICAL ECONOMY IMPACTED SIGNIFICANTLY BY ONGOING DOWNTURN

Clark County is located in southern Nevada (Aa2 LTGO rating with stable outlook) and includes the greater Las Vegas metro area. The county is the economic center of the state and its nearly 2.0 million residents represent approximately 72.0% of the state's population. The local economy is relatively dependent upon cyclical tourism and consumer sectors that are driven by the area's significant attractions that include the renowned Las Vegas Strip. Prior to the recent and ongoing housing and economic downturns, the county was one of the fastest-growing areas in the nation, with rapid population growth and an aggressive pace of development. Between 2000 and 2010, the county's population grew overall by approximately 41.8% amid a prolonged expansionary period. However, the economic slowdown has staunched in-migration as the county's relatively cyclical economy experienced a significant increase in joblessness due in part to a substantial slowdown in construction activity. Also, tourist visits and related consumer spending have begun to improve but remain below pre-recession levels. The county's unemployment rate was 12.1% as of March 2012, which remained well in excess of national (8.4%) levels. Unemployment improved from the 15.2% level one year ago partly because nearly three-quarters of leisure and hospitality sector jobs lost in the downturn have been regained. However, construction industry and public sector employment levels remain very weak. The county's wealth levels are similar to many other large counties with urban cities; as of the 2000 census, per capita and median family incomes each representing 100.9% of U.S. levels.

Tourism-related industries are benefitting from signs of a slow economic recovery nationwide, supporting visitor inflows. In particular, visitor volumes have improved since 2011 according to data from the Las Vegas Convention and Visitors Authority (LVCVA), indicating that visitor volumes rebounded mildly by 2.7% and 4.3%, respectively, in the last two years to 38.9 million visitors as of 2011. Visitor volumes remain modestly below pre-recession levels after declining respectively by 4.4% and 3.0% in 2008 and 2009. While the county does not rely on gaming revenues like the state does, gross gaming receipts within Clark County grew by 2.6% in 2011 (to $8.4 billion) and is indicative of a modest rebound in economic activity following annual declines in the three prior years. Over the medium-term, officials anticipate that the local economy will continue to improve, albeit at a modest pace that will be influenced by broader economic improvement nationally given the local economy's dependence on cyclical business sectors.

TAX BASE DECLINES CONTINUE BUT ARE MODERATING

The county's tax base benefitted from an aggressive pace of growth in the prior decade for both residential and commercial development. The county's tax base grew to a peak full valuation (FV) of $319.7 billion in 2009, and has since declined by 48.2% over the last three years as a recessionary environment pressured the local economy and contributed to deep declines in property values resulting from prior over-building and growing incidence of distressed properties. Despite recent and substantial declines, the county's tax base remains large compared to the median for similarly-rated peers with a FV of $165.3 billion as of 2012. Foreclosure activity and excess inventories continue to weigh on the county's tax base with 1 in every 28 homes in the Las Vegas metro area being in some stage of foreclosure, which is substantially high relative to the national average of only 1 in 88 homes being in foreclosure. According to the Case-Schiller Home Price Index, the Las Vegas area has realized declines of an exceptional 61.7% from peak levels in April 2006 through monthly data reported as of February 2012.

Recent state legislation and revised lending industry practices fostered more stringent foreclosure procedures, which are expected to reduce the pace of incremental foreclosure activity and may slow declines in property values but also stretch the amount of time needed for the county's real estate market to work through a backlog of foreclosures.

The state's Abatement Act provided a buffer against tax base declines at the outset of the ongoing housing downturn. The Act became effective in fiscal 2006 and limits annual increases in property taxes to 3.0% for residential properties and the lesser of 8.0% or the average annual change in AV over the last ten years for both commercial properties and second homes, plus any new construction. During 2009, accumulated abatement provided an estimated $188.4 million cushion for property tax revenues against declines in AV. However, subsequent and substantial AV declines since have led to more closely correlated property tax revenue as accumulated abatements were exhausted. For 2013, the county's preliminary tax roll indicates that FV will decline by an additional 6.3% from the prior year to a still large $154.8 billion, which remains significantly above the national median for Aa1-rated counties. While annual tax base declines have moderated since a substantial decline of 26.9% in 2011, it is expected that distressed properties and excess inventories will continue to weigh on property values over the near-term.

DESPITE RECENT DEFICITS THE COUNTY MAINTAINS SUBSTANTIAL AVAILABLE RESERVES

Despite recession-related budget pressures and corresponding deficits, the county benefits from still sizable reserves. The county continues to benefit from conservative revenue and expenditure projections, and actual operating performance has consistently outperformed budgeted expectations. Management demonstrated notable operating flexibility since recession took hold in 2008 by implementing significant budget adjustments to limit expenditure growth and leveraging the ability to reduce operating transfers to other funds. Budgetary reductions have been driven by revenue declines, particularly in property and consolidated tax receipts. With a drastic slowdown in construction activity and substantially exhausted abatement, AV declines and the resulting declines in property tax revenues challenged the county's financial position. Consolidated tax receipts are derived from economically-sensitive revenues, comprising mostly of sales taxes, which weakened with softness in tourism-related activity, though is showing moderate improvement. Management has implemented significant spending reductions since May 2008 that included: eliminating 500 general fund-based positions, a soft hiring freeze, attrition of staff through vacancies, wage freezes, compensation concessions from some bargaining units, voluntary furloughs and separations, and also by deferring various capital projects.

The county's operating funds reserves declined amid deficits since recession took hold in fiscal 2008. As such, declines in available reserves reduced the county's operating performance but only to levels that still remain above the national median for similarly-rated peers. The county's primary operating funds include the general fund and the Las Vegas Metropolitan Police Department fund, which recieves around 40.0% of its resources as transfers from the general fund. Reserves for the last five years as reported on a CAFR basis declined overall in the period, inclusive of additional reserves outside the county's operating funds that include unrestricted reserves in various capital and special revenue funds. Available reserves declined in recent years to 32.1% of operating revenues ($582.0 million) as of fiscal 2011 following recent deficits amid a recessionary climate. Property tax revenues comprise a significant share of operating resources (22.2% of operating revenues as of fiscal 2011) and pronounced declines present an ongoing budgetary challenge for the county with continued tax base declines. However, economically-sensitive consolidated tax revenues (13.9% of operating revenues as of fiscal 2011) rebounded modestly by 5.4% year-over-year in fiscal 2011 and continue to improve, but remain below pre-recession levels.

NEAR-TERM BUDGETARY CHALLENGES TO CONTINUE

Over the medium-term, it is expected that the county will continue to face budgetary pressures, though it is noteworthy that the county's actual operating performance has historically outperformed conservatively managed budgets. Challenges include continued declines in property tax revenues, which are somewhat offset by improvement in cyclical consolidated tax revenues. Additionally, officials expect that expenditures will remain flat given recently adopted two-year wage freeze accepted by the county's largest employee bargaining units, and a continued soft hiring freeze that will suppress staffing levels. As a result, current estimates of year-end performance for fiscal 2012 indicate that available reserves will decline to a still satisfactory 30.3% of operating revenues on a budgetary basis. For fiscal 2013, the county's tentative budget indicates a significant decline in available reserves to around 10.0% of operating revenues on a budgetary basis. However, management's conservative practice is to fully appropriate reserves in the county capital projects fund that would otherwise remain available to support operating needs, though the vast majority of these funds are not expected to actually be allocated and spent down for projects, which is consistent with performance in prior years. Also, the county budgets for staff positions to be fully funded for the entire year even though positions become vacant and are not actually backfilled. Future Moody's reviews will focus in part of the county's ability to maintain fiscal balance and reserve levels consistent with similarly rated peers.

Also of note, operating subsidies to the county-owned University Medical Center (UMC) moderated somewhat in 2008 at the $45.0 million level but subsequently increased to $65.0 million through fiscal 2011. However, the county budgeted for this operating subsidy to significantly decline to $31.0 million in both fiscal years 2012 and 2013 as UMC began to receive additional for "upper payment limit" funds of around $45.0 million related to Medicaid in each of those years.

The county participates in the State of Nevada Public Employees' Retirement System. As of fiscal 2011, the funded ratio for PERS was 70.2% on a system-wide basis, and little changed from the prior year as investment portfolio gains were offset by the effects of multi-year smoothing for investment losses realized in prior years. The county paid 100.0% of its annual pension costs in all recent years, including total contributions of $295.2 million in fiscal 2011. Additionally, the county provides other post-employment benefits (OPEB) of health insurance coverage to eligible retirees from various employee groups through several defined benefit programs. The accumulated unfunded accrued liabilities across the OPEB plans amount to nearly $1.4 billion and are generally funded on a pay-go basis each year, though a portion of police-related liabilities are funded by the City of Las Vegas. It is noteworthy that accrued OPEB unfunded liabilities are somewhat conservative given a 4.0% discount rate across all OPEB plans. Also, the county has an OPEB reserve fund with reported cash equivalents of $162.7 million as of fiscal 2011 that supports its OPEB obligations.

LOW NET DIRECT DEBT BURDEN

The county's direct debt burden is low a 0.5%, net of a significant majority of LTGO debt which is self-supported by the double-barreled pledge of additional payment resources. The county's overall debt burden is 3.0%, of which a significant portion is attributed to the Clark County School District (Aa2 LTGO rating with negative outlook). Payout of the county's direct debt is slow at 36.5% in ten years, though debt issuance has slowed in recent years with many capital projects either deferred or funded on a pay-go basis. A portion of the county's self-supporting LTGO debt is issued through the county's bond bank, which was established in 2000 to help municipal entities issue debt at relatively low interest rates. The bond bank's currently outstanding debt of $1.2 billion, post-refunding, was all issued on behalf of SNWA to finance various capital needs. Debt issued through the bond bank benefits from the county's LTGO pledge but is structured for debt service requirements to be self-supported by additionally pledged resources.

SNWA covenants to convey sufficient funds to the county for debt service on bonds issued through the bond bank. For SNWA, the authority's net revenues and unrestricted cash resources provided ample coverage 3.0 times its total annual debt service in fiscal 2011, which is expected to decline according to projections to a still sufficient 2.1 times annual debt service by fiscal 2016, and is inclusive of bond bank debt and the authority's other debt obligations. Declining debt service coverage is attributed to near-term plans for additional debt issuance related primarily to completing a new water intake from Lake Mead. Projected debt service coverage benefits from the adoption of an infrastructure surcharge effective April 2012 that is expected to raise additional revenues of $93.0 million annually through fiscal 2015, which was enacted to make up for severe declines in connection fees that were previously a robust revenue stream during the region's housing boom. Of note, a property tax has never been levied to fund SNWA's debt service requirements, and it is expected that SNWA's resources will remain sufficient to satisfy all of its debt service requirements.

SNWA PROVIDES WHOLESALE WATER TO NEARLY ALL OF CLARK COUNTY

SNWA was formed to develop additional water supplies for its wholesale members and to address water issues on a regional basis. The SNWA owns the Southern Nevada Water System, which includes intake facilities at Lake Mead, pumping plants, pipelines, and water treatment facilities. The Las Vegas Valley Water District (Aa2 LTGO rating with negative outlook) (LVVWD) is the system's largest user and shares the same management team as SNWA to improve coordination between these important entities that are operationally and financially intertwined. LVVWD occasionally issues debt on behalf of SNWA, similarly to debt issued through Clark County's bond bank, which is secured by SNWA's pledge of net revenues and unrestricted resources and also benefits from the additional security of the district's limited property tax pledge.

The regional system's water supply is derived almost entirely from the Colorado River per a contractual agreement with SNWA. The remaining minority of water is supplied from various groundwater sources. The regional system generally uses nearly all of its 300,000 acre-feet Colorado River appropriation (not including the offsetting effect of water returned to the river). Dependence on the Colorado River for water supply may limit future water availability absent development of additional sources, particularly if growth returns to the service area or weather conditions impact allocation of the river's available supply. To address potential shortfalls in and diversify water resources, various conservation measures have been imposed and SNWA continues to pursue additional water sources, including Arizona groundwater banking and in-state resources that are beneficial components of its long-term water resources plan.

WHAT COULD MAKE THE RATING GO UP

- Long-term economic diversification that reduces dependence on cyclical consumer-driven tourism and construction activities

- Significant appreciation in socioeconomic measures

- Protracted and sustainable strengthening of available reserves

WHAT COULD MAKE THE RATING GO DOWN

- Deterioration of the county's reserve levels, relative to similarly-rated peers

- Double-barreled LTGO debt that is no longer self-supporting by additionally pledged revenues, resulting in general fund support that pressures the county's operating performance

- Additional tax base declines in FV to levels inconsistent with similarly-rated peers

KEY STATISTICS

Estimated population: 2.0 million

2012 full value: $154.8 billion

Average annual growth in full value (2007-2012): -12.6%

2012 full value per capita: $78,692

1999 per capita income: 100.9% of U.S. ($21,785)

1999 median family income: 100.9% of U.S. ($50,485)

Net direct debt burden: 0.5%

Overall debt burden: 3.0%

Payout of principal (10 years): 36.5%

Five-year average lease burden, fiscal 2011: 1.2% of operating revenues

Fiscal 2011 available fund balance: 32.1% of operating revenues ($582.0 million)

Pension funding, 2011: 70.2% (system-wide valuation for state plans)

Combined other post-employment benefits (OPEB), fiscal 2011: $1.4 billion UAAL (pay-go funding)

PRINCIPAL RATING METHODOLOGY

The principal methodology used in this rating was General Obligation Bonds Issued by U.S. Local Governments published in October 2009. Please see the Credit Policy page on www.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

The Global Scale Credit Ratings on this press release that are issued by one of Moody's affiliates outside the EU are endorsed by Moody's Investors Service Ltd., One Canada Square, Canary Wharf, London E 14 5FA, UK, in accordance with Art.4 paragraph 3 of the Regulation (EC) No 1060/2009 on Credit Rating Agencies. Further information on the EU endorsement status and on the Moody's office that has issued a particular Credit Rating is available on www.moodys.com.

For ratings issued on a program, series or category/class of debt, this announcement provides relevant regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides relevant regulatory disclosures in relation to the rating action on the support provider and in relation to each particular rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides relevant regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

Information sources used to prepare the rating are the following: parties involved in the ratings, parties not involved in the ratings, public information, confidential and proprietary Moody's Investors Service's information, and confidential and proprietary Moody's Analytics' information.

Moody's considers the quality of information available on the rated entity, obligation or credit satisfactory for the purposes of issuing a rating.

Moody's adopts all necessary measures so that the information it uses in assigning a rating is of sufficient quality and from sources Moody's considers to be reliable including, when appropriate, independent third-party sources. However, Moody's is not an auditor and cannot in every instance independently verify or validate information received in the rating process.

Please see the ratings disclosure page on www.moodys.com for general disclosure on potential conflicts of interests.

Please see the ratings disclosure page on www.moodys.com for information on (A) MCO's major shareholders (above 5%) and for (B) further information regarding certain affiliations that may exist between directors of MCO and rated entities as well as (C) the names of entities that hold ratings from MIS that have also publicly reported to the SEC an ownership interest in MCO of more than 5%. A member of the board of directors of this rated entity may also be a member of the board of directors of a shareholder of Moody's Corporation; however, Moody's has not independently verified this matter.

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Please see ratings tab on the issuer/entity page on www.moodys.com for the last rating action and the rating history.

The date on which some ratings were first released goes back to a time before Moody's ratings were fully digitized and accurate data may not be available. Consequently, Moody's provides a date that it believes is the most reliable and accurate based on the information that is available to it. Please see the ratings disclosure page on our website www.moodys.com for further information.

Please see www.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

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MOODY'S
INVESTORS SERVICE

STANDARD
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# Global Credit Portal®
## RatingsDirect®

May 21, 2012

# Clark County, Nevada; Appropriations; General Obligation

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## Table Of Contents

# Clark County, Nevada; Appropriations; General Obligation

| Credit Profile | | |
|---|---|---|
| US$75.935 mil ltd tax GO bnd bank rfdg bnds ser 2012 due 06/01/2032 | | |
| *Long Term Rating* | AA+/Stable | New |
| Clark Cnty GO | | |
| *Long Term Rating* | AA+/Stable | Affirmed |

## Rationale

Standard & Poor's Ratings Services assigned its 'AA+' rating and stable outlook to Clark County, Nev.'s series 2012 limited-tax general obligation (GO) bond bank refunding bonds.

At the same time, Standard & Poor's affirmed its 'AA+' rating, with a stable outlook, on the county's existing GO debt and its 'AA' rating, with a stable outlook, on the county's lease revenue bonds.

The 'AA+' rating reflects our opinion of the county's general credit characteristics, including its:

- Maintenance of strong reserves, which have been prudently managed, despite significant assessed value (AV) and corresponding tax revenue declines;
- Strong financial policies and practices that have remained in place through economic cycles;
- Regional economy with strong underlying credit fundamentals, including a large economy and strong income and wealth; and
- Moderate overall debt with reduced capital pressure as new development in the county has slowed significantly.

We believe these credit factors are somewhat offset by the county's:

- Prolonged economic and employment downturn that has had an effect on most sectors, including tourism, taxable sales, and residential real estate; many of these indicators, however, are starting to stabilize;
- Significant cumulative AV declines stemming from declining real estate values -- Property taxes generated 32% of fiscal 2011 general fund revenue; property tax collections, however, have historically remained, what we consider, strong; and
- High unemployment of 14.1% in 2010 and 13.9% in 2011.

The 'AA' rating reflects our opinion of:

- The county's agreement to budget and appropriate lease payments throughout the lease term,
- An annual appropriation risk, and
- The county's strong general credit characteristics ('AA+' GO debt rating).

Officials plan to use bond proceeds to make a loan to the Southern Nevada Water Authority (SNWA) by purchasing its series 2012 water revenue refunding bond; officials intend to use these proceeds to refund the county's series 2001 and 2002 bond bank bonds for interest cost savings. We understand the county uses the bond bank program to assist in the financing of lending projects so it can provide municipalities with lower borrowing costs for various bond-funded projects.

The bonds are a GO of the county, ultimately secured by its full-faith-and-credit pledge of property taxes, subject to a statutory limit on overlapping debt of $3.64 per $100 of AV. An irrevocable pledge of net SNWA revenue from the operation of the Southern Nevada Water System provides additional security for the series 2012 bonds. Pledged revenue consists only of SNWA water revenue received by the county as payment on the SNWA bonds; there is no other net water revenue available by the county to pay debt service on the bonds. The pledge of SNWA water revenue is subordinate to superior SNWA obligations currently outstanding. According to the bond ordinance, SNWA agrees to set sufficient rates to pay operating costs, superior obligations, and parity-lien obligations (the 2012 bonds). In February 2012, SNWA's board of directors implemented a new infrastructure surcharge that they expect to generate $93 million of new revenue annually for three years, beginning in fiscal 2013. According to the county, it estimates SNWA pledged revenue and all other legally available money of the authority will provide no less than 2.6x debt service coverage of all outstanding and proposed debt through at least 2015.

## Outlook

The stable outlook reflects Standard & Poor's opinion that over the outlook's two-year period, Clark County officials will likely continue to manage general fund operations prudently and make the necessary budget adjustments to maintain the county's strong reserves. Although many indicators point to stabilization, we could consider a lower rating if the county were to experience a second significant economic downturn, causing AV and corresponding revenue to decline further and potentially pressuring general fund operations and reserves. Because of the recent economic downturn and the county's dependence on cyclical economic and employment sectors, however, we do not expect to raise the rating over the outlook's two-year period.

## Finances: General Fund Reserves Remain Strong, Helping To Mitigate Revenue Pressure

During the recent declining revenue environment, we believe Clark County officials have prudently managed operations and expenditures, allowing the county to maintain, what we consider, strong general fund reserves. Although expenditures are conservatively budgeted to increase by 4.5% in fiscal 2013 over estimated fiscal 2012 figures, management has implemented layoffs, wage freezes, and other programming and cost-containment measures recently to offset significant revenue declines. We understand the county is completing its $1.19 billion fiscal 2013 general fund budget, which, after transfers and conservative assumptions, shows a $29.4 million operating deficit and a $114 million ending unrestricted general fund balance, or, in our view, a still-strong 14% of budgeted expenditures.

For fiscal 2012, county officials are projecting a $16.7 million general fund deficit after transfers. We, however, understand that closer-to-break-even operations are likely as consolidated taxes are tracking in excess of the budget and several positions funded out of the general fund remain vacant. Transfers out of the general fund are typically large and include transfers for detention, the metropolitan police department, and capital projects; we, however, understand the county has more recently deferred or postponed several capital projects due to revenue constraints.

The county adopted Governmental Accounting Standards Board (GASB) Statement No. 54 reporting requirements for its fiscal 2011 financial statements, which had the effect of consolidating several special revenue funds into the general fund for reporting purposes. The county, however, continues to budget the general fund separately from such special revenue funds. Audited financial statements show the county closed fiscal 2011 on June 30 with $360 million of reserves; of the total, $266 million, or 22% of general fund expenditures, was considered available -- defined as assigned plus unassigned general fund balance under GASB 54.

County-provided unaudited budgetary information shows the county added $11.7 million to general fund reserves in fiscal 2011 and ended the fiscal year with a $160 million unrestricted general fund balance, or, in our view, a very strong 20% of operating expenditures or a strong 13% of operating expenditures and transfers out.

## Financial Management Assessment: 'Strong'

Standard & Poor's considers Clark County's financial management practices "strong" under its Financial Management Assessment methodology, indicating practices are strong, well embedded, and likely sustainable.

The county's board of commissioners has adopted thorough policies that govern the maintenance of reserves, expenditure growth, cash and investment practices, and debt and derivative use. The county intends to maintain reserves at no less than the 8.3% policy, but management prefers to remain above this at a higher 10% reserve target.

## Economy: Softness Continues With Signs of Stabilization

The recent recession has had a significant effect on Clark County's economy, especially the construction, real estate, gaming, and hospitality sectors. Following a period of substantial declines, however, many indicators critical to the economy -- such as room rates, visitor volume, passenger counts, gaming revenue, and foreclosures -- are starting to show signs of stabilization. The county's population has been stable between 1.95 million and 1.97 million over the past five years. After peaking at nearly $112 billion in fiscal 2009, AV declined by 43% between fiscal years 2009 and 2011; AV has declined by an additional 9.5% to $57.9 billion in fiscal 2012. County officials are projecting another AV decline of 6.4% to $54.2 billion for fiscal 2013. The county's estimated $155 billion full market value for fiscal 2013, however, translates to $78,705 per capita, a figure we still-consider strong, albeit significantly lower than the $169,000 per capita in fiscal 2009.

According to county estimates, the median price for new and existing homes decreased to $197,000 and $111,000, respectively, in 2011 after they peaked at $340,000 and $287,000, respectively, in 2006; officials expect home prices to stabilize gradually over the next few years. The S&P/Case Shiller Index, however, showed an 8.5% decline in year-over-year home prices through the end of February 2012 with average home prices below levels recorded in 2000.

Other critical economic indicators have generally been unchanged over the past two years. Median household and per capita effective buying incomes are, in our opinion, a strong 111% and a good 104%, respectively, of national levels. Unemployment, while still above average, declined slightly to 12.6% through February 2012 after it peaked at 14.1% in 2010 and declined slightly to 13.9% in 2011. Some concentration in employment remains with about a third of the workforce employed in the hotel, gaming, and hospitality sectors. After Clark County School District (employing more than 30,000) and the county itself (7,500), employment is concentrated with Wynn Las Vegas, Bellagio LLC, MGM Grand, Aria Resort and Casino, Mandalay Bay, and Caesars Palace each providing significant employment. The Las Vegas Strip's hotel and casino properties dominate the 10 leading taxpayers, but these 10 leading taxpayers account for just 13% of AV. Despite the minor concentration in a more-volatile sector, coupled with high foreclosure rates, property tax collections have remained, what we view as, strong; current collections have been no less than 96.7% over the past five years, and they have been at least 98% on a total basis over the same period.

In terms of the general fund's exposure to economic weakness, property tax revenue has typically been the county's leading general fund revenue source; it accounted for 32% of general fund revenue in fiscal 2011, down from 38% in fiscal 2009. Property tax revenue, however, has declined by, what we view as, more-modest levels compared to AV declines due to the Abatement Act, signed in 2005; the act limits property tax revenue increases to approximately 3% annually on existing properties, though new construction is exempt, with larger increases allowed for nonresidential properties. Between fiscal years 2004 and 2009, AV grew by 150% while general fund property tax revenue increased by 80% over the same period; following the 48% AV decline between fiscal years 2009 and 2012, corresponding property tax revenue declined by, in our view, a more-modest 28%. Property tax revenue is budgeted to decline by an additional 7% in fiscal 2013 as the county has nearly exhausted all of the accumulated abatement.

In addition, Clark County is exposed to state-allocated consolidated taxes, which include sales, cigarette, liquor, government services, and real estate property transfer taxes. Consolidated taxes generated 30% of general fund revenue in fiscal 2011, which was consistent with historical levels; these taxes have declined more slowly compared to property taxes. After declining by 27% between fiscal years 2006 and 2010, consolidated taxes increased by 5.6% in fiscal 2011; county projections have these taxes increasing by an additional 6.5% in fiscal 2012. License and permit revenue generated another 25% of fiscal 2011 general fund revenue, which was generally consistent with historical levels.

## Debt, Pension, And Other Postemployment Benefits

Overall direct and overlapping debt is, in our opinion, low at an estimated 2.7% of market value, or a more-moderate $2,298 per capita. Overall general fund, GO, and special assessment debt totals approximately $3 billion, roughly $2.7 billion of which is in the form of GO bonds with self-supporting enterprise revenue. We consider GO debt amortization average with officials planning to retire 45% over 10 years, 85% over 20 years, and 100% over 30 years. We understand the county does not have any general-fund-related variable-rate debt. Debt service in fiscal 2011 was, in our view, a moderate 8.3% of general fund expenditures less capital outlays. We understand that the county intends to issue approximately $25 million of additional limited-tax GO bonds on behalf of the Las Vegas Convention & Visitors Authority later in 2012 and that SNWA might issue up to $360 million of additional revenue bonds later in 2012 to fund a new water intake project at Lake Mead.

Clark County participates in the Nevada Public Employees' Retirement System, and it has historically contributed 100% of the annual required contribution. According to officials, in fiscal 2011, pension-related payments from the general fund were roughly $70 million, or 9% of expenditures.

Clark County and its component units provide other postemployment benefits (OPEB) to retirees through five benefit plans, and the county addresses these costs through pay-as-you-go financing. In fiscal 2011, OPEB-related expenses were $18.2 million, or roughly 2% of operating expenditures. Actuarial studies for all of the county's benefit plans were complete in 2010, and the studies showed the county has not funded the $1.37 billion actuarial accrued liability. The county, however, maintains $163 million of cash and investments and $80 million of receivables in an internal service fund set aside to address the liability and related annual expenses.

## Related Criteria And Research

- USPF Criteria: GO Debt, Oct. 12, 2006
- USPF Criteria: Appropriation-Backed Obligations, June 13, 2007

| **Ratings Detail** (As Of May 21, 2012) | | |
|---|---|---|
| Clark Cnty GO ltd tax bnds (Taxable Direct Pay Babs Flood Control Bnds) ser 2009B | | |
| *Long Term Rating* | AA+/Stable | Affirmed |
| Clark Cnty GO rfdg bnds ser 2009A | | |
| *Long Term Rating* | AA+/Stable | Affirmed |
| Clark Cnty GO Lmtd Tax ser 2008 | | |
| *Long Term Rating* | AA+/Stable | Affirmed |
| Clark Cnty GO (wrap of insured) (AMBAC & BHAC) (SEC MKT) | | |
| *Unenhanced Rating* | AA+(SPUR)/Stable | Affirmed |
| Clark Cnty GO (Lmtd Tax) Arpt Bnds | | |
| *Long Term Rating* | AA+/NR/Stable | Affirmed |
| Clark Cnty GO (Ltd Tax) bnd bnk rfdg bnds ser 2009 | | |
| *Long Term Rating* | AA+/Stable | Affirmed |
| Clark Cnty Lmtd Tax GO bnds (Bond Bank Bonds) ser 2008 | | |
| *Long Term Rating* | AA+/Stable | Affirmed |
| Clark Cnty Local Improv bnds (Dist No. 127, 134, 140, 145) | | |
| *Long Term Rating* | AA+/Stable | Affirmed |
| Clark Cnty Local Imp bnds (Special Improvement Dist No. 112) ser 2008 | | |
| *Long Term Rating* | AA+/Stable | Affirmed |
| **Clark Cnty go** | | |
| *Unenhanced Rating* | AA+(SPUR)/Stable | Affirmed |
| **Clark Cnty GO** | | |
| *Unenhanced Rating* | AA+(SPUR)/Stable | Affirmed |
| **Clark Cnty District Nos. 135 and 144C, Nevada** | | |
| Clark Cnty, Nevada | | |
| Clark Cnty District Nos. 135 and 144C Local Improv bnds (Clark Cnty) ser 2009 | | |
| *Long Term Rating* | AA+/Stable | Affirmed |
| **Las Vegas Convention & Visitors Auth, Nevada** | | |
| Clark Cnty, Nevada | | |
| Las Vegas Convention & Visitors Auth (Clark Cnty) GO | | |
| *Long Term Rating* | AA+/Stable | Affirmed |
| Las Vegas Convention & Visitors Auth (Clark Cnty) GO (ltd tax) LV Conv & Vis Auth transp bnds (BABs) | | |
| *Long Term Rating* | AA+/Stable | Affirmed |

**Ratings Detail** (As Of May 21, 2012) **(cont.)**

| | | |
|---|---|---|
| **Pima Cnty Indl Dev Auth, Arizona** | | |
| Clark Cnty, Nevada | | |
| Pima Cnty Indl Dev Auth (Clark Cnty) Metro Police Fac lse rev bnds (Nevada Proj) ser 2009A | | |
| *Long Term Rating* | AA/Stable | Affirmed |
| Pima Cnty Indl Dev Auth (Clark County) lse rev bnds (Clark Cnty Detention Fac Project) ser 2008 | | |
| *Long Term Rating* | AA/Stable | Affirmed |

Many issues are enhanced by bond insurance.

## APPENDIX D

CLARK COUNTY OPERATING TAX RATE FIVE-YEAR FORECAST

## APPENDIX D

## CLARK COUNTY OPERATING TAX RATE FIVE-YEAR FORECAST
## FY 2013 - FY 2017

| Entity | FY2013 Projected Tax Rate | FY2014 Projected Tax Rate | FY2015 Projected Tax Rate | FY2016 Projected Tax Rate | FY2017 Projected Tax Rate |
|---|---|---|---|---|---|
| Clark County Operating | $0.4470 | $0.4470 | $0.4470 | $0.4470 | $0.4470 |
| Family Court | 0.0192 | 0.0192 | 0.0192 | 0.0192 | 0.0192 |
| Cooperative Extension | 0.0100 | 0.0100 | 0.0100 | 0.0100 | 0.0100 |
| Medical Assistance to Indigent Persons | 0.1000 | 0.1000 | 0.1000 | 0.1000 | 0.1000 |
| Medical Assistance (Accident) to Indigent Persons | 0.0150 | 0.0150 | 0.0150 | 0.0150 | 0.0150 |
| County Capital* | 0.0500 | 0.0500 | 0.0500 | 0.0500 | 0.0500 |
| Bunkerville Town | 0.0200 | 0.0200 | 0.0200 | 0.0200 | 0.0200 |
| Clark County Fire Service District* | 0.2197 | 0.2197 | 0.2197 | 0.2197 | 0.2197 |
| Enterprise Town | 0.2064 | 0.2064 | 0.2064 | 0.2064 | 0.2064 |
| Indian Springs Town | 0.0200 | 0.0200 | 0.0200 | 0.0200 | 0.0200 |
| Laughlin Town | 0.8416 | 0.8416 | 0.8416 | 0.8416 | 0.8416 |
| Moapa Town | 0.1094 | 0.1094 | 0.1094 | 0.1094 | 0.1094 |
| Moapa Valley Town | 0.0200 | 0.0200 | 0.0200 | 0.0200 | 0.0200 |
| Mt. Charleston Town | 0.0200 | 0.0200 | 0.0200 | 0.0200 | 0.0200 |
| Mt Charleston Fire | 0.8813 | 0.8813 | 0.8813 | 0.8813 | 0.8813 |
| Paradise Town | 0.2064 | 0.2064 | 0.2064 | 0.2064 | 0.2064 |
| Searchlight Town | 0.0200 | 0.0200 | 0.0200 | 0.0200 | 0.0200 |
| Spring Valley Town | 0.2064 | 0.2064 | 0.2064 | 0.2064 | 0.2064 |
| Summerlin Town | 0.2064 | 0.2064 | 0.2064 | 0.2064 | 0.2064 |
| Sunrise Manor Town | 0.2064 | 0.2064 | 0.2064 | 0.2064 | 0.2064 |
| Whitney Town | 0.2064 | 0.2064 | 0.2064 | 0.2064 | 0.2064 |
| Winchester Town | 0.2064 | 0.2064 | 0.2064 | 0.2064 | 0.2064 |
| LVMPD Emergency 9-1-1 | 0.0050 | 0.0050 | 0.0050 | 0.0050 | 0.0050 |
| LVMPD Manpower Supplement (County) | 0.2800 | 0.2800 | 0.2800 | 0.2800 | 0.2800 |
| LVMPD Manpower Supplement (City) | 0.2800 | 0.2800 | 0.2800 | 0.2800 | 0.2800 |

*All or a portion of these tax rates may be used for Capital Project Funding.

# APPENDIX E

Interest Rate Swap Policy

**Clark County, Nevada**
**INTEREST RATE SWAP POLICY**
**June 30, 2012**

## 1. Introduction

The purpose of this policy (the "Policy") is to establish guidelines for the execution and management of Clark County's (the "County") use of interest rate swaps or similar products ("Swap Products") and related transactions to meet the financial and management objectives as outlined herein.

This policy confirms the commitment of County management to adhere to sound financial and risk management policies.

## 2. Scope

The County recognizes that Swap Products can be appropriate financial management tools to achieve the County's financial and management objectives. This Policy sets forth the manner in which the County shall enter into transactions involving Swap Products. The County shall integrate Swap Products into its overall debt and investment management programs in a prudent manner in accordance with the parameters set forth in this Policy.

This Policy applies to any interest rate swap; swap option or related transaction that the County may undertake.

## 3. Authorizations and Approvals; Compliance with Bond Documents and Covenants

The County shall obtain the approval of the Clark County Board of County Commissioners (the "BOCC") prior to entering into any interest rate swap, swap option or related transaction. The County, in consultation with its Bond Counsel, and financial advisors will determine whether a proposed swap agreement complies with State law and any other applicable law and any other applicable provisions of the County's bond resolutions and agreements with respect to its outstanding debt.

## 4. General Objectives

The County may execute an interest rate swap, swap option or related transaction to the extent the transaction can be reasonably expected to achieve one or more of the following objectives:

- Result in a lower net cost of borrowing with respect to the County's debt, or achieve a higher net rate of return on the investment of County moneys.
- Reduce exposure to changes in interest rates either in connection with a particular debt financing or investment transaction or in the management of interest rate risk with respect to the County's overall debt and investment portfolios.
- Enhance financing flexibility for future capital projects.

## 5. Prohibited Uses of Interest Rate Swaps and Related Instruments

The County shall not execute interest rate swaps agreements or related instruments under the following circumstances:

- When a swap or other financial instrument is used for speculative purposes, such as potential trading gains, rather than for managing and controlling interest rate risk in connection with County debt or investments;
- When a swap or other financial instrument creates extraordinary leverage or financial risk;
- When the County lacks sufficient liquidity to terminate the swap at current market rates; or
- When there is insufficient price "transparency" to permit the County and its financial advisors to reasonably value the instrument, as a result, for example, of the use of unusual structures or terms.

## 6. Permitted Financial Instruments

The County may utilize the following financial products, if then permitted by law, on either a current or forward basis, after identifying the objective(s) to be realized and assessing the attendant risks, if permitted by law:

- Interest rate swaps, including fixed, floating and/or basis swaps
- Interest rate caps, floors and collars
- Options, including on swaps, caps, floors and/or collars and/or cancellation or index-based features

## 7. Identification and Evaluation of Financial and Other Risks

Prior to execution of an interest rate swap, swap option or related transaction, the County and its financial advisors shall identify and evaluate the financial risks involved in the transaction, and summarize them, along with any measures that will be taken to mitigate those risks. The types of questions that should be evaluated in connection with the identification and evaluation of financial risks shall include:

- Market or Interest Rate Risk: Does the proposed transaction hedge or create exposure to fluctuations in interest rates?
- Tax Law Risk: Is the proposed transaction subject to rate adjustments, extraordinary payments, termination, or other adverse consequences in the event of a future change in Federal income tax policy?
- Termination Risk: Under what circumstances might the proposed transaction be terminated (other than at the option of the County)? At what cost? Does the County have sufficient liquidity to cover this exposure?

- Risk of Uncommitted Funding ("Put" risk): Does the transaction require or anticipate a future financing(s) that is dependent upon third party participation? What commitments can be or have been secured for such participation?

- Legal Authority: Is there any uncertainty regarding the legal authority of any party to participate in the transaction?

- Counterparty Credit Risk: What is the credit-worthiness of the counterparty? What provisions have been made to mitigate exposure to adverse changes in the counterparty credit standing?

- Ratings Risk: Is the proposed transaction consistent with the County's current credit ratings or its desired future ratings and with related rating agency policies?

- Basis Risk: Do the anticipated payments that the County would make or receive match the payments that it seeks to hedge?

- Tax Exemption on County Debt: Does the transaction comply with all Federal tax law requirements with respect to the County's outstanding tax-exempt bonds?

- Accounting Risk: Does the proposed transaction create any accounting issues that could have a material detrimental effect on the County's financial statements? Would the proposed transaction have any material effect on the County's rate covenant calculation or compliance? How are any such effects addressed?

- Administrative Risk: Can the proposed transaction be readily administered and monitored by the County's finance team consistent with the policies outlined in the County's Interest Rate Swap Policy?

- Subsequent Business Conditions: Does the proposed transaction or its benefits depend upon the continuation or realization of specific industry or business conditions?

- Aggregate Risk – to the extent that various Departments of the County or issuing entities of the County also have swap exposures that may aggregate up to the County level (i.e. they are not limited, but involve some sort of pledge by the County itself) the County should include this risk in its overall analysis.

## 8. Risk Limitations

The total notional amount and term of all Swap Transactions executed by the County shall not exceed the notional amount and term specified from time to time by the County Chief Financial Officer (the "CFO"). It is expected that the County's total variable rate exposure, net of Swap Transactions which have the economic effect of reducing variable rate exposure, will be established from time to time based upon an evaluation of all relevant factors, including investment allocations, risk tolerance, credit strength, and market conditions.

**9. Form of Swap Agreements**

Each interest rate swap executed by the County shall contain terms and conditions as set forth in the International Swap and Derivatives Association, Inc. ("ISDA") Master Agreement, including the Schedule to the Master Agreement and a Credit Support Annex, as supplemented and amended in accordance with the recommendations of the County's finance team. The swap agreements between the County and each qualified swap counterparty shall include payment, term, security, collateral, default, remedy, termination, and other terms, conditions and provisions as the County, in consultation with its financial advisors and Bond Counsel deems necessary or desirable.

**10. Qualified Swap Counterparties**

The County shall be authorized to enter into interest rate swap transactions only with qualified swap counterparties. At least one of the ratings of the County's counterparties (or their guarantors) must be in the "AA" category, or at least Aa3/Aa- and no lower than A2 or A. In addition, each counterparty must have a demonstrated record of successfully executing swap transactions as well as creating and implementing innovative ideas in the swap market. Each counterparty (or guarantor) shall have a minimum capitalization of at least $250 million.

In order to diversify the County's counterparty credit risk, and to limit the County's credit exposure to any one counterparty, limits will be established for each counterparty based upon both the credit rating of the counterparty as well as the relative level of risk associated with each existing and proposed swap transaction. The guidelines below provide general termination exposure guidelines with respect to whether the County should enter into an additional transaction with an existing counterparty. The County may make exceptions to the guidelines at any time to the extent that the execution of a swap achieves one or more of the goals outlined in these guidelines or provides other benefits to the County. In general, the maximum Net Termination Exposure to any single Counterparty should be set so that it does not exceed a prudent level as measured against the gross revenues, available assets or other financial resources of the County.

Such guidelines will also not mandate or otherwise force automatic termination by the County or the counterparty. Maximum Net Termination Exposure is not intended to impose retroactively any terms and conditions on existing transactions. Such provisions will only act as guidelines in making a determination as to whether or not a proposed transaction should be executed given certain levels of existing and projected net termination exposure to a specific counterparty. Additionally, the guidelines below are not intended to require retroactively additional collateral posting for existing transactions. Collateral posting guidelines are described in the "Collateral" section above. The calculation of net termination exposure per counterparty will take into consideration multiple transactions, some of which may offset the overall exposure to the County.

Under this approach, the County will set limits on individual counterparty exposure based on existing as well as new or proposed transactions. The sum of the **current market value** and the **projected exposure** shall constitute the Maximum Net Termination Exposure. For outstanding transactions, current exposure will be based on the market value as of the last quarterly swap valuation report provided by the Financial Advisor. Projected exposure shall be calculated based on the swap's potential termination value taking into account possible adverse changes in interest rates as implied by historical or projected measures of potential rate changes applied over the remaining term of the swap.

For purposes of this calculation, the County shall include all existing and projected transactions of an individual counterparty and all transactions will be analyzed in aggregate such that the maximum exposure will be additive.

The exposure thresholds, which will be reviewed periodically by the County to ensure that they remain appropriate, will also be tied to credit ratings of the counterparties and whether or not collateral has been posted as shown in the table below. If a counterparty has more than one rating, the lowest rating will govern for purposes of the calculating the level of exposure. A summary table is provided below.

**Counterparty Credit Exposure Recommended Limits**

| Credit Ratings | Maximum Collateralized Exposure | Maximum Uncollateralized Exposure | Maximum Net Termination Exposure |
|---|---|---|---|
| Aaa/AAA | NA | $100.0 million | $100.0 million |
| Aa/AA Category | $70.0 million | $30.0 million | $100.0 million |
| A/A Category | $50.0 million | $20.0 million | $70.0 million |
| Below A3/A- | $50.0 million | None | $50.0 million |

If the exposure limit is exceeded by counterparty, the County shall conduct a review of the exposure limit per counterparty. The County, in consultation with its Swap Counsel and Financial Advisor, shall explore remedial strategies to mitigate this exposure.

The County's swap exposure to any single counterparty will be limited to 25% of the counterparty's capitalization.

## 11. Procurement Process

The County may either negotiate or competitively bid interest rate swap transactions with qualified swap providers. The qualified swap providers will be selected by the Chief Financial Officer of the County, or in the case of the Department of Aviation, the qualified swap providers will be selected by the Director of Aviation and the Chief Financial Officer of the County.

## 12. Termination Provisions and County Liquidity

Optional Termination: All interest rate swap transactions shall contain provisions granting the County the right to optionally terminate a swap agreement at any time over the term of the agreement. In general, exercising the right to optionally terminate an agreement produces a benefit to the County, either through receipt of a payment from a termination, or if a termination payment is made by the County, in connection with a corresponding benefit from a change in the related County debt or investment, as determined by the County. The CFO, as appropriate, in consultation with the County's finance team, shall determine if it is financially advantageous for the County to terminate a swap agreement.

Termination Events: A termination payment to or from the County may be required in the event of termination of a swap agreement due to a default by or a decrease in the credit rating of either the County or the counterparty. Prior to entering into the swap agreement or making any such termination payment, as appropriate, the CFO shall evaluate whether it would be financially advantageous for the County to enter into a replacement swap as a means of offsetting any such termination payment.

Any swap termination payment due from the County shall be made from available County monies. The CFO shall report any such termination payments to the County at the next BOCC meeting.

Available Liquidity: The County shall consider the extent of its exposure to termination payment liability in connection with each swap transaction, and the availability of sufficient liquidity to make any such payments that may become due.

**13. Term and Notional Amount of Swap Agreement**

The County shall determine the appropriate term for an interest rate swap agreement on a case-by-case basis. The slope of the interest rate swap curve, the marginal change in swap rates from year to year along the swap curve, and the impact that the term of the swap has on the overall exposure of the County shall be considered in determining the appropriate term of any swap agreement. For any swap agreement entered into in connection with the issuance or carrying of bonds, the term of such swap agreement shall not extend beyond the final maturity date of such bonds.

**14. Collateral Requirements**

As part of any swap agreement, the County may require collateralization or other credit enhancement to secure any or all swap payment obligations of the counterparty. As appropriate, the County may require collateral or other credit enhancement to be posted by each swap counterparty under the following circumstances:

- Each counterparty shall be required to post collateral, in accordance with its (or its guarantor's) credit rating, equal to the positive net termination value of the swap agreement.
- Collateral shall consist of cash, U.S. Treasury securities and U.S. Agency securities.
- Collateral shall be deposited with a custodian, acting as agent for the County, or as mutually agreed upon between the County and each counterparty.
- The market value of the collateral shall be determined on at least a monthly basis.
- The County will determine reasonable threshold limits for the initial deposit and for increments of collateral posted thereafter.
- The CFO shall determine on a case-by-case basis whether other forms of credit enhancement are more beneficial to the County.

In connection with any collateralization requirements that may be imposed upon the County in connection with a swap agreement, the County may post collateral or it may seek to obtain swap insurance in lieu of posting collateral. The CFO shall recommend a preferred approach to the County on a case-by-case basis.

## 15. Reporting Requirements

The County's finance team will monitor any interest rate swaps that the County enters into on at least a monthly basis. The County's CFO will provide a written report to the BOCC regarding the status of all interest rate swap agreements on at least an annual basis and shall include the following information:

- Highlights of all material changes to swap agreements or new swap agreements entered into by the County since the last report.
- Market value of each of the County's interest rate swap agreement.
- For each counterparty, the County shall provide the total notional amount position, the average life of each swap agreement, the available capacity to enter into a swap transaction, and the remaining term of each swap agreement.
- The credit rating of each swap counterparty and credit enhancer insuring swap payments, if any.
- Actual collateral posting by each swap counterparty, if any, under each swap agreement and in total by that swap counterparty.
- A summary of each swap agreement, including but not limited to the type of swap, the rates and dollar amounts paid by the County and received by the County, and other terms.
- Information concerning any default by a swap counterparty under a swap agreement with the County, and the results of the default, including but not limited to the financial impact to the County, if any.
- A summary of any planned swap transactions and the projected impact of such swap transactions on the County.
- A summary of any swap agreements that were terminated.

## 16. Swaps Accounting Treatment

The County shall comply with any applicable accounting standards for the treatment of swaps and related financial instruments. The County and the County's external auditors shall implement the appropriate accounting standards.

## 17. Periodic Review of Interest Rate Swap Policy

The CFO and the County's financial advisors shall review its swap policy on a periodic basis and recommend appropriate changes.

# APPENDIX F

## Procedures for Debt Issuance/Timetables

(See attached sample schedules)

1. General Obligation Bonds
2. General Obligation Revenue Bonds
3. Medium-Term Bonds
4. Assessment District Bonds
5. Revenue Bonds

## General Obligation Bonds

### Sample Schedule

| Number of Weeks From Start | Event |
|---|---|
| 0 | BCC adopts Debt Management Commission ("DMC") Notice Resolution |
| 3 | DMC meets and adopts Approval Resolution |
| 4 | County adopts Election Resolution |
| 6 | Bond question submitted to County Clerk and Registrar of Voters (3rd Monday in July*) |
| 21 | General election/Bond election (Tuesday after the first Monday in November) |
| 22 | BCC adopts Canvass Resolution |
| 24 | BCC adopts Sale Resolution |
| 26 | Due diligence meeting to review the official statement |
| 29 | Bond Sale<br>BCC adopts Bond Ordinance |
| 32 | Bond Closing |

* Subject to Legislative adjustment

## General Obligation Revenue Bonds

### Sample Schedule

| Number of Weeks From Start | Event |
|---|---|
| 0 | Revenue source entity requests the County to issue bonds |
| 1 | BCC adopts Debt Management Commission (DMC) Notice Resolution |
| 3 | DMC meets and adopts Approval Resolution |
| 5 | BCC adopts Resolution of Intent and Resolution calling hearing of Resolution and Sale Resolution |
| 6 | Publish Notice (Begin 90 day Petition Period) and Notice of Public Hearing |
| 9 | Hold Public Hearing |
| 19 | End of 90 day Petition Period |
| 20 | Due diligence meeting to review the official statement |
| 21 | BCC adopts Bond Ordinance |
| 23 | Bond Sale |
| 26 | Bond Closing |

**Medium-Term Bonds***

**Sample Schedule**

| Number of Weeks From Start | Event |
|---|---|
| 0 | BCC adopts Resolution calling for Public Hearing |
| 2 | Publish Notice of Hearing |
| 3 | Public Hearing; Board adopts Resolution authorizing Medium-Term financing (10 days after Notice of Hearing published) |
| | BCC adopts Sale Resolution |
| 5 | Send information packet to Department of Taxation |
| 8 | Due diligence meeting to review the official statement |
| 10 | BCC adopts Bond Ordinance |
| 15 | Bond Sale |
| 18 | Bond Closing |

* Note: Medium-term financing exceeding ten years must receive the approval of the Debt Management Commission.

## Assessment District Bonds

### Sample Schedule

| Number of Weeks From Start | Event |
|---|---|
| | (Note: Various assessment procedural steps take anywhere from six to eighteen months prior to the events listed below.) |
| 0 | Board adopts Assessment Ordinance |
| 2 | Assessment Ordinance Effective<br>Begin 30-day Cash Payment Period |
| 6 | End of 30-day Cash Payment Period |
| 8 | BCC adopts Bond Sale Resolution |
| 9 | Due Diligence Meeting |
| 12 | Bond Sale |
| | BCC Adopts Ordinance Authorizing Issuance of Bonds |
| | BCC Adopts Resolution Establishing Assessment Rate of Interest |
| 15 | Bond Closing |

## Revenue Bonds

## Sample Schedule

| Number of Weeks From Start | Event |
|---|---|
| 0 | BCC adopts Sale Resolution |
| 3 | Due Diligence Meeting |
| 5 | BCC adopts Bond Ordinance |
| 10 | Bond Sale |
| 13 | Bond Closing |