

CLARK COUNTY SCHOOL DISTRICT, NEVADA

**\$473,045,000
General Obligation (Limited Tax)
Refunding Bonds
Series 2007A**

CUSIPs: 181059KQ8, 181059KR6, 181059JZ0, 181059KA3, 181059KB1,
181059KC9, 181059KD7, 181059KE5, 181059KF2, 181059KG0

NOTICE OF IRS EXAMINATION

The Clark County School District, Nevada (the “District”) has received a letter from the Internal Revenue Service (the “IRS”) dated September 22, 2015, a copy of which is attached. The letter indicates that the IRS has selected the above-referred issue (the “Bonds”) for examination. The IRS routinely examines municipal debt issuances to determine compliance with Federal tax requirements. The letter asks for copies of specified documents and responses to specific questions, and provides that other items may be requested at a later date. The District intends to cooperate with the IRS in this examination.

Dated October 6, 2015

Jim McIntosh
Chief Financial Officer
Clark County School District
5100 West Sahara Avenue
Las Vegas, Nevada 89146



TE/GE

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

James McIntosh, CFO
Clark County School District
5100 West Sahara Avenue
Las Vegas, NV 89146

Date:

September 22, 2015

Contact Person:

Randy Torres

Employee ID Number:

1000536324

Contact Telephone Number:

(480) 503-7323

Fax:

(855) 243-0741 or (480) 503-7320

Contact Address:

Internal Revenue Service

TE/GE:TEB:7222:RT

1818 E. Southern Ave., Suite 15A

Mesa, AZ 85204

Email Address:

Randy.G.Torres@irs.gov

Re: Examination of \$497,757,136.45 General Obligation Refunding Bonds, Series 2007A

Dear Mr. McIntosh:

We have selected the debt issuance named above for examination. The Internal Revenue Service (IRS) routinely examines municipal debt issuances to determine compliance with Federal tax requirements.

Your debt issuance was selected for examination as part of a project/initiative involving the advance refunding market segment. The primary purpose of this examination will be to ascertain the compliance of your debt issuance with the Federal tax requirements applicable to advance refundings. At this time, we have no reason to believe that your debt issuance fails to comply with any of the applicable tax requirements. As always, we reserve the right to expand this examination to any aspect of your debt issuance.

Please review the enclosed Form 4564, Information Document Request, and mail all requested documents to the address noted above by the date indicated on the Form 4564. Other items may be requested as the examination proceeds. If necessary, we will request information by submitting additional information document requests.

If you desire to appoint a representative to act on your behalf, a power of attorney must be filed with the IRS in order for the IRS to discuss or provide your representative with confidential information. A Form 2848, Power of Attorney and Declaration of Representative, or any other properly written power of attorney or authorization may be used for this purpose. Copies of Form 2848 may be obtained from any IRS office or

Form 4564	Department of the Treasury Internal Revenue Service Information Document Request	Request Number 01
To: (Name of Taxpayer and Company, Division or Branch) Clark County School District	Subject: Examination of the tax- advantaged status of the Bonds described below	
	Submitted to: James McIntosh, CFO	
	Dates of Previous Requests: none	

Description of Documents Requested:

**Re: \$497,757,136.45 General Obligation Refunding Bonds, Series 2007A (the
"Bonds")**

Please provide the following requested information by the date indicated below. If you have questions about the information requested or you will not be able to provide the information by the date specified, please contact the requestor identified below. Providing as many of the documents as possible on a CD, DVD, or other electronic media will facilitate the examination process.

General

- (1) Please provide a description of the current status of the Bonds (i.e., outstanding, retired, refunded, defeased, etc.).
- (2) If any of the Bonds have been partially or totally refunded, please identify the CUSIP numbers for the refundings, and provide copies of the Official Statements if not available on the MSRB-EMMA website and any verification report created if the refunding transaction was an advance refunding.
- (3) Please provide a schedule of the total interest expense paid on the Bonds from the issue date to the most recent interest payment date.
- (4) Please provide a complete copy of the Bond transcript including all trust indentures and escrow agreements, as well as any amendments to the documents contained therein.
- (5) To the extent not otherwise included in the Bond transcript, please provide copies of the following:

Information Due By	<u>October 15, 2015</u>	At Next Appointment	<input type="checkbox"/>	Mail In	<input checked="" type="checkbox"/>
FROM	Name and Title of Requestor Randy Torres, Internal Revenue Agent Employee Number 1000536324			Date: September 221, 2015	
	Office Location: TEB: Mail Stop 4900MES 1818 East Southern Ave., Suite 15A Mesa AZ 85204			Phone: Voice 480.503.7323 FAX 480.503.7320 Email: Rand.G.Torres@irs.gov	

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Description of Documents Requested:

- Any contracts for financial derivatives the Issuer may have entered into in connection with the Bonds and/or the bond issues refunded by the Bonds (the "Refunded Bonds"). If the proceeds of the Bonds or Refunded Bonds were loaned to another entity, or another entity is responsible for debt service on the Bonds, include any contracts for financial derivatives such other entity may have entered into in connection with the Bonds or the Refunded Bonds.
- Copies of all bids requested and received in connection with the hedges identified above.
- A schedule indicating the actual use of proceeds from the Bonds and the Refunded Bonds.
- A schedule of the costs of issuance for the Bonds, including identification of the payee, the amount paid, the date paid, the purpose of the expenditure, and the source of payment.
- A schedule showing the computation of debt service savings on the Refunded Bonds, including the first call date on which present value debt service savings were realized. If there were no savings, explain the governmental purpose for the advance refunding.
- A computation of the yield on the Bonds (fixed rate only).
- A copy of any contract for a qualified guarantee.
- A copy of the Bond distribution list that identifies the transaction participants.
- A copy of the notice of redemption for the Refunded Bonds.

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Focused Advance Refunding Bond Information

- (6) Please provide copies of any and all investment agreements entered into with respect to the gross proceeds of the Bonds, including transferred proceeds and replacement proceeds. Please provide a copy of all bids requested and received in connection with any investment agreements. If the proceeds of the Bonds were loaned to another entity, or another entity is responsible for debt service on the Bonds, provide a copy of all bids requested and received in connection with any investment contracts such other entity may have entered into in connection with the gross proceeds of the Bonds.
- (7) Please provide copies of all trust statements for all refunding escrow accounts established under the trust indenture or otherwise allocated to the Bonds. Include all statements from the issue date of the Bonds to the most current statement.
- (8) Please provide copies of all documents related to the purchase of the refunding escrow securities, including any subsequent refunding escrow restructuring. Such documents include:
- If U.S. Treasury Securities – State and Local Government Series (“SLGS”) were purchased, including zero interest securities, provide copies of the final SLGS subscription forms with proof of date subscribed, principal amounts, interest rates, maturity dates, issuance dates, first interest payment dates, appropriate signatures, and Federal Reserve Bank received stamps.
 - If alternative investments were purchased pursuant to Revenue Procedure 95-47 (1995-2 C.B. 417) due to a closure of the SLGS window, please provide copies of all bid materials, copies of dealer trade confirmations showing the date purchased, principal amounts, accrued interest, first interest payment dates, maturity dates, interest rates, and prices paid.

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- If Open Market Securities were purchased, please provide copies of all bid materials, copies of dealer trade confirmations showing the date purchased, principal amounts, accrued interest, first interest payment dates, interest rates, and prices paid, as well as documentation, as applicable, supporting the requirement the winning bid is not greater than the cost of the most efficient portfolio comprised exclusively of U.S. Treasury Securities – State and Local Government Series (“SLGS”).
 - If a forward/float agreement or other investment agreement was purchased, please provide copies of all bid materials and an explanation as to how the fair market value of the forward/float or other investment agreement was determined.
 - If the refunding escrow fund was subsequently restructured please describe the restructuring transaction and explain the reason for the restructuring.
 - In the event a refunding escrow restructuring occurred, if SLGS were sold, a copy of the Early Redemption Calculations Report from the Bureau of Public Debt. If Open Market Securities were sold, copies of all dealer trade confirmations with proof of sale dates, interest rates, and sale prices.
- (9) Please describe any funds or collateral other than those identified in the tax certificate which have been pledged as security or otherwise made available to pay debt service on the Bonds. Such funds might include amounts received from grants, dedicated tax revenues (such as ad valorem taxes), endowment funds, deposits, or other funds required to be maintained at a certain level.
- (10) Please provide a copy of any arbitrage rebate report prepared for the Bonds. If any spending exceptions were met, please provide a detailed summary of expenditures to show the spending thresholds were met as required.
- (11) Please provide a copy of any yield restriction analysis prepared for the Bonds.

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(12) Were the Refunded Bonds "new money" bonds (i.e., not refunding bonds)? Please provide a descriptive history confirming the Bonds are the first and only advance refunding of the Refunded Bonds in compliance with Treas. Reg. § 149(d)(3)(A)(i). If not, please explain.

Record Retention / Post Issuance

(13) Internal Revenue Code section 6001 requires that every person liable for any tax imposed by title 26 of the U.S. Code shall keep such records, render such statements, make such returns, and comply with such rules and regulations as the Secretary may from time to time prescribe. Have adequate records necessary to substantiate compliance and support the continued exclusion from gross income of the interest paid on the Bonds been retained? If "No", please describe any deficiencies in the records retained.

(14) Are there written procedures, other than bond documents provided at closing, which contain the following key characteristics to ensure that violations are timely identified and corrected so that the Bonds remain in compliance with federal tax requirements from the time they are issued until they are no longer outstanding?

- Due diligence review at regular intervals?
- Identification and training of the officer or employee responsible for review?
- Retention of adequate records to substantiate compliance (e.g., records relating to the allocation of proceeds, etc.)
- Procedures reasonably expected to timely identify noncompliance?
- Procedures to ensure that steps will be taken to timely correct noncompliance?

Power of Attorney

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(15) Please complete and email or fax Form 2848 if you intend to have a representative handle this examination. (See enclosure on proper completion of Form 2848 for tax exempt bond examinations.)

The information requested above is to assist us in determining compliance of your bond issue with the relevant tax exempt bond provisions of IRC sections 103, and 141 through 150 of the Internal Revenue Code.

Additional information may be requested at a later date if needed.

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