# CLARK COUNTY
# DEBT MANAGEMENT POLICY
# Fiscal Year 2018-2019

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Jessica L. Colvin, Chief Financial Officer

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# 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 $5,707,463,953 or 70.20% 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, 2018**

| | Date Issued | Original Amount | Principal Outstanding | Retirement Date |
|---|---|---|---|---|
| **Medium-Term General Obligation Bonds**[1] | | | | |
| Public Facilities Medium Term (3160.003) | 3/10/2009 | $ 24,750,000 | $ 2,870,000 | 11/1/2018 |
| Sloan Channel NLV/CCWRD (3160.005) | 12/23/2015 | 2,440,344 | 1,631,172 | 7/1/2022 |
| **Subtotal Medium-Term G.O. Bonds** | | | **$ 4,501,172** | |
| **Self-Supporting General Obligation Bonds and Notes** [2] | | | | |
| Consolidated Tax Supported Bonds | | | | |
| Public Facilities Ref., Series A (3170.039) | 5/24/2007 | 2,655,000 | 530,000 | 6/1/2019 |
| Public Facilities Ref., Series A (3170.046) | 5/14/2009 | 10,985,000 | 170,000 | 6/1/2019 |
| Park/RJC Refunding, Series B (3170.060) | 9/10/2015 | 32,691,000 | 32,691,000 | 11/1/2024 |
| Beltway Pledged Revenue Bonds | | | | |
| Transp. Refunding, Series A (3170.043) | 3/13/2008 | 64,625,000 | 6,925,000 | 6/1/2019 |
| Transp. Refunding, Series A (3170.053) | 12/8/2009 | 111,605,000 | 100,845,000 | 12/1/2029 |
| Transp. Refunding, Series A (3170.057) | 9/10/2014 | 19,922,000 | 6,606,000 | 12/1/2019 |
| Strip Resort Corridor Room Tax Supported | | | | |
| Transp. Bonds, Series B1 - BABs (3170.051) | 6/23/2009 | 60,000,000 | 38,070,000 | 6/1/2029 |
| Transp. Refunding, Series B3 (3170.054) | 12/8/2009 | 12,860,000 | 5,655,000 | 12/1/2019 |
| Transp. Refunding, Series B (3170.058) | 9/10/2014 | 17,004,000 | 5,923,000 | 12/1/2019 |
| Laughlin Room Tax Supported Bonds | | | | |
| Transp. Refunding, Series C (3170.044) | 3/13/2008 | 6,420,000 | 205,000 | 6/1/2019 |
| University Medical Center Revenue Supported Bonds | | | | |
| Hospital Refunding (5440.012) | 9/3/2013 | 26,065,000 | 25,435,000 | 9/1/2023 |
| Hospital Refunding (5440.013) | 12/1/2014 | 29,374,000 | 11,988,000 | 3/1/2020 |
| Flood Control Sales Tax Supported Bonds | | | | |
| Flood Control B - BABs (3300.006) | 6/23/2009 | 150,000,000 | 120,955,000 | 11/1/2038 |
| Flood Control Refunding (3300.007) | 7/13/2010 | 29,425,000 | 10,305,000 | 11/1/2018 |
| Flood Control (3300.008) | 12/19/2013 | 75,000,000 | 74,800,000 | 11/1/2038 |
| Flood Control (3300.009) | 12/11/2014 | 100,000,000 | 99,900,000 | 11/1/2038 |
| Flood Control Refunding (3300.010) | 3/31/2015 | 186,535,000 | 186,535,000 | 11/1/2035 |
| Flood Control Crossover Refunding (3300.011) | 12/7/2017 | 109,955,000 | 109,955,000 | 6/30/2039 |
| Court Administrative Assessment Supported Bonds | | | | |
| Public Facilities Refunding Series B (3170.040) | 5/24/2007 | 5,800,000 | 1,130,000 | 6/1/2019 |
| Public Facilities Refunding Series B (3170.047) | 5/14/2009 | 5,820,000 | 410,000 | 6/1/2019 |
| Interlocal Agreement Supported Bonds | | | | |
| Public Facilities Refunding, Series C (3170.041) | 5/24/2007 | 13,870,000 | 7,635,000 | 6/1/2024 |
| Public Facilities Refunding, Series C (3170.048) | 5/14/2009 | 8,060,000 | 2,715,000 | 6/1/2024 |
| Airport Revenue Supported Bonds | | | | |
| Airport G.O. Refunding, Series A (5220.047) | 2/26/2008 | 43,105,000 | 43,105,000 | 7/1/2027 |
| Airport G.O Refunding Series B (5220.012) | 4/2/2013 | 32,915,000 | 32,915,000 | 7/1/2033 |
| LVCVA Pledged Revenue Supported Bonds [3] | | | | |
| LVCVA Transportation, Series 2008 | 8/19/2008 | 26,455,000 | 630,000 | 7/1/2018 |
| LVCVA Series A BABs, Series 2010A | 1/26/2010 | 70,770,000 | 70,770,000 | 7/1/2038 |
| LVCVA Series B | 1/26/2010 | 28,870,000 | 13,660,000 | 7/1/2022 |
| LVCVA Series B Refunding | 1/26/2010 | 24,650,000 | 24,010,000 | 7/1/2026 |
| LVCVA Series C BABs, Series 2010C | 12/8/2010 | 155,390,000 | 146,620,000 | 7/1/2038 |
| LVCVA Series 2012 | 8/8/2012 | 24,990,000 | 20,805,000 | 7/1/2032 |
| LVCVA Series 2014A | 2/20/2014 | 50,000,000 | 50,000,000 | 7/1/2043 |
| LVCVA Refunding, Series 2015A | 4/2/2015 | 181,805,000 | 153,720,000 | 7/1/2044 |
| LVCVA Refunding Series 2017 | 5/9/2017 | 21,175,000 | 21,175,000 | 7/1/2038 |
| LVCVA Crossover Refunding Bonds, 2017C | 12/28/2017 | 126,855,000 | 126,855,000 | 7/1/2038 |
| LVCVA Series 2018 | 4/4/2018 | 200,000,000 | 200,000,000 | 7/1/2047 |
| Stadium District Room Tax Supported | | | | |
| Stadium Improvement Bonds (3960.000) | 5/1/2018 | 645,145,000 | 645,145,000 | 6/30/2048 |
| **Subtotal Self-Supporting G.O. Bonds and Notes** | | | **$ 2,398,793,000** | |
| **Total G.O. Debt Subject to 10% of A.V. Limit:** | | | **$ 2,403,294,172** | |

**Continued**

| | Date Issued | Original Amount | Principal Outstanding | Retirement Date |
|---|---|---|---|---|
| **Self-Supporting Bond Bank Bonds** (4) | | | | |
| Bond Bank SNWA 2006 (3170.038) | 11/2/2006 | 604,140,000 | 69,545,000 | 11/1/2036 |
| Bond Bank SNWA Ref. 2009 (3170.052) | 11/10/2009 | 50,000,000 | 37,905,000 | 6/1/2030 |
| Bond Bank SNWA Ref 2012 (3170.055) | 6/20/2012 | 85,015,000 | 79,515,000 | 6/1/2032 |
| Bond Bank SNWA Ref. 2016A (3170.061) | 3/3/2016 | 263,955,000 | 226,905,000 | 11/1/2029 |
| Bond Bank SNWA Ref. 2016B (3170.062) | 8/3/2016 | 271,670,000 | 267,885,000 | 11/1/2034 |
| Bond Bank SNWA Ref. 2017 (3170.063) | 3/22/2017 | 321,640,000 | 321,640,000 | 6/1/2038 |
| **Total G.O. Debt Subject to 15% of A.V. Limit:** | | | **$ 1,003,395,000** | |
| **Total General Obligations** | | | **$ 3,406,689,172** | |
| **Revenue Bonds** (4) | | | | |
| Airport | | | | |
| Airport 2008 C1 (5220.043) | 3/19/2008 | 122,900,000 | 122,900,000 | 7/1/2040 |
| Airport 2008 C2 (5220.043) | 3/19/2008 | 71,550,000 | 65,815,000 | 7/1/2029 |
| Airport 2008 C3 (5220.043) | 3/19/2008 | 71,550,000 | 65,810,000 | 7/1/2029 |
| Airport 2008 D1 (5220.044) | 3/19/2008 | 58,920,000 | 55,040,000 | 7/1/2036 |
| Airport 2008 D2 (5220.045) | 3/19/2008 | 199,605,000 | 199,605,000 | 7/1/2040 |
| Airport 2008 D3 (5220.046) | 3/19/2008 | 122,865,000 | 121,435,000 | 7/1/2029 |
| Airport 2008 A PFC (5234.042) | 6/26/2008 | 115,845,000 | 17,565,000 | 7/1/2018 |
| Airport 2008 A VRB (5220.027) | 6/26/2008 | 150,000,000 | 46,200,000 | 7/1/2022 |
| Airport 2008 B VRB (5220.028) | 6/26/2008 | 150,000,000 | 46,235,000 | 7/1/2022 |
| Airport 2009 B BABs (5220.050) | 9/24/2009 | 300,000,000 | 300,000,000 | 7/1/2042 |
| Airport 2009 C (5220.051) | 9/24/2009 | 168,495,000 | 168,495,000 | 7/1/2026 |
| Airport 2010A (NON AMT) (5234.043) | 2/3/2010 | 450,000,000 | 447,360,000 | 7/1/2042 |
| Airport 2010 B (5220.053) | 2/3/2010 | 350,000,000 | 350,000,000 | 7/1/2042 |
| Airport 2010 C BABs (5220.054) | 2/23/2010 | 454,280,000 | 454,280,000 | 7/1/2045 |
| Airport 2010 D (5220.055) | 2/23/2010 | 132,485,000 | 100,185,000 | 7/1/2024 |
| Airport 2010 F2 (NON AMT) (5234.045) | 11/4/2010 | 100,000,000 | 97,470,000 | 7/1/2022 |
| Airport 2011 B1 (5220.027) | 8/3/2011 | 100,000,000 | 92,400,000 | 7/1/2022 |
| Airport 2011 B2 (5220.028) | 8/3/2011 | 100,000,000 | 92,465,000 | 7/1/2022 |
| Airport 2012 B PFC (5234.006) | 7/2/2012 | 64,360,000 | 64,360,000 | 7/1/2033 |
| Airport 2013 A (5220.013) | 4/2/2013 | 70,965,000 | 70,965,000 | 7/1/2029 |
| Airport 2014A1 Refunding AMT (5220.014) | 4/8/2014 | 95,950,000 | 22,340,000 | 7/1/2024 |
| Airport 2014 A2 (NON AMT) (5220.015) | 4/8/2014 | 221,870,000 | 221,870,000 | 7/1/2036 |
| Airport 2014 B (NON AMT) (5220.501) | 7/1/2014 | 103,365,000 | 103,365,000 | 7/1/2018 |
| Airport Senior Series 2015A (NON AMT) (5220.023) | 4/30/2015 | 59,915,000 | 59,915,000 | 7/1/2040 |
| Airport 2017 C (AMT) (5220.056) | 6/29/2017 | 146,295,000 | 146,295,000 | 7/1/2021 |
| Airport PFC Series 2015 C (NON AMT) (5234.041) | 7/22/2015 | 98,965,000 | 98,965,000 | 7/1/2027 |
| Airport Refunding 2017 A-1 (AMT) (5220.040) | 4/25/2017 | 65,505,000 | 65,505,000 | 7/1/2022 |
| Airport Refunding 2017 A-2 (AMT) (5220.041) | 4/25/2017 | 47,800,000 | 47,800,000 | 7/1/2040 |
| Airport Refunding 2017 B (NON AMT) (5234.040) | 4/25/2017 | 69,305,000 | 69,305,000 | 7/1/2025 |
| Airport 2018A (non-AMT) (5220.056) | 6/28/2018 | 95,545,000 | 95,545,000 | 7/1/2021 |
| Performing Arts Center | | | | |
| Performing Arts (3170.050) | 4/1/2009 | 10,000 | 10,000 | 4/1/2059 |
| Regional Transportation Commission | | | | |
| Highway Improvement/Refunding (HIG 2007) (3180.003) | 6/12/2007 | 300,000,000 | 64,700,000 | 7/1/2027 |
| Highway Improvement Sales/Excise (3180.200) | 2/23/2010 | 69,595,000 | 6,450,000 | 7/1/2019 |
| Highway Improvement A1 BABs (3180.040) | 2/25/2010 | 32,595,000 | 32,595,000 | 7/1/2029 |
| Highway Improvement Refunding B (3180.210) | 8/11/2010 | 94,835,000 | 32,600,000 | 7/1/2020 |
| Highway Improvement BABs C (3180.220) | 8/11/2010 | 140,560,000 | 140,560,000 | 7/1/2030 |
| Highway Improvement/Refunding (3180.002) | 11/29/2011 | 118,105,000 | 76,030,000 | 7/1/2023 |
| Highway Improvement A (3180.701) | 4/1/2014 | 100,000,000 | 90,230,000 | 7/1/2034 |
| Highway Improvement (3180.702) | 11/20/2015 | 85,000,000 | 82,480,000 | 7/1/2035 |
| Highway Improvement/Refunding (HIG 2016) (3180.003) | 6/29/2016 | 107,350,000 | 107,350,000 | 7/1/2024 |
| Highway Sales/Excise Refunding (HIG16) 2016 (3180.200) | 11/9/2016 | 36,450,000 | 36,405,000 | 7/1/2029 |
| Highway Improvement Refunding B (3180.050) | 11/9/2016 | 43,495,000 | 43,495,000 | 7/1/2019 |
| Highway Improvement MVFTI Series 2017 (4100-703) | 6/13/2017 | 150,000,000 | 150,000,000 | 7/1/2037 |
| **Subtotal Revenue Bonds** | | | **$ 4,772,395,000** | |

## Clark County, Nevada
## Outstanding Debt and Other Obligations
## June 30, 2018

| | Date Issued | Original Amount | Principal Outstanding | Retirement Date |
|---|---|---|---|---|
| | Continued | | | |
| **Land Secured Assessment Bonds** (5) (6) | | | | |
| Special Improvement Dist. 128B (3990.049) | 5/17/2001 | $ 10,000,000 | $ 965,000 | 2/1/2021 |
| Special Improvement Dist. 128A - Fixed (3990.048) | 11/3/2003 | 10,000,000 | 885,000 | 2/1/2021 |
| Special Improvement Dist. 124 - Sr. (3990.061) | 12/23/2003 | 4,399,431 | 420,000 | 2/1/2020 |
| Special Improvement Dist. 124 - Sub. (3990.062) | 12/23/2003 | 1,929,727 | 215,000 | 2/1/2020 |
| Special Improvement Dist. 128-2021 (3990.091) | 5/1/2007 | 480,000 | 130,000 | 2/1/2021 |
| Special Improvement Dist. 128-2031 (3990.090) | 5/1/2007 | 10,755,000 | 7,165,000 | 2/1/2031 |
| Special Improvement Dist 132 Ref (3990.096) | 8/1/2012 | 8,925,000 | 2,130,000 | 2/1/2021 |
| Special Improvement Dist 142 Ref (3990.097) | 8/1/2012 | 49,445,000 | 21,875,000 | 8/1/2023 |
| Special Improvement Dist. 151 (3990.100) | 7/29/2015 | 13,060,000 | 10,090,000 | 8/1/2025 |
| Special Improvement Dist. 121 (3990.101) | 5/31/2016 | 14,880,000 | 9,650,000 | 12/1/2029 |
| Special Improvement Dist. 159 (3990.098) | 12/8/2015 | 24,500,000 | 23,195,000 | 8/1/2035 |
| Special Improvement Dist. 158 (3990.099) | 7/11/2017 | 12,130,000 | 11,955,000 | 8/31/2037 |
| **Subtotal Land Secured Assessment Bonds** | | | **$ 88,675,000** | |
| **Various Special Improvement Districts** (7) | | | **$ 54,960,000** | |
| **Capital Lease Obligations** (8) | | | **$ 185,940,466** | |
| **Grand Total Outstanding Debt** | | | **$ 8,508,659,638** | |

1 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.

2 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.

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.

8 Capital lease payments for Low level Offender Facility and Southern Nevada Area Communication Council (SNACC) equipment. These are secured by the County's General Fund and SNACC billings, respectively.

SOURCE: Clark County Department of Finance

**Property Tax Supported Debt**

Since fiscal year 2017, the County no longer assesses a levy for debt service. Remaining 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 (excluding net proceeds of mines and redevelopment agencies).

**SIX-YEAR RECORD OF ASSESSED VALUATION**
Clark County, Nevada

| **Fiscal Year Ended June 30,** | **2013** | **2014** | **2015** | **2016** | **2017** | **2018** |
|---|---|---|---|---|---|---|
| Boulder City | $ 510,495,001 | $ 528,726,970 | $ 609,805,199 | $ 671,380,330 | $ 687,380,048 | $ 750,952,133 |
| Henderson | 8,255,600,100 | 8,514,933,298 | 9,599,639,616 | 10,630,915,219 | 11,630,054,583 | 12,249,146,315 |
| Las Vegas | 11,926,888,555 | 12,251,484,406 | 13,852,723,777 | 15,520,077,988 | 16,578,456,154 | 17,398,113,297 |
| Mesquite | 518,858,360 | 538,961,318 | 583,373,057 | 641,450,284 | 681,450,543 | 717,650,917 |
| North Las Vegas | 3,987,869,401 | 4,068,384,524 | 4,730,877,154 | 5,505,886,141 | 6,064,962,361 | 6,393,383,561 |
| Uninc. Clark Co. | 28,995,556,680 | 29,135,527,233 | 33,522,523,286 | 36,288,758,504 | 38,944,350,008 | 41,371,697,568 |
| TOTAL | $54,195,268,097 | $ 55,218,017,749 | $ 62,898,942,089 | $ 69,258,468,466 | 74,586,653,697 | 78,880,943,791 |
| Percent Change | -6.4% | 1.9% | 13.9% | 10.1% | 7.7% | 5.8% |

SOURCE: Nevada Department of Taxation

No Property Tax Supported General Obligation Bonds are anticipated to be issued in the near future. Thus, the full faith and credit of the County, supported by a property tax levy, is available as a secondary (double barrel) source of repayment for remaining outstanding bonds.

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 AND NOTES**
**Clark County, Nevada**
**June 30, 2018**

| Issue | Date Issued | Original Issuance | Amount Outstanding | Retirement Date |
|---|---|---|---|---|
| Public Facilities Medium Term (3160.003) (1) | 3/10/2009 | $24,750,000 | $ 2,870,000 | 11/1/2018 |
| Sloan Channel NLV/CCWRD (3160.005) (2) | 12/23/2015 | 2,440,344 | 1,631,172 | 7/1/2022 |
| Total Outstanding | | | $ 4,501,172 | |

[1] Partially funded by the University Medical Center rental payments.

[2] The interlocal agreement calls for the City of North Las Vegas to pay all debt service requirements of these notes.

SOURCE: Clark County Department of Finance

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**MEDIUM-TERM GENERAL OBLIGATION BONDS AND NOTES**
**DEBT SERVICE REQUIREMENTS AND AVAILABLE REVENUE**
**Clark County, Nevada**
**June 30, 2018**

| Fiscal Year Ending June 30, | Principal | Interest | Grand Total | Pledged Revenues[1] |
|---|---|---|---|---|
| 2019 | $ 3,241,457 | $ 87,249 | $ 3,328,706 | $ 3,328,706 |
| 2020 | 378,942 | 22,364 | 401,306 | 3,328,706 |
| 2021 | 386,578 | 14,728 | 401,306 | 3,328,706 |
| 2022 | 394,368 | 6,938 | 401,306 | 3,328,706 |
| 2023 | 99,827 | 499 | 100,326 | 3,328,706 |
| TOTAL | $ 4,501,172 | $ 131,778 | $ 4,632,950 | |

[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, 2018**

| Issue | Date Issued | Original Issuance | Amount Outstanding | Retirement Date |
|---|---|---|---|---|
| Public Facilities Ref., Series A (3170.039) | 5/24/2007 | $ 2,655,000 | $ 530,000 | 6/1/2019 |
| Public Facilities Ref., Series A (3170.046) | 5/14/2009 | 10,985,000 | 170,000 | 6/1/2019 |
| Park/RJC Refunding, Series B (3170.060) | 9/10/2015 | 32,691,000 | 32,691,000 | 11/1/2024 |
| Total Outstanding | | | $ 33,391,000 | |

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, 2018**

| Fiscal Year Ending June 30, | Principal | Interest | Grand Total | Pledged Revenues [1] |
|---|---|---|---|---|
| 2019 | $ 7,952,000 | $ 594,768 | $ 8,546,768 | $ 58,350,000 |
| 2020 | 7,408,000 | 423,833 | 7,831,833 | 58,350,000 |
| 2021 | 3,466,000 | 317,811 | 3,783,811 | 58,350,000 |
| 2022 | 3,536,000 | 249,542 | 3,785,542 | 58,350,000 |
| 2023 | 3,605,000 | 179,917 | 3,784,917 | 58,350,000 |
| 2024 | 3,676,000 | 108,927 | 3,784,927 | 58,350,000 |
| 2025 | 3,748,000 | 36,543 | 3,784,543 | 58,350,000 |
| TOTAL | $ 33,391,000 | $ 1,911,341 | $ 35,302,341 | |

1 Represents 15% of budgeted FY 2018-19 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, 2018**

| Debt Issue | Date Issued | Original Issuance | Amount Outstanding | Retirement Date |
|---|---|---|---|---|
| Transp. Refunding, Series A (3170.043) | 3/13/2008 | $ 64,625,000 | $ 6,925,000 | 6/1/2019 |
| Transp. Refunding, Series A (3170.053) | 12/8/2009 | 111,605,000 | $ 100,845,000 | 12/1/2029 |
| Transp. Refunding, Series A (3170.057) | 9/10/2014 | 19,922,000 | $ 6,606,000 | 12/1/2019 |
| Total Outstanding | | | $ 114,376,000 | |

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, 2018**

| Fiscal Year Ending June 30, | Principal | Interest | Grand Total | Pledged Revenues [1] |
|---|---|---|---|---|
| 2019 | $ 14,359,000 | $ 4,702,949 | $ 19,061,949 | $ 91,925,000 |
| 2020 | 7,662,000 | 4,254,569 | 11,916,569 | 91,925,000 |
| 2021 | 7,575,000 | 3,996,669 | 11,571,669 | 91,925,000 |
| 2022 | 7,885,000 | 3,687,469 | 11,572,469 | 91,925,000 |
| 2023 | 8,210,000 | 3,365,569 | 11,575,569 | 91,925,000 |
| 2024 | 8,545,000 | 3,030,469 | 11,575,469 | 91,925,000 |
| 2025 | 8,895,000 | 2,676,109 | 11,571,109 | 91,925,000 |
| 2026 | 9,280,000 | 2,295,450 | 11,575,450 | 91,925,000 |
| 2027 | 9,720,000 | 1,855,250 | 11,575,250 | 91,925,000 |
| 2028 | 10,215,000 | 1,356,875 | 11,571,875 | 91,925,000 |
| 2029 | 10,740,000 | 833,000 | 11,573,000 | 91,925,000 |
| 2030 | 11,290,000 | 282,250 | 11,572,250 | 91,925,000 |
| TOTAL | $ 114,376,000 | $ 32,336,628 | $ 146,712,628 | |

1 Represents pledged FY 2018-19 budgeted Motor Vehicle Privilege Tax, Development Tax Revenues, and Non-Corridor Room Tax. These revenues are also pledged to the Series B Master Transportation Plan bonds. 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, 2018**

| Debt Issue | Date Issued | Original Issuance | Amount Outstanding | Retirement Date |
|---|---|---|---|---|
| Transp. Bonds, Series B1 - BABs (3170.051) | 6/23/2009 | $ 60,000,000 | $ 38,070,000 | 6/1/2029 |
| Transp. Refunding, Series B3 (3170.054) | 12/8/2009 | 12,860,000 | 5,655,000 | 12/1/2019 |
| Transp. Refunding, Series B (3170.058) | 9/10/2014 | 17,004,000 | 5,923,000 | 12/1/2019 |
| Total Outstanding | | | $ 49,648,000 | |

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, 2018**

| Fiscal Year Ending June 30, | Principal | Interest | Grand Total | Pledged Revenues [1] |
|---|---|---|---|---|
| 2019 | $ 8,527,000 | $ 2,725,024 | $ 11,252,024 | $ 53,142,000 |
| 2020 | 8,791,000 | 2,418,480 | 11,209,480 | 53,142,000 |
| 2021 | 3,030,000 | 2,171,832 | 5,201,832 | 53,142,000 |
| 2022 | 3,150,000 | 1,988,214 | 5,138,214 | 53,142,000 |
| 2023 | 3,275,000 | 1,794,174 | 5,069,174 | 53,142,000 |
| 2024 | 3,410,000 | 1,589,159 | 4,999,159 | 53,142,000 |
| 2025 | 3,550,000 | 1,372,283 | 4,922,283 | 53,142,000 |
| 2026 | 3,715,000 | 1,122,008 | 4,837,008 | 53,142,000 |
| 2027 | 3,885,000 | 860,100 | 4,745,100 | 53,142,000 |
| 2028 | 4,065,000 | 586,208 | 4,651,208 | 53,142,000 |
| 2029 | 4,250,000 | 299,625 | 4,549,625 | 53,142,000 |
| TOTAL | $ 49,648,000 | $ 16,927,107 | $ 66,575,107 | |

[1] Represents budgeted FY 2018-19 Strip Resort Corridor 1% Room 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 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, 2018**

| Debt Issue | Date Issued | Original Issuance | Amount Outstanding | Retirement Date |
|---|---|---|---|---|
| Transp. Refunding, Series C (3170.044) | 3/13/2008 | $ 6,420,000 | $ 205,000 | 6/1/2019 |
| Total Outstanding | | | $ 205,000 | |

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, 2018**

| Fiscal Year Ending June 30, | Principal | Interest | Grand Total | Pledged Revenues[1] |
|---|---|---|---|---|
| 2019 | $ 205,000 | $ 7,093 | $ 212,093 | $ 722,000 |
| TOTAL | $ 205,000 | $ 7,093 | $ 212,093 | |

[1] Represents budgeted FY 2018-19 Laughlin Resort Corridor 1% Room Tax revenues. Projections represent a zero percent growth rate.

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**
**(University Medical Center Revenue Supported)**
**Clark County, Nevada**
**June 30, 2018**

| Debt Issue | Date Issued | Original Issuance | Amount Outstanding | Retirement Date |
|---|---|---|---|---|
| Hospital Refunding (5440.012) | 9/3/2013 | $ 26,065,000 | $ 25,435,000 | 9/1/2023 |
| Hospital Refunding (5440.013) | 12/1/2014 | 29,374,000 | 11,988,000 | 3/1/2020 |
| Total Outstanding | | | $ 37,423,000 | |

SOURCE: Clark County Department of Finance & University Medical Center

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**SELF-SUPPORTING GENERAL OBLIGATION BONDS**
**(University Medical Center Revenue Supported)**
**DEBT SERVICE REQUIREMENTS AND AVAILABLE REVENUES**
**Clark County, Nevada**
**June 30, 2018**

| Fiscal Year Ending June 30, | Principal | Interest | Grand Total | Pledged Revenues [1] |
|---|---|---|---|---|
| 2019 | $ 6,107,000 | $ 1,004,237 | $ 7,111,237 | $ 691,914,924 |
| 2020 | 6,226,000 | 901,523 | 7,127,523 | 691,914,924 |
| 2021 | 5,985,000 | 685,023 | 6,670,023 | 691,914,924 |
| 2022 | 6,170,000 | 496,620 | 6,666,620 | 691,914,924 |
| 2023 | 6,370,000 | 302,250 | 6,672,250 | 691,914,924 |
| 2024 | 6,565,000 | 101,758 | 6,666,758 | 691,914,924 |
| TOTAL | $ 37,423,000 | $ 3,491,411 | $ 40,914,411 | |

[1] Represents budgeted FY 2018-19 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, 2018**

| Debt Issue | Date Issued | Original Issuance | Amount Outstanding | Retirement Date |
|---|---|---|---|---|
| Flood Control B - BABs (3300.006) | 6/23/2009 | $ 150,000,000 | $ 120,955,000 | 11/1/2038 |
| Flood Control Refunding (3300.007) | 7/13/2010 | 29,425,000 | 10,305,000 | 11/1/2018 |
| Flood Control (3300.008) | 12/19/2013 | 75,000,000 | 74,800,000 | 11/1/2038 |
| Flood Control (3300.009) | 12/11/2014 | 100,000,000 | 99,900,000 | 11/1/2038 |
| Flood Control Refunding (3300.010) | 3/31/2015 | 186,535,000 | 186,535,000 | 11/1/2035 |
| Flood Control Crossover Refunding (3300.011) | 12/7/2017 | 109,955,000 | 109,955,000 | 6/30/2039 |
| Total Outstanding | | | $ 602,450,000 | |

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, 2018**

| Fiscal Year Ending June 30, | Principal | Interest | Grand Total | Pledged Revenues [1] |
|---|---|---|---|---|
| 2019 | $ 14,140,000 | $ 29,292,061 | $ 43,432,061 | $ 105,300,000 |
| 2020 | 13,765,000 | 28,573,683 | 42,338,683 | 105,300,000 |
| 2021 | 18,380,000 | 27,741,762 | 46,121,762 | 105,300,000 |
| 2022 | 19,355,000 | 26,760,030 | 46,115,030 | 105,300,000 |
| 2023 | 20,390,000 | 25,720,326 | 46,110,326 | 105,300,000 |
| 2024 | 21,485,000 | 24,621,166 | 46,106,166 | 105,300,000 |
| 2025 | 22,640,000 | 23,459,077 | 46,099,077 | 105,300,000 |
| 2026 | 23,880,000 | 22,215,716 | 46,095,716 | 105,300,000 |
| 2027 | 25,195,000 | 20,888,238 | 46,083,238 | 105,300,000 |
| 2028 | 26,585,000 | 19,488,419 | 46,073,419 | 105,300,000 |
| 2029 | 27,975,000 | 18,088,336 | 46,063,336 | 105,300,000 |
| 2030 | 29,250,000 | 16,806,353 | 46,056,353 | 105,300,000 |
| 2031 | 30,515,000 | 15,526,600 | 46,041,600 | 105,300,000 |
| 2032 | 32,005,000 | 14,035,306 | 46,040,306 | 105,300,000 |
| 2033 | 33,650,000 | 12,369,294 | 46,019,294 | 105,300,000 |
| 2034 | 35,285,000 | 10,722,306 | 46,007,306 | 105,300,000 |
| 2035 | 36,900,000 | 9,098,575 | 45,998,575 | 105,300,000 |
| 2036 | 38,590,000 | 7,397,156 | 45,987,156 | 105,300,000 |
| 2037 | 42,010,000 | 5,493,338 | 47,503,338 | 105,300,000 |
| 2038 | 44,120,000 | 3,373,250 | 47,493,250 | 105,300,000 |
| 2039 | 46,335,000 | 1,143,194 | 47,478,194 | 105,300,000 |
| TOTAL | $ 602,450,000 | $ 362,814,186 | $ 965,264,186 | |

[1] Represents budgeted FY 2018-19 sales tax revenue.

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, 2018**

| Issue | Issue Date | Original Issuance | Amount Outstanding | Retirement Date |
|---|---|---|---|---|
| Public Facilities Refunding Series B (3170.040) | 5/24/2007 | $ 5,800,000 | $ 1,130,000 | 6/1/2019 |
| Public Facilities Refunding Series B (3170.047) | 5/14/2009 | 5,820,000 | 410,000 | 6/1/2019 |
| Total Outstanding | | | $ 1,540,000 | |

**SELF-SUPPORTING GENERAL OBLIGATION BONDS**
**(Court Administrative Assessment Supported)**
**DEBT SERVICE REQUIREMENTS AND AVAILABLE REVENUES**
**Clark County, Nevada**
**June 30, 2018**

| FY Ending June 30 | Principal | Interest | Grand Total | Pledged Revenues [1] |
|---|---|---|---|---|
| 2019 | $ 1,540,000 | $ 72,900 | $ 1,612,900 | 1,621,900 |
| TOTAL | $ 1,540,000 | $ 72,900 | $ 1,612,900 | |

[1] Represents enough pledged revenue to cover largest payment. 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, 2018**

| Debt Issue | Issue Date | Original Issuance | Amount Outstanding | Retirement Date |
|---|---|---|---|---|
| Public Facilities Refunding, Series C (3170.041) | 5/24/2007 | $ 13,870,000 | $ 7,635,000 | 6/1/2024 |
| Public Facilities Refunding, Series C (3170.048) | 5/14/2009 | 8,060,000 | 2,715,000 | 6/1/2024 |
| Total Outstanding | | | $ 10,350,000 | |

**SELF-SUPPORTING GENERAL OBLIGATION BONDS**
**(Interlocal Agreement Supported Bonds)** [1]
**DEBT SERVICE REQUIREMENTS**
**Clark County, Nevada**
**June 30, 2018**

| Fiscal Year Ending June 30 | Principal | Interest | Grand Total |
|---|---|---|---|
| 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 | $ 10,350,000 | $ 1,618,018 | $ 11,968,018 |

[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, 2018**

| Debt Issue | Date Issued | Original Issuance | Amount Outstanding | Retirement Date |
|---|---|---|---|---|
| Airport G.O. Refunding, Series A (5220.047) | 2/26/2008 | $ 43,105,000 | $ 43,105,000 | 7/1/2027 |
| Airport G.O Refunding Series B (5220.012) | 4/2/2013 | 32,915,000 | 32,915,000 | 7/1/2033 |
| Total Outstanding | | | $ 76,020,000 | |

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, 2018**

| Fiscal Year Ending June 30, | Principal | Interest[1] | Grand Total | Pledged Revenues[2] |
|---|---|---|---|---|
| 2019 | $ - | $ 4,525,595 | $ 4,525,595 | $ 273,698,850 |
| 2020 | - | 4,525,595 | 4,525,595 | 273,698,850 |
| 2021 | - | 4,525,595 | 4,525,595 | 273,698,850 |
| 2022 | - | 4,525,595 | 4,525,595 | 273,698,850 |
| 2023 | - | 4,525,595 | 4,525,595 | 273,698,850 |
| 2024 | - | 4,525,595 | 4,525,595 | 273,698,850 |
| 2025 | - | 4,525,595 | 4,525,595 | 273,698,850 |
| 2026 | - | 4,525,595 | 4,525,595 | 273,698,850 |
| 2027 | - | 4,525,595 | 4,525,595 | 273,698,850 |
| 2028 | 43,105,000 | 3,085,673 | 46,190,673 | 273,698,850 |
| 2029 | - | 1,645,750 | 1,645,750 | 273,698,850 |
| 2030 | 355,000 | 1,636,875 | 1,991,875 | 273,698,850 |
| 2031 | 8,585,000 | 1,413,375 | 9,998,375 | 273,698,850 |
| 2032 | 9,015,000 | 973,375 | 9,988,375 | 273,698,850 |
| 2033 | 9,465,000 | 511,375 | 9,976,375 | 273,698,850 |
| 2034 | 5,495,000 | 137,375 | 5,632,375 | 273,698,850 |
| TOTAL | $ 76,020,000 | $ 50,134,153 | $ 126,154,153 | |

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

[2] Pledged Revenue consists of Net Revenues of the Airport System (Operating income and interest earnings plus depreciation), but are subordinate and junior to the lien thereon of Senior Securities, Second Lien Subordinate Securities, and Third Lien Subordinate Securities.

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, 2018**

| Debt Issue | Date Issued | Original Issuance | Amount Outstanding | Retirement Date |
|---|---|---|---|---|
| LVCVA Transportation, Series 2008 | 8/19/2008 | 26,455,000 | 630,000 | 7/1/2018 |
| LVCVA Series A BABs, Series 2010A | 1/26/2010 | 70,770,000 | 70,770,000 | 7/1/2038 |
| LVCVA Series B | 1/26/2010 | 28,870,000 | 13,660,000 | 7/1/2022 |
| LVCVA Series B Refunding | 1/26/2010 | 24,650,000 | 24,010,000 | 7/1/2026 |
| LVCVA Series C BABs, Series 2010C | 12/8/2010 | 155,390,000 | 146,620,000 | 7/1/2038 |
| LVCVA Series 2012 | 8/8/2012 | 24,990,000 | 20,805,000 | 7/1/2032 |
| LVCVA Series 2014A | 2/20/2014 | 50,000,000 | 50,000,000 | 7/1/2043 |
| LVCVA Refunding, Series 2015A | 4/2/2015 | 181,805,000 | 153,720,000 | 7/1/2044 |
| LVCVA Refunding Series 2017 | 5/9/2017 | 21,175,000 | 21,175,000 | 7/1/2038 |
| LVCVA Crossover Refunding Bonds, 2017C | 12/28/2017 | 126,855,000 | 126,855,000 | 7/1/2038 |
| LVCVA Series 2018 | 4/4/2018 | 200,000,000 | 200,000,000 | 7/1/2047 |
| Total Outstanding | | | $ 828,245,000 | |

SOURCE: Clark County Department of Finance

**SELF-SUPPORTING GENERAL OBLIGATION BONDS**
**(LVCVA Revenue Supported)**
**DEBT SERVICE REQUIREMENTS AND AVAILABLE REVENUES**
**Clark County, Nevada**
**June 30, 2018**

| Fiscal Year Ending June 30, | Principal | Interest | Grand Total | Pledged Revenues [1] |
|---|---|---|---|---|
| 2019 | 27,210,000 | 36,697,317 | 63,907,317 | 262,690,785 |
| 2020 | 27,830,000 | 37,411,666 | 65,241,666 | 262,690,785 |
| 2021 | 15,855,000 | 36,446,236 | 52,301,236 | 262,690,785 |
| 2022 | 19,540,000 | 35,657,606 | 55,197,606 | 262,690,785 |
| 2023 | 20,890,000 | 34,639,726 | 55,529,726 | 262,690,785 |
| 2024 | 24,805,000 | 33,461,078 | 58,266,078 | 262,690,785 |
| 2025 | 25,935,000 | 32,136,675 | 58,071,675 | 262,690,785 |
| 2026 | 27,115,000 | 30,753,796 | 57,868,796 | 262,690,785 |
| 2027 | 29,280,000 | 29,267,605 | 58,547,605 | 262,690,785 |
| 2028 | 25,205,000 | 27,808,715 | 53,013,715 | 262,690,785 |
| 2029 | 26,320,000 | 26,412,296 | 52,732,296 | 262,690,785 |
| 2030 | 27,460,000 | 24,994,875 | 52,454,875 | 262,690,785 |
| 2031 | 28,605,000 | 23,542,698 | 52,147,698 | 262,690,785 |
| 2032 | 29,790,000 | 22,043,497 | 51,833,497 | 262,690,785 |
| 2033 | 31,015,000 | 20,516,668 | 51,531,668 | 262,690,785 |
| 2034 | 30,470,000 | 18,989,546 | 49,459,546 | 262,690,785 |
| 2035 | 31,670,000 | 17,455,470 | 49,125,470 | 262,690,785 |
| 2036 | 32,920,000 | 15,856,482 | 48,776,482 | 262,690,785 |
| 2037 | 34,210,000 | 14,187,279 | 48,397,279 | 262,690,785 |
| 2038 | 35,595,000 | 12,423,142 | 48,018,142 | 262,690,785 |
| 2039 | 37,045,000 | 10,558,588 | 47,603,588 | 262,690,785 |
| 2040 | 9,445,000 | 9,416,086 | 18,861,086 | 262,690,785 |
| 2041 | 9,820,000 | 9,026,495 | 18,846,495 | 262,690,785 |
| 2042 | 10,210,000 | 8,619,818 | 18,829,818 | 262,690,785 |
| 2043 | 10,620,000 | 8,196,869 | 18,816,869 | 262,690,785 |
| 2044 | 11,045,000 | 7,757,594 | 18,802,594 | 262,690,785 |
| 2045 | 48,870,000 | 6,556,200 | 55,426,200 | 262,690,785 |
| 2046 | 44,185,000 | 4,695,100 | 48,880,100 | 262,690,785 |
| 2047 | 46,450,000 | 2,882,400 | 49,332,400 | 262,690,785 |
| 2048 | 48,835,000 | 976,700 | 49,811,700 | 262,690,785 |
| TOTAL | $ 828,245,000 | $ 599,388,220 | $ 1,427,633,220 | |

[2] Pledged Revenue consists of Net Revenues of the Las Vegas Convention and Visitor Authority (LVCVA) (Operating income and interest earnings plus depreciation)

SOURCE: Clark County Department of Finance

The following table lists the outstanding transportation bonds secured by the Stadium District 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 construcing an National Football League Stadium with the Stadium District. The table on the following page lists the annual debt service requirements.

**SELF-SUPPORTING GENERAL OBLIGATION BONDS**
**(Stadium District Room Tax Supported)**
**Clark County, Nevada**
**June 30, 2018**

| Debt Issue | Date Issued | Original Issuance | Amount Outstanding | Retirement Date |
|---|---|---|---|---|
| Stadium Improvement Bonds (3960.000) | 5/1/2018 | 645,145,000 | 645,145,000 | 6/30/2048 |
| Total Outstanding | | | $ 645,145,000 | |

SOURCE: Clark County Department of Finance

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**SELF-SUPPORTING GENERAL OBLIGATION BONDS**
**(Stadium District Room Tax Supported)**
**DEBT SERVICE REQUIREMENTS AND AVAILABLE REVENUES**
**Clark County, Nevada**
**June 30, 2018**

| Fiscal Year Ending June 30, | Principal | Interest | Grand Total | Pledged Revenues [1] |
|---|---|---|---|---|
| 2019 | $ 1,070,000 | $ 34,933,763 | $ 36,003,763 | $ 51,000,000 |
| 2020 | 1,775,000 | 32,203,750 | 33,978,750 | 52,020,000 |
| 2021 | 2,545,000 | 32,115,000 | 34,660,000 | 53,060,400 |
| 2022 | 3,365,000 | 31,987,750 | 35,352,750 | 54,121,608 |
| 2023 | 4,240,000 | 31,819,500 | 36,059,500 | 55,204,040 |
| 2024 | 5,175,000 | 31,607,500 | 36,782,500 | 56,308,121 |
| 2025 | 6,170,000 | 31,348,750 | 37,518,750 | 57,434,283 |
| 2026 | 7,230,000 | 31,040,250 | 38,270,250 | 58,582,969 |
| 2027 | 8,355,000 | 30,678,750 | 39,033,750 | 59,754,628 |
| 2028 | 9,555,000 | 30,261,000 | 39,816,000 | 60,949,721 |
| 2029 | 10,830,000 | 29,783,250 | 40,613,250 | 62,168,715 |
| 2030 | 12,180,000 | 29,241,750 | 41,421,750 | 63,412,090 |
| 2031 | 13,620,000 | 28,632,750 | 42,252,750 | 64,680,332 |
| 2032 | 15,145,000 | 27,951,750 | 43,096,750 | 65,973,938 |
| 2033 | 16,765,000 | 27,194,500 | 43,959,500 | 67,293,417 |
| 2034 | 18,480,000 | 26,356,250 | 44,836,250 | 68,639,285 |
| 2035 | 20,305,000 | 25,432,250 | 45,737,250 | 70,012,071 |
| 2036 | 22,230,000 | 24,417,000 | 46,647,000 | 71,412,312 |
| 2037 | 24,275,000 | 23,305,500 | 47,580,500 | 72,840,559 |
| 2038 | 26,440,000 | 22,091,750 | 48,531,750 | 74,297,370 |
| 2039 | 28,735,000 | 20,769,750 | 49,504,750 | 75,783,317 |
| 2040 | 31,160,000 | 19,333,000 | 50,493,000 | 77,298,984 |
| 2041 | 33,730,000 | 17,775,000 | 51,505,000 | 78,844,963 |
| 2042 | 36,445,000 | 16,088,500 | 52,533,500 | 80,421,862 |
| 2043 | 39,320,000 | 14,266,250 | 53,586,250 | 82,030,300 |
| 2044 | 42,355,000 | 12,300,250 | 54,655,250 | 83,670,906 |
| 2045 | 45,570,000 | 10,182,500 | 55,752,500 | 85,344,324 |
| 2046 | 48,960,000 | 7,904,000 | 56,864,000 | 87,051,210 |
| 2047 | 52,550,000 | 5,456,000 | 58,006,000 | 88,792,235 |
| 2048 | 56,570,000 | 2,592,792 | 59,162,792 | 90,568,079 |
| TOTAL | $ 645,145,000 | $ 709,070,804 | $ 1,354,215,804 | |

[1] Represents budgeted FY 2018-19 Stadium District .88% Room Tax revenues within Gaming Cooridor and .05% in rest of District. Projections represent a two percent growth rate. Debt Reserves are being funded at two times average annual debt service.

SOURCE: Clark County Department of Finance

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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, 2018**

| Debt Issue | Date Issued | Original Issuance | Amount Outstanding | Retirement Date |
|---|---|---|---|---|
| Bond Bank SNWA 2006 (3170.038) | 11/2/2006 | $ 604,140,000 | $ 69,545,000 | 11/1/2036 |
| Bond Bank SNWA Ref. 2009 (3170.052) | 11/10/2009 | 50,000,000 | 37,905,000 | 6/1/2030 |
| Bond Bank SNWA Ref 2012 (3170.055) | 6/20/2012 | 85,015,000 | 79,515,000 | 6/1/2032 |
| Bond Bank SNWA Ref. 2016A (3170.061) | 3/3/2016 | 263,955,000 | 226,905,000 | 11/1/2029 |
| Bond Bank SNWA Ref. 2016B (3170.062) | 8/3/2016 | 271,670,000 | 267,885,000 | 11/1/2034 |
| Bond Bank SNWA Ref. 2017 (3170.063) | 3/22/2017 | 321,640,000 | 321,640,000 | 6/1/2038 |
| Total Outstanding | | | $1,003,395,000 | |

SOURCE: Clark County Department of Finance

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**SELF-SUPPORTING GENERAL OBLIGATION BONDS**
**(Bond Bank Supported)**
**DEBT SERVICE REQUIREMENTS [1]**
**Clark County, Nevada**
**June 30, 2018**

| Fiscal Year Ending June 30, | Principal | Interest | Grand Total |
|---|---|---|---|
| 2019 | $ 40,760,000 | $ 45,005,975 | $ 85,765,975 |
| 2020 | 42,820,000 | 42,931,850 | 85,751,850 |
| 2021 | 44,990,000 | 40,752,600 | 85,742,600 |
| 2022 | 47,275,000 | 38,462,975 | 85,737,975 |
| 2023 | 49,705,000 | 36,056,350 | 85,761,350 |
| 2024 | 52,255,000 | 33,525,975 | 85,780,975 |
| 2025 | 54,930,000 | 30,865,850 | 85,795,850 |
| 2026 | 57,760,000 | 28,069,225 | 85,829,225 |
| 2027 | 63,030,000 | 25,071,100 | 88,101,100 |
| 2028 | 66,270,000 | 21,861,350 | 88,131,350 |
| 2029 | 69,240,000 | 18,772,475 | 88,012,475 |
| 2030 | 73,895,000 | 15,738,350 | 89,633,350 |
| 2031 | 61,455,000 | 12,573,175 | 74,028,175 |
| 2032 | 47,225,000 | 10,024,625 | 57,249,625 |
| 2033 | 35,870,000 | 8,122,525 | 43,992,525 |
| 2034 | 41,840,000 | 6,692,775 | 48,532,775 |
| 2035 | 38,785,000 | 5,205,525 | 43,990,525 |
| 2036 | 45,180,000 | 3,660,575 | 48,840,575 |
| 2037 | 46,700,000 | 2,139,313 | 48,839,313 |
| 2038 | 23,410,000 | 936,400 | 24,346,400 |
| TOTAL | $ 1,003,395,000 | $ 426,468,988 | $ 1,429,863,988 |

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

SOURCE: Clark County Department of Finance

**County Debt Service and Reserve Funds**

Reserve requirements and debt service reserves are specified in the bond documents for individual bond issues. 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 County reserves the right to issue bonds as needed. Specifically, the County reserves the privilege of issuing general obligation bonds at any time legal requirements are satisfied. The County also reserves the ability to issue general obligation bonds for refunding purposes at any time.

The County presently intends to issue approximately $865,000,000 aggregate principal amount of its General Obligation (Limited Tax) (Additionally Secured by Pledged Revenues) in 2018 for five projects:

(1) Transportation improvements to the Las Vegas strip resort corridor, approximately $300,000,000. These Transportation Improvement Bonds would be additionally secured by room tax revenues;

(2) Park construction and improvements, approximately $150,000,000. These Park Bonds would be additionally secured by consolidated tax revenues;

(3) North Valley Detention Center purchase, up to $285,000,000. These Detention Center Bonds would be additionally secured by consolidated tax revenues. The purchase price of the Detention Center is being examined by the County.

(4) New facilities for the Department of Family Services, approximately $100,000,000. These bonds would be additionally secured by consolidated tax revenues; and

(5) Las Vegas Justice Court courtroom expansion. These bonds would be additionally secured by Court Administrative Assessments.

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**Statutory Debt Capacity**

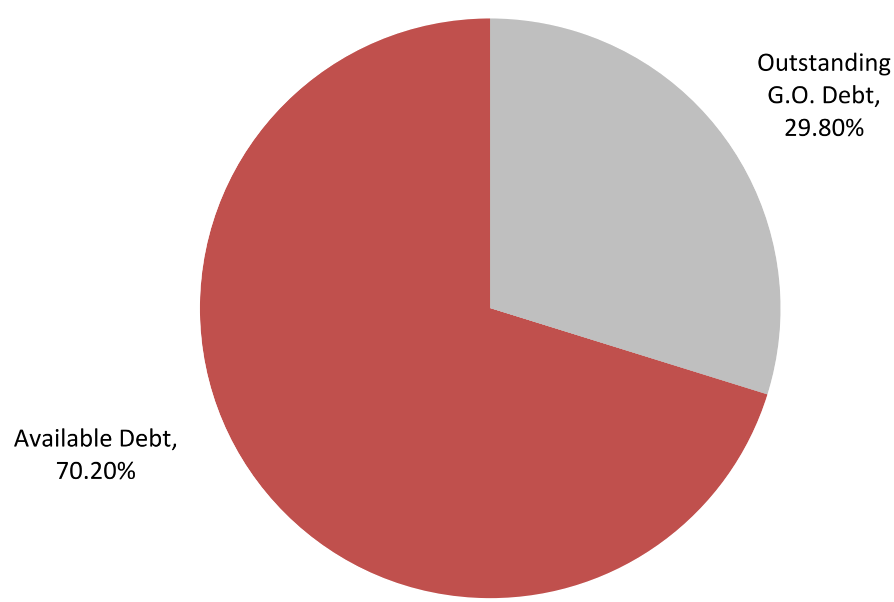
State statutes limit the aggregate principal amount of the County's general obligation indebtedness to ten percent of the County's total reported assessed valuation (including net proceeds of mines and the assessed valuation of the redevelopment agencies). Based upon the estimated Fiscal Year 2017-18 assessed value of $81,306,131,252 the County's statutory debt limitation is $8,130,613,125. 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, 2018

| | |
|---|---|
| Statutory Debt Limitation | $8,130,613,125 |
| Less: Outstanding Total G.O. Indebtedness (subject to ten percent limitation) | (2,403,294,172) |
| Less: Proposed Capital Projects Requiring Long-Term Financing | (865,000,000) |
| Plus: Senate Bill 1 Approved Debt Excluded From Debt Limitation[1] | 845,145,000 |
| Available Statutory Debt Limitation | $5,707,463,953 |

[1] Senate Bill 1, sections 36 (5) (b) and 61 (2) (b) exempts Stadium Authority and LVCVA debt (Stadium Improvement Bonds (3960.000)) and (LVCVA Series 2018) from debt limitation.

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 2017-18 assessed value of $81,306,131,252 (including the net proceeds of minds and the assessed value of the redevelopment agencies), the County's bond bank statutory debt limitation is $12,195,919,688. 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, 2018

| | |
|---|---|
| Statutory Debt Limitation | $12,195,919,688 |
| Less: Outstanding Bond Bank Indebtedness | (1,003,395,000) |
| Less: Proposed Bond Bank Financed Projects | 0 |
| Available Bond Bank Statutory Debt Limitation | $11,192,524,688 |

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 [1] | Estimated Population [2] at 07/01/17 | FY 2018 Assessed Value [3] | Direct Debt Per Capita | Direct Debt as a Percentage of Assessed Value |
|---|---|---|---|---|---|
| Clark County | $4,501,172 | 2,118,353 | $81,306,131,252 | $2 | 0.01% |
| Douglas County | 5,970,000 | 48,223 | 3,010,173,079 | 124 | 0.20% |
| Washoe County | 27,365,000 | 441,946 | 16,473,900,197 | 60 | 0.17% |

[1] Clark County Department of Finance, Douglas County 2017 CAFR, Washoe County 2017 CAFR
[2] State of Nevada, Final Revenue Projections 3/28/2018
[3] State of Nevada FY 2017-18 "Redbook" includes redevelopment agencies and net proceeds mines

**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 her 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 of outstanding bonds generally involves issuing new bond issue whose proceeds are used to redeem an outstanding issue. Key definitions follow:

1. Current Refunding – The refunding bonds are issued within 90 days of the initial call date of the outstanding bonds to be refunded.

2. Advance Refunding – The refunding bonds are issued more than 90 days before the initial call date of the outstanding bonds to be refunded. An advance refunding is accomplished by issuing a new bond, and/or using available funds, to invest in an escrow account composed of a portfolio of U.S. government securities that are structured to provide enough cash flow to pay debt service on the refunded bonds. The escrow legally defeases the outstanding bonds.

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

4. Present Value Savings - Present value of gross savings discounted at the refunding bond arbitrage yield to the closing date, plus accrued interest less any contribution from available funds, including 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 may 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 20 years unless there are compelling factors which may make it necessary to extend the term beyond this point. Under NRS 350.630, general obligations must mature within 30 years except general obligations issued for a water or wastewater facility must mature within 40 years and special obligations must mature within 50 years.

Debt issued by the County should be structured to provide for either level principal or level debt service. Deferring the repayment of principal (e.g., interest only structures) should be avoided except in select instances where it will take a period of time before project revenues are sufficient to pay debt service or if such a structure will help levelize all-in 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 that guarantees the payment of principal and interest.

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 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 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 other available funds (e.g., a debt service fund or debt service reserve fund) to provide bondholders comfort that there are available funds pledged to the payment of debt service should monies not be available from current revenues.

Debt Service Coverage - The ratio of pledged revenues (typically net revenues after payment of operating and maintenance expenses) to related debt service for a given year. For each bond issue, the Chief Financial Officer shall determine the appropriate reserve fund and coverage requirements, in accordance with the County's reserve policy. The Chief Financial Officer has determined that it is fiscally prudent for the County to maintain a reserve of approximately one year's principal and interest for its General Obligation Bonds (additionally secured with pledged revenues) and any other obligations.

Interest Rate Limitation - Under NRS 350.2011, the maximum rate of interest must not exceed:

1. for general obligations, the Index of Twenty Bonds, plus 3%; and
2. for special obligations, the Index of Revenue Bonds (which was most recently published before the bids are received or a negotiated offer is accepted), plus 3%.

**Method of Sale**

Bonds may be sold on a competitive or negotiated basis. Both methods allow for one or more series of bonds to be sold, depending on market conditions and the County's need for funds. 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.

Competitive Sale - With a competitive sale, underwriters are 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 (typically, the bid with the lowest True Interest Cost). Competitive sales are preferred unless market or other circumstances lead the County to conduct a negotiated sale.

Negotiated Sale - A negotiated sale is an exclusive arrangement between the issuer and an underwriter or underwriting syndicate. The underwriter and underwriting syndicate will market the bonds for sale to investors as well as underwrite bonds that have not been sold on a given day or day. The County and the underwriters will agree on the appropriate coupons, interest rates and price for the bonds to be sold.

Negotiated underwriting may be considered upon recommendation of the Chief Financial Officer based on one or more of the criteria set forth in NRS 350.155 (2) and one or more of the following criteria:

a. Large issue size;
b. Complex financing structure (i.e., variable rate financings, derivatives and certain revenue issues, etc.) which provides a desirable benefit to the County;
c. Volatile capital markets;
d. Comparatively lesser credit rating or lack of bids; and
e. Other factors that lead the Chief Financial Officer to conclude that a competitive sale would not be effective including market conditions.

**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).

Pursuant to the SEC's Municipal Advisor Rule, it is the County's policy to retain and rely on the advice of an Independent Registered Municipal Advisor.

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 bonds issued pursuant to NRS 271 (Local Improvements), 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, either directly or through its Financial Advisors, will solicit proposals from underwriters to establish a pool or list of underwriting firms for negotiated sales. The Department of Finance, or the County's Financial Advisors on behalf of the County, will distribute a Request for Proposal (RFP) to underwriting firms. The RFP will include, at a minimum, information regarding the firm's qualifications, staffing and personnel assigned to the County, fees (including takedown and management fee-if any), debt structuring, marketing, expected yield, and credit strategies. Before selecting a firm or firms, the Chief Financial Officer may, but is not required, conduct interviews of firms who submit responses to the RFP. (NRS 350.175 requires that if the bond issue is not described in the request for proposals or the sale occurs more than 6 years after the selection of the underwriter or pool, the County shall submit a request for proposals from underwriters before an underwriter is selected for the negotiated sale.)

3. The selection of underwriter(s) will be based on the overall quality of the response, qualifications of the firm, demonstrated success in pricing bonds, understanding of the County's objectives, qualifications of the banking and underwriting team to be assigned to the County, fees, applicability of the marketing and credit strategy, and relevance and quality of structuring proposals. The selection of underwriter(s) shall include, but is not limited to, the requirements of NRS 350.185.

4. The pool or list will be based, in part, on the firms who have submitted bids, in their own name or as part of a syndicate, for the County competitive issues over the prior five years. In addition, the pool or list may contain firms that have participated in other financings in Nevada (in competitive bids or negotiated sales), demonstrated ability and interest in County Financings, or have submitted financing ideas and concepts for the County's consideration over the past five years.

5. The Department of Finance will recommend a pool of underwriter(s) to the Board for ratification.

6. The Department of Finance will designate the senior manager(s) and book running senior manager if there are co-senior managers, as well as the co-managers from the firms in the pool or list. The Department of Finance will determine the length of time that the selected firms will serve as the syndicate for the County. Such a selection can be for a single transaction or multiple transactions, but the syndicate will be reviewed at intervals not greater than every five years.

7. It is the County's intent, once a team is established, to provide equal opportunity for the position of book-running senior manager.

8. 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 pool and given an equal opportunity to be senior manager.

**Syndicate Policies**

1. The Department of Finance will establish designations and liabilities. At a minimum, in a syndicate with three or more firms serving as co-managers, the designation rules will include a minimum of three firms to be designated, with a minimum of 5% to any firm. The Department of Finance will also determine the maximum amount to be designated to a single firm (typically 60%, but this can be higher or lower, depending upon the size of the syndicate and the par amount of the transaction.) In addition, the Department of Finance will determine the appropriate allocation of liabilities and equivalent share of compensation for group net orders.

2. Prior to the sale of bonds, the senior book running manager will submit a Syndicate Policy Memo to the Chief Financial Officer for approval. At a minimum, the Syndicate Policy Memo will include:

    - Average takedown and takedown by maturity
    - Details of Underwriter expenses, including the cost of Underwriter's Counsel
      Designation rules and compensation split among the underwriting team in the case of group net sale
    - Liabilities
    - Order priority (unless otherwise agreed by the Chief Financial Officer, the order priority will be Nevada Retail, National Retail, Group Net or Net Designated, Member)
    - Definition of a retail order (unless otherwise determined by the Chief Financial Officer, the definition of a retail order will include orders placed by individuals, bank trust department, financial advisors and money managers acting on behalf of individuals with a maximum of $1 million per account.)
    - Assignment of SDC Credit

3. The Syndicate Policy Memo may include other relevant information (e.g., management fee or other fees, description of the sale timeline, etc.)

**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.

**Selling Group**

The Department of Finance may establish a selling group to assist in the marketing of the bonds as warranted (based on market conditions and size of the transaction.)

**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**

The book-running Senior Manager is responsible for allotment of bonds at the end of the order period. The Chief Financial Officer and the County's Financial Advisors will review allotments to ensure the senior manager distributes bonds in a balanced and rational manner.

**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 will be solicited in the same manner as non-minority firms. Clark County encourages participation by MBE and WBE 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.

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# DEBT STATISTICS

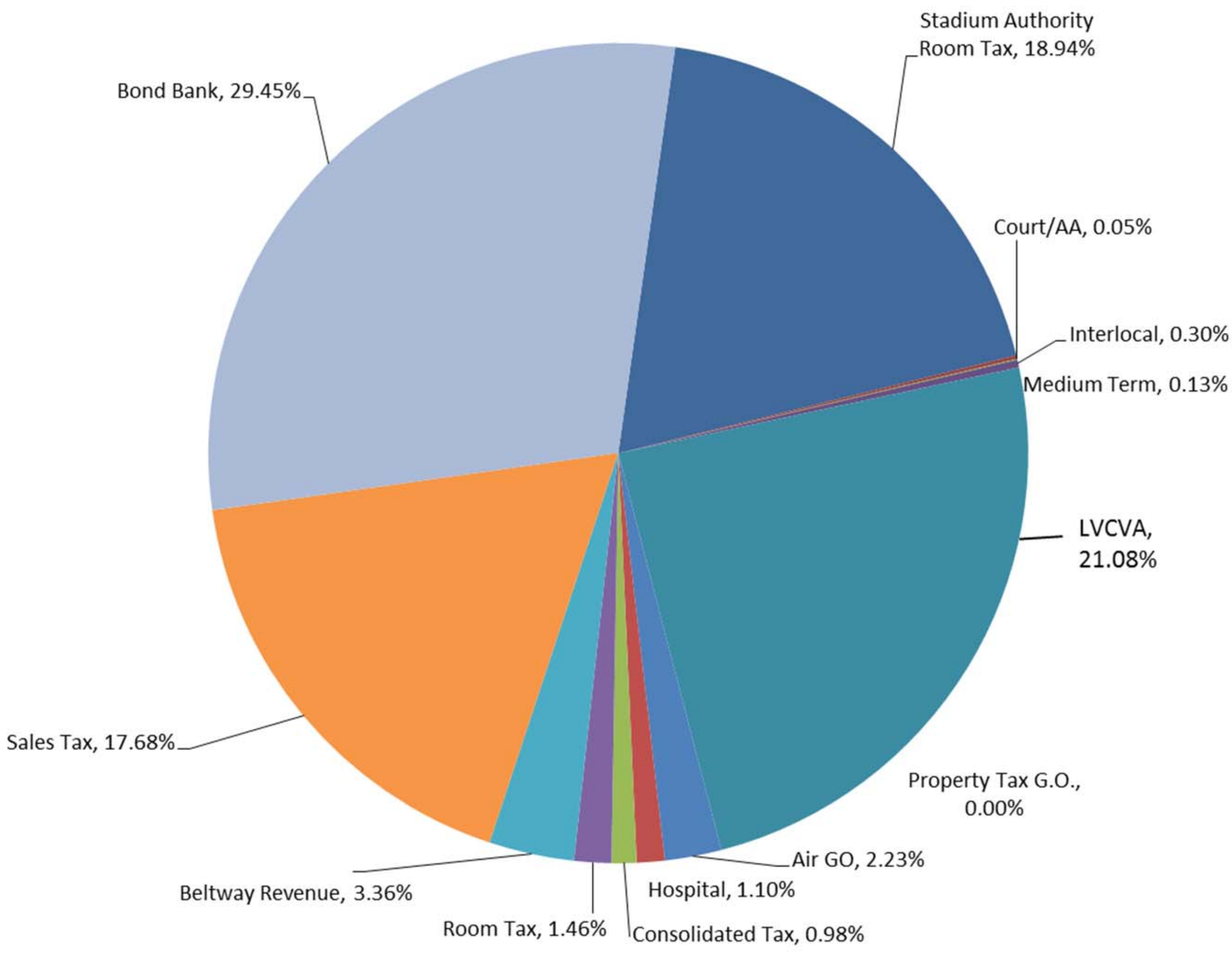
**Current Debt Position Summary**

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, 2018



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

**OVERLAPPING NET GENERAL OBLIGATION INDEBTEDNESS**
**Clark County, Nevada**
**As of June 30, 2018**

| | Gross Direct Overlapping Debt | Self-Supporting Overlapping Debt | Percent Applicable[1] | Overlapping Net Direct Debt[2] |
|---|---|---|---|---|
| Clark County School District | $2,546,995,000 | $578,965,000 | 100.0% | $1,968,030,000 |
| City of Henderson | 186,947,183 | 165,887,183 | 100.0% | 21,060,000 |
| City of Las Vegas | 509,535,000 | 410,070,000 | 100.0% | 99,465,000 |
| City of Mesquite | 20,519,189 | 14,134,189 | 100.0% | 6,385,000 |
| City of North Las Vegas | 418,452,958 | 410,977,958 | 100.0% | 7,475,000 |
| Water Reclamation District | 449,814,449 | 449,814,449 | 100.0% | 0 |
| Las Vegas Valley Water District | 3,054,122,114 | 3,054,122,114 | 100.0% | 0 |
| Las Vegas/Clark Co. Library Dist. | 7,265,000 | 0 | 100.0% | 7,265,000 |
| Boulder City Library District | 655,000 | 0 | 100.0% | 655,000 |
| Big Bend Water District | 3,124,406 | 3,124,406 | 100.0% | 0 |
| Virgin Valley Water District | 17,704,000 | 13,416,000 | 100.0% | 4,288,000 |
| State of Nevada[3] | 1,358,070,000 | 296,840,000 | 70.57% | 748,910,011 |
| TOTAL | $8,573,204,299 | $5,397,351,299 | | $2,863,533,011 |

[1] Based on fiscal year 2018 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 Direct Debt equals total existing general obligation indebtedness less presently self-supporting general obligation indebtedness times the percent applicable.
[3] Estimate for June 30, 2018.

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, 2018

| 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] |
|---|---|---|---|---|---|
| 2014 | $2,676,021,848 | $2,638,065,000 | $37,956,848 | $3,272,399,300 | $3,310,356,148 |
| 2015 | 2,835,706,851 | 2,808,350,000 | 27,356,851 | 2,926,391,455 | 2,953,748,306 |
| 2016 | 2,668,202,771 | 2,649,074,000 | 19,128,771 | 2,797,892,528 | 2,817,021,299 |
| 2017 | 2,445,556,292 | 2,436,641,000 | 8,915,292 | 2,695,780,318 | 2,704,695,610 |
| 2018 | 3,406,689,172 | 3,402,188,000 | 4,501,172 | 2,863,533,011 | 2,868,034,183 |

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

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 2018: | $3,406,689,172 |
| Less: Self-Supporting Debt 2018: | 3,402,188,000 |
| Net Direct Debt 2018: | 4,501,172 |
| Overlapping Net Direct Debt: | 2,863,553,011 |
| Overall Debt: | $2,868,034,183 |
| **Clark County, Nevada Debt Ratios**: | |
| Gross Direct Debt to Taxable-Value:[2] | 1.47% |
| Gross Direct Debt Per Capita[3] | $1,608 |
| Overall Debt to Taxable-Value:[2] | 1.23% |
| Overall Debt Per Capita[3] | $1,354 |

**Debt Retirement**

100% of net direct tax-supported debt is scheduled to be retired on 7/1/2022.

[1] As of June 30, 2018
[2] Based upon FY 2017-18 Taxable Value - $232,303,232,149
[3] Based on FY 2017-18 population estimate of 2,118,353

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 NET GENERAL OBLIGATION INDEBTEDNESS") 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, 2018**

| Fiscal Year Ending June 30, | Principal | Interest | Grand Total |
|---|---|---|---|
| 2019 | 126,666,457 | 160,088,964 | 286,755,421 |
| 2020 | 118,270,942 | 154,045,147 | 272,316,089 |
| 2021 | 103,892,578 | 149,077,946 | 252,970,524 |
| 2022 | 112,425,368 | 144,063,029 | 256,488,397 |
| 2023 | 118,614,827 | 138,568,459 | 257,183,286 |
| 2024 | 127,831,000 | 132,656,245 | 260,487,245 |
| 2025 | 125,868,000 | 126,420,882 | 252,288,882 |
| 2026 | 128,980,000 | 120,022,040 | 249,002,040 |
| 2027 | 139,465,000 | 113,146,638 | 252,611,638 |
| 2028 | 185,000,000 | 104,448,240 | 289,448,240 |
| 2029 | 149,355,000 | 95,834,732 | 245,189,732 |
| 2030 | 154,430,000 | 88,700,453 | 243,130,453 |
| 2031 | 142,780,000 | 81,688,598 | 224,468,598 |
| 2032 | 133,180,000 | 75,028,553 | 208,208,553 |
| 2033 | 126,765,000 | 68,714,362 | 195,479,362 |
| 2034 | 131,570,000 | 62,898,252 | 194,468,252 |
| 2035 | 127,660,000 | 57,191,820 | 184,851,820 |
| 2036 | 138,920,000 | 51,331,213 | 190,251,213 |
| 2037 | 147,195,000 | 45,125,430 | 192,320,430 |
| 2038 | 129,565,000 | 38,824,542 | 168,389,542 |
| 2039 | 112,115,000 | 32,471,532 | 144,586,532 |
| 2040 | 40,605,000 | 28,749,086 | 69,354,086 |
| 2041 | 43,550,000 | 26,801,495 | 70,351,495 |
| 2042 | 46,655,000 | 24,708,318 | 71,363,318 |
| 2043 | 49,940,000 | 22,463,119 | 72,403,119 |
| 2044 | 53,400,000 | 20,057,844 | 73,457,844 |
| 2045 | 94,440,000 | 16,738,700 | 111,178,700 |
| 2046 | 93,145,000 | 7,904,000 | 101,049,000 |
| 2047 | 99,000,000 | 5,456,000 | 104,456,000 |
| 2048 | 105,405,000 | 2,592,792 | 107,997,792 |
| TOTAL | $ 3,406,689,172 | $ 2,195,818,431 | $ 5,602,507,603 |

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 | Population[1] |
|---|---|---|---|---|
| 2014 | $2,676,021,848 | $1,319.00 | 1.66% | 2,029,207 |
| 2015 | 2,835,706,851 | 1,370.00 | 1.54% | 2,069,450 |
| 2016 | 2,668,202,771 | 1,260.00 | 1.31% | 2,118,353 |
| 2017 | 2,445,556,292 | 1,307.00 | 1.12% | 2,069,450 |
| 2018 | 3,406,689,172 | 1,608.00 | 1.47% | 2,118,353 |

[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. Eligible Improvements

1. Regional Improvements: 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 2018 Est. Assessed Value | $35,424,176 |
| Debt Limit (25%) | 8,856,044 |
| Outstanding Debt | 0 |
| Available Debt Limit | $ 8,856,044 |

**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

| | |
|---|---|
| FY 2018 Est. Assessed Value | $32,426,627 |
| Debt Limit (50%) | 16,213,314 |
| Outstanding Debt | 0 |
| Available Debt Limit | $16,213,314 |

### 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

| | |
|---|---|
| FY 2018 Est. Assessed Value | $39,536,087,862 |
| Debt Limit (25%) | 9,884,021,966 |
| Outstanding Debt | 0 |
| Available Debt Limit | $ 9,884,021,966 |

### 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

| | |
|---|---|
| FY 2018 Est. Assessed Value | $27,631,619 |
| Debt Limit (25%) | 6,907,905 |
| Outstanding Debt | 0 |
| Available Debt Limit | $ 6,907,905 |

### 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

CREDIT OPINION
7 March 2018

Rate this Research

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# Clark County, NV

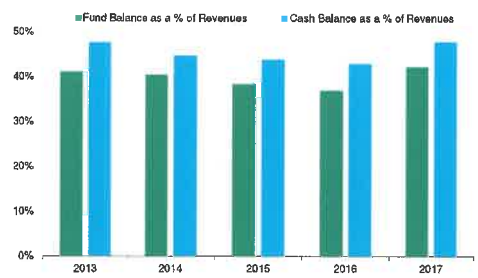
## Update to credit analysis

## Summary

Clark County's (Aa1 stable) strong credit characteristics include a very large tax base and economy in a sustained recovery, although the county remains highly exposed to gaming and tourism. The county's consistently strong finances provide significant support against economic volatility, and also reflect strong management and conservative budgeting practices. The county's leverage is moderated by a substantial portion of self-supporting debt, and while its pension burden remains elevated, total fixed costs remain stable and still manageable.

Exhibit 1

**Consistently strong operating funds' reserves supported by conservative management**




*Source: Moody's Investors Service*

## Credit strengths

- Large service area and tax base including Las Vegas (Aa2 stable)
- Economy continues to exhibit positive trends in employment and income with some increasing sector diversity
- Still sizable available reserves and liquidity supported by conservative management
- Most GOLT debt is fully supported by additionally pledged revenues, and the county has substantial tax rate capacity under limitations if needed

## Credit challenges

» Substantial debt plans through 2019 for diverse projects adds to leverage

» High pension burden compared to many peers nationally

» Economy reliant on gaming and tourism, although slow diversification with growth in other sectors is occurring

» Cyclical excise taxes cause budget pressures in weak economic periods

» Somewhat suppressed growth for property taxes, although improving, under limitations of the state's Abatement Act

## Rating outlook

The stable outlook reflects continued improvement in the tax base and economy amid a sustained recovery. The county's finances will continue to benefit from a strong management team and conservative budgeting, along with consistently healthy available reserves and liquidity.

## Factors that could lead to an upgrade

» More diversification of the local economy from gaming and tourism

» Sustainable appreciation in socioeconomic measures

» Substantial growth in available reserves and liquidity

## Factors that could lead to a downgrade

» Deterioration of the county's financial position to levels inconsistent with similarly-rated peers

» Double-barreled GOLT debt no longer self-supported by additionally pledged revenues, as intended, resulting in county support for debt service that pressures its operating performance

## Key indicators

Exhibit 2

| Clark (County of) NV | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|
| Economy/Tax Base | | | | | |
| Total Full Value ($000) | $152,191,628 | $157,773,251 | $179,728,406 | $197,904,196 | $213,136,064 |
| Population | 1,976,925 | 2,003,613 | 2,035,572 | 2,166,181 | 2,193,818 |
| Full Value Per Capita | $76,984 | $78,744 | $88,294 | $91,361 | $97,153 |
| Median Family Income (% of US Median) | 93.7% | 91.9% | 90.9% | 90.9% | 90.9% |
| Finances | | | | | |
| Operating Revenue ($000) | $1,834,549 | $1,910,467 | $2,008,786 | $2,142,715 | $2,212,015 |
| Fund Balance ($000) | $756,027 | $774,358 | $772,749 | $793,879 | $935,140 |
| Cash Balance ($000) | $874,640 | $855,604 | $882,910 | $922,027 | $1,061,550 |
| Fund Balance as a % of Revenues | 41.2% | 40.5% | 38.5% | 37.1% | 42.3% |
| Cash Balance as a % of Revenues | 47.7% | 44.8% | 44.0% | 43.0% | 48.0% |
| Debt/Pensions | | | | | |
| Net Direct Debt ($000) | $2,718,701 | $2,225,611 | $1,931,003 | $587,470 | $556,241 |
| 3-Year Average of Moody's ANPL ($000) | | $5,944,849 | $5,692,472 | $6,524,864 | $7,212,304 |
| Net Direct Debt / Operating Revenues (x) | 1.5x | 1.2x | 1.0x | 0.3x | 0.3x |
| Net Direct Debt / Full Value (%) | 1.8% | 1.4% | 1.1% | 0.3% | 0.3% |
| Moody's - adjusted Net Pension Liability (3-yr average) to Revenues (x) | | 3.1x | 2.8x | 3.0x | 3.3x |
| Moody's - adjusted Net Pension Liability (3-yr average) to Full Value (%) | | 3.8% | 3.2% | 3.3% | 3.4% |

Note: Net direct debt backs out GOLT bonds self-supported by Southern Nevada Water Authority net revenues starting in fiscal 2016
*Source: Moody's Investors Service*

## Profile

Clark County is located in southern Nevada (Aa2 stable) and includes the Las Vegas metro area. The county is the economic center of the state and its 2.1 million residents represent approximately three-quarters of the state's population.

Las Vegas Convention & Visitors Authority(LVCVA) (A1 stable) markets Las Vegas as a global travel destination for business and leisure, and operates convention facilities. The authority is an independent governmental entity with its own governing board and administrative staff.

## Detailed credit considerations

### Economy and tax base: sustained recovery in Las Vegas metro area

Clark County is a regional center in southern Nevada, including Las Vegas (Aa2 stable) and the greater metro area. The local economy is dependent upon gaming and tourism sectors that include the world-renowned Las Vegas Strip. Importantly, LVCVA remains the market leader in the US for large-scale conventions and trade shows, which supports visitor counts of over 40 million annually. Las Vegas has been the market leader in the U.S. for hosting trade shows and conventions for over 20 years, driven by LVCVA's marketing efforts and large facilities that allow the area to attract almost 60 of the 250 largest conventions and trade shows. Nevertheless, tourism spending in the Las Vegas area is broadly impacted by economic volatility abroad and domestically. The state's gaming revenue from Clark County was down 0.5% for fiscal 2017 and declined for the first half of fiscal 2018. Gaming revenue was negatively impacted by the recent mass shooting as well as calendar differences, such as the number of weekend days in some months, along with the prior year's more favorable mix of large conventions.

The county's unemployment rate improved year-over-year to 4.9% for December 2017, even with a fast-growing labor force. Historically, one in three jobs in the metro area are in leisure and hospitality sectors, leaving employment highly cyclical and subject to US and global consumer demand. The Las Vegas metro area recovered recessionary job losses in early 2016 and leisure and hospitality sectors continue to see stability or modest gains. The economy benefits from gains in high-tech and healthcare sectors that provide modest diversity from traditional industries, and construction jobs expanded as commercial and infrastructure projects ramped up but remain well below prerecession levels. Also, professional services are currently expanding at one of the fastest rates in the West.

Median family income was 90.9% of U.S. as of the 2015 American Community Survey, which is modest at the Aa1 rating level but not unlike some other urban areas.

The county's tax base continues its trend of sustained recovery to a full value of $225.4 billion for fiscal 2018, reflecting 5.8% growth that follows robust increases in the prior four years. Tax base values reflect up to a two-year lag to market activity, so the tax base should continue to grow given the ongoing appreciation in property values plus new development.

The economy and tax base benefit from strong tourism activity and additional attractions that include the recently completed T-Mobile Arena, home to the new NHL franchise and other large events. Major resorts on The Strip continue to make facility improvements and add more diverse attractions, like theater and dining, beyond traditional gaming, and several resort projects and expansions are in various stages of planning. Also, the relocation of the NFL's Oakland Raiders will provide another attraction for residents and tourists, likely in 2020 after the planned stadium should be completed.

On October 1, 2017, a tragic mass-casualty shooting occurred along the south end of the Las Vegas Strip during an outdoor music festival. Las Vegas Metropolitan Police (LVMPD), in conjunction with other agencies, led the response to the event. As part of the region's response, tourism-driven industries and LVCVA are working to protect the Las Vegas area's brand as a leading leisure and conference destination. There are no known cancellations of large-scale events or indications that travelers are no longer visiting the area. No material impact on the local economy has been observed yet, but LVCVA observed its room taxes are only up 0.7% for fiscal 2018, and well below the 4.7% initial budgeted growth. Based on year-to-date collections, LVCVA current expects nearly flat room tax collections for fiscal 2018 ($282 million). Continued growth in average daily room rates mitigating expected modest declines in visitor volumes from a recent trend of all-time high visitation. Officials also noted the mix of large-scale events is smaller this year due to the multi-year cycle for some large conventions.

### Financial operations and reserves: healthy finances supported by strengthening recovery

Finances benefit from significant annual savings from conservative budgeting of expenditures and over-performance for revenue growth. The county also demonstrated willingness to adopt sizable operating adjustments in the recent recession, including cuts to staff and compensation, and reducing capital investments. As such, its operating funds remain in a sound position and currently supported by the region's protracted recovery. The county's operating funds include the general fund (GASB 54 basis), the LVMPD fund, and the debt service fund. Available reserves and liquidity also include the large and legally unrestricted balances in the capital projects fund that is driven by a buildup of longtime transfers from the general fund.

For fiscal 2017, available reserves grew to 42.3% of operating revenues, supported by a general fund surplus and a large and growing balance in the unrestricted capital projects fund. Finances benefit from significant annual savings around $15-20 million generated from budgeting full staff headcount despite vacancies. There was also $7.5 million of upside from the Affordable Care Act (ACA) not being repealed which could have led to subsidizing University Medical Center (UMC). Performance also benefitted from a positive variance in starting fund balance relative to budget and excess reserves from the prior year's general fund budget are subsequently transferred to the county capital projects fund, with such transfers of $64 million and well above the budgeted $31 million. Revenue growth was above expectations and also benefitted performance. Property taxes, the largest operating resource, grew moderately at 4.9% with support from a more favorable Abatement Act limit on revenue growth plus new development. Consolidated taxes (CTax), the second largest resource, grew by 5.4% and was well above projections.

For fiscal 2018, available reserves are projected to remain healthy. For the general fund alone, the county anticipates a $40.4 million deficit that should be absorbed by typical conservative budgeting and revenue growth. Of that deficit amount, the county plans for a discretionary transfer to the county capital projects fund of at least $11.6 million (that would still be included in available reserves) plus the typical $31 million annually to support capital needs at UMC. Within the budget, there is a $17 million loss for detention services due to costs from refurbishing jail spaces and longer pre-sentencing times but operating changes are being made to speed up court processing. There is also a $11 million contingency for uncertainty regarding potential changes to the ACA that would otherwise fall to reserves. Also, personnel costs are typically overstated by $15-20 million annually due to conservative planning for staff headcount. Expenditure growth includes scheduled salary and benefit increases, including cost of living adjustments of up to 2% for some groups. Trends for revenues remain positive, including property taxes expected to grow by 3.3% with plus new development. CTax, the second largest resource, is tracking 5.3% above conservatively budgeted growth of 0.7%.

**LIQUIDITY**

Available liquidity grew to an even stronger 48% of operating revenues ($1.1 million) as of fiscal 2017. Available cash includes unrestricted liquidity in the capital projects fund ($339 million). The county does not utilize cash flow notes or other liquidity measures to support operations.

## Debt and pensions: moderate debt and sizable pension burden, but still manageable fixed costs

Clark County has a manageable net direct debt burden of 0.7% of the tax base's fiscal 2018 full value and 0.7 times fiscal 2017 operating revenues. This net direct debt burden backs out GOLT obligations that are fully supported by essential environmental utilities and certain sales tax revenue bonds. Net direct debt does also include an outstanding lease for the LVMPD detention center and assessment bonds with the county's general fund and GOLT taxing capacity as backstops.

The fixed cost burden was manageable at approximately 24% of operating revenues in fiscal 2017, which has been a consistent level for several years. Fixed costs are driven by increased pension contributions, and also include net direct debt service and OPEB. Debt service is net of GOLT and obligations fully supported by essential utilities. Pension and OPEB contributions are also net of portions for self-supporting environmental utilities.

Nevertheless, the county expects to issue over $1 billion of additional new-money GOLT bonds for various purposes in 2018. Issuances include $400 million under reimbursement resolutions including $250 million for public safety and family services facilities and $150 million for park improvements. The county also expects to issue bonds to purchase the LVMPD detention center and refinance the outstanding lease after the purchase price is finalized, which should also lead to debt service savings. In 2019-20, the county also plans to issue another $200 million for the LVCVA expansion project, with debt service funded by the authority, and $300 million for transportation improvements around The Strip to be supported by room taxes.

Near-term debt plans also include issuing approximately $625 million in fiscal 2018 to finance the publicly-funded portion of the new NFL stadium. The bonds will be additionally secured by a legally dedicated incremental increase to the region's hotel room tax rates, the intended repayment source, that are 0.88% for the Las Vegas Strip area and 0.5% for surrounding areas. The public subsidy is limited under Nevada's Senate Bill 1 to $750 million from a combination of tax collections and bond proceeds. These dedicated room taxes are already being collected and deposited to a special account for the project.

**DEBT STRUCTURE**

The county's outstanding GOLT debt amortizes fully by 2045 and double-barreled bonds issued on behalf of other entities have the longest payout. The county provides its GOLT backstop to various municipal entities, but debt service is fully supported by additionally pledged revenues of those entities following a demonstration of affordability overseen by the Clark County Debt Management Commission. GOLT debt supported by other entities includes $1 billion of bonds outstanding on behalf of the Southern Nevada Water Authority, $828.3 million for LVCVA, and $481.5 million for the flood control component unit. We back out SNWA and flood control obligations as self-supported debt since these essential utilities demonstrated a multi-year trend of fully supporting these obligations.

The combined property tax rates in the county were nearly $3.28 per $100 of assessed value in fiscal 2018, and unchanged for several years, using Las Vegas as a proxy. This leaves a sizable margin of nearly $0.36 under statutory caps for overlapping tax rates. Overlapping rates include levies for operations and debt service and combined rates remained stable in recent years, despite the recession, providing future financial flexibility if needed. Levies for non-debt purposes would be reduced first in a compression situation for overlapping rates to comply with the statutory limit of $3.64. Each $0.01 of additional levy would generate approximately $7.9 million, before abatements.

For LVCVA, management remains committed to prudent policies, which directly support operating performance and support debt service coverage. Current projections for fiscal 2018 anticipate debt service coverage of 3.8 times net pledged revenues which include pro forma projections for the tourism industry. Officials continue to target, and successfully maintain, at least coverage of 3.0 times annual debt service of all GOLT debt issued through the county and its own parity lien revenue bonds. LVCVA pays debt service from its hotel taxes and net facility revenues and has not required county support to fund debt service.

**DEBT-RELATED DERIVATIVES**

The county is not exposed to debt-related derivatives for its net direct debt obligations.

**PENSIONS AND OPEB**

Clark County's pensions are provided predominantly through the Nevada Public Employee Retirement System (PERS), a cost sharing, multi-employer defined benefit plan. The county's Moody's adjusted net pension liability (ANPL) was elevated and its average for fiscal years 2015-17 was equivalent to a high 3.2% of 2018 full value and 3.3 times fiscal 2017 operating revenues. Moody's ANPL reflects certain adjustments we make to improve comparability of reported pension liabilities, including netting pension contributions from self-supporting essential utilities. The adjustments are not intended to replace reported liability information, but to improve comparability with other rated entities.

Pension contributions were positively above the "tread water" level for fiscal 2017, which measures the contribution level required to prevent net pension liabilities from growing under reported actuarial assumptions. For many local governments nationally, fixed costs based on tread water versus actual contribution expenditures were just below tread water levels according to recent plans' data. In Nevada, pension contribution rates are set by the legislature every two years, and the county annually pays 100% of the actuarially required contribution owed to PERS.

OPEB are health insurance coverage under several programs that provide implicit retiree subsidies. The county's reported total unfunded OPEB liabilities total $896.7 million and are generally funded on a pay-go basis with a portion of police-related liabilities funded by the City of Las Vegas. lease payments from LVMPD of over $13 million annually continue, and the county uses these payments to fund OPEB as well over $16 million of interdepartmental contributions. Also, in fiscal 2017 the county reorganized its OPEB funds under GASB 75 into a special revenue fund with reserves of over $111 million.

### Management and governance: prudent and conservative leadership

The county's management team is strong and operating performance benefits from conservative stewardship. Management also strategically reduced available reserves in the recent recession and annual deficits have transitioned to surpluses. Importantly, the budget always assumes a full draw on the large balance in the capital projects fund despite only a limited pipeline of projects, and the sizable balance remains a significant component of the county's available reserves and liquidity. Also, recent general fund deficits are not indicative of structural imbalance, rather transfers of reserves in excess of expectations - from the prior year - to the capital projects fund that are still considered available reserves for operating funds.

Nevada Counties have an Institutional Framework score of Aa, which is high compared to the nation. Institutional Framework scores measure a sector's legal ability to increase revenues and decrease expenditures. The sector's major revenue sources include stateshared excise taxes distributed by a longstanding formula, and property taxes that are subject to abatement and overlapping rate limits. However, the property tax caps of up to 3% or 8%, by class, still allows for moderate revenue-raising ability. Unpredictable revenue fluctuations tend to be moderate, or between 5-10% annually. Across the sector, fixed and mandated costs are generally less than 25% of expenditures. Nevada is a Right to Work state, providing significant expenditure-cutting ability. Unpredictable expenditure fluctuations tend to be minor, under 5% annually.

The county benefits from the adoption of Senate Bill 168 from 2015, which protects budgeted general fund balances of up to 25% of projected expenditures from consideration in labor negotiations or binding arbitration for bargaining agreements. In effect, the law favorably reduces a local government's funds available in negotiations for compensation and benefits. It also enables local governments to reopen collective bargaining agreements in a fiscal emergency, defined as a 5% or greater decline in recurring revenues for the general fund in the most recent financial audit, or if the budgeted fund balance will fall below 4% of the prior year's expenditures.

REPORT NUMBER 1114772

### CLIENT SERVICES

| | |
|---|---|
| Americas | 1-212-553-1653 |
| Asia Pacific | 852-3551-3077 |
| Japan | 81-3-5408-4100 |
| EMEA | 44-20-7772-5454 |

MOODY'S INVESTORS SERVICE

S&P Global
Ratings

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## Summary:

# Clark County, Nevada; Appropriations; General Obligation; Special Assessments

**Primary Credit Analyst:**
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## Table Of Contents

## Summary:

# Clark County, Nevada; Appropriations; General Obligation; Special Assessments

| Credit Profile | | |
|---|---|---|
| US$625.0 mil GO ltd tax stadium imp bnds ser 2018 due 06/01/2048 | | |
| *Long Term Rating* | AA+/Stable | New |
| Clark Cnty GO | | |
| *Long Term Rating* | AA+/Stable | Affirmed |
| **Pima Cnty Indl Dev Auth, Arizona** | | |
| Clark Cnty, Nevada | | |
| Pima Cnty Indl Dev Auth (Clark Cnty) APPROP | | |
| *Long Term Rating* | AA/Stable | Affirmed |

## Rationale

S&P Global Ratings assigned its 'AA+' long-term rating to Clark County, Nev.'s series 2018 limited-tax general obligation (GO) stadium improvement bonds. Although the bonds are ultimately backed by the county's GO pledge, the county anticipates paying for the stadium bonds through newly approved room taxes. At the same time, S&P Global Ratings affirmed its 'AA' long-term rating on Pima County Industrial Development Authority, Ariz.'s lease revenue bonds, supported by the county. In addition, S&P Global Ratings affirmed its 'AA+' long-term rating and underlying rating (SPUR) on the county's existing GO debt, issued either by Clark County or on its behalf. The outlook on all ratings is stable.

### Security and purpose

The series 2018 stadium improvement bonds are a general obligation of the county, ultimately secured by its full-faith-and-credit-property-tax pledge, subject to a statutory limit on overlapping debt of $3.64 per $100 of assessed value (AV). Providing additional security to the series 2018 bonds is pledged revenue, which includes proceeds from hotel room taxes. County officials anticipate hotel room taxes will cover all stadium bond debt service payments through maturity in 2048. During a 2016 special legislative session, the Nevada State Legislature approved Senate Bill 1 (SB1), which included funding and development for a National Football League (NFL) stadium. In addition, SB1 established the Clark County Stadium Authority, which is a public entity that owns and oversees the stadium and land and approves many of the stadium agreements. The stadium district includes the majority of Clark County's urbanized areas and extends a radius of 25 miles from the Clark County Government Center. SB1 included a 0.88% room tax increase in the "Primary Gaming Corridor" within the stadium district, and then a 0.5% room tax increase for the remaining areas in the stadium district. The primary gaming corridor is located south of the city of Las Vegas and encompasses approximately 10,000 acres, which does include the Las Vegas Strip and McCarran International Airport. Bond proceeds will be used to help fund the stadium and surrounding parking construction costs, fund a debt service reserve (DSR), and pay the costs of issuance.

The county's GO bonds outstanding are secured by its full-faith-and-credit-property-tax pledge, subject to a statutory limit on overlapping debt of $3.64 per $100 of AV. The limited-tax GO (flood control) bonds are additionally secured by the county's one-quarter-percent sales-and-use tax for the benefit of the Clark County Regional Flood Control District. The limited-tax GO (airport system revenues) bonds are additionally secured by a third lien on net revenue of the county's airport system, which includes McCarran International Airport. The county's limited-tax GO bonds (issued by the Las Vegas Convention & Visitors Authority) are additionally secured by hotel room taxes levied in Clark County and cities within the county, including Las Vegas, and net operating revenue from various authority facilities, including the Las Vegas Convention Center and other recreational facilities under the convention authority's jurisdiction. Clark County Special Improvement Districts No. 112 and No. 158 have local improvement bonds outstanding, which are first secured by special assessments within the districts; the county levies the assessments and is required to deposit them, when collected, into bond funds. Should assessments within the districts be insufficient for debt service, the bonds are secured by the county's general fund and a property tax pledge on all property within the county, subject to the statutory limit.

The Pima County Industrial Development Authority, Ariz.'s series 2008 lease revenue bonds, issued on behalf of Clark County, Nev.'s detention facility project, are payable from lease payments made by Clark County, subject to annual appropriation. The rating on the lease revenue bonds is one notch lower than the county GO rating, in accordance with our criteria, to reflect the appropriation risk associated with appropriation-backed obligations.

### The stadium bonds

In 2017, the NFL owners approved the move of the Oakland Raiders to Las Vegas. The stadium site is located in the south area of the Las Vegas Strip just west of Interstate 15. The stadium design includes a seating capacity of approximately 65,000, and the facility is expected to be open for operation by August 2020, in time for the 2020 NFL season. According to management, the stadium will host various different types of events, including University of Nevada (Las Vegas) college football games, stadium concerts, and international soccer matches. Stadium costs are expected to be $1.8 billion (including a $100 million contingency), and the county will fund up to $750 million for stadium construction. The remaining portion of construction costs will be provided by the developer through a combination of equity, an NFL G-4 loan ($200 million), Personal Seat License (PSL) proceeds ($250 million), and other funds from the developer's lender ($600 million). The G-4 loan was approved by NFL owners on March 27, 2018, and the PSL estimated construction fund deposit is included within the PSL purchase and sale agreements, although we note that all of the individual PSL agreements will take additional time to finalize. According to Article 12 of the development agreement between the Clark County Stadium Authority and LV Stadium Events Co. LLC, the developer will be responsible for any cost overruns for the project. To date, construction is still in the earth moving phase and the majority of construction has yet to occur; therefore, possible cost overruns are uncertain at this time.

The bonds are structured to provide at least 1.5x debt service coverage through the collection of SB1-implemented room taxes within the stadium district area. We note that there is no legal covenant to provide 1.5x coverage on the bonds, and the estimated 1.5x coverage includes a 2% estimated annual revenue growth rate. In addition, the bonds will include a DSR funded at 2x average annual debt service (AADS). A 1x AADS reserve will be fully funded after the series 2018 bonds are issued, and the remaining portion will be funded from excess proceeds of the room tax and anticipated interest earnings on the project fund. Management anticipates the second half of the DSR to be fully funded by 2022. Since the room taxes were implemented in March of 2017, pledged collections are approximately $45.3 through January 2018, and management is forecasting to collect approximately $50 million in fiscal 2018 (one full year of collections). According to the district's projections, annual debt service coverage in fiscal 2019 would be 1.39x with $50.1 million in collections, with 0.84x maximum annual debt service coverage.

### County credit fundamentals

The 'AA+' ratings reflect our opinion of the county's:

- Strong economy, with access to a broad and diverse metropolitan statistical area (MSA);
- Very strong management, with strong financial policies and practices under our Financial Management Assessment (FMA) methodology;
- Strong budgetary performance, with a slight operating surplus in the general fund and break-even operating results at the total governmental fund level in fiscal 2017;
- Very strong budgetary flexibility, with an available fund balance in fiscal 2017 of 21% of operating expenditures;
- Very strong liquidity, with total government available cash at 101.9% of total governmental fund expenditures and 14.5x governmental debt service, and access to external liquidity we consider exceptional;
- Strong debt and contingent liability profile, with debt service carrying charges at 7.0% of expenditures and net direct debt that is 106.5% of total governmental fund revenue, as well as low overall net debt at less than 3% of market value; and
- Strong institutional framework score.

### Strong economy

We consider the county's economy strong. Clark County, with an estimated population of 2.2 million, is located in the Las Vegas-Henderson-Paradise, Nev. MSA, which we consider to be broad and diverse. The county has a projected per capita effective buying income of 91.0% of the national level and per capita market value of $102,517. Overall, the county's market value grew by 5.8% over the past year to $225.4 billion in 2018. The county unemployment rate was 5.1% in 2017.

Clark County covers over 8,000 square miles in southern Nevada. Several of the state's largest cities, such as Las Vegas and Henderson, are within county boundaries. The county is home to the majority of Nevada residents, holding approximately 73% of the state's total population. The county's population has been stable, growing by about 1% to 2% annually during the previous six years and by 1.3% year over year in 2017. AV for 2018 is 5.8% higher than 2017, at $78.9 billion. The county's preliminary AV is showing an additional 10.6% increase in 2019, totaling $87.2 billion. The county's employment gains have increased steadily in recent years, and the 5.1% unemployment rate in 2017 was the lowest annual rate dating back to 2007. The current rate was just above the state rate (5.0%) and the national average (4.4%) during 2017.

Despite the county's heavy reliance on the region's leisure and hospitality industries, the employment base within Clark County has gradually diversified in recent years. In recent years, the leisure and hospitality industries fell below 30% of Clark County's employment base. Moreover, economic indicators critical to the county's economy--including room rates, visitor volume, passenger counts, and gaming revenue--continue to show strength and improvement.

Visitor volume reached 42.2 million in 2017, a slight decrease of 1.6% from 2016. However, we note that 2017 was still the third-highest year on record for visitor volume for the county. Taxable sales in the county, a significant indicator given the importance of consolidated taxes to the revenue base, rose 4.7% in 2016 and 4.2% in 2017. The housing market also continues to improve, as demonstrated by notable foreclosure decreases, home price stabilization, and broad economic improvement. We also consider the county's tax base diverse, with the leading 10 taxpayers accounting for 14.6% of total AV. We note that seven of the top 10 property tax contributors are hotels/casinos companies. There are several large-scale projects currently under construction or in the planning stages that will contribute to county's already large tax base in the coming years.

### Very strong management

We view the county's management as very strong, with strong financial policies and practices under our FMA methodology, indicating financial practices are strong, well embedded, and likely sustainable.

We believe the county's strong financial management is reflected in its formalized policies and practices. The county utilizes internal trend analysis and external information to make revenue and expenditure assumptions and takes into account current trends that may affect future results. While management intends to maintain reserves at no less than 8% of expenditures, as mandated by its policy, it prefers to keep reserves in excess of the 10% target it has adhered to historically. Excess budgetary savings are transferred to the capital account to ensure prudent levels of pay-go. Management provides the board of commissioners with reports on investment holdings and budget-to-actuals performance annually. In addition, the county updates its five-year operational forecast and capital plan annually and integrates the capital plan into the operating budget. Also, the county's board of commissioners has adopted thorough policies concerning investment practices and debt and derivative use.

### Strong budgetary performance

Clark County's budgetary performance is strong in our opinion. The county had slight surplus operating results in the general fund of 0.8% of expenditures, and balanced results across all governmental funds of 0.2% in fiscal 2017. General fund operating results of the county have been stable over the last three years, with a result of 1.9% in 2016 and a result of 0.6% in 2015.

We have adjusted general fund expenditures upward for recurring transfers out that we believe function like ongoing expenditures, including transfers to the Las Vegas Metropolitan Police fund, Detention Center Services fund, and the University Medical Center of Southern Nevada (UMC). Moreover, we have adjusted fiscal 2017 general fund revenue downward to reflect a one-time reallocation of funds. In 2017, the county's other postemployment benefits (OPEBs) internal service fund was closed and the remaining balances were transferred to a new OPEB reserve fund, listed as an assigned fund balance per GASB reporting.

In 2017, the county received 4.3% higher revenue's compared to 2016, largely due to growth in property and consolidated tax collections. Consolidated taxes are collected by the state and distributed to local governments and are composed primarily of sales taxes, but also include cigarette tax, liquor tax, real property transfer tax, and governmental services tax. In 2017, consolidated taxes and property taxes generated 36% and 28% of general fund revenue, respectively. As with other Nevada counties, the main general fund revenue source is the consolidated tax, and large changes in consolidated taxes indicate trends in local and statewide visitor volume and tourist spending.

Revenue from licenses and permits also made up a significant amount of the county's revenue profile in 2017, accounting for 24% of overall revenue.

Management attributes the stable budget results in recent years to conservative and comprehensive budgeting, which includes budgeting at full staffing levels all year round, even when many positions remain vacant. The county is also budgeting for any unforeseen events related to health care changes at the federal level. Health care changes in recent years have had positive effects on the county's expenditures year over year. Due to the expansion of Medicaid under the Affordable Care Act, payments from the county to UMC for indigent care have decreased. Furthermore, recent legislative changes now allow for additional funding sources for intergovernmental transfers to UMC, which the county has utilized in order to realize savings in the general fund.

The county has historically performed much better than budgeted, which was again the case in fiscal 2017. The county originally budgeted for a deficit over 5% of expenditures (after transfers) in the general fund, and ultimately ended the year with positive operations. We have adjusted fiscal 2017 general fund revenue to account for a one-time reallocation of funds. Officials note that consolidated taxes came in $8.1 million higher than originally budgeted, and the county ended the year with expenditure savings from positions remaining vacant. In addition, UMC did not need any form of operating subsidy in 2017, although we note that the county still made approximately $31 million in transfers for capital to UMC.

Over halfway through the current fiscal year, management stated that revenue is again tracking higher than budget estimates in fiscal 2018. According to officials, year-to-date consolidated tax revenue is coming in over 5% higher than the prior year, and license and permit revenue is up over 10% through the first half of 2018. In addition, the county expects to receive roughly $8 million from marijuana tax collections during the 2018 fiscal year, an amount not originally budgeted for. In November 2016, Nevada voters approved a ballot measure legalizing the adult use of marijuana. We note that the county is still budgeting for a modest deficit in fiscal 2018. The county settled with its largest employee bargaining unit (which represents over 5,000 county employees) in July of 2017. Within the agreement, the county agreed to 2% salary increases, which are expected to raise the county's salary expenses by roughly $9 million during fiscal 2018. County officials stated that the increase in expenses should be offset by budgeting for full employment, which typically does not occur. We note that the county is going into arbitration with the largest bargaining unit for a fiscal 2019 cost-of-living adjustment.

### Very strong budgetary flexibility

Clark County's budgetary flexibility is very strong, in our view, with an available fund balance in fiscal 2017 of 21% of operating expenditures, or $362.7 million.

Our calculation of available fund balance combines assigned and unassigned portions of the general fund balance. The county's reserves increased in fiscal 2016 due to the operating surplus of 2.2% of expenditures in the general fund. The more sizable 5.8% increase in 2017 was largely due to the one-time reallocation of the OPEB internal service fund. We expect the county's available fund balance to remain very strong in the near term, and especially well within its policy minimum of 8% of expenditures.

### Very strong liquidity

In our opinion, Clark County's liquidity is very strong, with total government available cash at 101.9% of total governmental fund expenditures and 14.5x governmental debt service in 2017. In our view, the county has exceptional access to external liquidity if necessary.

The county has strong market access features and ongoing disclosure practices and has issued bonds frequently during the past 15 years, including GO, revenue, and sales tax bonds. We do not consider the county's investments aggressive, as it invests primarily in U.S. Treasuries and U.S. agencies. We do not expect that liquidity will weaken over the next several years. We note that the county's debt profile includes 1.4 billion in variable-rate debt (18.1% of total direct debt); however, we do not believe the debt is a significant liquidity risk at this time.

### Strong debt and contingent liability profile

In our view, Clark County's debt and contingent liability profile is strong. Total governmental fund debt service is 7.0% of total governmental fund expenditures, and net direct debt is 106.5% of total governmental fund revenue. Overall net debt is low at 2.2% of market value, which is in our view a positive credit factor.

Despite the $625 million stadium bond issuance, our overall view of the county's debt profile has not significantly changed, as the series 2018 bonds were factored into the county's overall debt profile as a medium-term debt plan. Our calculation of net direct debt excludes self-supporting revenue obligations. Although the primarily room tax generated Las Vegas Convention & Visitor Authority (LVCVA) bonds are not self-supporting in accordance with our criteria, we recognize that the bonds have held sufficient coverage in previous years. We note the county's debt portfolio also includes fixed-rate, directly placed GO bonds. We understand there are no provisions in the bonds' agreements that permit acceleration or payment prioritization to holders of the direct-purchase debt. The county expects to issue $300 million in debt related to the transportation improvements to the Las Vegas Strip resort corridor, $250 million for the purchase of a family services building, and $150 million in local park improvements, all of which could occur within the next 12-18 months. In addition, the LVCVA and Clark County Regional Flood Control District are both expecting to issue roughly $200 million in debt in the near term, which could be backed by the county. Despite the medium-term debt plans within the next two years, it is our view that Clark County's debt and contingent liability profile would be manageable.

Clark County's combined required pension and actual OPEB contributions totaled 11.4% of total governmental fund expenditures in 2017. Of that amount, 10.7% represented required contributions to pension obligations, and 0.8% represented OPEB payments. The county made its full annual required pension contribution in 2017.

The county contributes to the Public Employees Retirement System of the State of Nevada (PERS), a cost-sharing, multiemployer, noncontributory, defined benefit public employee retirement plan administered by PERS to provide retirement benefits, death benefits, and disability benefits to their beneficiaries. The county made its full annual required pension contribution in 2017, and the PERS plan was 74% funded as of June 30, 2017. We note that related entities, the expenditures of which are not accounted for as part of the county's governmental expenditures, fund a portion of the pension contributions. Clark County and its component units provide OPEBs to retirees through five benefit plans, and the county addresses these OPEB costs through pay-as-you-go financing. We understand that the county established a separate trust fund in fiscal 2014, and combined trust assets totaled $112 million in fiscal 2017.

Although we consider the county's overall pension and OPEB obligation relatively large, the funded ratio and carrying charges have improved in recent years, largely due to the state increasing contribution rates and the county overfunding OPEB benefits through a separate trust.

In 2017, the board of Nevada PERS voted to lower the assumed investment (discount rate) over the next several years. Although the full scale of changes is still unknown, we expect that pension contributions may increase in the near term. Being that pension carrying charges totaled 11.4% of total governmental fund expenditures in 2017, we will continue to monitor the impact these changes may have on the county's expenditure profile. Should the contribution changes increase the county's already elevated pension carrying charges, the county's debt profile could weaken.

### Strong institutional framework

The institutional framework score for Nevada counties is strong.

## Outlook

The stable outlook reflects our view of the county's stable economy with participation in the Las Vegas-Henderson-Paradise MSA. The stable outlook also reflects our view of the county's strong financial policies and practices and stable overall financial position. Strong economic activity has continued to fuel the steady revenue growth in recent years. We do not expect to change the ratings within the two-year outlook horizon.

### Downside scenario

If the county is unable to achieve operational balance for multiple years, resulting in reserves falling below strong levels, and if near-term debt issuances or pension increases weaken the county's debt profile significantly, we could consider lowering the ratings.

### Upside scenario

We could raise the ratings if the county's key economic indicators improve to levels comparable with those of higher-rated peers.

## Related Research

- S&P Public Finance Local GO Criteria: How We Adjust Data For Analytic Consistency, Sept. 12, 2013
- Incorporating GASB 67 And 68: Evaluating Pension/OPEB Obligations Under Standard & Poor's U.S. Local Government GO Criteria, Sept. 2, 2015
- 2017 Update Of Institutional Framework For U.S. Local Governments

| Ratings Detail (As Of March 30, 2018) | | |
|---|---|---|
| Clark Cnty ltd tax GO bnds (Arpt rfdg) ser 2013B dtd 04/02/2013 due 07/01/2033 | | |
| *Long Term Rating* | AA+/Stable | Affirmed |
| Clark Cnty ltd tax GO bnd bank rfdg bnds ser 2012 dtd 06/20/2012 due 06/01/2016 2029-2032 | | |
| *Long Term Rating* | AA+/Stable | Affirmed |

| Ratings Detail (As Of March 30, 2018) (cont.) | | |
|---|---|---|
| Clark Cnty ltd tax GO flood cntrl rfdg bnds ser 2015 due 11/01/2036 | | |
| *Long Term Rating* | AA+/Stable | Affirmed |
| Clark Cnty CLARK CNTY LTD TAX GO DR & FLOOD CTL SER 84 DTD 12-1-84 | | |
| *Unenhanced Rating* | AA+(SPUR)/Stable | Affirmed |
| Clark Cnty GO ltd tax flood cntrl rfdg bnds (rfdg 1998 Flood Control Bnds) ser 2010 dtd 07/13/2010 due 11/01/2016-2018 | | |
| *Long Term Rating* | AA+/Stable | Affirmed |
| Clark Cnty GO ltd tax transp bnds (Taxable Direct Pay Babs) ser 2009B1 dtd 06/23/2009 due 06/01/2010-2024 2029 | | |
| *Long Term Rating* | AA+/Stable | Affirmed |
| Clark Cnty GO Lmtd Tax bnds (Tax Exempt Flood Control Bnds) ser 2009A due 11/01/2038 | | |
| *Long Term Rating* | AA+/Stable | Affirmed |
| Clark Cnty GO Lmtd Tax Transportation bnds (Tax-Exempt) ser 2009B-2 | | |
| *Long Term Rating* | AA+/Stable | Affirmed |
| Clark Cnty GO Lmtd Tax (Las Vegas Convention & Visitors Auth Transp Bnds) ser 2008 dtd 08/19/2008 due 07/01/2009-2029 2034 2038 | | |
| *Long Term Rating* | AA+/Stable | Affirmed |
| Clark Cnty GO (ltd tax) arpt bnds ser 2003B dtd 05/29/2003 due 07/01/2022-2024 | | |
| *Unenhanced Rating* | AA+(SPUR)/Stable | Affirmed |
| Clark Cnty GO (ltd tax) bond bank rfdg bnds | | |
| *Long Term Rating* | AA+/Stable | Affirmed |
| Clark Cnty GO (ltd tax) flood control bnds ser 2013 due 11/01/2039 | | |
| *Long Term Rating* | AA+/Stable | Affirmed |
| Clark Cnty GO (Lmtd Tax) pub facs rfdg bnds ser 2007B dtd 05/24/2007 due 06/01/2014-2019 | | |
| *Long Term Rating* | AA+/Stable | Affirmed |
| Clark Cnty GO (Lmtd Tax) Arpt Bnds | | |
| *Long Term Rating* | AA+/A-1+/Stable | Affirmed |
| Clark Cnty Lmtd Tax GO bnds (Bond Bank Bonds) ser 2008 dtd 07/02/2008 due 06/01/2011-2030 2033 2038 | | |
| *Long Term Rating* | AA+/Stable | Affirmed |
| Clark Cnty Spl Imp Dist No. 112 local imp rfdg bnds ser 2017 due 08/01/2037 | | |
| *Long Term Rating* | AA+/Stable | Affirmed |
| Clark Cnty Spl Imp Dist No. 158 local imp bnds ser 2017 due 08/01/2037 | | |
| *Long Term Rating* | AA+/Stable | Affirmed |
| Clark Cnty GO | | |
| *Long Term Rating* | AA+/Stable | Affirmed |
| Clark Cnty GO | | |
| *Long Term Rating* | AA+/Stable | Affirmed |
| Clark Cnty GO | | |
| *Long Term Rating* | AA+/Stable | Affirmed |
| Clark Cnty GO | | |
| *Long Term Rating* | AA+/Stable | Affirmed |

| Ratings Detail (As Of March 30, 2018) (cont.) | | |
|---|---|---|
| Clark Cnty GO | | |
| *Long Term Rating* | AA+/Stable | Affirmed |
| Clark Cnty GO | | |
| *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 (Clark Cnty) GO | | |
| *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 |
| Las Vegas Convention & Visitors Auth (Clark Cnty) GO (Lmt Tax) LV conv & Vis auth transp bnds (BABs) ser 2010A dtd 01/26/2010 due 07/01/2030 2038 | | |
| *Long Term Rating* | AA+/Stable | Affirmed |
| Las Vegas Convention & Visitors Auth (Clark Cnty) GO (Lmt Tax) LV conv & Vis auth transp & rfdg bnds ser 2010B dtd 01/26/2010 due 07/01/2011-2026 | | |
| *Long Term Rating* | AA+/Stable | Affirmed |
| Many issues are enhanced by bond insurance. | | |

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on the S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

## APPENDIX D

CLARK COUNTY OPERATING TAX RATE FIVE-YEAR FORECAST

## APPENDIX D

## CLARK COUNTY OPERATING TAX RATE FIVE-YEAR FORECAST
## FY 2019 - FY 2023

| Entity | FY 2019 Projected Tax Rate | FY 2020 Projected Tax Rate | FY 2021 Projected Tax Rate | FY2 022 Projected Tax Rate | FY 2023 Projected Tax Rate |
|---|---|---|---|---|---|
| Clark County Operating | $0.4599 | $0.4599 | $0.4599 | $0.4599 | $0.4599 |
| 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, 2018**

## 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

<u>Optional Termination</u>: 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 |