

CLARK COUNTY, NEVADA

COUNTY OFFICIALS

COUNTY COMMISSIONERS

Marilyn Kirkpatrick	Chair
Lawrence Weekly	Vice-Chair
Larry Brown	
James Gibson	
Justin Jones	
Michael Naft	
Tick Segerblom	

OTHER ELECTED OFFICIALS

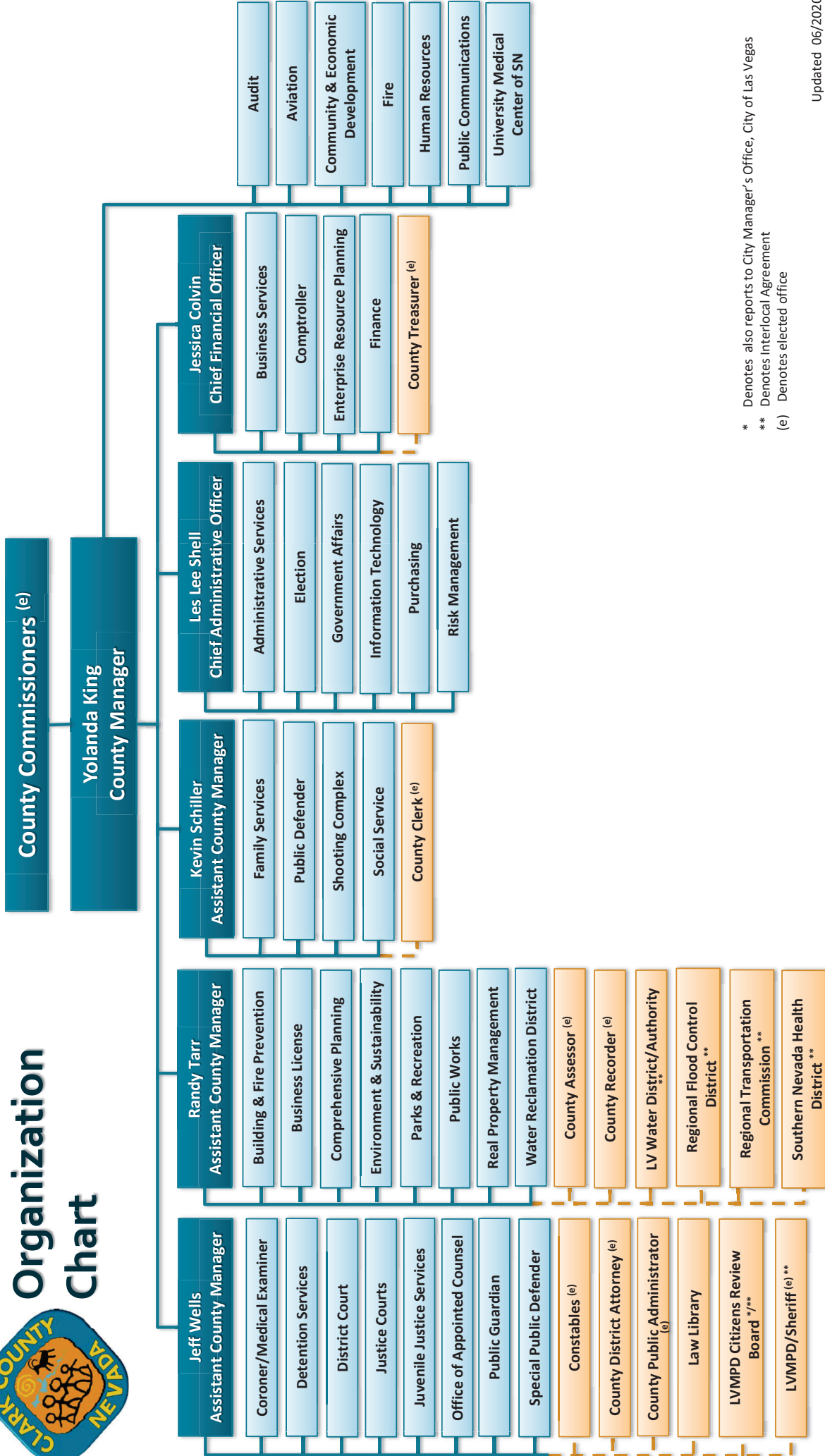
Steven B. Wolfson	District Attorney
Laura B. Fitzpatrick	Treasurer
Joseph Lombardo	Sheriff
Lynn Goya	Clerk
Briana Johnson	Assessor
Robert Telles	Public Administrator
Debbie Conway	Recorder

APPOINTED ADMINISTRATIVE OFFICIAL

Yolanda T. King	County Manager
-----------------	----------------



# Organization Chart



\* Denotes also reports to City Manager's Office, City of Las Vegas  
 \*\* Denotes Interlocal Agreement  
 (e) Denotes elected office

# Office of the County Comptroller

500 South Grand Central Parkway 1<sup>st</sup> Floor • Box 551210 • Las Vegas NV 89155-1210  
(702) 455-3895 • Fax (702) 455-5794

Anna Danchik, Comptroller

January 25, 2021

To the Honorable Board of County Commissioners and the Citizens of Clark County, Nevada:

The comprehensive annual financial report of Clark County, Nevada (the "County") for the fiscal year ended June 30, 2020, is hereby submitted. Nevada Revised Statute (NRS) 354.624 requires the County to issue a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentations, including all disclosures, rests with County management. To the best of our knowledge, the information in this report is accurate in all material respects and presents fairly the financial position of the various funds and component units of the County, including all disclosures necessary to understand the County's financial activities. In developing and evaluating the County's accounting system, consideration is given to the adequacy of the internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

As a recipient of federal, state and local financial assistance, the County is also responsible for ensuring that adequate internal controls are in place to ensure and document compliance with applicable laws and regulations related to these programs. These internal controls are subject to periodic evaluation by management and the internal audit staff of the County. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance for the proper recording of financial transactions.

The County's financial statements have been audited by Crowe LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County as of and for the fiscal year ended June 30, 2020, are free of material misstatement. The independent audit involved obtaining audit evidence about the amounts and disclosures in the financial statements; evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2020, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County is part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements involving the administration of federal awards. These reports will be available in the County's separately issued Single Audit report prior to March 31, 2021.

As required by GAAP, management provides a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The basic financial statements and related notes and the letter of transmittal are designed to complement the MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

## BOARD OF COUNTY COMMISSIONERS

MARILYN KIRKPATRICK, Chair • JAMES B. GIBSON, Vice Chair  
JUSTIN C. JONES • WILLIAM MCCURDY II • ROSS MILLER • MICHAEL NAFT • TICK SEGERBLOM  
YOLANDA T. KING, County Manager

The County is a political subdivision of the State of Nevada (the "State"), established in 1909 and operated under the provisions of the general laws of the State. The County seat of government is the City of Las Vegas. The County is comprised of 8,012 square miles of land area and includes five incorporated cities: Las Vegas, Henderson, North Las Vegas, Boulder City and Mesquite; 14 unincorporated towns; one school district; four library districts; one urban and two rural fire districts; one water reclamation district; and eleven judicial townships. All special districts in unincorporated areas of the County are created by the Board of Clark County Commissioners (the "Board").

The County is governed by the Board, a seven-member Commission, elected from geographic districts on a partisan basis for staggered four-year terms. Commissioners elect a chair who serves as the Commission's presiding officer. The Board in turn appoints a county manager, who is responsible for administrative operations.

The financial statements cover a wide range of regional services that are provided by the County. These include services such as those of the County Airport, Hospital, Assessor, Treasurer, Recorder, Clerk, Family Services, Social Service, as well as a criminal justice system including Courts, District Attorney, Public Defender, and Juvenile Justice Services. As a large portion of the County's population resides in its unincorporated areas, the County provides a full range of local services such as fire and police protection, road maintenance and construction, animal control, parks and recreation, building inspection, and sewage systems.

This report includes all funds of the County that are under the control or supervision of the Board, acting directly or in an ex-officio capacity. The governing body of the County acts in an ex-officio capacity and Clark County management has operational responsibility for the University Medical Center ("UMC") and the Clark County Water Reclamation District ("Reclamation District"); therefore, these activities are included in the reporting entity. However, the Las Vegas-Clark County Library District, Henderson District Public Libraries, Boulder City Library District, Southern Nevada Health District, and the Las Vegas Convention and Visitors Authority have not met the established criteria for inclusion in the reporting entity, and accordingly, are excluded from this report.

The governing body of the County also acts in an ex-officio capacity for the Las Vegas Valley Water District ("Water District"), Big Bend Water District, and Kyle Canyon Water District; however, because Clark County management does not have operational responsibility for these entities, they are reported separately within the County's financial statements.

The County is financially accountable for the Regional Transportation Commission of Southern Nevada ("RTC"), the Clark County Regional Flood Control District ("Flood Control District"), and the Clark County Stadium Authority ("CCSA"). The RTC, Flood Control District, and CCSA are reported separately within the County's financial statements.

Additional information on the Water District, UMC, Reclamation District, RTC, Flood Control District, and CCSA can be found in the notes to the financial statements (see Note 1).

The budget serves as the foundation for the County's financial planning and control systems. The Board holds public hearings on the proposed budget prior to adopting the final budget and setting the tax rates for the fiscal year. The Board is required to adopt a final budget by June 1 of each year.

## ECONOMIC CONDITION AND OUTLOOK

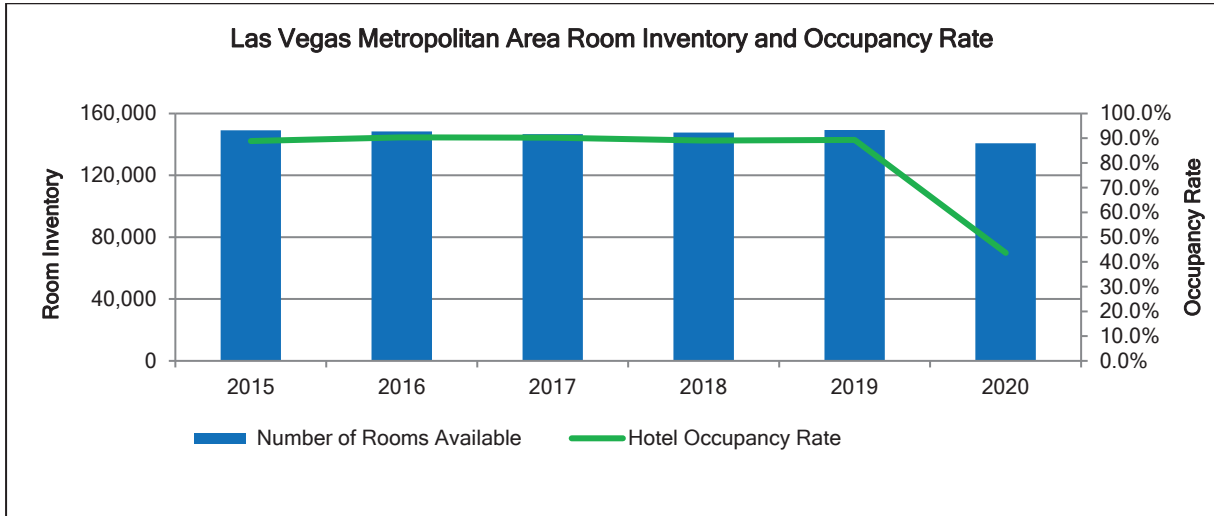
The County, with a population of just over 2.3 million as of June 30, 2020, is the most populous of Nevada's 17 counties. The warm climate and friendly tax structure helped fuel growth in the Las Vegas Valley for over two decades. In keeping up with this growth, the County has undergone tremendous change.

The County is a community that historically has been reliant on the resort and gaming industry. Up until the Great Depression, the County's economy relied solely on railroading, mining and ranching. In 1931, to counter the effects of the Depression, the Nevada State Legislature passed legislation to legalize gambling. While the resort and gaming industry remains the mainstay of the County's economy, industrial centers, retirement communities, the federal government, distribution centers and light manufacturing provide diversification to the service concentration of the economy. These efforts to diversify the local economy have resulted in the development of retail and wholesale trade, construction, transportation, health services, finance, insurance and real estate employment, and in providing attractive opportunities for high technology companies.

The County is one of the top resort and convention destinations in the world. The County is home to the world-famous Las Vegas Strip, site of 17 of the nation's 20 largest hotels. The centerpiece of convention and meeting activity is the Las Vegas Convention Center, one of the most modern and versatile meeting facilities in the country. The Convention Center boasts over two million total square feet of exhibit space and 145 meeting rooms to accommodate seating capacity from 20 to 2,500, all within a short distance of more than 100,000 guest rooms.

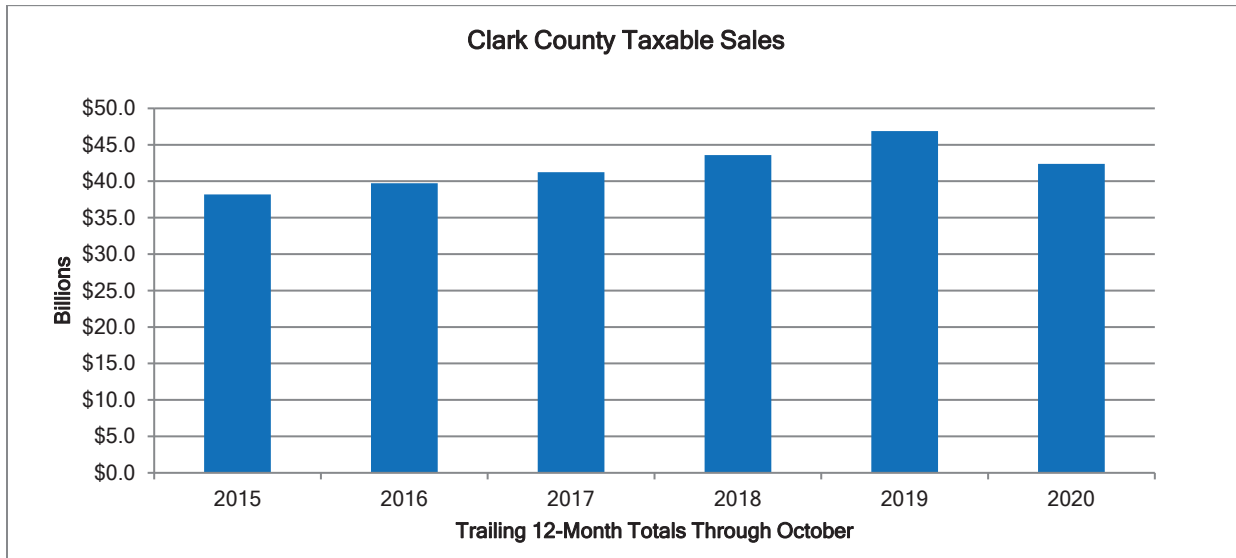
Tourism is the largest industry and economic driver in Southern Nevada. In March 2020, in response to the COVID-19 pandemic, Las Vegas resort properties closed and conventions in the Convention Center ceased. The resort properties began to reopen in June 2020, however, visitation to Southern Nevada has been well below prior levels. For the first ten months of calendar year 2020, visitor volume decreased 54.2% compared to the same period in 2019.

For the first ten months of calendar year 2020, the average hotel occupancy rate was 43.7 percent, down from 89.3 percent in 2019 and down from 89 percent in 2018. Average room rates decreased by 22.8 percent from October 2020 to October 2019.

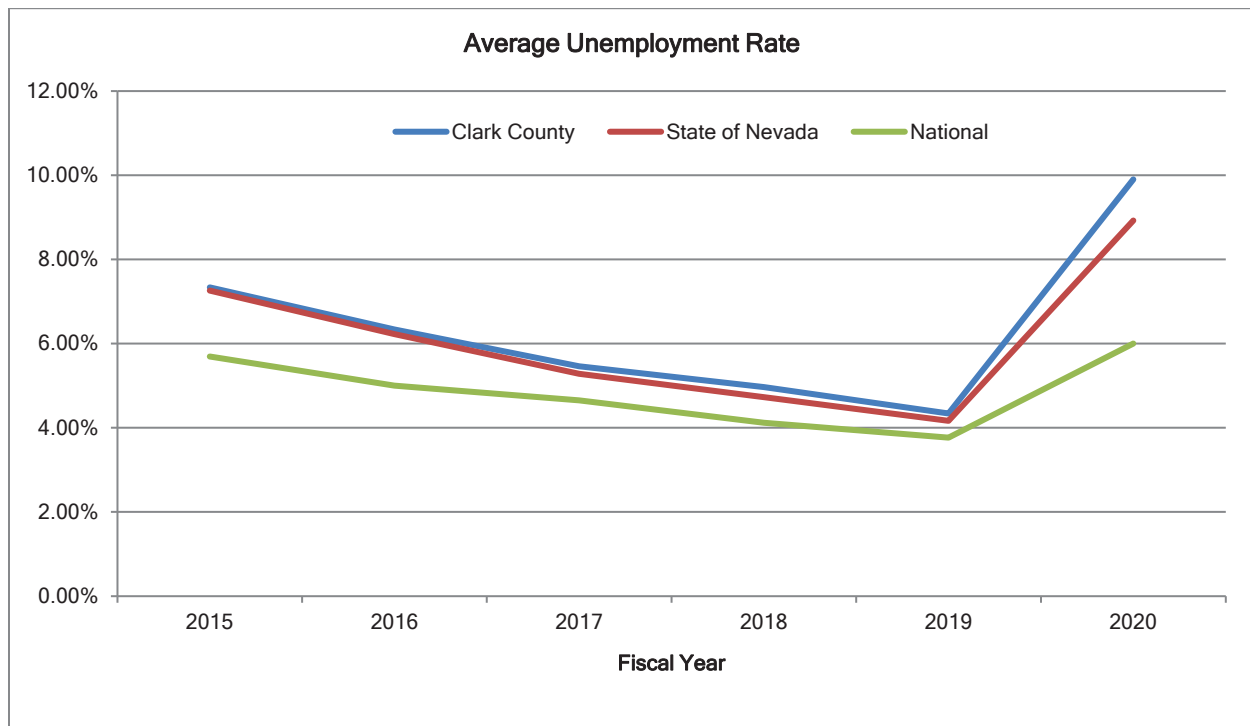


Las Vegas properties continue to invest in renovations as well as additional amenities to attract visitation to the area. Resorts World Las Vegas is an anticipated 3,000 room resort projected to be completed in 2021 and will be the first Strip megaresort to be built in Las Vegas in the last ten years. Currently underway is the construction of the MSG Sphere, an 17,500-seat performance venue near Venetian, is expected to open in 2023.

Prior to the COVID-19 pandemic, Clark County had been in an extended period of growth. After reporting record taxable sales in calendar year 2019, taxable retail sales for calendar year 2020 were down 13.3 percent through October 2020.



The local unemployment rate increased from an average of 4.3 percent in fiscal year 2019, to 9.9 percent in fiscal year 2020, due to layoffs and furloughs resulting from the COVID-19 pandemic.



Because the Southern Nevada economy is heavily dependent on tourism, future recovery is highly dependent on the growth of U.S. and global economies.

#### DEBT ADMINISTRATION

A formal Clark County Debt Management Policy (the “Policy”) has been adopted annually by the Board. The purpose of the Policy is to manage the issuance of the County’s debt obligations and to maintain the County’s ability to incur debt and other long-term obligations at favorable interest rates for capital improvements, facilities, and equipment needed for essential services. The Policy is updated annually and submitted to the County Clerk, the Clerk of the Debt Management Commission, and the State Department of Taxation. The County Manager and the Chief Financial Officer are responsible for the administration of the Policy, and the Board is ultimately responsible for approval of the form of any County borrowing. 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, the two principal rating agencies for municipal debt, have given the County highly favorable general obligation bond ratings of “Aa1” and “AA+,” respectively. The County’s conservative financial management practices and tax base have contributed to these ratings.

#### CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (the “GFOA”) awarded a Certificate of Achievement for Excellence in Financial Reporting to Clark County, Nevada for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. The Certificate of Achievement is a prestigious award recognizing conformance with the highest standards for preparation of a state and local government financial report.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. The report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

Clark County, Nevada has received a Certificate of Achievement for the last 38 consecutive years (fiscal years ended 1981-2019). We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting the document to the GFOA for consideration.

ACKNOWLEDGMENTS

We thank the staff of the Comptroller's Office and the independent certified public accounting firm of Crowe LLP. We commend the Board of County Commissioners and the staff of the County Manager's Office for conducting the affairs of the County in a competent and professional manner.

Respectfully submitted,



---

JESSICA L. COLVIN  
Chief Financial Officer



---

ANNA DANCHIK  
Comptroller



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**County of Clark  
Nevada**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO