

***CLARK COUNTY  
WATER RECLAMATION DISTRICT***

**Clark County, Nevada**

**\$55,000,000  
GENERAL OBLIGATION  
WATER RECLAMATION BONDS,  
SERIES 2007  
DATED: NOVEMBER 13, 2007  
BASE CUSIP: 181070**

**\$115,825,000  
GENERAL OBLIGATION  
WATER RECLAMATION BONDS,  
SERIES 2008  
DATED: NOVEMBER 20, 2008  
BASE CUSIP: 181070**

**\$135,000,000  
GENERAL OBLIGATION  
WATER RECLAMATION BONDS  
SERIES 2009A  
DATED: APRIL 1, 2009  
BASE CUSIP: 181070**

**\$125,000,000  
GENERAL OBLIGATION  
WATER RECLAMATION BONDS  
SERIES 2009B  
DATED: APRIL 1, 2009  
BASE CUSIP: 181070**

**\$103,625,000  
GENERAL OBLIGATION  
WATER RECLAMATION  
REFUNDING BONDS  
SERIES 2015  
DATED: AUGUST 4, 2015  
BASIC CUSIP: 181070**

**\$269,465,000  
GENERAL OBLIGATION  
WATER RECLAMATION  
REFUNDING BONDS  
SERIES 2016  
DATED: AUGUST 30, 2016  
BASIC CUSIP: 181070**



**CONTINUING DISCLOSURE  
ANNUAL REPORT  
June 30, 2016**

**CONTINUING DISCLOSURE ANNUAL REPORT**  
**CLARK COUNTY WATER RECLAMATION DISTRICT**  
**Clark County, Nevada**

5857 East Flamingo Road  
Las Vegas, Nevada 89122  
(702) 434-6600  
[www.cleanwaterteam.com](http://www.cleanwaterteam.com)

**BOARD OF TRUSTEES**

A Board of Trustees, consisting of seven members, governs the Clark County Water Reclamation District. Each member also sits on the seven-member Clark County Commission. Current Trustees of the District Board are as follows:

Lawrence Brown, III, Chairman

Steve Sisolak, Vice Chairman  
Susan Brager  
Marilyn Kirkpatrick

Chris Giunchigliani  
Mary Beth Scow  
Lawrence Weekly

Other Elected Officials

Laura B. Fitzpatrick	Treasurer
Diana Alba	District Secretary

**DISTRICT ADMINISTRATION**

Thomas A. Minwegen	General Manager
Daniel Fischer	Deputy General Manager, Plant Operations and Laboratory
Shawn Mollus	Deputy General Manager, Engineering and Construction Services
Mark Binney	Assistant General Manager, Maintenance
Richard Donahue	Assistant General Manager, Collection System Services
Marty Flynn	Assistant to the General Manager, Customer Care

**BOND AND SPECIAL COUNSEL**

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

# **CONTINUING DISCLOSURE ANNUAL REPORT**

For the Fiscal Year Ended June 30, 2016

## **Table of Contents**

I.	INTRODUCTION .....	1
II.	COMPREHENSIVE ANNUAL FINANCIAL REPORT .....	1
III.	GENERAL FINANCIAL INFORMATION AND OPERATING DATA .....	2
	1. Historical Net Pledged Revenues .....	2
	2. History of Assessed Value .....	3
	3. Property Tax Levies, Collections and Delinquencies – Clark County, Nevada.....	4
	4. Clark County Ten Largest Taxpayers .....	5
	5. Average Daily Flows .....	6
	6. Schedule of Annual Sewer Service Charges .....	6
	7. Current System Development Approval Charges (per ERU) .....	7
	8. History of ERUs Served .....	8
	9. History of Customers Accounts and ERUs .....	9
	10. Ten Largest District Customers .....	9
	11. Summary of Revenues, Expenses and Changes in Net Position .....	9
	12. Outstanding Debt and Other Obligations .....	13
IV.	ADDITIONAL INFORMATION .....	13
	Appendix .....	A-1

## **CONTINUING DISCLOSURE ANNUAL REPORT**

For the Fiscal Year Ended June 30, 2016

### **I. INTRODUCTION**

Clark County Water Reclamation District (the “District”), originally named Clark County Sanitation District No. 1, was created in 1954 to provide wastewater treatment and reclamation services to all of the unincorporated areas of Clark County, Nevada, including the communities of Blue Diamond, Indian Springs, Laughlin, Searchlight, and Moapa Valley. The District owns and operates a system of sanitary sewer facilities that provide for the collection, treatment and reclamation of wastewater within its service area.

Clark County Water Reclamation District has previously executed and delivered the following bond issuances (collectively, the “Bonds”):

General Obligation Water Reclamation Bonds, Series 2007;  
General Obligation Water Reclamation Bonds, Series 2008;  
General Obligation Water Reclamation Bonds, Series 2009A;  
General Obligation Water Reclamation Bonds, Series 2009B; and  
General Obligation (Limited Tax) Water Reclamation Refunding Bonds (Additionally Secured By Pledged Revenues), Series 2015;  
General Obligation (Limited Tax) Water Reclamation Refunding Bonds (Additionally Secured By Pledged Revenues), Series 2016.

In connection with the issuance of each of the Bond Series, the District entered into continuing disclosure undertakings for the purpose of allowing the underwriter to comply with the provisions of Securities and Exchange Commission Rule 15c2-12(b)(5) (the “Rule”).

Pursuant to these undertakings, the District has agreed to update the following financial information annually:

1. Historical Net Pledged Revenues and Debt Service Coverage.
2. History of Assessed Value.
3. Property Tax Levies, Collections and Delinquencies – Clark County, Nevada.
4. Clark County Ten Largest Taxpayers.
5. Average Daily Flows (In Million Gallons).
6. Schedule of Annual Sewer Service Charges.
7. Current System Development Approval Fees (per ERU).
8. History of ERUs Served.
9. History of Customers Accounts and ERUs.
10. Ten Largest District Customers.
11. Summary of Revenues, Expenses and Changes in Net Position.
12. Outstanding General Obligation Debt.

### **II. COMPREHENSIVE ANNUAL FINANCIAL REPORT**

The District's Comprehensive Annual Financial Report ("CAFR") for the Fiscal Year Ended June 30, 2016 has previously been filed with the MSRB's Electronic Municipal Market Access website ("EMMA") and is hereby incorporated by reference into this Annual Report.

### III. GENERAL FINANCIAL INFORMATION AND OPERATING DATA

**1. Historical Net Pledged Revenues.** The following table sets forth a history of the Net Pledged Revenues, the actual debt service paid on the District's outstanding bonds, and the debt service coverage in the fiscal years shown, calculated by comparing the Net Pledged Revenues in each year to the actual debt service paid. *There is no assurance that the Net Pledged Revenues will continue to be realized in the amounts set forth below or that Net Pledged Revenues will continue to grow on a year-to-year basis.*

#### Historical Net Pledged Revenues

Fiscal Year Ended June 30 <sup>th</sup>	2012 (Restated) <sup>(6)</sup>	2013 (Restated)	2014 (Restated)	2015 (Actual)	2016 (Actual)
<b>REVENUES:</b>					
Sewer Service Charges <sup>(1)</sup>	\$133,786,521	\$143,955,260	\$140,493,039	\$143,135,077	\$143,965,566
System Development Approval Fees	10,549,916	18,972,735	31,461,511	24,013,884	19,481,062
Water Reuse Sales	2,274,004	2,195,074	2,357,845	1,121,695	938,717
Investment Earnings <sup>(2)</sup>	5,708,943	(1,232,445)	8,110,767	8,570,225	7,433,893
Other <sup>(3)</sup>	290,893	1,408,400	658,759	572,051	680,068
Total Revenues	\$152,610,277	\$165,299,024	\$183,081,921	\$177,412,932	\$172,499,306
<b>OPERATING EXPENSES<sup>(4)</sup></b>					
	\$60,847,355	\$62,938,368	\$73,027,858	\$73,918,523	\$75,526,179
Net Pledged Revenues	\$91,762,922	\$102,360,656	\$110,054,063	\$103,494,409	\$96,973,128
Actual Debt Service Paid <sup>(5)</sup>	\$30,330,601	\$30,783,413	\$33,151,597	\$34,176,315	\$33,916,450
Coverage	3.03 x	3.33 x	3.32 x	3.03 x	2.86 x

(1) Includes revenues collected from sewer service charges, pretreatment fees and septage fees.

(2) Includes both restricted and unrestricted investment earnings.

(3) Does not include "other non-operating revenue".

(4) Does not include depreciation and amortization expenses. Also does not include interest expense on bonds and "other non-operating expenses".

(5) Represents actual debt service paid in each fiscal year.

(6) See footnote No. 1 on page 11.

Source: Clark County Water Reclamation District.

**2. History of Assessed Value.** The District has never levied an ad valorem property tax; consequently, neither the State nor the County Assessor prepares an official assessed valuation for the District. The District’s boundaries encompass all of the unincorporated areas of the County (excluding the Cities and the property included in the Coyote Springs Water Resources General Improvement District (“CSGID”). Accordingly, the District has calculated its estimated assessed valuation by deducting the assessed valuation of the five incorporated cities and the estimated assessed value of the CSGID from the County’s total assessed valuation.

History of Assessed Value

Fiscal Year Ending June 30	Total Assessed Value of Clark County <sup>(1)</sup>	Total Assessed Value of Incorporated Cities <sup>(2)</sup>	Estimated Assessed Value of CSGID <sup>(3)</sup>	Calculated District Assessed Value <sup>(4)</sup>	Percent Change
2013	\$54,195,268,097	\$25,199,711,417	\$8,053,611	\$28,987,503,069	--
2014	55,220,637,749	25,902,490,516	7,952,691	29,310,194,542	1.11%
2015	62,904,942,089	29,376,418,803	8,043,723	33,520,479,563	14.36
2016	69,266,468,466	32,969,709,962	7,667,120	36,289,091,384	8.26
2017	74,586,653,697	35,642,303,689	7,967,914	38,936,382,094	7.30

- (1) Excludes the assessed values of the Boulder City Redevelopment Agency, the Clark County Redevelopment Agency, the Henderson Redevelopment Agency, the Las Vegas Redevelopment Agency, the Mesquite Redevelopment Agency and the North Las Vegas Redevelopment Agency in the following aggregate amounts: fiscal year 2012/13 - \$1,030,444,078; fiscal year 2013/14 - \$1,076,210,139; fiscal year 2014/15 - \$1,347,691,561; fiscal year 2015/16 - \$1,788,784,767; and fiscal year 2016/17 - \$2,035,576,833.
- (2) The five incorporated cities in Clark County are Boulder City, Henderson, Las Vegas, Mesquite and North Las Vegas.
- (3) The CSGID assessed value amounts have been calculated by the Clark County Assessor’s office; and do not include the value of any centrally assessed properties that might be calculated by the State of Nevada.
- (4) The assessed valuations have been calculated as described in the paragraph preceding this table.

Sources: Nevada Department of Taxation, *Local Government Finance: Property Tax Rates for Nevada Local Governments, Fiscal Years 2012-2013 – 2016-2017*; and Clark County Assessor’s Office.

**3. Property Tax Levies, Collections and Delinquencies – Clark County, Nevada.** A history of the County’s tax roll collection record is set forth in the following table. The District does not currently levy an ad valorem property tax. *Therefore, the figures in the following table represent property taxes that are not available to pay debt service on the Bonds.* The information is included only to provide information with respect to the historic collection rates for the County and may not be relied upon to predict what collection rates would be within the District should it levy an ad valorem property tax in the future.

Property Tax Levies, Collections and Delinquencies – Clark County, Nevada<sup>(1)</sup>

Fiscal Year Ending June 30	County Tax Levied for the Fiscal Year	Current Tax Collections	Percentage of Levy (Current) Collected	Delinquent Tax Collections	Total Tax Collections	Total Tax Collections as % of Current Levy <sup>(2)</sup>
2011/12	\$1,600,934,268	\$1,576,913,229	98.50%	\$23,597,684	\$1,600,510,913	99.97%
2012/13	1,460,527,034	1,446,101,302	99.01	13,882,074	1,459,983,376	99.96
2013/14	1,467,943,286	1,453,536,810	99.02	13,430,932	1,466,967,742	99.93
2014/15	1,515,879,919	1,506,098,697	99.35	7,194,671	1,513,293,368	99.83
2015/16	1,582,884,063	1,572,445,147	99.34	n/a <sup>(3)</sup>	1,572,445,147	99.34

(1) Subject to revision. Represents the real property tax roll levies and collections.

(2) Figured on collections to net levy (actual levy less stricken taxes).

(3) Collection anticipated in future fiscal years.

Source: Clark County, Nevada, Comprehensive Annual Financial Report, Year Ended June 30, 2016.

**4. Clark County Ten Largest Taxpayers.** The following table sets forth the ten largest property-owning taxpayers in Clark County based on fiscal year 2016-2017 assessed values. The assessed values in this table represent both the secured tax roll (real property) and the unsecured tax roll (personal property). No independent investigation has been made of, and consequently there can be no representation as to, the financial conditions of the taxpayers listed, or that any such taxpayer will continue to maintain its status as a major taxpayer based on the assessed valuation of its property in the County.

The largest taxpayers in the County are listed here because information regarding the largest taxpayers in the District is unavailable from the County Assessor. Due to differences in the boundaries between the County and the District, it is likely that the values listed for each taxpayer below include values of property that are not located in the District. *The following table serves only to set forth an approximate percentage of assessed value included in the District.*

Clark County Ten Largest Taxpayers  
(Fiscal Year 2016-17)

Taxpayer	Type of Business	Assessed Value	% of Total Assessed Value <sup>(1)</sup>
1. MGM Resorts International	Hotels/Casinos	\$3,586,896,698	9.21%
2. Nevada Power Company	Utility	1,982,725,527	5.09
3. Caesar's Entertainment Corporation <sup>(2)</sup>	Hotels/Casinos	1,859,895,091	4.78
4. Las Vegas Sands Corporation	Hotels/Casinos	972,201,925	2.50
5. Wynn Resorts Limited	Hotels/Casinos	926,778,374	2.38
6. Station Casinos Incorporated	Hotels/Casinos	705,871,212	1.81
7. Nevada Property 1 LLC	Hotels/Casinos	382,335,596	0.98
8. Eldorado Energy LLC	Solar Energy	380,134,297	0.98
9. Boyd Gaming Corporation	Hotels/Casinos	328,880,459	0.85
10. Howard Hughes Corporation	Developer	<u>327,790,058</u>	<u>0.84</u>
<b>TOTAL</b>		<b>\$11,453,509,237</b>	<b>29.42%</b>

(1) Based on the District's fiscal year 2016-17 estimated assessed value of \$38,936,382,094.

(2) Caesars Entertainment Corporation ("CEC") owns, directly or indirectly, numerous properties within the boundaries of the District, including but not limited to Caesars Palace Hotel and Casino, Bally's Hotel and Casino, the Forum Shops, the Cromwell Hotel, the Flamingo Hotel and Casino, Harrah's Hotel and Casino, Nobu Hotel, Paris Hotel and Casino, Planet Hollywood Hotel and Casino, The Linq Hotel and the Rio Hotel and Casino. The assessed value figure provided in this table represents the combined assessed value of all property owned directly or indirectly by CEC. On January 15, 2015, a bankruptcy petition (the "CEOC Petition") was filed in the U.S. Bankruptcy Court for the Northern District of Illinois by Caesars Entertainment Operating Company, Inc. ("CEOC"). The CEOC Petition states that on the same day, bankruptcy petitions were filed by approximately 172 other entities which are believed to be related to CEOC. The CEOC Petition states that CEC is the owner of 89.3% of CEOC; however, CEC is not one of the debtors named in the CEOC Petition and the other bankruptcy petitions. Properties located within the County that are currently listed as being included in the CEOC filing include Caesars Palace Las Vegas. It is also unclear at this time whether, or by how much, the filing of the CEOC Petition and the other bankruptcy petitions will impact the payment of property taxes by CEC or entities directly or indirectly related to it. On January 13, 2017, Caesar's filed Third Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code (the "Plan") (Docket No. 5325). By order entered on January 17, 2017, the Bankruptcy Court confirmed the Plan. The Plan has not yet become effective and remains subject to objections until its effective date.

Source: Clark County Assessor's Office website (report dated October 31, 2016); CEOC Petition (for footnote 2).



**5. Average Daily Flows.** The following table sets forth a five-year history of the average daily flows by month at the Flamingo Water Resource Center. The Flamingo facility is the District's main facility and is located in City of Las Vegas.

Average Daily Flows  
Flamingo Water Resource Center  
(Per Millions Gallons)

Fiscal Year	2011-12	2012-13	2013-2014	2014-2015	2015-2016
July	98.81	96.50	99.99	102.19	102.01
August	98.53	98.06	98.44	102.46	102.79
September	97.79	96.75	98.93	102.86	100.98
October	99.58	95.50	97.47	102.04	101.85
November	96.06	93.21	97.28	101.48	100.75
December	94.95	93.45	96.56	98.66	98.69
January	95.78	92.58	96.51	99.55	98.82
February	96.42	92.44	95.97	99.77	98.45
March	94.93	93.65	97.59	101.36	98.93
April	94.24	95.26	97.99	98.42	100.04
May	95.06	90.18	97.89	100.52	100.52
June	96.20	94.85	99.90	100.09	102.83
Annual Average	96.53	94.37	97.88	100.78	100.56

Source: Clark County Water Reclamation District, District Plant Operations Service Group.

**6. Schedule of Annual Sewer Service Charges.** Annual sewer service charges plus a \$16 annual account charge comprise the primary source of the District's operating revenues. Operating revenues fund all operational expenses including repair and maintenance, rehabilitation and replacement of the District's infrastructure and equipment, and associated debt service. The District collects revenue based on the "Equivalent Residential Unit" (ERU) system – defined as an annual 90,000 gallons allowance of domestic strength wastewater that a customer contributes to the District's total wastewater flow. The following table sets forth the District's current schedule of charges (per ERU) for sewer service.

Schedule of Annual Sewer Service Charges

Effective Date	Sewer Service Charge Per ERU <sup>(1)</sup>
07/01/12 – 06/30/13	\$230.30
07/01/13 – 06/30/14	221.09
07/01/14 – 06/30/15	221.09
07/01/15 – 06/30/16	221.09
07/01/16 – 06/30/17	221.09

(1) Equivalent Residential Units: 1 ERU = 90,000 Gallons.

Source: Clark County Water Reclamation District.

**7. Current System Development Approval Charges (per ERU).** System Development Approval (“SDA”) fees represent the primary source of non-operating revenue used to fund capital improvement expansion and associated equipment. SDA charges are one-time connection fees the District charges for each ERU that connects to the District’s facilities. SDA fees are due and payable in advance of connection to the District’s facilities and all connections must meet District standards. The following table sets forth the District’s SDA fee schedule currently in effect. In lieu of the SDA charges shown below, the District imposes a septic conversion fee of \$1,600 per ERU in each service area upon customers converting from private septic systems.

Current System Development Approval Fees (per ERU)<sup>(1)</sup>

Effective Date	Laughlin Service Area	All Other District Service Areas <sup>(2)</sup>
07/01/12 – 06/30/13	\$1,600	\$2,195
07/01/13 – 06/30/14	1,600	2,195
07/01/14 – 06/30/15	1,600	2,195
07/01/15 – 06/30/16	1,600	2,195
07/01/16 – 06/30/17	1,600	2,195

(1) Equivalent Residential Units: 1 ERU = 90,000 Gallons.

(2) Includes Las Vegas Valley, Blue Diamond, Indian Springs, Moapa Valley and Searchlight areas.

Source: Clark County Water Reclamation District.

**8. History of ERUs Served.** The following table sets forth a history of the number of ERUs served within the District, by user type, for the past five fiscal years.

History of ERUs Served<sup>(1)</sup>

User Type	2011/12	2012/13	2013/14 (Restated)	2014/15	2015/16
<b>Residential Services</b>					
Single Family	177,637	181,122	184,294	187,015	189,301
Multiple Resident	89,829	90,212	92,490	92,541	94,000
Mobile Homes	16,524	16,439	16,381	16,312	15,357
Recreational Vehicle Parks	1,091	1,091	1,091	1,091	1,114
Senior Apartment Housing <sup>(2)</sup>	1,580	1,711	-	-	-
Subtotal	286,661	290,575	294,256	296,959	299,772
<b>Commercial Services:</b>					
Hotels/Resorts/Casinos	199,898	200,571	203,516	204,287	199,402
Casinos	393	423	423	423	405
Restaurants and/or on-premise bars	11,704	11,679	12,148	12,377	12,232
Theme parks	3,635	3,660	3,599	2,575	4,354
Hospitals: medical/surgical	2,242	2,242	2,324	2,423	1,472
Convalescent and rest homes	1,232	1,340	1,361	1,451	1,472
Schools	16,760	16,809	16,958	17,050	15,285
Churches	1,849	1,865	1,969	1,991	1,980
Other Comm. Facility (per fixture)	120	-	-	-	-
Large Commercial:					
Car Wash	914	948	1,096	1,105	1,449
Laundry	512	1,225	1,259	1,408	1,295
Large Commercial	44	51	20	-	-
Miscellaneous <sup>(3)</sup> :					
Type A	6,804	6,969	7,483	7,667	7,501
Type B	39,099	39,521	40,136	40,830	40,593
Type C	30,582	30,965	31,402	31,758	31,192
Type D	5,862	5,896	6,099	6,254	6,203
Subtotal	321,650	324,164	329,793	331,599	324,835
<b>TOTAL BILLED<sup>(4)</sup></b>	<b>608,311</b>	<b>614,739</b>	<b>624,049</b>	<b>628,558</b>	<b>624,607</b>

- (1) Equivalent Residential Units: 1 ERU = 90,000 gallons. Number of ERUs billed on July 1 of the year shown are for collection in that fiscal year. For example, the ERUs billed on July 1, 2015, are collected in fiscal year 2015/16.
- (2) Senior Apartment Housing was added to the Multiple Resident line beginning July 1, 2014.
- (3) Type A includes businesses such as dry cleaners, bars and taverns that serve food, and motor vehicle sales establishments with automated wash facilities; Type B includes businesses such as bars and taverns without food, retail stores, and service stations; Type C includes businesses such as offices, laundromats, and office/warehouses; and Type D includes businesses such as beauty salons and medical/dental clinics.
- (4) Amounts may not total due to rounding.

Source: Clark County Water Reclamation District.

**9. History of Customers Accounts and ERUs.** The following table sets forth a five-year history of the number of customer accounts (classified according to commercial and residential accounts) and the associated number of Equivalent Residential Units (“ERUs”) used. In fiscal year 2016, commercial customers comprised approximately 3.8% of the District customer base, and contained approximately 52.0% of the total ERUs.

History of Customer Accounts and ERUs

Fiscal Year Ending June 30	Commercial ERUs Billed	Residential ERUs Billed	Total ERUs Billed	Commercial Accounts	Residential Accounts	Total Accounts
2012	321,650	286,661	608,311	9,046	229,692	238,738
2013	324,164	290,575	614,739	9,135	233,280	242,415
restated 2014	329,793	294,256	624,049	9,210	236,372	245,582
2015	331,599	296,959	628,558	9,424	238,662	248,086
2016	324,835	299,772	624,607	9,510	241,459	250,969

Source: Clark County Water Reclamation District.

**10. Ten Largest District Customers.** The following table sets forth the ten largest customers in the District based upon Equivalent Residential Units (“ERUs”) billed as of July 1, 2016, for collection in fiscal year 2017.

Ten Largest District Customers

Name	ERUs Billed July 1, 2016	Percent of Total ERUs <sup>(1)</sup>	Amount Billed July 1, 2016
MGP Lessor LLC (Mandalay Bay Resort & Casino)	10,092.910	1.62%	\$ 2,231,441
ARIA Resort & Casino Holdings LLC (City Center)	9,749.665	1.56	2,149,135
MGM Grand Hotel	8,189.490	1.31	1,810,014
Caesars Palace Hotel & Casino	7,830.340	1.25	1,688,520
Venetian Casino Resort LLC	7,515.420	1.20	1,654,205
Bellagio LLC	6,932.255	1.11	1,531,770
Nellis Air Force Base	5,580.072	0.89	1,252,613
Wynn Las Vegas Hotel/Casino	5,469.555	0.88	1,218,921
Cosmopolitan of Las Vegas	5,187.070	0.83	1,150,375
The Mirage Casino and Hotel	<u>5,000.605</u>	<u>0.80</u>	<u>1,103,597</u>
TOTAL	71,547.382	11.45%	\$15,790,591

(1) Based on the ERU total of 624,607 billed on July 1, 2016.

Source: Clark County Water Reclamation District.

**11. Summary of Revenues, Expenses and Changes in Net Position.** The following table sets forth a five-year history of the District’s revenues, expenditures and changes in net position. The information was derived from the District’s CAFRs for fiscal years 2012 through 2016.

Summary of Revenues, Expenses and Changes in Net Position

Fiscal Year Ended June 30	2012 (Restated)	2013 (Restated)	2014 (Restated)	2015 (Actual)	2016 (Actual)
<b>Operating Revenues:</b>					
Sewer service charges	\$135,870,662	\$143,275,939	\$139,716,364	\$142,374,180	\$143,142,433
Clean Water Coalition sewer service credit	(2,748,402)	--	--	--	--
Water reuse sales	2,274,004	2,195,074	2,357,845	1,121,695	938,717
Pretreatment fees	400,313	409,063	419,998	443,736	445,570
Septage fees	263,948	270,258	356,677	317,161	377,563
Other	<u>290,893</u>	<u>1,470,241</u>	<u>658,759</u>	<u>572,051</u>	<u>680,068</u>
Total Operating Revenues	<u>136,351,418</u>	<u>147,620,575</u>	<u>143,509,643</u>	<u>144,828,823</u>	<u>145,584,351</u>
<b>Operating Expenses:</b>					
Salaries	20,967,989	21,730,773	22,280,786	22,345,906	24,504,234
Benefits	7,722,124	7,952,525	8,596,198	8,261,396	8,372,845
Post-employment benefits other than pensions	2,859,575	2,613,469	2,613,469	2,486,393	2,256,041
Utilities	10,239,274	9,749,587	10,440,207	11,265,489	10,830,647
Outside services	4,690,745	5,218,462	6,585,336	7,053,570	7,597,305
Chemicals	5,443,455	5,738,662	6,115,822	5,186,742	4,870,869
Maintenance	4,812,371	5,375,121	5,893,990	5,383,928	4,750,373
Other expenses/bad debt	2,086,233	2,519,370	6,376,168	6,160,644	2,195,097
Supplies	2,025,589	2,040,399	1,380,948	2,777,022	4,158,204
Impairments and other losses	--	--	2,744,934	2,997,433	5,990,564
Depreciation	<u>71,292,101</u>	<u>74,793,101</u>	<u>75,643,760</u>	<u>79,492,040</u>	<u>87,587,851</u>
Total Operating Expenses	<u>132,139,456</u>	<u>137,731,469</u>	<u>148,671,618</u>	<u>153,410,563</u>	<u>163,114,030</u>
<b>Income (Loss) From Operations</b>	4,211,962	9,889,106	(5,161,975)	(8,581,740)	(17,529,679)
<b>Non-Operating Revenues (Expenses)</b>					
Unrestricted investment earnings	8,715,386	4,504,321	5,848,625	6,194,788	5,173,864
Net increase (decrease) in the fair value of unrestricted investment	(3,169,527)	(5,631,409)	2,086,425	2,216,807	1,929,776
Restricted investment earnings	163,084	(105,357)	175,717	158,630	330,253
SDA revenue	10,549,916	18,972,735	31,461,511	24,013,884	19,481,062
Sales tax apportionment	14,055,242	14,870,001	15,911,706	17,078,167	17,717,754
Interest expense – bonds, net of capitalized		(15,799,367)	(10,578,550)	(12,089,946)	(9,340,684)
Securities lending expense	(3,707)	(1,036)	--	--	--
Other non-operating revenue/expenses, net	<u>(3,519,218)</u>	<u>(13,478)</u>	<u>1,882,969</u>	<u>301,798</u>	<u>(1,247,980)</u>
Total Non-Operating Revenues (Expenses)	<u>26,791,176</u>	<u>16,796,410</u>	<u>46,788,403</u>	<u>37,874,128</u>	<u>34,044,045</u>
<b>Income Before Capital Contributions</b>	31,003,138	26,685,516	41,626,428	29,292,388	16,514,366
Capital Contributions	<u>10,074,435</u>	<u>11,961,060</u>	<u>28,130,054</u>	<u>36,528,528</u>	<u>51,375,748</u>
Change in Net Position	41,077,573	38,646,576	69,756,482	65,820,916	67,890,114
Net Position, Beginning of the Year As Previously Reported	1,527,702,243	1,565,200,009	1,573,208,727	1,645,710,143	1,648,051,664
Adjustments	<u>(3,579,807)<sup>(1)</sup></u>	<u>(30,637,858)<sup>(2)</sup></u>	<u>(60,734,461)<sup>(2)</sup></u>	<u>(63,479,395)<sup>(3)</sup></u>	--
Net Position, Beginning of Year, As Adjusted	<u>1,524,122,436</u>	<u>1,534,562,151</u>	<u>1,512,474,266</u>	<u>1,582,230,748</u>	--
Total Net Position – June 30	\$1,565,200,009	\$1,573,208,727	\$1,582,230,748	\$1,648,051,664	1,715,941,778

- (1) Prior Period Adjustment - In accordance with an Inter-local Cooperative Agreement in 2000 between the Southern Nevada Water Authority ("SNWA") and the wastewater agencies (City of Henderson, City of Las Vegas, and the District), SNWA began distributing 38% of the ¼ cent sales tax to the wastewater agencies. SNWA's original calculation omitted ERUs within the service area of the City of North Las Vegas which were treated by the City of Las Vegas. A reconciliation of the amounts distributed determined that the District received an overpayment of \$3,579,807.
- (2) Prior Period Adjustments and Restatements – Note P to the District's audited financial statements for the year ended June 30, 2014, states the following regarding prior period adjustments:

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. Debt issuance costs do not meet the definition of an asset or a deferred outflow of resources because the costs incurred do not result in service capacity that the government presently controls and are not applicable to a future period. GASB Statement No. 65 requires governmental agencies to expense bond costs in the year of occurrence. An adjustment to expense the District's bond issuance costs resulted in a net decrease of \$4,159,254 to beginning net position for fiscal year ended June 30, 2014.

GASB No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November, 1989 FASB and AICPA Pronouncements*, paragraph 14 states that the total amount of interest cost capitalized in an accounting period should not exceed the total amount of interest cost incurred by the government in that period. During fiscal years ended June 30, 2011 through June 30, 2013, the District over capitalized interest on construction work in progress. A review of the capital asset records in fiscal 2014 found adjustments in prior periods which resulted in overstatements of property and equipment, depreciation expense, and an understatement of interest expense. In total, the beginning net position for fiscal year ended June 30, 2014, decreased by \$40,648,868.

The effects of the two prior period adjustments on the 2013 financial statements are:

Statement of Net Position	As Previously Reported	Adjustment	Adjusted
Property, Plant and Equipment	\$2,045,064,370	\$(28,987,780)	\$2,016,076,590
Accumulated Depreciation	701,960,178	(1,943,184)	700,016,994
Construction in Progress	218,157,157	(13,604,272)	204,552,885
Other Non-Current Assets	4,246,518	(4,159,254)	87,264
Invested in Capital Assets, Net of Related Debt	1,071,444,843	(44,808,122)	1,026,636,721
Unrestricted Net Position	536,851,475	(871,594)	535,979,881

**Statements of Revenues, Expenses and Changes in Net Positions**

Depreciation	76,489,604	1,696,503	74,793,101
Interest Expense	--	(15,799,367)	(15,799,367)
Amortization of Bond Costs, Premiums and Discounts	(63,845)	(67,398)	(131,243)
Net Position, Beginning of Year	1,565,200,009	(30,637,858)	1,534,562,151
Net Position, End of Year	1,618,016,848	(44,808,121)	1,573,208,727

Source: District's CAFR for the Fiscal Year Ended June 30, 2014.

- (3) Prior Period Adjustments and Restatements – Note P to the District's audited financial statements for the years ended June 30, 2015, states the following regarding prior period adjustments:

The District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)*, in the fiscal year ended June 30, 2015. The implementation of the statement required the District to record beginning net pension liability and the effects on net position of contributions made by the District during the measurement period (fiscal year ended June 30, 2014). As a result, net position decreased by approximately \$47 million.

GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, paragraph 5 states that asset impairment is a significant, unexpected decline in the service utility of a capital asset. During the fiscal years ended June 30, 2012 through June 30, 2014, the District has capital assets that met this definition. A review of the capital assets records in fiscal year ended June 2015 determined that these assets were not categorized as impaired which resulted in an overstatement of construction in progress and an understatement in net investment in capital assets.

The effects of the two prior period adjustments on the 2014 financial statements are:

<b>Statement of Net Position</b>	<b>As Previously Reported</b>	<b>Adjustment</b>	<b>As Adjusted</b>
Construction in Progress	\$ 219,014,312	\$ (16,793,433)	\$ 202,220,879
Contributions to Pension Plans	-	6,039,644	6,039,644
Net Pension Liability	-	52,725,605	52,725,605
Net Investments in Capital Assets	1,074,334,531	(16,793,434)	1,057,541,097
Unrestricted Net Position	559,394,470	(46,685,961)	512,708,509

**Statements of Revenues, Expenses and  
Changes in Net Positions**

Impairments and Other Losses	\$ -	\$ 2,744,933	\$ 2,744,933
Net Position, Beginning of Year	1,573,208,727	(60,734,461)	1,512,474,266
Net Position, End of Year	1,645,710,143	(63,479,395)	1,582,230,748

Source: District CAFR for the Fiscal Year Ended June 30, 2015.

**12. Outstanding Debt and Other Obligations.** The following table sets forth the District's outstanding obligations as of June 30, 2016.

Outstanding Debt and Other Obligations

General Obligation (Revenue Supported Bonds) <sup>(2)</sup>	Issue Date	Original Amount	Amount Outstanding <sup>(1)</sup>
<b>Parity Obligations</b>			
Water Reclamation Bonds, Series 2007	11/13/2007	\$ 55,000,000	\$ 51,065,000
Water Reclamation Bonds, Series 2008	11/20/2008	115,825,000	8,610,000
Water Reclamation Bonds, Series 2009A	04/01/2009	135,000,000	127,955,000
Water Reclamation Bonds, Series 2009B	04/01/2009	125,000,000	117,725,000
Water Reclamation Refunding Bonds, Series 2015	08/04/2015	103,625,000	<u>103,625,000</u>
Total Parity Lien Obligations			\$408,980,000
<b>Subordinate Obligations<sup>(3)</sup></b>			
Water Reclamation Bond, Series 2009C (State Revolving Fund Loan)	10/16/2009	5,744,780	\$ 4,192,137
Water Reclamation Bond, Series 2011A (State Revolving Fund Loan)	03/25/2011	40,000,000	35,548,134
Water Reclamation Bond, Series 2012A (State Revolving Fund Loan)	07/13/2012	30,000,000	<u>29,404,489</u>
Total Subordinate Lien Obligations			\$ 69,144,760
Total General Obligation (Revenue Supported) Bonds			<u>\$478,124,760</u>

(1) As of June 30, 2016.

(2) General obligation bonds additionally secured by pledged revenues. If such revenues are not sufficient, the District may levy an ad valorem tax to pay the difference between such revenues and debt service requirements on the respective bonds. The ad valorem tax rate available to pay these bonds is limited to the statutory and constitutional limits.

(3) Secured by a lien on the Net Pledged Revenues that is subordinate to the lien thereon of the bonds listed as Parity Obligations.

Source: Clark County Water Reclamation District.

#### **IV. ADDITIONAL INFORMATION**

1. Additional information may be obtained from the District at the following address:

Clark County Water Reclamation District  
Attention: Utility Finance Manager  
5857 E. Flamingo Road  
Las Vegas, Nevada 89122  
Telephone: (702) 668-8101



# APPENDIX

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## CUSIP Numbers

\$55,000,000  
Clark County Water Reclamation District, Nevada  
General Obligation (Limited Tax)  
Water Reclamation Bonds  
(Additionally Secured by Pledged Revenues)  
Series 2007

Maturing July 1	CUSIP	Principal Amount	Interest Rate
2012	181070AK9	\$ 100,000	4.000%
2013	181070AL7	1,225,000	4.000
2014	181070AM5	1,280,000	4.000
2015	181070AN3	1,330,000	4.000
2016	181070AP8	1,385,000	4.000
2017	181070AQ6	1,440,000	4.000
2018	181070AR4	1,505,000	4.000
2019	181070AS2	1,570,000	4.000
2020	181070AT0	1,640,000	4.125
2021	181070AU7	1,710,000	4.250
2022	181070AV5	1,790,000	4.300
2023	181070AW3	1,875,000	4.350
2024	181070AX1	1,960,000	4.400
2025	181070AY9	2,050,000	4.450
2026	181070AZ6	2,145,000	4.450
2027	181070BA0	2,245,000	4.500
2028	181070BB8	2,350,000	4.500
2029	181070BC6	2,470,000	4.500
2030	181070BD4	2,600,000	4.500
2031	181070BE2	2,730,000	4.500
2032	181070BF9	2,870,000	4.500
2034	181070BG7	6,195,000	4.500
2037	181070BH5	<u>10,535,000</u>	4.750
		<b>\$55,000,000</b>	

\$115,825,000  
Clark County Water Reclamation District, Nevada  
General Obligation (Limited Tax)  
Water Reclamation Bonds  
(Additionally Secured by Pledged Revenues)  
Series 2008

Maturing July 1	CUSIP	Principal Amount	Interest Rate
2013	181070BL6	\$ 2,425,000	4.000%
2014	181070BM4	2,525,000	4.250
2015	181070BN2	2,630,000	4.500
2016	181070BP7	2,740,000	5.000
2017	181070BQ5	2,865,000	5.500
2018	181070BR3	3,005,000	5.500
2019	181070BS1	3,150,000	5.250
2020	181070BT9	3,305,000	5.250
2021	181070BU6	3,480,000	5.250
2022	181070BV4	3,660,000	5.250
2023	181070BW2	3,860,000	5.250
2024	181070BX0	4,065,000	5.300
2025	181070BY8	4,285,000	5.300
2026	181070BZ5	4,515,000	5.375
2027	181070CA9	4,760,000	5.375
2028	181070CB7	5,015,000	5.500
2032	181070CC5	23,030,000	5.625
2038	181070CD3	<u>36,510,000</u>	6.000
		<b>\$115,825,000</b>	

\$135,000,000

Clark County Water Reclamation District, Nevada  
General Obligation (Limited Tax)  
Water Reclamation Bonds  
(Additionally Secured by Pledged Revenues)  
Series 2009A

Maturing July 1	CUSIP	Principal Amount	Interest Rate
2013	181070CE1	\$ 2,250,000	4.00%
2014	181070CF8	2,340,000	4.00
2015	181070CG6	2,455,000	5.00
2016	181070CH4	2,600,000	5.00
2017	181070CJ0	2,760,000	5.00
2018	181070CK7	2,915,000	4.44
2019	181070CL5	3,085,000	4.66
2020	181070CM3	3,255,000	4.90
2021	181070CN1	3,435,000	5.06
2022	181070CP6	3,620,000	5.20
2029	181070CQ4	31,445,000	5.25
2034	181070CR2	33,350,000	5.25
2038	181070CS0	<u>41,490,000</u>	5.25
		<b>\$135,000,000</b>	

\$125,000,000

Clark County Water Reclamation District, Nevada  
General Obligation (Limited Tax)  
Water Reclamation Bonds  
(Additionally Secured by Pledged Revenues)  
Series 2009B

Maturing July 1	CUSIP	Principal Amount	Interest Rate
2013	181070CT8	\$ 2,325,000	4.00%
2014	181070CU5	2,420,000	4.00
2015	181070CV3	2,530,000	5.00
2016	181070CW1	2,660,000	5.00
2017	181070CX9	2,795,000	5.00
2018	181070CY7	2,940,000	4.44
2019	181070CZ4	3,090,000	4.66
2020	181070DA8	3,255,000	4.90
2021	181070DB6	3,430,000	5.06
2022	181070DC4	3,615,000	5.20
2029	181070DD2	31,670,000	5.50
2034	181070DE0	31,585,000	5.75
2038	181070DF7	<u>32,685,000</u>	5.75
		<b>\$125,000,000</b>	

\$103,625,000

Clark County Water Reclamation District, Nevada  
General Obligation (Limited Tax)  
Water Reclamation Refunding Bonds  
(Additionally Secured by Pledged Revenues)  
Series 2015

Maturing July 1	CUSIP	Principal Amount	Interest Rate
2019	181070DH3	\$ 3,530,000	5.000%
2020	181070DJ9	3,695,000	5.000
2021	181070DK6	3,880,000	5.000
2022	181070DL4	4,075,000	5.000
2023	181070DM2	4,285,000	5.000
2024	181070DN0	4,500,000	5.000
2025	181070DP5	4,730,000	5.000
2026	181070DQ3	4,970,000	5.000
2027	181070DR1	5,220,000	5.000
2028	181070DS9	5,480,000	3.250
2029	181070DT7	5,660,000	3.375
2030	181070DU4	5,855,000	3.500
2031	181070DV2	6,065,000	5.000
2032	181070DW0	6,365,000	5.000
2033	181070DX8	5,370,000	4.000
2034	181070DY6	5,570,000	4.000
2035	181070DZ3	5,770,000	4.000
2036	181070EA7	5,980,000	4.000
2037	181070EB5	6,200,000	4.000
2038	181070EC3	<u>6,425,000</u>	4.000
		<b>\$103,625,000</b>	

\$269,465,000

Clark County Water Reclamation District, Nevada  
General Obligation (Limited Tax)  
Water Reclamation Refunding Bonds  
(Additionally Secured by Pledged Revenues)  
Series 2016

Maturing July 1	CUSIP	Principal Amount	Interest Rate
2018	181070ED1	\$ 1,995,000	5.00%
2019	181070EE9	2,095,000	5.00
2020	181070EF6	8,715,000	5.00
2021	181070EG4	9,170,000	5.00
2022	181070EH2	9,645,000	5.00
2023	181070EJ8	10,145,000	5.00
2024	181070EK5	10,665,000	5.00
2025	181070EL3	11,210,000	5.00
2026	181070EM1	11,790,000	5.00
2027	181070EN9	12,405,000	5.00
2028	181070EP4	13,050,000	3.00
2029	181070EQ2	13,475,000	3.00
2030	181070ER0	13,905,000	3.00
2031	181070ES8	14,350,000	3.00
2032	181070ET6	14,810,000	4.00
2033	181070EU3	16,760,000	4.00
2034	181070EV1	17,480,000	4.00
2035	181070EW9	18,235,000	4.00
2036	181070EX7	19,035,000	3.00
2037	181070EY5	19,655,000	3.00
2038	181070EZ2	<u>20,875,000</u>	3.00
		<b>\$269,465,000</b>	