

CLARK COUNTY, NEVADA
FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION
PERTAINING TO EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
AND
INDEPENDENT AUDITOR'S REPORTS

CLARK COUNTY, NEVADA
 FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION
 PERTAINING TO EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended June 30, 2014

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PERTAINING TO EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended June 30, 2014

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Honorable Board of County Commissioners
and the County Manager
Clark County, Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Clark County, Nevada, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the following:

- ! The financial statements of University Medical Center of Southern Nevada and Clark County Water Reclamation District, which are major funds and which, when combined, represent 30 percent of the assets, 55 percent of net position, and 49 percent of the revenues of the business-type activities;
- ! The financial statements of Las Vegas Valley Water District, Big Bend Water District, Kyle Canyon Water District, or Regional Transportation Commission of Southern Nevada which are discretely presented component units and which, when combined, represent 96 percent, 136 percent, and 88 percent, respectively, of the assets, net position, and revenues of the discretely presented component units.

Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for the above-mentioned funds and entities is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows, thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and reconciliations, and pension and OPEB trend data and related notes on pages 3 through 13 and 110 through 130 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting

Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the management's discussion and analysis and pension and OPEB trend data, in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information, reconciliations, and related notes are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of other auditors, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Clark County, Nevada's basic financial statements. The introductory section, combining and individual fund statements and schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of other auditors, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Prior Year Comparative Information

We and other auditors have previously audited, in accordance with auditing standards generally accepted in the United States of America, the County's basic financial statements as of and for the year ended June 30, 2013, (not presented herein), and have issued our report thereon dated December 27, 2013, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. The budgetary comparison information for the General Fund, internally reported special revenue funds, and the Las Vegas Metropolitan Police Department Fund related to the 2013 financial statements are presented to supplement the basic financial statements as required by Government Accounting Standards Board. The combining and individual nonmajor fund financial statements and schedules, related to the 2013 financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2013 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2013 combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2014, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Clark County, Nevada's control over financial reporting and compliance.

Las Vegas, Nevada
December 14, 2014

Kafoury, Armstrong & Co.

Clark County, Nevada
Management's Discussion and Analysis
June 30, 2014

The discussion and analysis of Clark County, Nevada (the County) is designed to, (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the County's financial activities, (c) identify changes in the County's financial position (its ability to address subsequent years' challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

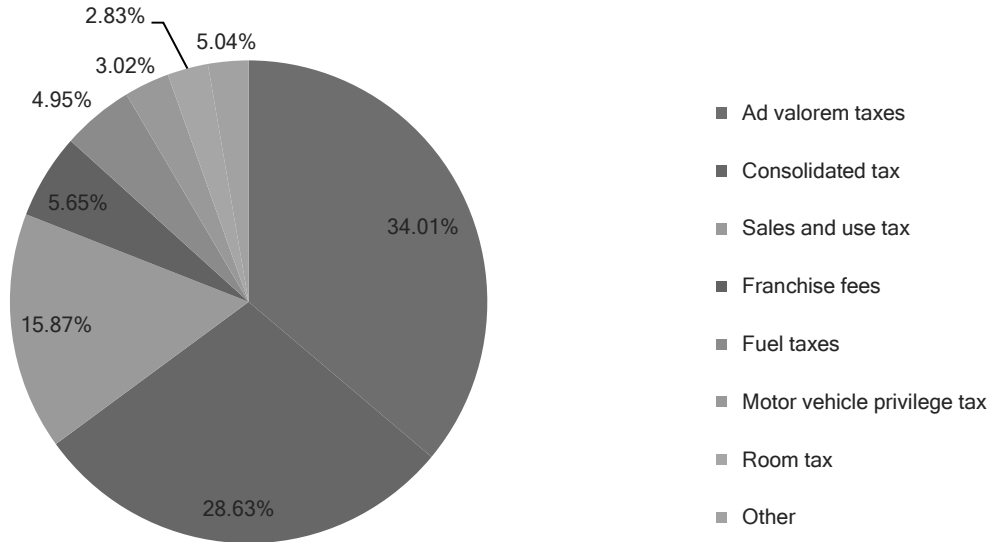
We encourage readers to read this information in conjunction with the transmittal letter, financial statements and accompanying notes to gain a more complete picture of the information presented.

Financial Highlights - Primary Government

- The auditor's report offers an unmodified opinion that the County's financial statements are presented fairly in all material respects.
- Government-wide net position totaled \$10,684,051,953. Net position of governmental activities totaled \$7,635,562,701 and those of business-type activities totaled \$3,048,489,252.
- The County's total net position increased by \$226,415,466 before the impact of prior period adjustments. Net position from governmental activities increased by \$257,159,294 and net position from business-type activities decreased by \$30,743,828. Net position from governmental activities increased mainly due to a decrease in other post employment benefit liabilities for the Las Vegas Metropolitan Police Department commissioned employees. Net position from business-type activities decreased largely due to a decrease in operating revenues from University Medical Center due to impacts of the Affordable Care Act. In addition, beginning governmental and business-type activities net position was reduced by \$12,362,535 and \$37,056,160 respectively due to the implementation of GASB 65, *Items Previously Reported as Assets and Liabilities*. The implementation of GASB 65 resulted in a prior period adjustment for the retroactive recognition of previously unamortized debt issuance costs a component of interest expense. Lastly, beginning business-type activities net position was reduced by \$40,648,868 due to a prior period adjustment for the correction of over capitalized interest on construction in progress. The County's total net position increased by \$136,647,903 including the impact of prior period adjustments.
- Unrestricted net position was \$2,056,837,212, with \$1,312,577,261 resulting from governmental activities and \$744,259,951 from business-type activities. Unrestricted net position from governmental activities increased by 14 percent from the prior year, and unrestricted net position from business-type activities decreased by 2 percent from the prior year.
- Net capital assets were \$13,165,908,478 of which \$6,492,439,566 was from governmental activities and \$6,673,468,912 was from business-type activities. Major additions for governmental activities during the year included \$243 million toward beltways, roadways, and streets, and \$18 million toward flood control projects. Major additions for business-type activities during the year included \$53 million in Department of Aviation land improvements for the rehabilitation of Taxiways E and H, the remodeling of Terminal 1 and other additions, and \$95 million in sewer system and related equipment additions. Depreciation expense attributable to assets of governmental activities amounted to \$268,592,711 for the year, and \$288,173,996 for business-type activities.
- Bonds and loans payable totaled \$7,212,902,073. The following new debt was issued during the fiscal year:
 - Governmental activities:
 - General obligation bonds
 - \$24,566,848 in bonds for public safety
 - Business-type activities:
 - General obligation bonds:
 - \$26,065,000 in bonds for University Medical Center
 - Revenue bonds
 - \$610,515,000 in bonds for the Department of Aviation

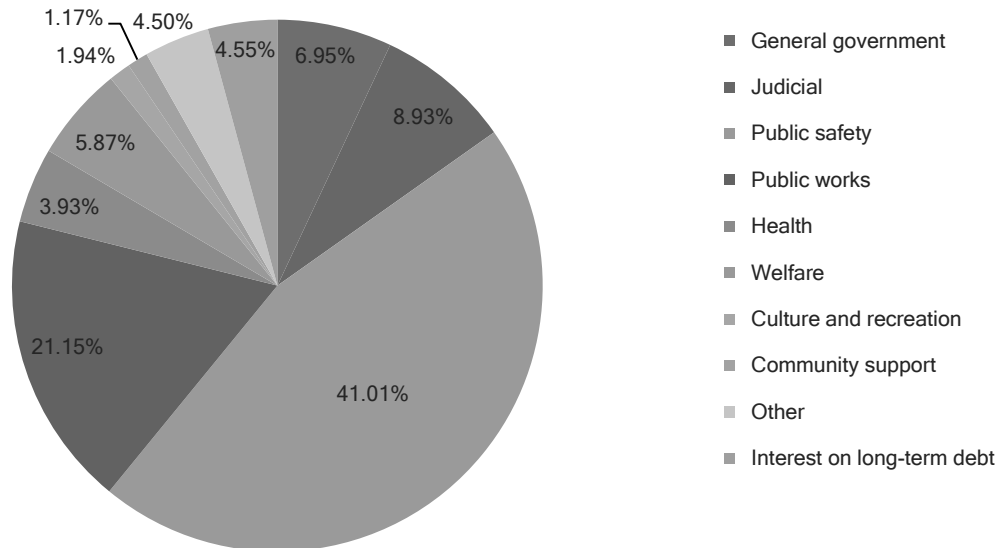
- The County's primary general revenue sources for governmental activities were ad valorem taxes (\$562,026,430) consolidated taxes (\$473,083,362), and sales and use taxes (\$262,323,491). These three revenue sources comprised 34 percent, 29 percent, and 16 percent, respectively, or 79 percent of total governmental activities general revenues.

General Revenues - Governmental Activities:



- The County's total expenses were \$3,721,235,429. Governmental activities comprised \$2,281,151,928 of total expenses, the largest functional expenses being public safety (\$935,441,732) and public works (\$482,549,434). Business-type activities accounted for \$1,440,083,501 of total expenses, the largest components being airport (\$645,068,754) and hospital (\$595,637,598).

Expenses - Government Activities:



- General government expenses totaled \$158,632,026 or ten (10) percent less than the prior year due to a decrease in election expenses, decrease in contributions to the Southern Nevada Health District for one-time contributions made in FY13 that did not recur in FY14, partially offset by the write off of an uncollectible receivable from University Medical Center.
- Public safety expenses totaled \$935,441,732 or 19% less than the prior year due to the reduction of other post employment benefits for Las Vegas Metropolitan Police Department commissioned employees. The reduction in other post employment benefits was primarily due to the exclusion of Medicare eligible retirees from the health plan and the implementation of significant premium increases for retirees under age 65.
- Public works expenses totaled \$482,549,434 or seven (7) percent more than the prior year due to increased sales and use tax resulting in increased contribution to other governments for their proportionate allocation.
- Health expenses totaled \$89,696,041 or 22% less than the prior year primarily due to the elimination of indigent medical payments beginning January 1, 2014 on behalf of patients who now qualify for Medicaid under the Medicaid expansion provision under the Affordable Care Act.
- Welfare expenses totaled \$133,807,045 or seven (7) percent less than the prior year due to the reallocation of Intergovernmental Transfers to the state of Nevada from the welfare function to the health function. Additional health function appropriations were available in FY14 due to the elimination of indigent medical payments beginning January 1, 2014 on behalf of patients who now qualify for Medicaid under the Medicaid expansion provision under the Affordable Care Act.
- Culture and recreation expenses totaled \$44,265,016 or 33% more than the prior year due to contributions of revenue pledged for a performing arts center in FY14 that had been previously reported as general government expenditures.
- Community support expenses totaled \$26,745,263 or 16% less than prior year due to decreased grant activity and cooperative extension activity.
- At the end of the fiscal year, the unassigned fund balance for the General Fund was \$183,288,748 or 12 percent of total General Fund expenditures and transfers out.

Overview of the Financial Statements

- This discussion and analysis is intended to serve as an introduction to the County's basic financial statements which are composed of government-wide financial statements, fund financial statements, and accompanying notes. This report also contains required supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

- o The government-wide financial statements are designed to provide readers with a broad overview of the County's finances in a manner similar to a private-sector business.
- o The statement of net position presents information on all of the County's assets, deferred outflows, liabilities, and deferred inflows. The difference between assets and deferred outflows less liabilities and deferred inflows is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.
- o The statement of activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation and sick leave).
- o The government-wide financial statements report three types of activities: governmental activities, business-type activities, and discretely presented component units. The government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, judicial, public safety, public works, health, welfare, culture and recreation, community support, other, and interest on long-term debt. The business-type activities of the County include operations of its hospital, airports, and sewer utilities, and other operations. Discretely presented component units account for functions of legally separate entities for whom the County is financially accountable or whose governing bodies are not substantially the same as the County. The activities of the discretely presented component units include regional transportation, flood control planning and water districts. Complete financial statements of the individual component units can be obtained from their respective administrative offices. Contact information is included in The Reporting Entity section of Note I, Summary of Significant Accounting Policies.
- o The government-wide financial statements include not only the governmental and business-type activities of the County itself (known as the primary government), but also those of the legally separate entities for whom the County is financial accountable and whose governing bodies are substantially the same as the County: University Medical Center (UMC) and the Clark County Water Reclamation District. The Board of County Commissioners acts as the governing board for each of these component units whose activities are blended with those of the primary government because they function as part of the County government. Complete financial statements of the individual component units can be obtained from their respective administrative offices. Contact information is included in The Reporting Entity section of Note I, Summary of Significant Accounting Policies.

Fund Financial Statements

- o A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

- Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financial requirements.
- Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.
- The County maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Las Vegas Metropolitan Police Department fund, both of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds are provided in the combining and individual fund statements and schedules. In accordance with Governmental Accounting Standards Board (GASB) Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions* certain special revenue funds have been included in the General Fund for financial reporting purposes as shown in the Major Governmental Funds section. These funds are not included for budgetary comparison purposes described below.
- The County adopts an annual appropriated budget for each of its governmental funds. A budgetary comparison statement is provided for each of the County's governmental funds to demonstrate compliance with the budget. The budgetary comparison statements for the major governmental funds are presented as required supplementary information; the budgetary comparison statements for all other governmental funds are included in the fund financial schedules and accompanying supplementary information.

Proprietary Funds

- The County maintains two distinct types of proprietary funds.
 - ◆ Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its hospital, airport, sewer, and other activities.
 - ◆ Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The County uses internal service funds to account for the following activities:
 - * Construction management
 - * Fleet maintenance
 - * Investment pool operations
 - * Employee benefits
 - * Central printing and mailing
 - * Information systems development
 - * Self-insurance activities, including:
 - + Liability insurance
 - + Workers' compensation
 - + Group insurance
 - + Other post-employment benefits
- Proprietary funds provide the same type of information as the government-wide financial statements, but with more detail. The proprietary fund financial statements provide separate information for UMC, and Clark County Water Reclamation District, each of which is a blended component unit and reported as a major fund within the fund financial statements. In addition, separate information is provided for an additional major fund, the Department of Aviation. Conversely, the internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the combining and individual fund statements and schedules.

Fiduciary Funds

- The County's fiduciary funds consist of two (2) employee benefit funds, one (1) pension fund, and 41 agency funds. The employee benefit funds are the Medical Insurance Premium Retirement Plan and the County Section 125 Plan. The pension fund is the Las Vegas Valley Water District Pension Plan. The agency funds are used to hold monies for other entities or individuals until disposition.

Notes to Financial Statements

- The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

- In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Las Vegas Valley Water District's progress in funding its obligation to provide pension benefits to its employees as well as a schedule of funding progress for other post-employment benefits. It also includes a schedule of budgetary comparisons for the following major governmental funds:
 - ♦ General Fund
 - ♦ Las Vegas Metropolitan Police Department Special Revenue Fund
- The combining statements and individual fund budgetary schedules are presented immediately following the required supplementary information.
- Unaudited statistical information is provided on a ten-year basis for trend and historical analysis.

Government-Wide Financial Analysis

- Net position of the County as of June 30, 2014, and June 30, 2013 (as originally reported), are summarized and analyzed below:

Clark County, Nevada Net Position - Primary Government

	Governmental Activities		Business -type Activities		Total	
	2014	2013	2014	2013	2014	2013
Assets						
Current and other assets	\$ 4,322,589,620	\$ 4,347,995,247	\$ 1,845,344,020	\$ 1,949,306,764	\$ 6,167,933,640	\$ 6,297,302,011
Net capital assets	6,492,439,566	6,472,199,264	6,673,468,912	6,838,824,360	13,165,908,478	13,311,023,624
Total assets	10,815,029,186	10,820,194,511	8,518,812,932	8,788,131,124	19,333,842,118	19,608,325,635
Deferred outflows	30,174,052	-	100,935,674	75,847,134	131,109,726	75,847,134
Liabilities						
Long-term liabilities	2,429,141,593	2,779,005,129	5,200,112,303	5,174,413,421	7,629,253,896	7,953,418,550
Other liabilities	777,649,786	650,423,440	365,512,187	532,626,729	1,143,161,973	1,183,050,169
Total liabilities	3,206,791,379	3,429,428,569	5,565,624,490	5,707,040,150	8,772,415,869	9,136,468,719
Deferred Inflows	2,849,158	-	5,634,864	-	8,484,022	-
Net Position						
Net investment in capital assets	5,515,985,006	5,460,649,373	2,005,316,172	2,127,732,499	7,521,301,178	7,588,381,872
Restricted	807,000,434	785,471,326	298,913,129	270,180,399	1,105,913,563	1,055,651,725
Unrestricted	1,312,577,261	1,144,645,243	744,259,951	759,025,210	2,056,837,212	1,903,670,453
Total net position	\$ 7,635,562,701	\$ 7,390,765,942	\$ 3,048,489,252	\$ 3,156,938,108	\$10,684,051,953	\$10,547,704,050

- As noted earlier, net position may serve over time as a useful indicator of the County's financial position. Assets and deferred outflows exceeded liabilities and deferred inflows by \$10,684,051,953 as of June 30, 2014, and by \$10,547,704,050 as of June 30, 2013, a net increase of \$136,347,903, or a little more than (1) percent.
- The largest portion of the County's net position (71 percent) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment, etc.), less any related debt outstanding used to acquire those assets (unspent proceeds from long-term debt issues). The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate the debt.

- The County's restricted net position (10 percent) represents resources that are subject to external restrictions on how they may be used. Of restricted net position, 27 percent is for construction of capital assets, 32 percent is for repayment of long-term debt, 18 percent is for public safety, and the balance is restricted for the County's special revenue funds or other purposes.
- The remaining portion of the County's net position (19 percent) is unrestricted and may be used to meet the County's ongoing obligations to citizens and creditors.
- At June 30, 2014, the County had positive balances in all three categories of net position, both for the government as a whole, as well as for separate governmental and business-type activities.

Clark County, Nevada Changes in Net Position - Primary Government

	Governmental Activities		Business -type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenues						
Charges for services	\$ 408,613,854	\$ 374,493,341	\$ 1,246,345,320	\$ 1,350,282,365	\$ 1,654,959,174	\$ 1,724,775,706
Operating grants and contributions	398,684,838	456,994,221	65,694,581	31,052,174	464,379,419	488,046,395
Capital grants and contributions	90,103,498	82,070,382	69,385,405	41,463,040	159,488,903	123,533,422
General revenues						
Ad valorem taxes	562,026,430	555,039,005	-	-	562,026,430	555,039,005
Consolidated tax	473,083,362	443,537,151	-	-	473,083,362	443,537,151
Sales and use tax	262,323,491	244,899,148	15,911,706	14,870,001	278,235,197	259,769,149
Franchise fees	93,449,009	87,849,085	-	-	93,449,009	87,849,085
Fuel taxes	81,877,569	74,212,950	-	-	81,877,569	74,212,950
Motor vehicle privilege tax	49,811,102	47,054,220	-	-	49,811,102	47,054,220
Room tax	46,674,085	42,523,311	-	-	46,674,085	42,523,311
Other	44,032,559	32,662,591	-	-	44,032,559	32,662,591
Gain on sale or disposition of assets	11,989,290	3,606,058	211,909	65,409	12,201,199	3,671,467
Interest income (loss)	27,332,859	5,721,497	100,028	47,365,837	27,432,887	53,087,334
Total revenues	2,550,001,946	2,450,662,960	1,397,648,949	1,485,098,826	3,947,650,895	3,935,761,786
Expenses						
General government	158,632,026	175,800,332	-	-	158,632,026	175,800,332
Judicial	203,638,020	206,641,513	-	-	203,638,020	206,641,513
Public safety	935,441,732	1,148,528,900	-	-	935,441,732	1,148,528,900
Public works	482,549,434	451,811,328	-	-	482,549,434	451,811,328
Health	89,696,041	114,955,068	-	-	89,696,041	114,955,068
Welfare	133,807,045	144,422,299	-	-	133,807,045	144,422,299
Culture and recreation	44,265,016	33,273,415	-	-	44,265,016	33,273,415
Community support	26,745,263	31,858,603	-	-	26,745,263	31,858,603
Other	102,554,167	99,975,955	-	-	102,554,167	99,975,955
Interest on long-term debt	103,823,184	106,131,831	-	-	103,823,184	106,131,831
Hospital	-	-	595,637,598	588,532,924	595,637,598	588,532,924
Airport	-	-	645,068,754	673,074,992	645,068,754	673,074,992
Sewer	-	-	156,271,087	139,384,220	156,271,087	139,384,220
Other	-	-	43,106,062	43,644,036	43,106,062	43,644,036
Total expenses	2,281,151,928	2,513,399,244	1,440,083,501	1,444,636,172	3,721,235,429	3,958,035,416
Increase (decrease) in net position before transfers	268,850,018	(62,736,284)	(42,434,552)	40,462,654	226,415,466	(22,273,630)
Transfers	(11,690,724)	(11,518,120)	11,690,724	11,518,120	-	-
Increase (decrease) in net position	257,159,294	(74,254,404)	(30,743,828)	51,980,774	226,415,466	(22,273,630)
Net position - beginning	7,390,765,942	7,465,020,346	3,156,938,108	3,108,537,141	10,547,704,050	10,573,557,487
Prior period adjustment	(12,362,535)	-	(77,705,028)	(3,579,807)	(90,067,563)	(3,579,807)
Net position - beginning, restated	7,378,403,407	7,465,020,346	3,079,233,080	3,104,957,334	10,457,636,487	10,569,977,680
Net position - ending	\$ 7,635,562,701	\$ 7,390,765,942	\$ 3,048,489,252	\$ 3,156,938,108	\$ 10,684,051,953	\$ 10,547,704,050

- Program revenues included charges for services, fines and forfeitures, certain licenses and permits, special assessments, and both operating and capital grants and contributions. Program revenues from governmental activities decreased by \$16,155,754, or two (2) percent, due to decreases in federal grant activity. Program revenues from business-type activities decreased by \$41,372,273, or three (3) percent, primarily due to decreases in hospital revenue.

- General revenues consisted of taxes and interest not allocable to specific programs. For governmental activities, the largest of these revenues, ad valorem taxes, increased by \$6,987,425 or one (1) percent. This increase reflects the recovery of assessed values during the fiscal year. Consolidated tax increased by \$29,546,211, or seven (7) percent, and sales and use tax increased in governmental activities by \$17,424,343, or seven (7) percent, both due to a continued increase in economic activity during fiscal year 2014. Interest revenue for governmental activities increased by \$21,611,362 or 378 percent; interest revenue for business-type activities decreased by \$47,265,809, or 99 percent. These changes were due to higher rates of investment returns offset by an increase of \$60 million in unrealized losses on Department of Aviation derivative investments from FY13 to FY14.
- County governmental activity expenses decreased nine (9) percent in fiscal year 2014. Decreases in general government of \$17,168,306 or ten (10) percent were due to a decrease in election expenses, decrease in contributions to the Southern Nevada Health District for one-time contributions made in FY13 that did not recur in FY14, partially offset by the write off of an uncollectible receivable from University Medical Center.
- Public safety expenses decreased by \$213,087,168, or 19% due to the reduction of other post employment benefits for Las Vegas Metropolitan Police Department commissioned employees. The reduction in other post employment benefits was primarily due to the exclusion of Medicare eligible retirees from the health plan and the implementation of significant premium increases for retirees under age 65.
- Public Works expenses increased by \$30,738,106, or seven (7) percent due to an increase in sales and use tax revenues resulting in increased contribution to other governments for their proportionate allocation.
- Health expenses decreased \$25,259,027 or 22% due to the elimination of indigent medical payments beginning January 1, 2014 on behalf of patients who now qualify for Medicaid under the Medicaid expansion provision under the Affordable Care Act.
- Welfare support expenses decreased by \$10,615,254, or seven (7) percent, due to the reallocation of Intergovernmental Transfers to the state of Nevada from the welfare function to the health function. Additional health function appropriations were available in FY14 due to the elimination of indigent medical payments beginning January 1, 2014 on behalf of patients who now qualify for Medicaid under the Medicaid expansion provision under the Affordable Care Act.
- Airport functional area expenses decreased \$28,006,238, or four (4) percent primarily due to decreased interest costs as a result of two full and one partial interest rate swap termination in FY14.

Financial Analysis of the County's Funds

- The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

- The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements.
- As of the end of the current fiscal year, the County's governmental funds reported a combined ending fund balance of \$1,940,663,473, a increase of \$5,753,926, or less than one (1) percent. Fund balance components have been classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the County is bound to observe constraints imposed on the use of the resources of fund. Restricted fund balance is \$807,000,434 or 42% of the total. Spending of these resources is constrained by externally imposed (statutory, bond covenant, or grantors) limitations on their use. Restricted fund balances include \$262,729,688 for capital projects and \$200,622,009 for public safety activities and \$178,787,028 for debt service.

Committed and assigned fund balances combined represent 49% of total fund balance with spending constrained either by the Board of County Commissioners (BCC) (for committed) or senior management (for assigned). Committed balances in the special revenue funds are primarily due to transfers or revenues directed by the BCC to those funds to support the programs. Unassigned fund balance represents the General Fund remaining fund balance and is available to support general operations of the County.
- The General Fund is the main operating fund of the County. Nonspendable fund balance consists of long-term receivables. Restricted fund balance of \$56,606,699 includes restricted cash and unspent proceeds from legislatively mandated ad valorem taxes. Unrestricted fund balance, which includes committed, assigned, and unassigned balances, totaled \$238,290,698 at June 30, 2014. Unrestricted fund balance was 15% of expenditures and other financing uses and includes amounts assigned of \$55,001,950. Unassigned fund balance is \$183,288,748, or 12% of expenditures and other financing uses.
- Key factors in the change in fund balance in the General Fund as reported for budget purposes are as follows:
 - Revenues and transfers-in increased by \$15,938,241, or one (1) percent. General fund revenues increased by \$37,202,872, or four (4) percent. Ad valorem tax revenues decreased by \$4,120,961, or two (2) percent due to declines in fines and penalties associated with late property tax payments. Intergovernmental revenue, the largest component of which is the consolidated tax, increased by \$21,210,162, or seven (7) percent, due to the increased economic activity in the local economy. Interest income increased by \$2,256,076, or 704 percent, due to unrealized gain/loss variation between FY13 and FY14.

Transfers-in decreased by \$21,264,631, or seven (7) percent, primarily due to a one time transfer from the workers compensation fund in FY13 that did not recur in FY14.

- Expenditures and transfers out increased by \$75,885,647, or seven (7) percent. General fund expenditures decreased by \$15,704,108, or two (2) percent primarily due to a one time settlement payment to the Southern Nevada Health District for prior year contributions in FY13 that did not recur in FY14, the reallocation of a portion of Intergovernmental Transfers to the state of Nevada from the general fund to the Medical Indigent fund, partially offset by a one-time write off of an uncollectible receivable from University Medical Center. Transfers out increased by \$91,589,755, or 24% primarily due to increases in transfers to the Las Vegas Metropolitan Police Departments and capital projects.
- o Other major fund activity is as follows:
 - The Las Vegas Metropolitan Police Department operates from current year resources and it typically budgets for a lower fund balance than other governmental units. However, it ended the year with a total unrestricted fund balance of \$12,505,745. Total revenues and transfers in were \$473,897,027, which was an decrease of \$1,340,126 or less than one (1) percent, over the prior year. Expenditures, which consist primarily of personnel costs, increased \$11,817,065 or two (2) percent.
 - The non-major governmental funds reported a fund balance of \$1,628,729,358, of which \$750,393,735 or 46% was restricted. All funds have the resources to meet their commitments.

Enterprise Funds

- The County’s enterprise funds provide the same type of information found in the government-wide financial statements, but in more detail. Minor differences arise between the enterprise funds and the business-type activities in the government-wide statements due to the effects of consolidation of internal service fund activities related to the enterprise funds. Unrestricted net position of the enterprise funds totaled \$756,784,958, a decrease of \$18,702,602, or two (2) percent. Total net position for these funds decreased \$108,448,856, or four (4) percent from the prior year. Other factors concerning the finances of these funds have already been addressed in the discussion of the County’s business-type activities.

Internal Service Funds

- The County’s internal service funds are an accounting device used to accumulate and allocate costs internally among the County’s various functions. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. Other factors concerning the finances of the internal service funds have already been addressed in the discussion of the County’s governmental activities.

Budgetary Highlights

- The General Fund’s legal level of budgetary control is the function level. The final amended budget for expenditures and other financing uses was \$1,254,597,880, increased through augmentation by \$43,876,922 from the original budget. Actual expenditures and other financing uses were \$1,220,647,650, or three (3) percent less than the final budget, primarily due to additional Intergovernmental Transfer savings than originally estimated and the County’s ongoing cost containment efforts.
- Revenues and other transfers from other financing sources of the general fund exceeded the final budget by \$20,074,347, or two (2) percent due to an increase in consolidated and sales taxes.

Capital Assets and Debt Administration

Primary Government

• Capital Assets

- o The County's investment in capital assets, net of accumulated depreciation at June 30, 2014, was \$13,165,908,478, a decrease of \$145,115,146, or one (1) percent. Detail by type of activity and asset is summarized in the table below.

Major additions for this fiscal year are as follows:

<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
Roadways and streets	\$ 243 million	Airport improvements and additions	\$ 53 million
Flood control projects	\$ 18 million	Sewer system additions	\$ 95 million

Clark County, Nevada Capital Assets - Primary Government
(Net of Depreciation)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Land and improvements	\$ 1,753,233,789	\$ 1,730,765,379	\$ 2,462,052,198	\$ 2,455,303,396	\$ 4,215,285,987	\$ 4,186,068,775
Buildings	1,204,288,002	1,233,938,297	3,525,002,746	3,660,048,866	4,729,290,748	4,893,987,163
Machinery and equipment	75,657,539	61,401,675	407,765,510	438,077,684	483,423,049	499,479,359
Infrastructure	3,289,381,451	3,210,919,807	-	-	3,289,381,451	3,210,919,807
Construction in progress	169,878,785	235,174,106	278,648,458	285,394,414	448,527,243	520,568,520
Total	\$ 6,492,439,566	\$ 6,472,199,264	\$ 6,673,468,912	\$ 6,838,824,360	\$ 13,165,908,478	\$ 13,311,023,624

- o For additional information on the County's capital assets see note 4 in the accompanying financial statements.

Long-Term Debt

Primary Government

- At June 30, 2014, the County had total outstanding bonds and loans of \$7,212,902,073, a decrease of \$127,652,312, or two (2) percent, from the prior year. Of this amount, \$1,695,327,883 comprised general obligation debt backed by the full faith and credit of the County, \$620,675,792 of general obligation bonds additionally secured by specified revenue sources, \$4,366,332,437 of revenue bonds secured by pledges of various revenue sources, \$183,436,598 in special assessment debt for which the County is liable in the event of default by the property owners subject to assessment, and \$347,129,363 in capital leases.

Clark County, Nevada Outstanding Debt - Primary Government

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
General obligation bonds	\$ 1,695,327,883	\$ 1,740,155,985	\$ -	\$ -	\$ 1,695,327,883	\$ 1,740,155,985
Revenue backed general obligation bonds	-	-	620,675,792	632,545,274	620,675,792	632,545,274
Revenue bonds	10,000	10,000	4,366,322,437	4,424,669,087	4,366,332,437	4,424,679,087
Special assessment bonds	183,436,598	194,791,442	-	-	183,436,598	194,791,442
Capital leases	347,129,363	348,382,597	-	-	347,129,363	348,382,597
Total	\$ 2,225,903,844	\$ 2,283,340,024	\$ 4,986,998,229	\$ 5,057,214,361	\$ 7,212,902,073	\$ 7,340,554,385

- o For additional information on the County's debt, see note 6 in the accompanying financial statements.

Economic Factors

- UMC continues to deal with the impact of uninsured patients. UMC's operating loss was \$121,566,228 for the fiscal year 2014 compared to income of \$2,803,975 in fiscal year 2013. The increased operating loss was due primarily to recognition and receipt of retroactive revenue from the State of Nevada Medicaid Upper Payment Limit program (UPL) in FY13 that did not recur in FY14, in addition to a decrease in volume as a result of the Affordable Care Act whereby previously uninsured patients now have access to health insurance and have additional provider options other than UMC. Continued high levels of care for uninsured and underinsured patients will continue to contribute to sustained operating losses in the future. UMC has subsequently reduced services in an effort to contain operating losses to a sustainable level. The County will need to fund these continued losses.
- Despite UMC's financial difficulties, the County has positioned itself to meet the needs of its citizens. The decrease in taxable values has leveled out and the remaining tax base will generate adequate revenues to provide basic services. A cost containment program continues to be in place, enforcing a reasonable pace of salary growth and position savings. The County's general fund unassigned ending fund balance remains healthy. Together, these factors have placed the County in an acceptable financial position to mitigate the current economic uncertainty. However, continued economic uncertainty could ultimately result in a deterioration of the County's financial condition.

Requests for Information

- This report is designed to provide a general overview of the County's finances for all interested parties. Questions concerning the information provided in this report or requests for additional financial information should be addressed to Jessica L. Colvin, Comptroller, at 500 South Grand Central Parkway, Las Vegas, NV 89155.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Clark County, Nevada
Statement of Net Position
June 30, 2014

(Continued)

	Primary Government			Component Units			
	Governmental Activities	Business-Type Activities	Total	Clark County Regional Flood Control District	Regional Transportation Commission of Southern Nevada	Las Vegas Valley Water District	Other Water Districts
Assets							
Unrestricted assets							
Cash and investments							
In custody of the County Treasurer	\$ 2,450,489,353	\$ 351,019,614	\$ 2,801,508,967	\$ 197,159,765	\$ 85,762,213	\$ -	\$ 128,886
In custody of other officials	9,338,561	48,211,300	57,549,861	500	8,944,198	92,010,758	1,930,163
With fiscal agent	58,761,205	-	58,761,205	-	137,701,004	-	-
Investments in custody of other officials	-	508,082,858	508,082,858	-	-	83,889,930	-
Accounts receivable (net of provision for doubtful accounts)	24,341,630	182,735,450	207,077,080	151	18,971,687	63,359,731	376,668
Interest receivable	4,043,295	4,390,005	8,433,300	316,899	911,819	285,512	207
Taxes receivable, delinquent	13,042,680	-	13,042,680	-	-	-	10
Penalties receivable on delinquent taxes	8,503,608	-	8,503,608	-	-	-	-
Special assessments receivable	189,745,861	-	189,745,861	-	-	-	-
Internal balances	47,480,573	(47,480,573)	-	-	-	-	-
Due from other governmental units	221,191,980	806,421	221,998,401	15,136,819	82,313,215	-	1,724
Inventories	456,172	21,008,987	21,465,159	-	-	19,013,023	-
Prepaid items and other current assets	896,966	3,960,689	4,857,655	1,529,943	2,740,201	-	5,903
Unearned charges and other assets	57,542,736	29,074,819	86,617,555	-	-	4,351,292	-
Restricted assets							
Cash and investments							
In custody of the County Treasurer	-	226,211,606	226,211,606	-	211,097,883	-	-
In custody of other officials	-	34,804,098	34,804,098	-	2,750,799	11,792,703	-
With fiscal agent	-	299,385,278	299,385,278	-	-	-	-
Investments with fiscal agent	-	179,983,393	179,983,393	-	-	71,432,213	-
Accounts receivable	-	3,150,075	3,150,075	-	-	406,430,180	-
Bond bank receivable, current	1,960,000	-	1,960,000	-	-	19,515,000	-
Bond bank receivable, noncurrent	1,234,795,000	-	1,234,795,000	-	-	1,408,605,000	-
Capital assets not being depreciated	1,604,786,422	1,228,587,084	2,833,373,506	205,759	59,573,791	40,413,787	-
Capital assets being depreciated, net of accumulated depreciation	4,887,653,144	5,444,881,828	10,332,534,972	2,235,134	347,766,559	1,692,701,476	39,574,925
Total assets	10,815,029,186	8,518,812,932	19,333,842,118	216,584,970	958,533,369	3,913,800,605	42,018,486
Deferred Outflows of Resources							
Gain from bond refundings and hedging derivative instruments	30,174,052	100,935,674	131,109,726	529,888	6,211,737	8,618,707	-

The accompanying notes are an integral part of these financial statements.

(Continued)

Clark County, Nevada
Statement of Net Position
June 30, 2014

(Continued)

	Primary Government			Component Units			
	Governmental Activities	Business-Type Activities	Total	Clark County Regional Flood Control District	Regional Transportation Commission of Southern Nevada	Las Vegas Valley Water District	Other Water Districts
Liabilities							
Current liabilities (payable from current assets)							
Accounts payable	252,840,708	79,859,355	332,700,063	21,043,772	48,559,000	61,824,534	648,610
Accrued payroll and other accrued liabilities	101,605,857	59,150,258	160,756,115	55,736	2,377,872	31,795,682	-
Accrued interest	23,134,973	-	23,134,973	4,049,350	18,633,133	-	74,769
Due to other governmental units	78,680,473	-	78,680,473	18,851,651	-	-	37,063
Unearned revenue and other liabilities	81,712,898	10,836,400	92,549,298	295	-	17,073,058	47,264
Liabilities payable from restricted assets							
Current maturities of long-term debt	-	88,686,866	88,686,866	-	-	448,133,000	370,823
Accounts payable	-	4,769,279	4,769,279	-	-	-	-
Customer deposits	-	-	-	-	-	21,517,656	-
Accrued expenses	-	115,915,029	115,915,029	-	-	13,369,947	-
Bonds and loans payable, due within one year	239,674,877	6,295,000	245,969,877	12,260,000	33,030,000	-	-
Bonds and loans payable, due after one year	1,986,228,967	4,892,016,363	6,878,245,330	453,265,447	812,664,677	2,264,271,516	4,310,076
Other non-current liabilities, due after one year	442,912,626	308,095,940	751,008,566	1,665,359	10,192,484	15,602,725	-
Total liabilities	<u>3,206,791,379</u>	<u>5,565,624,490</u>	<u>8,772,415,869</u>	<u>511,191,610</u>	<u>925,457,166</u>	<u>2,873,588,118</u>	<u>5,488,605</u>
Deferred Inflows of Resources							
Bond refundings and rebates	<u>2,849,158</u>	<u>5,634,864</u>	<u>8,484,022</u>	<u>-</u>	<u>1,774,515</u>	<u>869,675</u>	<u>-</u>
Net position							
Net investment in capital assets	5,515,985,006	2,005,316,172	7,521,301,178	2,440,893	407,340,350	873,306,116	34,894,026
Restricted for:							
Capital projects	262,729,688	37,846,280	300,575,968	-	243,235,726	118,714	-
Debt service	178,787,028	178,921,255	357,708,283	8,222,975	108,537,695	10,570,973	-
Public safety	200,622,009	-	200,622,009	-	-	-	-
Other purposes	164,861,709	82,145,594	247,007,303	-	-	-	-
Unrestricted	1,312,577,261	744,259,951	2,056,837,212	(304,740,620)	(721,600,346)	163,965,716	1,635,855
Total net position	<u>\$ 7,635,562,701</u>	<u>\$ 3,048,489,252</u>	<u>\$ 10,684,051,953</u>	<u>\$ (294,076,752)</u>	<u>\$ 37,513,425</u>	<u>\$ 1,047,961,519</u>	<u>\$ 36,529,881</u>

The accompanying notes are an integral part of these financial statements.

	Net (Expenses) Revenues and Changes in Net Assets										
	Program Revenues				Primary Government			Component Units			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Clark County Regional Flood Control District	Regional Transportation Commission of Southern Nevada	Las Vegas Valley Water District	Other Water Districts
Governmental activities:											
General government	\$ 158,632,026	\$ 204,878,694	\$ 66,810,691	\$ -	\$ 113,057,359	\$ -	\$ 113,057,359	\$ -	\$ -	\$ -	\$ -
Judicial	203,638,020	62,012,733	21,201,137	-	(120,424,150)	-	(120,424,150)	-	-	-	-
Public safety	935,441,732	57,799,869	185,833,727	-	(691,808,136)	-	(691,808,136)	-	-	-	-
Public works	482,549,434	61,656,605	84,028,124	90,103,498	(246,761,207)	-	(246,761,207)	-	-	-	-
Health	89,696,041	8,379,690	1,575,797	-	(79,740,554)	-	(79,740,554)	-	-	-	-
Welfare	133,807,045	-	7,923,372	-	(125,883,673)	-	(125,883,673)	-	-	-	-
Culture and recreation	44,265,016	13,693,556	7,250,884	-	(23,320,576)	-	(23,320,576)	-	-	-	-
Community support	26,745,263	-	24,061,106	-	(2,684,157)	-	(2,684,157)	-	-	-	-
Other	102,554,167	192,707	-	-	(102,361,460)	-	(102,361,460)	-	-	-	-
Interest on long-term debt	103,823,184	-	-	-	(103,823,184)	-	(103,823,184)	-	-	-	-
Total governmental activities	<u>2,281,151,928</u>	<u>408,613,854</u>	<u>398,684,838</u>	<u>90,103,498</u>	<u>(1,383,749,738)</u>	<u>-</u>	<u>(1,383,749,738)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Business-type activities:											
Hospital	595,637,598	473,741,243	65,614,746	-	-	(56,281,609)	(56,281,609)	-	-	-	-
Airport	645,068,754	586,579,010	-	9,793,840	-	(48,695,904)	(48,695,904)	-	-	-	-
Sewer	156,271,087	145,392,612	-	59,591,565	-	48,713,090	48,713,090	-	-	-	-
Other	43,106,062	40,632,455	79,835	-	-	(2,393,772)	(2,393,772)	-	-	-	-
Total business-type activities	<u>1,440,083,501</u>	<u>1,246,345,320</u>	<u>65,694,581</u>	<u>69,385,405</u>	<u>-</u>	<u>(58,658,195)</u>	<u>(58,658,195)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 3,721,235,429</u>	<u>\$ 1,654,959,174</u>	<u>\$ 464,379,419</u>	<u>\$ 159,488,903</u>							

	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets								
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units					
					Governmental Activities	Business-type Activities	Total	Clark County Regional Flood Control District	Regional Transportation Commission of Southern Nevada	Las Vegas Valley Water District	Other Water Districts		
Component units:													
Clark County Regional Flood Control District	\$ 130,069,121	\$ -	\$ -	\$ 2,953,592				\$ (127,115,529)	\$ -	\$ -	\$ -	\$ -	
Regional Transportation Commission of Southern Nevada	328,821,458	89,212,284	6,288,128	15,991,053					(217,329,993)	-	-	-	
Las Vegas Valley Water District	377,267,996	338,947,519	-	30,695,851						(7,624,626)	-	-	
Other	5,290,209	3,605,633	-	428,529								(1,256,047)	
Total component units	\$ 841,448,784	\$ 431,765,436	\$ 6,288,128	\$ 50,069,025				\$ (127,115,529)	\$ (217,329,993)	\$ (7,624,626)	\$ (1,256,047)		
General revenues:													
Ad valorem taxes					562,026,430	-	562,026,430	-	-	-	-	-	-
Consolidated tax					473,083,362	-	473,083,362	-	-	-	-	-	10,346
Sales and use tax					262,323,491	15,911,706	278,235,197	85,126,634	170,297,996	-	-	-	44,830
Franchise fees					93,449,009	-	93,449,009	-	-	-	-	-	-
Fuel taxes					81,877,569	-	81,877,569	-	82,005,851	-	-	-	-
Motor vehicle privilege tax					49,811,102	-	49,811,102	-	-	-	-	-	-
Room tax					46,674,085	-	46,674,085	-	-	-	-	-	-
Other					44,032,559	-	44,032,559	139,562	5,403,089	-	-	-	-
Gain on sale of capital assets					11,989,290	211,909	12,201,199	-	-	-	-	-	-
Interest income					27,332,859	100,028	27,432,887	1,892,346	3,848,272	1,476,333	-	-	9,121
Transfers					(11,690,724)	11,690,724	-	-	-	-	-	-	-
Total general revenues and transfers					1,640,909,032	27,914,367	1,668,823,399	87,158,542	261,555,208	1,476,333	1,476,333	64,297	
Change in net position					257,159,294	(30,743,828)	226,415,466	(39,956,987)	44,225,215	(6,148,293)	(1,191,750)	(1,191,750)	
Net position - beginning					7,390,765,942	3,156,938,108	10,547,704,050	(252,372,797)	(6,711,790)	1,054,109,812	-	-	37,721,631
Prior period adjustment					(12,362,535)	(77,705,028)	(90,067,563)	(1,746,968)	-	-	-	-	-
Net position - beginning as restated					7,378,403,407	3,079,233,080	10,457,636,487	(254,119,765)	(6,711,790)	1,054,109,812	-	-	37,721,631
Net position - ending					\$ 7,635,562,701	\$ 3,048,489,252	\$ 10,684,051,953	\$ (294,076,752)	\$ 37,513,425	\$ 1,047,961,519	\$ -	\$ 36,529,881	

FUND FINANCIAL STATEMENTS

Clark County, Nevada
 Governmental Funds
 Balance Sheet
 June 30, 2014

	General Fund	Las Vegas Metropolitan Police Department	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and investments:				
In custody of the County Treasurer	\$ 413,977,299	\$ 28,913,398	\$ 1,438,295,155	\$ 1,881,185,852
In custody of other officials	3,349,070	243,850	1,643,641	5,236,561
With fiscal agent	-	-	58,761,205	58,761,205
Accounts receivable	24,765,439	413,269	778,632	25,957,340
Interest receivable	682,019	46,579	2,398,391	3,126,989
Taxes receivable, delinquent	8,622,142	2,285,070	2,135,468	13,042,680
Penalties receivable on delinquent taxes	8,503,608	-	-	8,503,608
Special assessments receivable	-	-	189,745,861	189,745,861
Due from other funds	7,165,234	57,746	193,032,744	200,255,724
Due from other governmental units	136,193,941	2,560,433	81,913,243	220,667,617
Prepaid items	-	330,401	-	330,401
Total assets	<u>\$ 603,258,752</u>	<u>\$ 34,850,746</u>	<u>\$ 1,968,704,340</u>	<u>\$ 2,606,813,838</u>
Liabilities				
Accounts payable	\$ 14,864,992	\$ 3,923,238	\$ 71,391,501	\$ 90,179,731
Accrued payroll	12,214,848	10,364,557	3,907,437	26,486,842
Due to other funds	180,773,898	550,166	24,535,197	205,859,261
Due to other governmental units	66,209,825	34,634	12,436,014	78,680,473
Unearned revenue and other liabilities	14,584,917	5,578,680	34,258,844	54,422,441
Total liabilities	<u>288,648,480</u>	<u>20,451,275</u>	<u>146,528,993</u>	<u>455,628,748</u>
Deferred Inflows of Resources				
Unavailable grant revenue	405	-	1,992,748	1,993,153
Unavailable property taxes	15,181,497	1,893,726	1,819,800	18,895,023
Unavailable special assessments	-	-	189,633,441	189,633,441
Total deferred inflows of resources	<u>15,181,902</u>	<u>1,893,726</u>	<u>193,445,989</u>	<u>210,521,617</u>
Fund Balances				
Nonspendable	4,530,973	-	3,100,000	7,630,973
Restricted	56,606,699	-	750,393,735	807,000,434
Committed	-	1,854,169	180,004,860	181,859,029
Assigned	55,001,950	10,651,576	695,230,763	760,884,289
Unassigned	183,288,748	-	-	183,288,748
Total fund balances	<u>299,428,370</u>	<u>12,505,745</u>	<u>1,628,729,358</u>	<u>1,940,663,473</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 603,258,752</u>	<u>\$ 34,850,746</u>	<u>\$ 1,968,704,340</u>	<u>\$ 2,606,813,838</u>

The accompanying notes are an integral part of these financial statements.

Clark County, Nevada
 Reconciliation of the Governmental Funds Balance Sheet
 to the Statement of Net Position
 June 30, 2014

Amounts reported for governmental activities in the statement of net position are different because:

Fund balances - governmental funds		\$ 1,940,663,473
Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds:		
Governmental capital assets	9,462,624,786	
Less accumulated depreciation	<u>(2,970,185,220)</u>	6,492,439,566
Long-term liabilities, deferred outflows of resources and deferred inflows of resources, including bonds payable, are not due and payable in the current period, and therefore not reported in governmental funds:		
Bonds payable, net of premiums and discounts	(1,878,774,481)	
Deferred outflows of resources - bond refunding	30,174,052	
Deferred inflows of resources - bond refunding	(2,849,158)	
Capital leases	(347,129,363)	
Litigation liability	(2,500,000)	
Presumptive liability, workers compensation	(11,572,994)	
LVMPD OPEB liability, net of detention portion	(74,874,623)	
Compensated absences	<u>(165,402,153)</u>	(2,452,928,720)
Accrued interest payable		(23,134,973)
Deferred inflows of resources representing amounts that were not available to fund current expenditures and therefore are not reported in governmental funds		210,521,617
Long-term receivables shown as restricted fund balance in governmental funds, adjusted to provision for doubtful accounts in statement of net position		(4,530,973)
Long-term receivables not recorded in governmental funds:		
Bond bank receivable from Southern Nevada Water Authority	1,236,755,000	
LVMPD OPEB receivable from City of Las Vegas	<u>29,903,754</u>	1,266,658,754
Internal service funds are used by management to charge the costs of certain activities to individual funds. Net position of the internal service funds is reported with the governmental activities.		193,348,950
Internal balances that are receivable from business-type activities		<u>12,525,007</u>
Net position of governmental activities		<u>\$ 7,635,562,701</u>

The accompanying notes are an integral part of the financial statements.

Clark County, Nevada
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2014

	General Fund	Las Vegas Metropolitan Police Department	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 411,291,117	\$ 111,185,297	\$ 95,626,796	\$ 618,103,210
Special assessments	-	-	28,732,636	28,732,636
Licenses and permits	246,298,022	-	21,891,683	268,189,705
Intergovernmental revenue	748,725,956	128,723,064	453,118,691	1,330,567,711
Charges for services	85,620,900	33,441,298	72,705,830	191,768,028
Fines and forfeitures	22,357,315	-	3,487,130	25,844,445
Interest	3,904,563	469,322	16,175,217	20,549,102
Other	14,921,347	1,487,837	27,238,258	43,647,442
Total revenues	<u>1,533,119,220</u>	<u>275,306,818</u>	<u>718,976,241</u>	<u>2,527,402,279</u>
Expenditures				
Current				
General government	111,449,161	-	10,441,091	121,890,252
Judicial	148,111,772	-	52,120,434	200,232,206
Public safety	390,964,571	489,623,701	210,011,554	1,090,599,826
Public works	237,605,887	-	46,699,516	284,305,403
Health	76,063,203	-	13,675,254	89,738,457
Welfare	67,966,536	-	65,694,099	133,660,635
Culture and recreation	10,568,947	-	8,669,733	19,238,680
Community support	-	-	26,737,197	26,737,197
Other general expenditures	121,189,605	-	215,403	121,405,008
Capital outlay	1,598,899	11,807,362	224,250,989	237,657,250
Debt service				
Principal	-	-	80,000,000	80,000,000
Interest	12,630,246	-	89,373,750	102,003,996
Bond issuance costs	-	-	88,988	88,988
Total expenditures	<u>1,178,148,827</u>	<u>501,431,063</u>	<u>827,978,008</u>	<u>2,507,557,898</u>
Excess (deficiency) of revenues over (under) expenditures	<u>354,970,393</u>	<u>(226,124,245)</u>	<u>(109,001,767)</u>	<u>19,844,381</u>
Other Financing Sources (Uses)				
Transfers from other funds	21,309,425	198,590,209	313,924,555	533,824,189
Transfers to other funds	(415,311,303)	-	(132,703,610)	(548,014,913)
Refunding bonds issued	-	-	24,566,848	24,566,848
Payment to escrow agent	-	-	(24,466,579)	(24,466,579)
Total other financing sources (uses)	<u>(394,001,878)</u>	<u>198,590,209</u>	<u>181,321,214</u>	<u>(14,090,455)</u>
Net change in fund balances	(39,031,485)	(27,534,036)	72,319,447	5,753,926
Fund Balance				
Beginning of year	<u>338,459,855</u>	<u>40,039,781</u>	<u>1,556,409,911</u>	<u>1,934,909,547</u>
End of year	<u>\$ 299,428,370</u>	<u>\$ 12,505,745</u>	<u>\$ 1,628,729,358</u>	<u>\$ 1,940,663,473</u>

The accompanying notes are an integral part of these financial statements.

Clark County, Nevada
 Reconciliation of Statement of Revenues, Expenditures, and Changes in
 Fund Balances of Governmental Funds to the Statement of Activities
 For the year ended June 30, 2014

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - governmental funds \$ 5,753,926

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives. Also, capital assets financed by capital leases are not shown in governmental funds. The County does not capitalize items costing less than \$5,000.

Capital outlay recorded in governmental funds	\$ 237,657,250	
Less amounts not capitalized	<u>(25,916,026)</u>	
Capitalized expenditures	211,741,224	
Less current year depreciation	<u>(262,679,390)</u>	(50,938,166)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds:

Donated capital assets	90,103,498	
Loss on sale of capital assets	(13,292,500)	
Change in unavailable revenue	(18,746,951)	
Bond bank operating contribution	<u>(1,865,000)</u>	56,199,047

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also capital leases are not shown in governmental funds. This is the net effect of these differences in the treatment of long-term debt and related items.

Bonds issued	(24,566,848)	
Accrued interest	(1,819,188)	
Amortized bond premiums and discounts	3,608,109	
Principal payments	80,000,000	
Payment to escrow agent	<u>24,466,579</u>	81,688,652

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Change in long-term compensated absences	\$ 12,163,801	
Change in LVMPD OPEB liability	158,064,253	
Presumptive liability, workers compensation	<u>(11,572,994)</u>	158,656,060

Write-off of long-term receivable recorded in the governmental funds. The current portion of the provision for doubtful accounts is recognized in the statement of activities.

19,511,795

Decrease in long-term LVMPD OPEB receivable due from the City of Las Vegas.

(59,919,187)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue/(expense) of the internal service funds is reported with governmental activities.

50,145,510

Increase to internal balances that are receivable from business-type activities.

(3,937,343)

Change in net position of governmental activities

\$ 257,159,294

The accompanying notes are an integral part of these financial statements.

Clark County, Nevada
Proprietary Funds
Statement of Net Position
June 30, 2014

Business-Type Activities - Enterprise Funds

	University Medical Center	Water Reclamation District	Department of Aviation	Other Enterprise Funds
Assets				
Unrestricted current assets				
Cash and cash equivalents				
In custody of the County Treasurer	\$ 14,649,428	\$ -	\$ 300,900,903	\$ 35,469,283
In custody of other officials	19,500	47,617,049	472,450	102,301
Investments in custody of other officials	-	508,082,858	-	-
Accounts receivable	128,824,537	8,279,374	44,211,614	1,419,925
Interest receivable	-	1,433,702	2,899,220	57,083
Due from other funds	4,044,584	-	2,404,419	87,246
Due from other governmental units	-	-	806,321	100
Inventories	11,059,949	2,364,294	7,432,373	152,371
Prepaid items and other current assets	2,488,002	444,635	1,013,052	15,000
Total unrestricted current assets	<u>161,086,000</u>	<u>568,221,912</u>	<u>360,140,352</u>	<u>37,303,309</u>
Restricted current assets				
Cash and cash equivalents				
In custody of the County Treasurer	24,330,909	23,842,577	178,038,120	-
With fiscal agent	-	-	299,385,278	-
Investments in custody of other officials	-	116,331	34,687,767	-
Investments with fiscal agent	-	-	179,983,393	-
Accounts receivable	398,073	2,752,002	-	-
Total restricted current assets	<u>24,728,982</u>	<u>26,710,910</u>	<u>692,094,558</u>	<u>-</u>
Total current assets	<u>185,814,982</u>	<u>594,932,822</u>	<u>1,052,234,910</u>	<u>37,303,309</u>
Noncurrent assets				
Unearned charges and other assets				
	161,263	17,895,532	11,018,024	-
Capital assets				
Property and equipment	376,488,463	2,336,477,736	6,661,214,787	50,360,845
Accumulated depreciation	(188,668,016)	(774,531,070)	(1,768,642,798)	(19,231,035)
Total capital assets, net of accumulated depreciation	<u>187,820,447</u>	<u>1,561,946,666</u>	<u>4,892,571,989</u>	<u>31,129,810</u>
Total noncurrent assets	<u>187,981,710</u>	<u>1,579,842,198</u>	<u>4,903,590,013</u>	<u>31,129,810</u>
Total assets	<u>373,796,692</u>	<u>2,174,775,020</u>	<u>5,955,824,923</u>	<u>68,433,119</u>
Deferred Outflows of Resources				
Unamortized costs on bond refundings and hedging derivative instruments				
	2,292,489	-	98,643,185	-

(Continued)

Clark County, Nevada
Proprietary Funds
Statement of Net Position
June 30, 2014

	Business-Type Activities - Enterprise Funds			
	University Medical Center	Water Reclamation District	Department of Aviation	Other Enterprise Funds
Liabilities				
Current liabilities (payable from current assets)				
Current maturities of long-term debt	6,295,000	-	-	-
Accounts payable	45,077,918	16,869,141	17,464,077	448,219
Accrued expenses	37,218,382	2,276,852	15,327,361	4,327,663
Due to other funds	39,051,321	-	789,317	1,651,177
Unearned revenue	-	-	8,141,765	300,000
Deposits and other current liabilities	-	2,338,681	-	55,954
Total current liabilities (payable from current assets)	<u>127,642,621</u>	<u>21,484,674</u>	<u>41,722,520</u>	<u>6,783,013</u>
Current liabilities (payable from restricted assets)				
Current maturities of long-term debt	-	10,641,866	78,045,000	-
Accounts payable	-	543,023	4,226,256	-
Accrued expenses	-	11,861,435	104,053,594	-
Total current liabilities (payable from restricted assets)	<u>-</u>	<u>23,046,324</u>	<u>186,324,850</u>	<u>-</u>
Total current liabilities	<u>127,642,621</u>	<u>44,530,998</u>	<u>228,047,370</u>	<u>6,783,013</u>
Noncurrent liabilities				
Long-term debt, less current maturities	60,304,253	463,235,602	4,368,476,508	-
Unearned revenue and other non-current liabilities	141,599,936	21,298,277	144,686,386	511,341
Total noncurrent liabilities	<u>201,904,189</u>	<u>484,533,879</u>	<u>4,513,162,894</u>	<u>511,341</u>
Total liabilities	<u>329,546,810</u>	<u>529,064,877</u>	<u>4,741,210,264</u>	<u>7,294,354</u>
Deferred Inflows of Resources				
Unamortized gain on bond refunding	-	-	5,634,864	-
Net Position				
Net investment in capital assets	124,753,686	1,074,334,531	775,098,146	31,129,809
Restricted for				
Capital projects	-	-	37,846,280	-
Debt service	-	11,981,142	166,940,113	-
Other	6,963,735	-	75,181,859	-
Unrestricted	(85,175,050)	559,394,470	252,556,582	30,008,956
Total net position	<u>\$ 46,542,371</u>	<u>\$ 1,645,710,143</u>	<u>\$ 1,307,622,980</u>	<u>\$ 61,138,765</u>

(Continued)

Clark County, Nevada
Proprietary Funds
Statement of Net Position
June 30, 2014

(Continued)

	Total Enterprise Funds	Governmental Activities - Internal Service Funds
Assets		
Unrestricted current assets		
Cash and cash equivalents		
In custody of the County Treasurer	\$ 351,019,614	\$ 569,303,501
In custody of other officials	48,211,300	4,102,000
Investments in custody of other officials	508,082,858	-
Accounts receivable	182,735,450	2,915,263
Interest receivable	4,390,005	916,307
Due from other funds	6,536,249	44,066,565
Due from other governmental units	806,421	524,363
Inventories	21,008,987	456,172
Prepaid items and other current assets	3,960,689	566,565
Total unrestricted current assets	<u>1,126,751,573</u>	<u>622,850,736</u>
Restricted current assets		
Cash and cash equivalents		
In custody of the County Treasurer	226,211,606	-
With fiscal agent	299,385,278	-
Investments in custody of other officials	34,804,098	-
Investments with fiscal agent	179,983,393	-
Accounts receivable	3,150,075	-
Total restricted current assets	<u>743,534,450</u>	<u>-</u>
Total current assets	<u>1,870,286,023</u>	<u>622,850,736</u>
Noncurrent assets		
Unearned charges and other assets	29,074,819	27,785,533
Capital assets		
Property and equipment	9,424,541,831	185,689,340
Accumulated depreciation	<u>(2,751,072,919)</u>	<u>(32,347,536)</u>
Total capital assets, net of accumulated depreciation	<u>6,673,468,912</u>	<u>153,341,804</u>
Total noncurrent assets	<u>6,702,543,731</u>	<u>181,127,337</u>
Total assets	<u>8,572,829,754</u>	<u>803,978,073</u>
Deferred Outflows of Resources		
Unamortized costs on bond refundings and hedging derivative instruments	100,935,674	-

(Continued)

	Total Enterprise Funds	Governmental Activities - Internal Service Funds
Liabilities		
Current liabilities (payable from current assets)		
Current maturities of long-term debt	6,295,000	164,509,880
Accounts payable	79,859,355	162,660,977
Accrued expenses	59,150,258	273,963,188
Due to other funds	41,491,815	3,507,462
Unearned revenue	8,441,765	-
Deposits and other current liabilities	2,394,635	6,469
Total current liabilities (payable from current assets)	<u>197,632,828</u>	<u>604,647,976</u>
Current liabilities (payable from restricted assets)		
Current maturities of long-term debt	88,686,866	-
Accounts payable	4,769,279	-
Accrued expenses	115,915,029	-
Total current liabilities (payable from restricted assets)	<u>209,371,174</u>	<u>-</u>
Total current liabilities	<u>407,004,002</u>	<u>604,647,976</u>
Noncurrent liabilities		
Long-term debt, less current maturities	4,892,016,363	-
Unearned revenue and other non-current liabilities	308,095,940	17,149,223
Total noncurrent liabilities	<u>5,200,112,303</u>	<u>17,149,223</u>
Total liabilities	<u>5,607,116,305</u>	<u>621,797,199</u>
Deferred Inflows of Resources		
Unamortized gain on bond refunding	5,634,864	-
Net Position		
Net investment in capital assets	2,005,316,172	(11,168,076)
Restricted for		
Capital projects	37,846,280	-
Debt service	178,921,255	-
Other	82,145,594	-
Unrestricted	756,784,958	193,348,950
Total net position	<u>3,061,014,259</u>	<u>\$ 182,180,874</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	<u>(12,525,007)</u>	
Net assets of business-type of activities	<u>\$ 3,048,489,252</u>	

The accompanying notes are an integral part of these financial statements.

Clark County, Nevada
Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2014

	Business-Type Activities - Enterprise Funds			
	University Medical Center	Water Reclamation District	Department of Aviation	Other Enterprise Funds
Operating Revenues				
Charges for services				
Sewer services and operations	\$ -	\$ 142,850,884	\$ -	\$ -
Services to patients	448,345,983	-	-	-
Landing and other airport fees	-	-	61,222,329	-
Building and land rental	-	-	340,401,063	-
Concession fees	-	-	79,865,738	-
Constable fees	-	-	-	2,602,785
Building fees and permits	-	-	-	25,817,602
Recreation fees	-	-	-	9,993,405
Parking fees	-	-	-	584,914
Insurance	-	-	-	-
Other	24,352,832	-	-	-
Other operating revenues	-	658,759	25,566,191	1,633,749
Total operating revenues	472,698,815	143,509,643	507,055,321	40,632,455
Operating Expenses				
Salaries and benefits	-	33,490,453	117,903,183	31,068,733
General and administrative	174,273,205	-	54,205,140	-
Other professional services	404,068,271	6,585,336	-	-
Operating and maintenance	-	30,207,135	64,690,340	11,588,087
Depreciation	15,923,567	75,643,760	195,427,042	1,179,627
Total operating expenses	594,265,043	145,926,684	432,225,705	43,836,447
Operating income (loss)	(121,566,228)	(2,417,041)	74,829,616	(3,203,992)
Nonoperating Revenues (Expenses)				
Interest income	522,983	8,110,767	(8,927,325)	393,603
Interest expense	(3,266,345)	(10,578,550)	(213,922,070)	-
Gain (loss) on sale or abandonment of property and equipment	-	-	190,971	20,938
Sales and use tax	-	15,911,706	-	-
Contributions from primary government	65,614,746	-	-	-
Other	1,042,428	1,882,969	79,523,689	79,835
Total nonoperating revenues (expenses)	63,913,812	15,326,892	(143,134,735)	494,376
Income (loss) before capital contributions and transfers	(57,652,416)	12,909,851	(68,305,119)	(2,709,616)
Capital contributions	-	59,591,565	9,793,840	-
Transfers from other funds	1,302,046	-	10,388,678	-
Change in net position	(56,350,370)	72,501,416	(48,122,601)	(2,709,616)
Net Position				
Beginning of year	102,892,741	1,618,016,848	1,388,642,488	63,848,381
Prior period adjustment	-	(44,808,121)	(32,896,907)	-
Beginning of year, as restated	102,892,741	1,573,208,727	1,355,745,581	63,848,381
End of year	\$ 46,542,371	\$ 1,645,710,143	\$ 1,307,622,980	\$ 61,138,765

(Continued)

Clark County, Nevada
Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2014

(Continued)

	Total Enterprise Funds	Governmental Activities - Internal Service Funds
Operating Revenues		
Charges for services		
Sewer services and operations	\$ 142,850,884	\$ -
Services to patients	448,345,983	-
Landing and other airport fees	61,222,329	-
Building and land rental	340,401,063	-
Concession fees	79,865,738	-
Constable fees	2,602,785	-
Building fees and permits	25,817,602	-
Recreation fees	9,993,405	-
Parking fees	584,914	134,750
Insurance	-	162,558,267
Other	24,352,832	76,935,887
Other operating revenues	27,858,699	53,184,055
Total operating revenues	<u>1,163,896,234</u>	<u>292,812,959</u>
Operating Expenses		
Salaries and benefits	182,462,369	74,388,414
General and administrative	228,478,345	-
Other professional services	410,653,607	-
Operating and maintenance	106,485,562	172,039,139
Depreciation	288,173,996	5,913,321
Total operating expenses	<u>1,216,253,879</u>	<u>252,340,874</u>
Operating income (loss)	<u>(52,357,645)</u>	<u>40,472,085</u>
Nonoperating Revenues (Expenses)		
Interest income	100,028	5,530,525
Interest expense	(227,766,965)	(11,522,800)
Gain (loss) on sale or abandonment of property and equipment	211,909	389,666
Sales and use tax	15,911,706	-
Contributions from primary government	65,614,746	-
Other	82,528,921	12,776,034
Total nonoperating revenues (expenses)	<u>(63,399,655)</u>	<u>7,173,425</u>
Income (loss) before capital contributions and transfers	(115,757,300)	47,645,510
Capital contributions	69,385,405	-
Transfers from other funds	11,690,724	2,500,000
Change in net position	<u>(34,681,171)</u>	<u>50,145,510</u>
Net Position		
Beginning of year		132,035,364
Prior period adjustment		-
Beginning of year, as restated		<u>132,035,364</u>
End of year		<u>\$ 182,180,874</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	3,937,343	
Change in net position of business-type activities	<u>\$ (30,743,828)</u>	

The accompanying notes are an integral part of these financial statements.

Clark County, Nevada
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2014

	Business-Type Activities - Enterprise Funds			
	University Medical Center	Water Reclamation District	Department of Aviation	Other Enterprise Funds
Cash Flows From Operating Activities:				
Cash received from customers	\$ 463,003,339	\$ 132,915,480	\$ 514,730,178	\$ 38,878,823
Cash paid for employees and for benefits	(326,520,786)	(29,834,791)	(107,490,174)	(30,828,177)
Cash paid for services and supplies	(203,717,652)	(37,538,056)	(115,847,908)	(13,253,328)
Other operating receipts	24,597,011	138,418	-	1,633,749
Net cash provided (used) by operating activities	<u>(42,638,088)</u>	<u>65,681,051</u>	<u>291,392,096</u>	<u>(3,568,933)</u>
Cash Flows From Noncapital Financing Activities:				
Transfers from other funds	1,302,046	-	10,388,678	-
Contributions from other governmental units	65,614,746	-	-	79,835
Other noncapital financing payments	1,995	-	-	-
Net cash provided (used) by noncapital financing activities	<u>66,918,787</u>	<u>-</u>	<u>10,388,678</u>	<u>79,835</u>
Cash Flows From Capital and Related Financing Activities:				
Cash provided by contributed capital	-	31,986,150	-	-
Bonds and loans issued	-	1,639,160	640,021,590	-
Federal and state grants	-	-	12,243,925	-
Acquisition, construction, or improvement of capital assets	(18,530,202)	(83,120,689)	(79,128,157)	(188,214)
Contributions received for capital purposes	-	-	-	-
Cash used for debt service:				
Principal	(25,381,796)	(9,397,970)	(62,910,000)	-
Interest	(3,200,647)	(13,175,047)	(229,319,795)	-
Payments to bond refunding agent	-	-	(646,275,000)	-
Proceeds from the sale of capital assets	-	-	535,704	-
Proceeds from customer assessments	-	-	83,071,809	-
Sales tax apportionment	-	15,316,323	-	-
Cash provided by other capital	1,040,433	-	-	20,938
Net cash provided (used) by capital and related financing activities	<u>(46,072,212)</u>	<u>(56,752,073)</u>	<u>(281,759,924)</u>	<u>(167,276)</u>
Cash Flows From Investing Activities:				
Purchase of investments	-	(291,660,558)	(226,402,570)	-
Proceeds from maturities of investments	-	282,282,383	372,980,579	-
Interest income	522,983	9,796,878	8,086,531	399,523
Net cash provided (used) by investing activities	<u>522,983</u>	<u>418,703</u>	<u>154,664,540</u>	<u>399,523</u>
Net increase (decrease) in cash and cash equivalents	<u>(21,268,530)</u>	<u>9,347,681</u>	<u>174,685,390</u>	<u>(3,256,851)</u>
Cash and Cash Equivalents:				
Beginning of year	<u>60,268,367</u>	<u>62,111,945</u>	<u>604,111,361</u>	<u>38,828,435</u>
End of year:				
Unrestricted	14,668,928	47,617,049	301,373,353	35,571,584
Restricted	24,330,909	23,842,577	477,423,398	-
Total cash and cash equivalents at end of year	<u>\$ 38,999,837</u>	<u>\$ 71,459,626</u>	<u>\$ 778,796,751</u>	<u>\$ 35,571,584</u>

(Continued)

Clark County, Nevada
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2014

(Continued)

	Total Enterprise Funds	Governmental Activities - Internal Service Funds
Cash Flows From Operating Activities:		
Cash received from customers	\$ 1,149,527,820	\$ 322,731,803
Cash paid for employees and for benefits	(494,673,928)	(133,931,534)
Cash paid for services and supplies	(370,356,944)	(170,310,816)
Other operating receipts	26,369,178	53,184,055
Net cash provided (used) by operating activities	<u>310,866,126</u>	<u>71,673,508</u>
Cash Flows From Noncapital Financing Activities:		
Transfers from other funds	11,690,724	2,500,000
Contributions from other governmental units	65,694,581	-
Other noncapital financing payments	1,995	-
Net cash provided (used) by noncapital financing activities	<u>77,387,300</u>	<u>2,500,000</u>
Cash Flows From Capital and Related Financing Activities:		
Cash provided by contributed capital	31,986,150	-
Bonds and loans issued	641,660,750	-
Federal and state grants	12,243,925	-
Acquisition, construction, or improvement of capital assets	(180,967,262)	(280,792)
Contributions received for capital purposes	-	12,776,034
Cash used for debt service:		
Principal	(97,689,766)	(1,631,199)
Interest	(245,695,489)	(11,144,835)
Payments to bond refunding agent	(646,275,000)	-
Proceeds from the sale of capital assets	535,704	389,666
Proceeds from customer assessments	83,071,809	-
Sales tax apportionment	15,316,323	-
Cash provided by other capital	1,061,371	-
Net cash provided (used) by capital and related financing activities	<u>(384,751,485)</u>	<u>108,874</u>
Cash Flows From Investing Activities:		
Purchase of investments	(518,063,128)	-
Proceeds from maturities of investments	655,262,962	-
Interest income	18,805,915	5,409,552
Net cash provided (used) by investing activities	<u>156,005,749</u>	<u>5,409,552</u>
Net increase (decrease in cash and cash equivalents)	159,507,690	79,691,934
Cash and Cash Equivalents:		
Beginning of year	<u>765,320,108</u>	<u>493,713,567</u>
End of year:		
Unrestricted	399,230,914	573,405,501
Restricted	525,596,884	-
Total cash and cash equivalents at end of year	<u>\$ 924,827,798</u>	<u>\$ 573,405,501</u>

(Continued)

	Business-Type Activities - Enterprise Funds			
	University Medical Center	Water Reclamation District	Department of Aviation	Other Enterprise Funds
Reconciliation of operating income (loss) to net cash flows from operating activities:				
Operating income (loss)	\$ (121,566,228)	\$ (2,417,041)	\$ 74,829,616	\$ (3,203,992)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	16,066,958	75,643,760	198,247,157	1,179,627
Provision for doubtful accounts	30,449,180	-	-	-
(Increase) decrease in:				
Accounts receivable	(15,791,824)	(10,594,165)	3,328,669	(533,645)
Due from other funds	-	-	-	163,357
Due from other governmental units	-	-	-	7,211
Inventory	6,858	(136,604)	(2,608,215)	(40,012)
Prepaid expense	-	214,209	583,711	-
Other assets	(5,582,881)	-	-	-
Increase (decrease) in:				
Accounts payable	27,188,373	3,699,789	2,750,927	(84,391)
Accrued payroll	-	-	10,412,021	240,556
Due to other funds	-	-	-	(1,540,838)
Other non-current liabilities	355,646	(728,897)	-	-
Unearned revenue	-	-	3,799,587	-
Deposits and other current liabilities	26,235,830	-	48,623	243,194
Net cash provided (used) by operating activities	<u>\$ (42,638,088)</u>	<u>\$ 65,681,051</u>	<u>\$ 291,392,096</u>	<u>\$ (3,568,933)</u>
Noncash Investing, Capital and Financing Activities				
Donated mains and services	\$ -	\$ 28,130,054	\$ -	\$ -
Property, plant and equipment purchased on account	-	13,818,295	-	-
Change in fair value of investments	-	(1,159,216)	-	-
Gain (loss) investment income	-	-	(16,575,294)	-

Clark County, Nevada
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2014

(Continued)

	Total Enterprise Funds	Governmental Activities - Internal Service Funds
Reconciliation of operating income (loss) to net cash flows from operating activities:		
Operating income (loss)	\$ (52,357,645)	\$ 40,472,085
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization	291,137,502	5,913,321
Provision for doubtful accounts	30,449,180	-
(Increase) decrease in:		
Accounts receivable	(23,590,965)	876,480
Due from other funds	163,357	55,380,193
Due from other governmental units	7,211	1,437,589
Inventory	(2,777,973)	(13,355)
Prepaid expense	797,920	911,322
Other assets	(5,582,881)	35,544,186
Increase (decrease) in:		
Accounts payable	33,554,698	5,494,113
Accrued payroll	10,652,577	(59,543,120)
Due to other funds	(1,540,838)	(4,663,757)
Other non-current liabilities	(373,251)	-
Unearned revenue	3,799,587	-
Deposits and other current liabilities	26,527,647	(10,135,549)
Net cash provided (used) by operating activities	<u>\$ 310,866,126</u>	<u>\$ 71,673,508</u>
Noncash Investing, Capital and Financing Activities		
Donated mains and services	\$ 28,130,054	\$ -
Property, plant and equipment purchased on account	13,818,295	-
Change in fair value of investments	(1,159,216)	-
Gain (loss) investment income	(16,575,294)	-

The accompanying notes are an integral part of these financial statements.

Clark County, Nevada
Statement of Net Position - Fiduciary Funds
For the Fiscal Year Ended June 30, 2014

	Employee Benefit and Pension Trust Funds	Agency Funds
Assets		
Cash and investments		
In custody of the County Treasurer	\$ 2,237,447	\$ 174,889,751
In custody of other officials	-	119,685,310
With fiscal agent	273,958,110	7,910,785
Accounts receivable	-	741,631
Interest receivable	11,243	281,456
Taxes receivable, delinquent	-	23,814,937
Due from other governmental units	-	535,236,735
	<u>276,206,800</u>	<u>862,560,605</u>
Liabilities		
Accrued expenses	91,556	-
Amounts held for others	-	862,560,605
	<u>91,556</u>	<u>862,560,605</u>
Net Position		
Restricted for pension benefits and other purposes	<u>\$ 276,115,244</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

Clark County, Nevada
Statement of Changes in Net Position - Fiduciary Funds
For the Fiscal Year Ended June 30, 2014

	<u>Employee Benefit and Pension Trust Funds</u>
Additions	
Contributions	
Contributions from employer	\$ 30,702,363
Contributions from employees	625,340
Total contributions	<u>31,327,703</u>
Investment earnings	
Interest	150,970
Net increase in fair value of investments	<u>37,874,587</u>
Total investment earnings	38,025,557
Less investment expense	<u>(105,426)</u>
Net investment earnings	<u>37,920,131</u>
Total additions	<u>69,247,834</u>
Deductions	
General and administrative	277,319
Benefit payments	<u>9,327,821</u>
Total deductions	<u>9,605,140</u>
Change in net position	59,642,694
Net Position	
Beginning of year	<u>216,472,550</u>
End of year	<u>\$ 276,115,244</u>

The accompanying notes are an integral part of these financial statements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Reporting Entity

Clark County, Nevada (the County) is a municipality governed by an elected seven-member board. As required by accounting principles generally accepted in the United States of America (GAAP), these financial statements present Clark County, Nevada (the primary government) and its component units.

Blended Component Units

Included as blended component units are University Medical Center of Southern Nevada (UMC) and the Clark County Water Reclamation District (Reclamation District).

Although each of the above-mentioned governmental units operates as a separate entity, the members of the Board of Clark County Commissioners are also the board members (ex-officio) of each entity. Because each of the component units has substantially the same governing body as the primary government and management of the primary government has operational responsibility for each of the component units, they are blended into the financial statements. The operations of UMC and the Reclamation District are reflected as enterprise funds.

Discretely Presented Component Units

Included as discretely presented component units are the Regional Transportation Commission of Southern Nevada (RTC), the Clark County Regional Flood Control District (Flood Control District), Las Vegas Valley Water District (LVVWD), Big Bend Water District, and Kyle Canyon Water District. The RTC and the Flood Control District are governed by two members of the Board of County Commissioners, two members of the City of Las Vegas Council, and one member from the city council of every other incorporated city in Clark County. The County is financially accountable for RTC and Flood Control District, and exclusion of these units would render the financial statements of the County incomplete. The members of the Board of County Commissioners are also the board members (ex-officio) of the Water Districts, and the exclusion of these units would render the financial statements of the County incomplete.

Separately issued financial statements for the component units may be obtained by contacting the component units at the following addresses:

Las Vegas Valley Water District, Big Bend Water District, and Kyle Canyon Water District
1001 South Valley View Boulevard
Las Vegas, Nevada 89153

University Medical Center of Southern Nevada
1800 West Charleston Boulevard
Las Vegas, Nevada 89102

Clark County Water Reclamation District
5857 East Flamingo Road
Las Vegas, Nevada 89122

Regional Transportation Commission of Southern Nevada
600 South Grand Central Parkway, Suite 350
Las Vegas, Nevada 89106

Regional Flood Control District
600 South Grand Central Parkway, Suite 300
Las Vegas, Nevada 89106

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the County and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges for services between the governmental activities and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. In addition, subsidy payments to UMC are reported as functional expenses of governmental activities and program revenues of business-type activities.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the County considers revenues, excluding property taxes, to be available if they are collected within 90 days after the end of the current fiscal year. Property taxes are considered available if collected within 60 days after the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, consolidated taxes, franchise fees, interest revenue, and charges for services associated with the current fiscal year are considered to be susceptible to accrual and have been recognized as revenues in the current year. Only the portion of special assessments receivable due within the fiscal year is considered to be susceptible to accrual as revenue of the current year. Fines and forfeitures, as well as licenses and permits, are not susceptible to accrual as they are generally not measurable until received in cash.

The proprietary fund and employee benefit and pension fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds and internal service funds are charges to customers for sales and services. The County also recognizes as operating revenue the portion of tap fees of the Reclamation District fund that are intended to recover the cost of connecting new customers to their system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The County reports the following major governmental funds:

The General Fund is the County's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The Las Vegas Metropolitan Police Department Fund accounts for the operation of a police department serving the citizens of unincorporated Clark County and the City of Las Vegas and is primarily funded through property taxes, fees for service, grants, an interlocal contract with the Department of Aviation for police services, and contributions from the City of Las Vegas and Clark County.

The County reports the following major enterprise funds:

The University Medical Center Fund is a blended component unit of the County. It accounts for the operations of the County's hospital.

The Water Reclamation District Fund is a blended component unit of the County. It accounts for the operations of the County's sewage treatment facilities.

The Department of Aviation Fund accounts for the operations of McCarran International Airport, North Las Vegas Airport, Henderson Executive Airport, Jean Sport Aviation Airport, Perkins Field in Overton, Nevada, and Searchlight Airport.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Fund Financial Statements (Continued)

Additionally, the County reports the following fund types:

Internal service funds account for printing and mailing, fleet management, employee benefits, property management, information technology, enterprise resource planning, investment pool costs and self-insurance services provided to other departments or agencies of the County, or to other governments, on a cost reimbursement basis.

Fiduciary funds include the Medical Insurance Premium Retirement Plan fund, the County Section 125 Plan fund, and the Las Vegas Valley Water District Pension Plan fund. These funds account for resources that are required to be held in trust for the members and beneficiaries of the employee benefit plans or for pension benefit payments to qualified employees.

The agency funds are also included as fiduciary funds and they account for assets held by the County as an agent for other governmental entities. The most significant activity in the agency funds is the collection and transfer of taxes to other local governmental entities, primarily ad valorem and room taxes.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, Liabilities, and Net Position or Equity

Investments

With the exception of the Water Reclamation District, the County pools the cash of its individual funds for investment purposes. Each fund in the pool records its own interest earnings allocated based on its average daily balances. At year end, all the investments in the pool are adjusted to fair value, regardless of the length of time remaining to maturity. The proportionate share of each fund's unrealized gain or loss at year end is adjusted against the interest earnings of the individual funds. The Water Reclamation District also adjusts their investments to fair value, but only to the extent that they are maturing longer than a year from year end. (Also see Note III.1.)

Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

The accounts receivable are shown net of any provision for doubtful accounts.

Inventories and Prepaid Items

The inventories of the proprietary funds are valued at the lower of cost, determined by first-in, first-out method, or market. Inventories consist primarily of materials and supplies.

Certain payments to vendors reflect costs benefiting future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets

Restricted assets consist of cash and cash equivalents, investments and certain receivables that are restricted in their use by bond covenants or other external agreements. They are primarily used to pay the cost of capital projects and to meet debt service obligations.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, bridges, flood control structures, traffic signals, streetlights, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position or Equity (Continued)

Capital Assets

Major outlays for capital assets and improvements are capitalized as projects are constructed. Significant projects in process are depreciated once the projects are placed in service. Prior to that time, they are reported as construction in progress. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	20-50
Land improvements	5-75
Infrastructure	25-50
Equipment	5-20

Compensated Absences

It is the County's policy to permit employees to accumulate earned, but unused vacation and sick leave benefits. Such benefits are accrued when incurred in the government-wide and proprietary financial statements.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources whereas discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position or Equity

In the government-wide statements and in proprietary fund statements, equity is classified as net position and displayed in three components:

- Net investment in capital assets - Capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets net of unspent financing proceeds.
- Restricted net position - Net position with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

In governmental fund financial statements equity is classified as fund balance and is displayed in up to five components based primarily on the extent to which the County is bound to observe constraints imposed on the use of fund resources. These components are as follows:

- Nonspendable fund balances - Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes the long-term amount of loans and notes receivable.
- Restricted fund balances - Similar to restricted net position discussed above, these are amounts with constraints placed on their use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position or Equity (Continued)

Net Position or Equity (Continued)

- Committed fund balances - Amounts with constraints imposed by formal resolution of the Board of County Commissioners (BCC) that specifically state the revenue source and purpose of the commitment. Commitments can only be modified or rescinded through resolutions by the BCC. Commitments can also include resources required to meet contractual obligations approved by the BCC.
- Assigned fund balances - Amounts intended to be used for specific purposes by the Chief Financial Officer as authorized by fiscal directives that do not meet the criteria to be classified as restricted or committed. In the General Fund, the assigned fund balance represents management approved encumbrances that have been re-appropriated in the subsequent year, and amounts necessary to fund budgetary shortfalls in the next fiscal year from unassigned resources.
- Unassigned fund balances - Amounts in the General Fund not contained in other classifications. For other governmental funds, the unassigned classification is used only to report a deficit balance resulting from expenditures exceeding those amounts restricted, committed or assigned for specific purposes.

Based on the County's policy regarding the fund balance classification as noted above, when both restricted and unrestricted funds are available for expenditure, restricted funds should be spent first unless legal requirements disallow it. When expenditures are incurred for purposes for which amounts in any unrestricted fund balance classifications could be used, committed funds are to be spent first, assigned funds second, and unassigned funds last.

Accounting Pronouncements

In March 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*, effective for financial statements for fiscal years beginning after December 15, 2012. The objective of this statement is to establish accounting and financial 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. The adoption of Statement No. 65 resulted in a prior period adjustment for the retroactive adjustment to recognize unamortized debt issuance costs, previously classified as deferred charges, as a component of interest expense. The effects of this adjustment are disclosed in "Accounting Changes and Restatements" below. Further, property taxes, special assessments and grant awards that are due but unavailable, previously reported as deferred revenue, have been reclassified as deferred inflows of resources.

In June 2012, the GASB issued Statement No. 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25*, effective for financial statements for fiscal years beginning after June 15, 2013. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements. The Water District adopted this statement for the year ended June 30, 2014.

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, effective for fiscal years beginning after June 15, 2014. Earlier application is encouraged. The primary objective of this Statement is to improve financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements. The County is currently evaluating how the adoption of Statement No. 68 will affect the County's financial position, results of operation or cash flow.

In January 2013, the GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*, which is effective for financial periods beginning after December 15, 2013 and should be applied on a prospective basis. Earlier application is encouraged. Statement No. 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. Government combinations include a variety of transactions referred to as mergers, acquisitions and transfers of operations. The County does not expect the adoption of Statement No. 69 to affect the County's financial position, results of operations or cash flow.

In April 2013, the GASB issued Statement No. 70, *Accounting and Financial Reporting for Non-exchange Financial Guarantees*, which is effective for financial periods beginning after June 15, 2013. Earlier application is encouraged. The objective of Statement No. 70 is to improve accounting and financial reporting by state and local governments that extend and receive non-exchange financial guarantees. The adoption of Statement No. 70 did not affect the County's financial position, results of operations or cash flow.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position or Equity (Continued)

Accounting Changes and Restatements

Fiscal year 2013 basic financial statements have been retroactively adjusted following GASB 65 *Items Previously Reported as Assets and Liabilities*, as described in "Accounting Pronouncements" above. The effect of this adjustment is a decrease in net position at July 1, 2013 of \$51,165,663 due to the recognition of unamortized debt issuance costs, previously classified as deferred charges and other assets, as a component of interest expense. This change is in accordance with generally accepted accounting principles.

In addition, capital assets and net position of the Clark County Water Reclamation District were reduced by \$40,648,868 as of July 1, 2013 due to an over capitalization of interest on construction work-in-progress during the fiscal years ended June 30, 2011 through June 30, 2013.

The effects of the two adjustments on the fiscal year 2013 basic financial statements are as follows:

	July 1, 2013 as Previously Stated	Restatement	July 1, 2013 as Restated
Primary Government			
Governmental Activities	\$ 7,390,765,942	\$ (12,362,535)	\$ 7,378,403,407
Business-Type Activities	3,156,938,108	(77,705,028)	3,079,233,080
Total Primary Government	<u>\$ 10,547,704,050</u>	<u>\$ (90,067,563)</u>	<u>\$ 10,457,636,487</u>
Component Units			
Flood Control District	<u>\$ (252,372,797)</u>	<u>\$ (1,746,968)</u>	<u>\$ (254,119,765)</u>

Reclassifications

Certain amounts in the prior year statements have been reclassified for comparison purposes to conform to the current year presentation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Unrestricted Deficit Net Position

The Shooting Complex non-major enterprise fund had a deficit unrestricted net position of \$88,805 at June 30, 2014. This deficit position is under review by County management and will continue to be addressed during the following fiscal year.

Excess of Expenditures Over Appropriations

The Recreation Activity nonmajor enterprise fund operating expenses exceeded appropriations by \$35,535 for the fiscal year ended June 30, 2014. This excess is under review by County management and will continue to be addressed during the following fiscal year.

III. DETAILED NOTES - ALL FUNDS

1. CASH AND INVESTMENTS

Deposits

According to state statutes, County monies must be deposited with federally insured banks, credit unions, or savings and loan associations within the County. The County is authorized to use demand accounts, time accounts, and certificates of deposit. State statutes specifically require collateral for demand deposits, and specify that collateral for time deposits may be of the same type as those described for permissible investments. Permissible investments are similar to allowable County investments described below, except that statutes permit a longer term and include securities issued by municipalities within Nevada. The County's deposits are fully covered by federal depository insurance or securities collateralized in the State of Nevada Collateral Pool. Securities used as such collateral must total 102 percent of the deposits with each financial institution. The County monitors the Nevada Collateral Pool to ensure full collateralization.

All deposits are subject to credit risk. Credit risk is defined as the risk that another party to a deposit or investment transaction (counterparty) will not fulfill its obligations. At year end, the bank balance of deposits held in custody of the County Treasurer was \$59,633,468 and the carrying amount was \$42,958,364. The County utilizes zero balance sweep accounts and there are money market funds and other short-term investments available to cover amounts presented for payment.

The bank balance of deposits held in the custody of other officials was \$253,348,637 consisting of \$500 for the Flood Control District, \$12,210,294 for the RTC, \$100,489,226 for the Water District, and \$1,930,163 for Big Bend Water District. The carrying amount of deposits held in the custody of other officials was \$252,549,039 consisting of \$500 for the Flood Control District, \$11,694,998 for the RTC, \$103,803,461 for the Water District, and \$1,930,163 for Big Bend Water District. The bank balance and the carrying value of deposits with fiscal agent was \$2,006,154.

At June 30, 2014, the fair value of County-wide deposits, investments, and derivative instruments consisted of the following:

<u>Total Cash, Investments, and Derivative Instruments - All Entities Combined</u>		
Investments and derivative instruments		<u>Fair Value</u>
Countywide Investments (1)	\$ 4,750,476,695	
Investments with RTC Fiscal Agent	137,701,004	
Investments with the Water District	155,322,143	
Derivative Instruments	<u>34,687,767</u>	5,078,187,609
Cash		297,513,557
Water District Pension		<u>273,868,518</u>
Grand total		<u>\$5,649,569,684</u>
(1) Exclusive of Water District		

County-wide investments and cash above include investment and cash balances for the Flood Control District, the RTC, and Kyle Canyon Water District in the amount of \$197,160,265, \$308,555,093, and \$128,886, respectively, which are discretely presented component units and are not broken out separately as they participate in the investment pool.

Investments

When investing monies, the County is required to be in conformance with state statutes and written policies adopted by the Board of County Commissioners designating allowable investments and the safeguarding of those investments. The County invests monies both by individual fund and through a pooling of monies. The pooled monies, referred to as the investment pool, are theoretically invested as a combination of monies from each fund belonging to the pool. In this manner, the County Treasurer is able to invest the monies at a higher interest rate for a longer period of time. Interest is apportioned monthly to each fund in the pool based on the average daily cash balances of the funds for the month in which the investment matures. Cash and investments in the custody of the County Treasurer comprise the investment pool. Securities purchased by the County are delivered against payments and held in a custodial safekeeping account with the trust department of a bank designated by the County.

III. DETAILED NOTES - ALL FUNDS

1. CASH AND INVESTMENTS (Continued)

Investments (Continued)

As described above, the cash and investments in custody of the County Treasurer are invested as a pool. Entity-wide investment pools are considered to have the general characteristics of demand deposits in that the entity may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty. Therefore, cash and investments in custody of the County Treasurer for the proprietary funds are considered cash equivalents for the purposes of the statement of cash flows, in addition to cash in custody of other officials and cash with fiscal agent.

State statutes authorize the County to invest in the following (quality rating by Moody's Investment Service): Obligations of the U.S. Treasury and U.S. agencies not to exceed ten years maturity; negotiable notes or short-term negotiable bonds issued by other local governments of the State of Nevada; negotiable certificates of deposit insured by commercial banks, credit unions or savings and loan associations; nonnegotiable certificates of deposit issued by insured commercial banks, credit unions or savings and loan associations, except certificates that are not within limits of insurance provided by the Federal Deposit Insurance Corporation, unless those certificates are collateralized as is required for uninsured deposits; bankers' acceptances eligible for rediscount with federal reserve banks, not to exceed 180 days maturity and 20 percent of total investments; obligations of state and local governments if the interest on the obligation is tax exempt and the obligation is rated "A" or its equivalent; commercial paper having a "P-1" rating or equivalent, not to exceed 270 days maturity and 20 percent of the total investments; money market mutual funds with "Aaa" rating invested only in federal government or agency securities; master notes, bank notes or other short-term commercial paper rated "P-1" or its equivalent, or in repurchase agreements fully collateralized by such securities; notes, bonds, and other unconditional obligations issued by corporations organized and operating in the United States, having an "A" rating or equivalent, not to exceed 5 years maturity and 20 percent of the total investments; collateralized mortgage obligations that are rated "Aaa" or its equivalent, not to exceed 20 percent of the total investments; asset-backed securities that are rated "Aaa" or its equivalent, not to exceed 20 percent of the total investments; repurchase agreements that are collateralized at 102 percent and are executed with a primary dealer, not to exceed 90 days maturity. State statutes require the County to invest with security dealers who are primary dealers when investing in repurchase agreements. Primary dealers are a group of dealers that submit daily reports of market positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its formal oversight.

At June 30, 2014, the fair value of Countywide investments and derivative instruments were categorized by maturity as follows:

<u>Investments and Derivative Instruments Maturities - All Entities Combined</u>					
<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1 Year</u>	<u>1 to 3 Years</u>	<u>3 to 5 Years</u>	<u>More than 5 Years</u>
Debt Securities (1)					
U.S. Treasuries	\$ 985,854,148	\$ 77,733,673	\$ 383,472,275	\$ 524,648,200	\$ -
U.S. Agencies	2,384,766,500	604,187,580	950,789,170	760,055,650	69,734,100
Corporate Obligations	569,207,396	64,457,049	275,403,409	229,346,938	-
Money Market Funds	279,960,369	279,960,369	-	-	-
Commercial Paper	392,627,646	392,627,646	-	-	-
Negotiable CD	4,310,832	4,310,832	-	-	-
NV Local Gov't Investment Pool	2,207	2,207	-	-	-
Collateralized Mortgage Obligations	26,867,802	-	3,268,458	8,523,427	15,075,917
Collateralized Investment Agreements (2)	14,867,770	-	-	-	14,867,770
Asset Backed Securities	92,012,025	-	21,094,010	54,626,205	16,291,810
Derivative Instruments	34,687,767	-	-	-	34,687,767
Subtotal	<u>4,785,164,462</u>	<u>1,423,279,356</u>	<u>1,634,027,322</u>	<u>1,577,200,420</u>	<u>150,657,364</u>
Debt Securities - RTC Fiscal Agent					
U.S. Agencies	112,689,357	112,689,357	-	-	-
Money Market Funds	25,011,647	25,011,647	-	-	-
Subtotal	<u>137,701,004</u>	<u>137,701,004</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Securities - Water District					
U.S. Treasuries	74,295,927	-	74,295,927	-	-
U.S. Agencies	74,506,062	74,506,062	-	-	-
State & Local Gov't Obligations	3,158,001	-	-	3,158,001	-
Negotiable CD	3,362,153	3,362,153	-	-	-
Subtotal	<u>155,322,143</u>	<u>77,868,215</u>	<u>74,295,927</u>	<u>3,158,001</u>	<u>-</u>
Total	<u>\$ 5,078,187,609</u>	<u>\$ 1,638,848,575</u>	<u>\$ 1,708,323,249</u>	<u>\$ 1,580,358,421</u>	<u>\$ 150,657,364</u>
(1) Debt Securities (Exclusive of RTC Fiscal Agent & Water District)					
(2) These are fully collateralized guaranteed investment contracts and forward delivery agreements related to bond proceeds.					

III. DETAILED NOTES - ALL FUNDS

1. CASH AND INVESTMENTS (Continued)

Investments (Continued)

The Local Government Investment Pool is an unrated external pool administered by the State Treasurer with oversight by the State of Nevada Board of Finance. The County deposits monies with the State Treasurer to be pooled with monies of other local governments for investment in the local government pooled investment fund.

At June 30, 2014, the Las Vegas Valley Water District Pension Trust Fund had the following investments (includes contract investments at contract value):

<u>Las Vegas Valley Water District Trust Fund Investments</u>			
<u>Investment</u>	<u>Maturities</u>	<u>Carrying Value</u>	<u>Percentage of Total</u>
Cash and cash equivalents			
Money Market Fund	Weighted Avg. 28 days	\$ 897,938	
Money Market Fund	Weighted Avg. 40 days	302,419	
		<u>1,200,357</u>	0.40%
Fixed income securities			
U.S. Fixed Income Securities	Weighted Avg. 7.70 years	54,766,270	
High Yield Fixed Income Securities	Weighted Avg. 3.70 years	16,375,708	
Union Central Life Insurance Co. Contract	Open	1,671,659	
New York Life Insurance Co Contract	Open	269,955	
		<u>73,083,592</u>	26.7
Equity securities			
U.S. Equity Securities	N/A	151,247,407	
International Equity Securities	N/A	39,993,901	
		<u>191,241,308</u>	69.80
Global REIT	N/A	8,343,261	3.10
Total		<u>\$ 273,868,518</u>	100.00%

III. DETAILED NOTES - ALL FUNDS

1. CASH AND INVESTMENTS (Continued)

Investments (Continued)

At June 30, 2014, the fair value of Countywide investments and derivative instruments were categorized by quality rating as follows:

Investment Type	Fair Value	Investments with Derivative Instruments - All Entities Combined					
		Quality Ratings by Moody's Investors Service					
		Aaa	Aa	A	Baa	P-1	Unrated
<i>Debt Securities (Exclusive of RTC Fiscal Agent & Water District)</i>							
U.S. Treasuries	\$ 985,854,148	\$ 985,854,148	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Agencies	2,384,766,500	1,980,833,070	-	-	-	403,933,430	-
Corporate Obligations	569,207,397	8,105,660	173,660,475	387,441,262	-	-	-
Money Market Funds	279,960,369	279,960,369	-	-	-	-	-
Commercial Paper	392,627,646	-	-	-	-	392,627,646	-
Negotiable CD	4,310,832	-	-	-	-	4,310,832	-
NV Local Government Investment Pool	2,207	-	-	-	-	-	2,207
Collateralized Mortgage Obligations	26,867,801	26,867,801	-	-	-	-	-
Collateralized Investment Agreements (1)	14,867,770	-	-	14,867,770	-	-	-
Asset Backed Securities (2)	92,012,025	81,500,405	-	-	-	-	10,511,620
Derivative Instruments	34,687,767	-	605,573	605,580	33,476,614	-	-
Subtotal	4,785,164,462	3,363,121,453	174,266,048	402,914,612	33,476,614	800,871,908	10,513,827
<i>Debt Securities With RTC Fiscal Agent</i>							
U.S. Agencies	112,689,357	-	-	-	-	112,689,357	-
Money Market Funds	25,011,647	25,011,647	-	-	-	-	-
Subtotal	137,701,004	25,011,647	-	-	-	112,689,357	-
<i>Debt Securities With Water District</i>							
U.S. Treasuries	74,295,927	74,295,927	-	-	-	-	-
U.S. Agencies	74,506,062	74,506,062	-	-	-	-	-
State & Local Government Obligations	3,158,001	-	-	3,158,001	-	-	-
Negotiable CD	3,362,153	-	-	-	-	-	3,362,153
Subtotal	155,322,143	148,801,989	-	3,158,001	-	-	3,362,153
Total	\$ 5,078,187,609	\$ 3,536,935,089	\$ 174,266,048	\$ 406,072,613	\$ 33,476,614	\$ 913,561,265	\$ 13,875,980

(1) These are fully collateralized guaranteed investment contracts and forward delivery agreements related to bond proceeds.
(2) Unrated Securities are rated AAA by Standard & Poor's

III. DETAILED NOTES - ALL FUNDS

1. CASH AND INVESTMENTS (Continued)

Investments (Continued)

<u>Las Vegas Valley Water District Pension Trust Fund Credit Quality with Credit Exposure as a Percentage of Total Fixed Income Investments (Contracts Not Rated) as of June 30, 2014</u>		
Domestic Bond Fund	AA	74.90%
High Yield Bond Fund	B	22.40
Contracts	N/A	2.70

The managing institution of the Domestic Bond Fund reports an average quality rating of AA1/AA2 at June 30, 2014, for the underlying securities. The managing institution of the High Yield Bond Fund reports an average quality rating of B1 at June 30, 2014 for the underlying securities. One of the Plan's Money Market Funds reports ratings of Aaa by Moody's. The other Money Market Fund was not rated by either Moody's or Standard & Poor's.

Interest Rate Risk

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. Through its investment policy, the County manages its exposure to fair value losses arising from increasing interest rates by limiting the average weighted duration of its investment pool portfolio to less than 2.5 years. Duration is a measure of the present value of a fixed income's cash flows and is used to estimate the sensitivity of a security's price to interest rate changes.

Interest Rate Sensitivity

At June 30, 2014, the County invested in the following types of securities that have a higher sensitivity to interest rates:

Callable securities are directly affected by the movement of interest rates. Callable securities allow the issuer to redeem or call a security before maturity, one time or generally on coupon dates.

Fixed-to-floating rate notes have fixed rate coupons for a specified period of time then a variable rate coupon for the remaining life of the security. The variable rate is generally based on the prime rate or the London Interbank Offered Rate (LIBOR), plus or minus a specified number of basis points.

<u>Terms Table of Interest Rate Sensitive Securities</u>						
CUSIP	Fair Value	Maturity Date	Call Frequency	Index	Coupon	
3130A1UA4	\$ 9,979,800	02/19/16	One time	N/A	Fixed	
3134G3A91	19,594,600	08/22/19	One time	N/A	Fixed	
3134G4V21	50,135,000	02/27/19	One time	N/A	Fixed	
3134G4V21	20,054,000	02/27/19	One time	N/A	Fixed	
3134G4WX2	50,139,500	09/29/19	One time	N/A	Fixed	
3135G0RZ8	49,919,000	05/26/16	One time	N/A	Fixed	
3136G0J44	19,971,400	10/03/16	Quarterly	N/A	Fixed	
3136G15Q8	48,955,000	06/26/18	One time	N/A	Fixed	
3136G15Q8	19,582,000	06/26/18	One time	N/A	Fixed	
3136G1CM9	19,627,800	08/13/18	One time	N/A	Fixed	
3136G1GP8	4,924,050	03/27/18	One time	N/A	Fixed	
3136G1WK1	50,163,500	10/30/17	One time	N/A	Fixed	
3136G1WK1	20,065,400	10/30/17	One time	N/A	Fixed	
31418ACR7	2,369,386	02/01/22	N/A	N/A	Fixed	
36161YAD6	3,500,560	09/22/20	N/A	N/A	Fixed	
161571GC2	5,015,250	10/15/18	N/A	N/A	Fixed	
36162NAD9	5,774,380	01/22/20	N/A	N/A	Fixed	
65477MAC2	6,993,070	08/15/18	N/A	N/A	Fixed	
14313MAC8	7,007,560	01/16/18	N/A	N/A	Fixed	
02587UAB6	7,011,060	05/15/18	N/A	N/A	Fixed	

III. DETAILED NOTES - ALL FUNDS

1. CASH AND INVESTMENTS (Continued)

Investments (Continued)

Interest Rate Sensitivity (Continued)

<u>Terms Table of Interest Rate Sensitive Securities (Continued)</u>					
CUSIP	Fair Value	Maturity Date	Call Frequency	Index	Coupon
12624HAC7	7,012,390	04/16/18	N/A	N/A	Fixed
92867QAD3	7,012,600	04/20/17	N/A	N/A	Fixed
65476VAC3	7,013,440	04/15/16	N/A	N/A	Fixed
36159LCC8	7,015,610	10/20/17	N/A	1mo Libor + .44	Floater
36162WAD9	7,016,870	03/24/21	N/A	N/A	Fixed
17305EFE0	7,066,990	09/07/18	N/A	N/A	Fixed
14312AAD3	7,067,970	04/17/17	N/A	N/A	Fixed
02006TAB2	7,504,275	10/15/18	N/A	N/A	Fixed
Total	<u>\$ 477,492,461</u>				

Credit Risk

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County's investment policy applies the prudent-person rule: "In investing the County's monies, there shall be exercised judgment and care under the circumstances then prevailing which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." The County's investments were rated by Moody's Investors Service as follows: U.S. Treasury Notes, Aaa; bonds of U.S. Federal agencies, Aaa; discount notes of U.S. Federal agencies, P-1; municipal bonds issued by state and local governments, A or its equivalent or higher; money market funds, Aaa; commercial paper issued by corporations organized and operating in the United States or by depository institutions licensed by the United States or any state and operating in the United States, P-1; negotiable certificates of deposit issued by commercial banks, insured credit unions or savings and loan associations, P-1; collateralized mortgage obligations, Aaa; collateralized investment agreements issued by insurance companies rated Aa or its equivalent or higher, or issued by entities rated A or its equivalent or higher; asset-backed securities, Aaa; corporate notes issued by corporations organized and operating in the United States which have a rating of A or its equivalent or higher. The County's investments in non-negotiable certificates of deposit are FDIC insured and do not exceed \$250,000 per insured institution.

The County is exposed to credit risk in the amount of the hedging derivatives' positive fair values. Since none of the hedging derivatives had a positive fair value as of June 30, 2014, the County was exposed to no credit risk for these derivatives. The counterparty credit ratings for hedging derivative instruments were Baa or higher. The County is exposed to credit risk on interest rate swaps with positive fair values totaling \$34.7 million. The County is not exposed to credit risk on interest rate swaps with negative fair values. Exposure is mitigated through the use of an International Swaps and Derivatives Association credit support annex, which provides collateral to protect the value of the swaps under specific circumstances. The counterparty credit ratings for investment derivative swaps were Baa or higher.

Concentration of Credit Risk

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County's investment policy limits the amount that may be invested in obligations of any one issuer, except direct obligations of the U.S. government or federal agencies, to no more than five percent of the Clark County investment pool.

At June 30, 2014, the following investments exceeded five percent of the total cash and investments for all entities combined:

<u>Investments Exceeding 5% of Total Cash and Investments (all entities combined)</u> <u>as of June 30, 2014</u>	
Federal Farm Credit Banks (FFCB)	6.46%
Federal Home Loan Banks (FHLB)	12.60
Federal Home Loan Mortgage Corporation (FHLMC)	17.89
Federal National Mortgage Association (FNMA)	15.52

GASB 31

GASB Statement No. 31 requires the County to adjust the carrying amount of its investment portfolio to reflect the change in fair or market values. Interest revenue is increased or decreased in relation to this adjustment of unrealized gain or loss. Net interest income in the funds reflects this positive or negative market value adjustment.

III. DETAILED NOTES - ALL FUNDS

2. PROPERTY TAXES

Taxes on real property are levied on July 1 of each year and a lien is also placed on the property on July 1. The taxes are due on the third Monday in August, but can be paid in four installments on or before the third Monday in August, first Monday in October, January, and March. In the event of nonpayment, the County Treasurer is authorized to hold the property for two years, subject to redemption upon payment of taxes, penalties, and costs, together with interest at the rate of 10 percent per year from the date the taxes were due until paid. If delinquent taxes are not paid within the two-year redemption period, the County Treasurer may sell the property to satisfy the tax lien.

The Nevada legislature enacted provisions whereby the combined overlapping tax rate was limited to \$3.64 per \$100 of assessed valuation. The Nevada legislature also passed a property tax abatement law that generally caps increases in property taxes received from any owner-occupied residential property to three percent per year, and eight percent per year for all other property.

Delinquent taxes receivable not collected within sixty days after year end are recorded as deferred inflows of resources in the governmental funds as they are not available to pay liabilities of the current period. The revenue is fully recognized at the government-wide level.

<u>Unavailable Delinquent Taxes and Penalties Receivable at June 30, 2014</u>				
<u>General Fund</u>	<u>Las Vegas Metropolitan Police</u>	<u>Nonmajor Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Total</u>
\$ 15,181,497	\$ 1,893,726	\$ 1,684,044	\$ 135,756	\$ 18,895,023

III. DETAILED NOTES - ALL FUNDS

3. ACCOUNTS RECEIVABLE

<u>Accounts Receivable as of June 30, 2014</u>			
	<u>Accounts Receivable</u>	<u>Provisions for Doubtful Accounts</u>	<u>Net Accounts Receivable</u>
<u>Primary Government</u>			
<i>Governmental activities</i>			
General Fund	\$ 31,355,996	\$ (11,121,530)	\$ 20,234,466
LVMPD	413,269	-	413,269
Other governmental	914,767	(136,135)	778,632
Internal service	2,915,263	-	2,915,263
Total governmental activities	<u>\$ 35,599,295</u>	<u>\$ (11,257,665)</u>	<u>\$ 24,341,630</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ 4,530,973</u>		
<i>Business-type activities</i>			
UMC	\$ 522,974,587	\$ (394,150,050)	\$ 128,824,537
Reclamation District	8,439,641	(160,267)	8,279,374
Department of Aviation	44,553,311	(341,697)	44,211,614
Other proprietary	1,419,925	-	1,419,925
Total business-type activities	<u>\$ 577,387,464</u>	<u>\$ (394,652,014)</u>	<u>\$ 182,735,450</u>
<i>Business-type activities restricted</i>			
University Medical Center	\$ 398,073	-	\$ 398,073
Reclamation District	2,752,002	-	2,752,002
Total business-type activities restricted	<u>\$ 3,150,075</u>	<u>\$ -</u>	<u>\$ 3,150,075</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ -</u>		
<u>Discretely Presented Component Units</u>			
RTC	19,408,066	(436,379)	18,971,687
Flood Control District	151	-	151
LVVWD District	65,255,710	(1,895,979)	63,359,731
LVVWD - restricted	406,430,180	-	406,430,180
Other Water Districts	400,299	(23,631)	376,668

Restricted receivables of the Water District consist of amounts due from the Southern Nevada Water Authority (SNWA) restricted for the repayment of Water District bonds and notes whose proceeds were delivered to the SNWA.

III. DETAILED NOTES - ALL FUNDS

3. ACCOUNTS RECEIVABLE (Continued)

Bond Bank Receivable

Nevada Revised Statute authorizes the County to issue general obligation bonds for the purpose of acquiring obligations issued by municipalities and authorities in Clark County for certain purposes. These general obligation bonds are shown in Note 6. The obligations issued by municipalities and authorities are shown as a bond bank receivable on the statement of net position.

<u>Bond Bank Receivable Balance at June 30, 2014</u>		
	Primary Government- Government Activities	Discretely Presented Component Unit LVVWD
Bond bank receivable, current	\$ 1,960,000	\$ 19,515,000
Bond bank receivable, noncurrent	1,234,795,000	1,408,605,000
 Total bond bank receivable	 \$ 1,236,755,000	 \$ 1,428,120,000

4. CAPITAL ASSETS

<u>Capital Assets as of June 30, 2014</u>				
<u>Primary Government</u>	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014
<i>Governmental activities</i>				
Capital assets not being depreciated				
Land	\$ 1,410,183,930	\$ 24,996,443	\$ 272,736	\$ 1,434,907,637
Construction in progress	235,174,106	178,133,363	243,428,684	169,878,785
Total capital assets not being depreciated	1,645,358,036	203,129,806	243,701,420	1,604,786,422
Capital assets being depreciated				
Buildings	1,517,640,686	13,101,295	21,902,174	1,508,839,807
Improvements other than buildings	479,754,255	20,895,148	162,209	500,487,194
Equipment	343,638,537	41,560,666	20,599,493	364,599,710
Infrastructure	5,221,445,851	267,752,918	5,287,116	5,483,911,653
Total capital assets being depreciated	7,562,479,329	343,310,027	47,950,992	7,857,838,364
Less accumulated depreciation for				
Buildings	283,702,389	35,190,714	14,341,298	304,551,805
Improvements other than buildings	159,172,806	23,105,742	117,506	182,161,042
Equipment	282,236,862	26,292,097	19,586,788	288,942,171
Infrastructure	2,010,526,044	184,004,158	-	2,194,530,202
Total accumulated depreciation	2,735,638,101	268,592,711	34,045,592	2,970,185,220
Total capital assets being depreciated, net	4,826,841,228	74,717,316	13,905,400	4,887,653,144
Government activities capital assets, net	\$ 6,472,199,264	\$ 277,847,122	\$ 257,606,820	\$ 6,492,439,566

III. DETAILED NOTES - ALL FUNDS

4. CAPITAL ASSETS (Continued)

<u>Capital Assets as of June 30, 2014 (Continued)</u>				
<u>Primary Government (Continued)</u>	<u>Balance July 1, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2014</u>
<i>Business-type activities</i>				
Capital assets not being depreciated				
Land	\$ 950,012,937	\$ 149,369	\$ 223,680	\$ 949,938,626
Construction in progress	285,394,414	121,792,057	128,538,013	278,648,458
Total capital assets Not being depreciated	<u>1,235,407,351</u>	<u>121,941,426</u>	<u>128,761,693</u>	<u>1,228,587,084</u>
Capital assets being depreciated:				
Land improvements	2,384,766,809	98,796,487	11,379,360	2,472,183,936
Buildings and improvements	4,848,628,527	22,038,899	13,467,992	4,857,199,434
Equipment	840,571,889	35,986,790	9,987,302	866,571,377
Total capital assets being depreciated	<u>8,073,967,225</u>	<u>156,822,176</u>	<u>34,834,654</u>	<u>8,195,954,747</u>
Less accumulated depreciation for:				
Land improvements	879,476,350	80,947,153	353,139	960,070,364
Buildings and improvements	1,188,579,661	144,330,097	713,070	1,332,196,688
Equipment	402,494,205	62,896,746	6,585,084	458,805,867
Total accumulated depreciation	<u>2,470,550,216</u>	<u>288,173,996</u>	<u>7,651,293</u>	<u>2,751,072,919</u>
Total capital assets being depreciated, net	<u>5,603,417,009</u>	<u>(131,351,820)</u>	<u>27,183,361</u>	<u>5,444,881,828</u>
Business-type activities capital assets, net	<u>\$ 6,838,824,360</u>	<u>\$ (\$9,410,394)</u>	<u>\$ 155,945,054</u>	<u>\$ 6,673,468,912</u>

Depreciation expense was charged to functions/programs of the County as follows:

<u>Depreciation Expense for the Year Ended June 30, 2014</u>	
<u>Primary Government</u>	
<i>Governmental activities</i>	
General government	\$ 16,347,055
Judicial	6,752,634
Public safety	32,843,597
Public works	186,832,444
Health	251,918
Welfare	469,890
Culture and recreation	24,434,221
Other	660,954
Total depreciation expense - governmental activities	<u>\$ 268,592,711</u>
<i>Business-type activities</i>	
Hospital	\$ 15,923,567
Airport	195,427,042
Sewer	75,643,760
Other	1,179,627
Total depreciation expense - business-type activities	<u>\$ 288,173,996</u>

III. DETAILED NOTES - ALL FUNDS

4. CAPITAL ASSETS (Continued)

Construction Commitments

Major projects included in construction-in-progress are the beltway and other major arterial roadways, flood control projects, airport terminal expansion, sewage and water treatment facilities.

Construction-in-progress and remaining commitments as of June 30, 2014, were as follows:

<u>Construction-in-Progress and Remaining Commitments as of June 30, 2014</u>		
<u>Primary Government</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
<i>Governmental activities</i>		
Buildings and improvements	\$ 59,529,961	\$ 186,609,663
Infrastructure:		
Work in progress - RFCD Clark County projects	60,968,064	62,517,645
Work in progress - Public Works	37,642,838	618,019,856
Work in progress - RTC Clark County projects	11,737,922	102,433,731
Total infrastructure	110,348,824	782,971,232
Total governmental activities	\$ 169,878,785	\$ 969,580,895
<i>Business-type activities</i>		
Hospital	\$ 23,035,056	\$ -
Airport	36,512,740	242,956,215
Sewer	219,014,312	176,955,216
Other	86,350	762,574
Total business-type activities	\$ 278,648,458	\$ 420,674,005

Discretely Presented Component Units

Flood Control District

<u>Capital Assets as of June 30, 2014</u>				
	<u>Balance July 1, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2014</u>
<i>Governmental activities</i>				
Capital assets not being depreciated:				
Construction in progress	\$ 192,962	\$ 31,722	\$ 18,975	\$ 205,759
Capital assets being depreciated:				
Building	3,027,890	-	-	3,027,890
Equipment	1,682,977	63,846	96,930	1,649,893
Total capital assets being depreciated	4,710,867	63,846	96,930	4,677,783
Less accumulated depreciation for:				
Building	906,043	63,181	-	969,224
Equipment	1,504,459	66,018	97,052	1,473,425
Total accumulated depreciation	2,410,502	129,199	97,052	2,442,649
Total capital assets being depreciated, net	2,300,365	(65,353)	(122)	2,235,134
Government activities capital assets, net	\$ 2,493,327	\$ (33,581)	\$ 18,853	\$ 2,440,893

Depreciation expense of \$129,199 was charged to the public works function

III. DETAILED NOTES - ALL FUNDS

4. CAPITAL ASSETS (Continued)

Discretely Presented Component Units (Continued)

RTC

	Capital Assets as of June 30, 2014			
	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014
<i>Governmental activities</i>				
Capital assets not being depreciated				
Construction in progress	\$ 2,410,046	\$ 59,960	\$ 538,566	\$ 1,931,440
Total capital assets not being depreciated	2,410,046	59,960	538,566	1,931,440
Capital assets being depreciated				
Building	18,515,505	-	-	18,515,505
Equipment	6,964,001	538,566	-	7,502,567
Total capital assets being depreciated	25,479,506	538,566	-	26,018,072
Less accumulated depreciation for				
Buildings	5,256,464	354,998	-	5,611,462
Equipment	2,770,440	983,910	-	3,754,350
Total accumulated depreciation	8,026,904	1,338,908	-	9,365,812
Total capital assets being depreciated, net	17,452,602	(800,342)	-	16,652,260
Governmental activities capital assets, net	\$ 19,862,648	\$ (740,382)	\$ 538,566	\$ 18,583,700
<i>Business-type activities</i>				
Capital assets not being depreciated				
Land	\$ 32,038,082	\$ -	\$ -	\$ 32,038,082
Construction Progress	37,896,830	42,339,356	54,631,917	25,604,269
Total capital assets not being depreciated	69,934,912	42,339,356	54,631,917	57,642,351
Capital assets being depreciated				
Buildings and improvements	184,553,286	3,206,528	-	187,759,815
Equipment	326,764,746	51,425,389	19,277,757	358,912,379
Total capital assets being depreciated	511,318,032	54,631,917	19,277,757	546,672,193
Less accumulated depreciation for				
Buildings and improvements	39,611,908	6,181,155	-	45,793,064
Equipment	154,223,279	34,221,090	18,679,539	169,764,830
Total accumulated depreciation	193,835,187	40,402,245	18,679,539	215,557,893
Total capital assets being depreciated, net	317,482,845	14,229,673	598,218	331,114,300
Business-type activities capital assets, net	\$ 387,417,757	\$ 56,569,028	\$ 55,230,135	\$ 388,756,650
Depreciation expense was charged to the following functions or programs:				
<i>Governmental activities</i>				
Public Works	\$ 1,338,908			
<i>Business-type activities</i>				
Public Transit	\$ 40,402,245			
Construction commitments include roadway projects with various local entities of \$231,050,613.				

III. DETAILED NOTES - ALL FUNDS

4. CAPITAL ASSETS (Continued)

Discretely Presented Component Units (Continued)

Las Vegas Valley Water District

<u>Capital Assets as of June 30, 2014</u>				
<i>Business-type activities</i>	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014
Capital assets not being depreciated				
Land	\$ 22,583,716	\$ -	\$ -	\$ 22,583,716
Construction Progress	24,520,826	39,354,068	46,044,823	17,830,071
Total capital assets not being depreciated	47,104,542	39,354,068	46,044,823	40,413,787
Capital assets being depreciated				
Buildings and improvements	2,026,712,526	26,686,200	50,085	2,053,348,641
Equipment	750,006,798	29,302,686	16,671,524	762,637,960
Total capital assets being depreciated	2,776,719,324	55,988,886	16,721,609	2,815,986,601
Less accumulated depreciation for				
Buildings and improvements	671,023,278	56,257,420	44,639	727,236,059
Equipment	378,233,625	28,556,603	10,741,162	396,049,066
Total accumulated depreciation	1,049,256,903	84,814,023	10,785,801	1,123,285,125
Total capital assets being depreciated, net	1,727,462,421	(28,825,137)	5,935,808	1,692,701,476
Business-type activities capital assets, net	\$ 1,774,566,963	\$ 10,528,931	\$ 51,980,631	\$ 1,733,115,263
Depreciation expense was charged to the following functions or programs:				
<i>Business-type activities</i>				
Water	\$ 84,814,023			
At June 30, 2014, commitments for unperformed work on outstanding contracts totaled \$15,348,601.				

III. DETAILED NOTES - ALL FUNDS

5. INTERFUND TRANSACTIONS

Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

<u>Due To / From Other Funds at June 30, 2014</u>		
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 5,850,850
	Nonmajor Enterprise Funds	297,824
	Internal Service Funds	271,225
	University Medical Center	43,278
	Department of Aviation	702,057
LVMPD Fund	Nonmajor Governmental Funds	23,450
	Between Las Vegas Metropolitan Police Fund	21,828
	Internal Service Funds	12,468
Nonmajor Governmental Funds	General Fund	153,701,213
	Las Vegas Metropolitan Police Fund	29,372
	Between Nonmajor Governmental Funds	13,790,379
	Internal Service Funds	11,780
Department of Aviation	University Medical Center	25,500,000
	General Fund	1,905,453
University Medical Center	Las Vegas Metropolitan Police Fund	498,966
	General Fund	2,302,122
Nonmajor Enterprise Funds	Nonmajor Governmental Funds	1,742,462
	General Fund	38,112
	Nonmajor Governmental Funds	12,980
Internal Service Funds	Internal Service Funds	36,154
	General Fund	22,826,999
	Nonmajor Governmental Funds	3,115,076
	Nonmajor Enterprise Funds	1,353,353
	Between Internal Service Funds	3,175,834
Department of Aviation	University Medical Center	13,508,043
	Department of Aviation	87,260
Total due to/from other funds		<u>\$ 250,858,538</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

<u>Interfund transfers for the year ended June 30, 2014</u>		
<u>Fund transferred to:</u>	<u>Fund transferred from:</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 21,309,425
Las Vegas Metropolitan Police Fund	General Fund	196,328,209
	Nonmajor Governmental Funds	2,262,000
Nonmajor Governmental Funds	General Fund	208,594,416
	Between Nonmajor Governmental Funds	105,330,139
Internal Service Funds	Nonmajor Governmental Funds	2,500,000
University Medical Center	Nonmajor Governmental Funds	1,302,046
Department of Aviation	General Fund	10,388,678
Total interfund transfers		<u>\$ 548,014,913</u>

III. DETAILED NOTES - ALL FUNDS

6. LONG-TERM DEBT

<u>Long-Term Debt Activity For the Year Ended June 30, 2014</u>					
	<u>Balance at July 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2014</u>	<u>Due Within One Year</u>
<i>Government Activities</i>					
General obligation bonds	\$ 1,740,155,985	\$ 40,846,898	\$ 85,675,000	\$ 1,695,327,883	\$ 61,089,997
Revenue bonds	10,000	-	-	10,000	-
Special assessment bonds	194,791,442	7,430,156	18,785,000	183,436,598	14,075,000
Capital leases	348,382,597	-	1,253,234	347,129,363	164,509,880
	<u>2,283,340,024</u>	<u>48,277,054</u>	<u>105,713,234</u>	<u>2,225,903,844</u>	<u>239,674,877</u>
<i>Business-Type Activities</i>					
General obligation bonds	632,545,274	29,463,489	41,332,971	620,675,792	16,936,866
Revenue bonds	4,424,669,087	650,938,350	709,285,000	4,366,322,437	78,045,000
	<u>5,057,214,361</u>	<u>680,401,839</u>	<u>750,617,971</u>	<u>4,986,998,229</u>	<u>94,981,866</u>
 Total long-term debt	 <u>\$ 7,340,554,385</u>	 <u>\$ 728,678,893</u>	 <u>\$ 856,331,205</u>	 <u>\$ 7,212,902,073</u>	 <u>\$ 334,656,743</u>

Current Year Refunded and Defeased Bond Issues

On June 3, 2014, the County issued \$24,566,848 in general obligation (limited tax) Public Safety bonds Series 2014 with interest at .76 percent.

The bond proceeds totaled \$24,566,848. Net proceeds of \$24,466,579 were deposited in a special trust account created and authorized to refund and pay interest on the refunded bonds. This amount, together with the yield from U.S. Government obligations purchased by the trust, is deemed to be sufficient to meet the debt services provisions of the refunded bonds. This transaction resulted in the defeasance of the 2004A bond issue and the related liability has been removed from the financial statements of the County.

The refunding resulted in a loss of \$6,579, which represents the difference between the defeased bonds and the amount placed in escrow. The advanced refunding also resulted in future cash flow savings of \$1,942,404 and an economic gain (difference between the present value of the old and new debt service payments) of \$1,968,051.

III. DETAILED NOTES - ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

<u>Bonds and Loans Payable as of June 30, 2014</u>							
<u>Series</u>	<u>Purpose</u>	<u>Pledged Revenue</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance at June 30, 2014</u>
<i>Government Activities:</i>							
<u>General Obligation Bonds</u>							
1992	Transportation Improvement	Beltway, Strip resort corridor room tax, Laughlin resort corridor Room tax	06/01/92	06/01/17	4.90 - 8.00 %	\$ 250,000,000	\$ 21,800,000
2004	Transportation Improvement	Beltway, strip resort corridor room tax	12/30/04	12/01/19	3.00 - 5.00	74,895,000	47,335,000
2004	Park and Justice Center	Consolidated tax	12/30/04	11/01/17	3.00 - 5.00	48,935,000	24,280,000
2005	Park and Justice Center	Consolidated tax	07/06/05	11/01/24	4.125 - 5.00	32,310,000	32,310,000
2006	Transportation Improvement	Beltway, Strip resort corridor room tax	03/07/06	06/01/16	5.00	115,585,000	37,135,000
2006	Bond Bank	Local Government Securities	06/13/06	06/01/30	4.00 - 4.75	242,880,000	210,210,000
2006	Bond Bank	Local Government Securities	11/02/06	11/01/36	2.50 - 5.00	604,140,000	533,020,000
2007	Public Facilities	Consolidated tax, Interlocal agreement, Court administrative assessment	05/24/07	06/01/24	4.00 - 5.00	22,325,000	19,060,000
2008	Transportation Improvement	Beltway, Laughlin resort corridor room tax	03/13/08	06/01/19	3.460	71,045,000	34,765,000
2008	Bond Bank	Local Government Securities	07/02/08	06/01/38	5.00	400,000,000	362,155,000
2009	Public Facilities	None	03/10/09	11/01/18	3.00 - 4.00	24,750,000	13,390,000
2009	Public Facilities	Interlocal agreement, Court administrative assessment	05/14/09	06/01/24	2.00 - 4.75	24,865,000	6,800,000
2009	Transportation BABs	Strip resort corridor room tax	06/23/09	06/01/29	2.69 - 7.05	60,000,000	48,425,000
2009	Bond Bank	Local Government Securities	11/10/09	06/01/30	5.00	50,000,000	46,355,000
2009	Transportation	Beltway, strip resort corridor room tax	12/08/09	12/01/29	1.00 - 5.00	124,465,000	119,510,000
2012	Bond Bank	Local Government Securities	06/20/12	06/01/32	4.00 - 5.00	85,015,000	85,015,000
2014	Public Safety	Property tax	06/03/14	06/01/17	.76	24,566,848	24,566,848
N/A	Unamortized premiums/(discounts)	N/A	N/A	N/A	N/A	N/A	29,196,035
Total general obligation bonds							1,695,327,883
<u>Revenue Bonds</u>							
2009	Performing Arts	Car rental fees	04/01/09	04/01/59	5.83	10,000	10,000
<u>Special Assessment Bonds</u>							
2001	Summerlin Centre #128B	Property assessments	05/17/01	02/01/21	4.50-6.75	10,000,000	2,770,000

III. DETAILED NOTES - ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

<u>Bonds and Loans Payable as of June 30, 2014 (continued)</u>							
<u>Series</u>	<u>Purpose</u>	<u>Pledged Revenue</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance at June 30, 2014</u>
2003	Summerlin Gardens #124A	Property assessments	12/23/03	02/01/20	2.25-4.50	4,399,431	1,503,777
2003	Summerlin Gardens #124B	Property assessments	12/23/03	02/01/20	1.50-5.90	1,929,727	710,227
2003	Boulder Highway #126A	Property assessments	06/01/03	03/01/23	2.00-4.30	2,119,000	715,000
2003	Summerlin Centre #128A	Property assessments	11/03/03	02/01/21	3.50-6.30	10,000,000	4,850,000
2003	Summerlin South #108A	Property assessments	12/23/03	02/01/17	2.25-4.50	17,335,569	3,571,223
2003	Summerlin South #108B	Property assessments	12/23/03	02/01/17	3.30-5.70	8,375,273	1,894,773
2004	Silverado Ranch Blvd. #130	Property assessments	06/29/04	02/01/15	3.50-4.30	1,747,504	109,293
2004	Stewart Ave. #133	Property assessments	06/29/04	02/01/15	3.50-4.30	205,850	9,654
2004	Pebble Road #138	Property assessments	06/29/04	02/01/15	3.50-4.30	808,817	70,485
2004	Buffalo Drive #141	Property assessments	06/29/04	02/01/15	3.50-4.30	64,569	2,733
2004	Durango #144B	Property assessments	06/29/04	02/01/15	3.50-4.30	816,871	77,834
2005	Summerlin Mesa #151	Property assessments	10/12/05	08/01/25	3.15-5.00	25,485,000	17,490,000
2006	Commercial Center #140	Property assessments	05/23/06	02/01/16	4.50	709,000	76,767
2006	Robindale Road #134	Property assessments	05/23/06	02/01/16	4.50	21,000	3,755
2006	Russell Road #127	Property assessments	05/23/06	02/01/16	4.50	1,522,000	147,129
2006	Tenaya Way #145	Property assessments	05/23/06	02/01/16	4.50	125,000	7,350
2006	Southern Highlands #121A	Property assessments	05/31/06	12/01/19	3.75-5.00	30,620,000	12,920,000
2006	Southern Highlands #121B	Property assessments	05/31/06	12/01/29	3.90-5.30	13,515,000	9,085,000
2007	Alexander #146	Property assessments	05/02/07	02/01/17	4.00-4.25	448,000	53,900
2007	Craig Road #148	Property assessments	05/02/07	02/01/17	4.00-4.25	495,000	65,149
2007	Durango #144A	Property assessments	05/02/07	02/01/17	4.00-4.25	397,000	79,048
2007	Fort Apache #131	Property assessments	05/02/07	02/01/17	4.00-4.25	462,000	116,903
2007	Summerlin Centre #128A	Property assessments	05/01/07	02/01/31	3.95-5.05	10,755,000	8,800,000
2007	Summerlin Centre #128A	Property assessments	05/01/07	02/01/21	3.95-5.00	480,000	280,000
2008	Flamingo Underground #112	Property assessments	05/13/08	08/01/37	4.00-5.00	70,000,000	62,855,000
2009	Industrial Road #135	Property assessments	11/10/09	08/01/18	2.00-4.00	431,459	234,522
2009	Durango Drive #144C	Property assessments	11/10/09	08/01/19	2.00-4.00	5,213,541	3,005,478
2012	Summerlin Centre #132	Property assessments	08/01/12	02/01/21	2.00-5.00	8,925,000	6,770,000
2012	Mountain's Edge #142	Property assessments	08/01/12	08/01/23	2.00-5.00	49,445,000	43,490,000
N/A	Unamortized premiums/(discounts)	N/A	N/A	N/A	N/A	N/A	1,671,598
Total special assessment bonds							183,436,598

III. DETAILED NOTES - ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Bonds and Loans Payable as of June 30, 2014 (continued)							
Series	Purpose	Pledged Revenue	Issue Date	Maturity Date	Interest Rate	Original Issue	Balance at June 30, 2014
<u>Capital leases</u>							
N/A	Low-Level Offender Detention Facility	N/A	08/15/09	08/15/39	7.35	182,619,483	182,619,484
N/A	LVMPD Headquarters Complex	N/A	07/01/11	06/01/41	6.97	167,400,000	164,509,879
Total capital leases							347,129,363
Government activities bonds and loans payable							2,225,903,844
<u>Business-Type Activities:</u>							
<u>General Obligation Bonds</u>							
2008A	Department of Aviation	Dept. of Aviation enterprise fund	02/26/08	07/01/27	variable	43,105,000	43,105,000
2013B	Department of Aviation	Dept. of Aviation enterprise fund	04/02/13	07/01/33	5.00	32,915,000	32,915,000
2005	University Medical Center	UMC enterprise fund	07/28/05	03/01/20	4.00-5.00	48,390,000	33,910,000
2009	University Medical Center	UMC enterprise fund	03/10/09	11/01/07	3.00-3.50	6,950,000	4,895,000
2013	University Medical Center	UMC enterprise fund	09/03/13	09/01/23	3.10	26,065,000	26,065,000
2007	Water Reclamation District	Water Reclamation enterprise fund	11/13/07	07/01/37	4.00-4.75	55,000,000	53,675,000
2008	Water Reclamation District	Water Reclamation enterprise fund	11/20/08	07/01/38	4.00-6.00	115,825,000	113,400,000
2009A	Water Reclamation District	Water Reclamation enterprise fund	04/01/09	07/01/38	4.00-5.25	135,000,000	132,750,000
2009B	Water Reclamation District	Water Reclamation enterprise fund	04/01/09	07/01/38	4.00-5.75	125,000,000	122,675,000
2009C	Water Reclamation District	Water Reclamation enterprise fund	10/16/09	07/01/29	0.00	5,744,780	4,813,194
2011A	Water Reclamation District	Water Reclamation enterprise fund	03/25/11	01/01/31	3.188	40,000,000	39,137,559
2012	Water Reclamation District	Water Reclamation enterprise fund	07/13/12	01/01/32	2.356	30,000,000	4,709,530
N/A	Unamortized premiums/(discounts)	N/A	N/A	N/A	N/A	N/A	8,625,509
Total general obligation bonds							620,675,792
<u>Revenue Bonds</u>							
2005A	Department of Aviation	Dept. of Aviation enterprise fund	09/14/05	07/01/36	4.50	69,590,000	69,590,000
2006A	Department of Aviation	Dept. of Aviation enterprise fund	09/21/06	07/01/40	4.00-5.00	100,000,000	31,770,000
2007A1	Department of Aviation	Dept. of Aviation enterprise fund	05/16/07	07/01/40	4.00-5.00	150,400,000	117,435,000
2007A2	Department of Aviation	Dept. of Aviation enterprise fund	05/16/07	07/01/27	5.00	56,225,000	56,225,000
2007A1PFC	Department of Aviation	Dept. of Aviation enterprise fund	04/27/07	07/01/40	4.00-5.00	113,510,000	109,625,000
2007A2PFC	Department of Aviation	Dept. of Aviation enterprise fund	04/27/07	07/01/26	5.00	105,475,000	105,475,000
2008C1	Department of Aviation	Dept. of Aviation enterprise fund	03/19/08	07/01/27	variable	122,900,000	122,900,000
2008C2	Department of Aviation	Dept. of Aviation enterprise fund	03/19/08	07/01/40	variable	71,550,000	71,450,000

III. DETAILED NOTES - ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Bonds and Loans Payable as of June 30, 2014 (continued)							
Series	Purpose	Pledged Revenue	Issue Date	Maturity Date	Interest Rate	Original Issue	Balance at June 30, 2014
2008C3	Department of Aviation	Dept. of Aviation enterprise fund	03/19/08	07/01/29	variable	71,550,000	71,350,000
2008D1	Department of Aviation	Dept. of Aviation enterprise fund	03/19/08	07/01/36	variable	58,920,000	58,920,000
2008D2	Department of Aviation	Dept. of Aviation enterprise fund	03/19/08	07/01/40	variable	199,605,000	199,605,000
2008D3	Department of Aviation	Dept. of Aviation enterprise fund	03/19/08	07/01/29	variable	122,865,000	122,865,000
2008E	Department of Aviation	Dept. of Aviation enterprise fund	05/28/08	07/01/17	4.00-5.00	61,430,000	19,550,000
2008APFC	Department of Aviation	Dept. of Aviation enterprise fund	06/26/08	07/01/18	5.00-5.25	115,845,000	79,720,000
2008A2	Department of Aviation	Dept. of Aviation enterprise fund	06/26/08	07/01/22	variable	50,000,000	50,000,000
2008B2	Department of Aviation	Dept. of Aviation enterprise fund	06/26/08	07/01/22	variable	50,000,000	50,000,000
2009B	Department of Aviation	Dept. of Aviation enterprise fund	09/24/09	07/01/42	6.88	300,000,000	300,000,000
2009C	Department of Aviation	Dept. of Aviation enterprise fund	09/24/09	07/01/26	5.00	168,495,000	168,495,000
2010A	Department of Aviation	Dept. of Aviation enterprise fund	02/03/10	07/01/42	3.00-5.42	450,000,000	449,510,000
2010B	Department of Aviation	Dept. of Aviation enterprise fund	02/03/10	07/01/42	5.00-5.75	350,000,000	350,000,000
2010C	Department of Aviation	Dept. of Aviation enterprise fund	02/23/10	07/01/45	6.82	454,280,000	454,280,000
2010D	Department of Aviation	Dept. of Aviation enterprise fund	02/23/10	07/01/24	3.00-5.00	132,485,000	132,485,000
2010F1	Department of Aviation	Dept. of Aviation enterprise fund	11/04/10	07/01/17	2.00-5.00	104,160,000	61,825,000
2010F2	Department of Aviation	Dept. of Aviation enterprise fund	11/04/10	07/01/22	3.00	100,000,000	100,000,000
2011B1	Department of Aviation	Dept. of Aviation enterprise fund	08/03/11	07/01/22	variable	100,000,000	100,000,000
2011B2	Department of Aviation	Dept. of Aviation enterprise fund	08/03/11	07/01/22	variable	100,000,000	100,000,000
2012BPFC	Department of Aviation	Dept. of Aviation enterprise fund	07/02/12	07/01/33	5.00	64,360,000	64,360,000
2013A	Department of Aviation	Dept. of Aviation enterprise fund	04/02/13	07/01/29	5.00	70,965,000	70,965,000
2013C1	Department of Aviation	Dept. of Aviation enterprise fund	07/01/13	07/01/15	2.50	174,385,000	174,285,000
2013C2	Department of Aviation	Dept. of Aviation enterprise fund	07/01/13	07/01/14	2.00	118,310,000	118,310,000
2014A1	Department of Aviation	Dept. of Aviation enterprise fund	04/08/14	07/01/24	4.00-5.00	95,950,000	95,950,000
2014A2	Department of Aviation	Dept. of Aviation enterprise fund	04/08/14	07/01/36	4.00-5.00	221,870,000	221,870,000
N/A	Unamortized premiums/(discounts)	N/A	N/A	N/A	N/A	N/A	67,507,437
Total revenue bonds							4,366,322,437
Business-Type activities bonds and loans payable							4,986,998,229
Total long-term debt							\$ 7,212,902,073

III. DETAILED NOTES - ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Annual Debt Service Requirements to Maturity & Future Minimum Lease Payments							
<i>Government Activities</i>							
Year Ending June 30,	General Obligation Bonds			Revenue Bonds			
	Principal	Interest	Total	Principal	Interest	Total	
2015	\$ 61,089,997	\$ 76,438,761	\$ 137,528,758	\$ -	\$ 583	\$ 583	
2016	90,898,080	73,946,540	164,844,620	-	583	583	
2017	106,208,771	69,668,263	175,877,034	-	583	583	
2018	79,630,000	64,693,852	144,323,852	-	583	583	
2019	83,810,000	60,972,096	144,782,096	-	583	583	
2020-2024	365,740,000	250,835,582	616,575,582	-	2,915	2,915	
2025-2029	420,255,000	157,269,907	577,524,907	-	2,915	2,915	
2030-2034	292,910,000	67,223,356	360,133,356	-	2,915	2,915	
2035-2039	165,590,000	15,271,625	180,861,625	-	2,915	2,915	
2040-2044	-	-	-	-	2,915	2,915	
2045-2049	-	-	-	-	2,915	2,915	
2050-2054	-	-	-	-	2,915	2,915	
2055-2059	-	-	-	10,000	2,915	12,915	
	<u>\$ 1,666,131,848</u>	<u>\$ 836,319,982</u>	<u>\$ 2,502,451,830</u>	<u>\$ 10,000</u>	<u>\$ 26,235</u>	<u>\$ 36,235</u>	
Year Ending June 30,	Special Assessment Bonds			Capital Leases			
	Principal	Interest	Total	Principal	Interest	Accrued Interest	Total
2015	\$ 14,075,000	\$ 8,239,229	\$ 22,314,229	\$ 164,509,879	\$ 13,707,184	\$ 1,406,828	\$ 179,623,891
2016	14,305,000	7,648,025	21,953,025	-	13,388,054	858,396	14,246,450
2017	14,735,000	7,038,328	21,773,328	-	13,515,560	787,709	14,303,269
2018	13,255,000	6,375,655	19,630,655	-	14,191,341	152,880	14,344,221
2019	13,835,000	5,755,599	19,590,599	-	14,326,498	23,944	14,350,442
2020-2024	54,835,000	19,883,445	74,718,445	-	70,639,700	-	70,639,700
2025-2029	22,505,000	11,053,359	33,558,359	22,704,192	64,466,896	-	87,171,088
2030-2034	18,265,000	6,172,485	24,437,485	56,248,383	49,703,782	-	105,952,165
2035-2039	15,955,000	1,643,375	17,598,375	100,485,559	21,600,023	-	122,085,582
2040-2041	-	-	-	3,181,350	25,995	-	3,207,345
	<u>\$ 181,765,000</u>	<u>\$ 73,809,500</u>	<u>\$ 255,574,500</u>	<u>\$ 347,129,363</u>	<u>\$ 275,565,033</u>	<u>\$ 3,229,757</u>	<u>\$ 625,924,153</u>
<i>Business-Type Activities</i>							
Year Ending June 30,	General Obligation Bonds			Revenue Bonds			
	Principal	Interest	Total	Principal	Interest	Total	
2015	\$ 16,936,866	\$ 28,279,910	\$ 45,216,776	\$ 78,045,000	\$ 201,008,133	\$ 279,053,133	
2016	18,412,689	27,548,175	45,960,864	242,335,000	198,383,564	440,718,564	
2017	19,991,915	26,719,190	46,711,105	96,685,000	191,874,974	288,559,974	
2018	20,888,509	25,825,034	46,713,543	97,295,000	186,873,724	284,168,724	
2019	19,789,918	24,904,136	44,694,054	225,640,000	175,028,136	400,668,136	
2020-2024	104,683,666	110,487,664	215,171,330	633,470,000	791,543,662	1,425,013,662	
2025-2029	135,913,332	87,101,484	223,014,816	658,220,000	631,873,974	1,290,093,974	
2030-2034	108,158,388	56,426,797	164,585,185	535,930,000	484,017,580	1,019,947,580	
2035-2039	167,275,000	19,396,782	186,671,782	699,355,000	338,165,659	1,037,520,659	
2040-2044	-	-	-	823,405,000	139,979,556	963,384,556	
2045-2046	-	-	-	208,435,000	9,339,998	217,774,998	
	<u>\$ 612,050,283</u>	<u>\$ 406,689,172</u>	<u>\$ 1,018,739,455</u>	<u>\$ 4,298,815,000</u>	<u>\$ 3,348,088,960</u>	<u>\$ 7,646,903,960</u>	

III. DETAILED NOTES - ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Guarantees

The County guarantees general obligation bond issues of the Regional Flood Control District, a County component unit, and the Las Vegas Convention and Visitor's Authority, a legally separate entity within Clark County. Although guaranteed by the County, Regional Flood Control District bonds are pledged with sales tax revenues and Las Vegas Convention and Visitors Authority bonds are pledged with room tax revenue. In the event either agency is unable to make a debt service payment, Clark County will be required to make that payment. Both agencies have remained current on all debt service obligations.

General Obligation Bond Guarantees as of June 30, 2014					
Series	Date Issued	Date of Final Maturity	Interest	Original Issue	Balance June 30, 2014
<i>Regional Flood Control District</i>					
2006	02/21/06	11/01/35	3.5-4.75 %	\$ 200,000,000	\$ 199,400,000
2008	08/20/08	11/01/15	3.00-5.00	50,570,000	18,420,000
2009	06/23/09	11/01/38	2.70-7.25	150,000,000	134,310,000
2010	07/13/10	11/01/18	5.00	29,425,000	29,425,000
2013	12/19/13	11/01/38	5.00	75,000,000	75,000,000
				<u>504,995,000</u>	<u>456,555,000</u>
<i>Las Vegas Convention and Visitors Authority</i>					
2007	05/31/07	07/01/21	4.00-5.00	38,200,000	25,045,000
2008	08/19/08	07/01/38	4.00-5.00	26,455,000	24,070,000
2010A	01/26/10	07/01/38	6.60-6.75	70,770,000	70,770,000
2010B	01/26/10	07/01/22	2.00-5.00	28,870,000	22,735,000
2010B	01/26/10	07/01/26	2.00-5.00	24,650,000	24,395,000
2010C	12/08/10	07/01/38	4.00-7.00	155,390,000	155,390,000
2010D	12/08/10	07/01/15	3.00-5.00	18,515,000	8,050,000
2012	08/08/12	07/01/32	2.00-3.20	24,990,000	24,990,000
2014	02/20/14	07/01/43	2.00-5.00	50,000,000	50,000,000
				<u>437,840,000</u>	<u>405,445,000</u>
				<u>\$ 942,835,000</u>	<u>\$ 862,000,000</u>

Pledged Revenues

Property Tax Supported Bonds

These bonds are supported by general property taxes. The property tax available to pay these bonds is limited to a 3.64 per \$100 of assessed valuation statutory limit.

The total remaining principal and interest payments for property tax supported bonds was \$24,566,848 at June 30, 2014. In fiscal year 2014, pledged revenues received totaled \$8,928,000, and required debt service totaled \$8,928,000.

Consolidated Tax Supported Bonds

These bonds are secured by a pledge of up to 15 percent of the consolidated taxes allocable to the County. These bonds also constitute direct and general obligations of the County, and the full faith and credit of the County is pledged for the payment of principal and interest. The following debt issuances are consolidated tax supported:

The total remaining principal and interest payments for consolidated tax supported bonds was \$73,588,127 at June 30, 2014. In fiscal year 2014, pledged revenues received totaled \$46,498,146 (of the total \$309,987,642 of general fund consolidated tax), and required debt service totaled \$13,546,279.

III. DETAILED NOTES - ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Pledged Revenues (Continued)

Beltway Pledged Revenue Bonds

These bonds are secured by the combined pledge of: 1) a one percent supplemental governmental services (motor vehicle privilege) tax; 2) a one percent room tax collected on the gross receipts from the rental of hotel and motel rooms within the County but outside of the strip and Laughlin resort corridors (non-resort corridor); and 3) a portion of the development tax. The development tax is \$700 per single-family dwelling of residential development, and 75 cents per square foot on commercial, industrial, and other development. Of this, \$500 per single-family dwelling and 50 cents per square foot of commercial, industrial, and other development is pledged. These bonds also constitute direct and general obligations of the County, and the full faith and credit of the County is pledged for the payment of principal and interest.

The total remaining principal and interest payments for Beltway pledged revenue tax supported bonds was \$260,538,538 at June 30, 2014. In fiscal year 2014, pledged revenues received totaled \$54,382,341; consisting of \$49,811,102 of supplemental governmental services tax; \$1,852,557 of non-resort corridor room tax; and \$7,420,154 of the total \$11,124,668 development tax. Required debt service totaled \$31,163,431. As described below, beltway pledged revenues are also pledged to make up any difference between pledged revenues and annual debt service for Laughlin resort corridor room tax supported bonds. During fiscal 2014, \$483,006 of Beltway Pledged Revenues were required to cover the Laughlin Resort Corridor Debt (Series C), representing the difference between fiscal year debt service and Laughlin Room Tax Collections.

Strip Resort Corridor Room Tax Supported Bonds

These bonds are secured by a pledge of the one percent room tax collected on the gross receipts from the rental of hotel and motel rooms within the strip resort corridor. This 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 resort corridor. These bonds also constitute direct and general obligations of the County, and the full faith and credit of the County is pledged for the payment of principal and interest.

The total remaining principal and interest payments for strip resort corridor room tax supported bonds was \$142,199,401 at June 30, 2014. In fiscal year 2014, pledged revenues received totaled \$40,877,501. Required debt service totaled \$21,158,229.

Laughlin Resort Corridor Room Tax Supported Bonds

These bonds are secured by a pledge of the one percent room tax collected on the gross receipts from the rental of hotel and motel rooms within the Laughlin resort corridor. These bonds also constitute direct and general obligations of the County, and the full faith and credit of the County is pledged for the payment of principal and interest.

The total remaining principal and interest payments for Laughlin resort corridor room tax supported bonds was \$3,468,166 at June 30, 2014. In fiscal year 2014, revenues from the Laughlin room tax amounted to \$533,346 requiring an additional \$483,006 of beltway revenues to provide the annual debt service of \$1,016,352. As described above, beltway pledged revenues are also pledged to make up any difference between pledged revenues and annual debt service.

Court Administrative Assessment Supported Bonds

These bonds are secured by a pledge of the \$10 court administrative assessment for the provision of justice court facilities. These bonds also constitute direct and general obligations of the County, and the full faith and credit of the County is pledged for the payment of principal and interest.

The total remaining principal and interest payments for court administrative assessment supported bonds was \$7,766,565 at June 30, 2014. In fiscal year 2014, pledged revenues received totaled \$1,612,900. Required debt service totaled \$1,455,274.

Interlocal Agreement Supported Bonds

These bonds are secured by a pledge through an interlocal agreement with the City of Las Vegas. These bonds also constitute direct and general obligations of the County, and the full faith and credit of the County is pledged for the payment of principal and interest.

The total remaining principal and interest payments for interlocal agreement supported bonds was \$19,939,478 at June 30, 2014. In fiscal year 2014, pledged revenues received totaled \$1,994,040. Required debt service totaled \$1,994,040.

Special Assessment Bonds

Special assessment supported bonds are secured by property assessments within the individual districts. The bonds are identified as special assessment bonds in this note above. The total remaining principal and interest payments for special assessment supported bonds was \$255,574,500 at June 30, 2014. In fiscal year 2014, pledged revenues received totaled \$32,767,223. Required debt service totaled \$27,737,607.

III. DETAILED NOTES - ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Pledged Revenues (Continued)

Bond Bank Bonds

These bonds are secured by securities issued to the County by local governments utilizing the bond bank. These securities pledge system revenues and contain rate covenants to guarantee adequate revenues for bond bank debt service. These bonds also constitute direct and general obligations of the County, and the full faith and credit of the County is pledged for the payment of principal and interest.

The total remaining principal and interest payments for bond bank supported bonds was \$1,955,378,244 at June 30, 2014. In fiscal year 2014, pledged revenues received totaled \$59,347,981. Required debt service totaled \$59,347,981.

Capital Leases

Low-Level Offender Detention Facility

On September 14, 2007, the County entered in a long-term lease agreement (the "Master Lease") with PH Metro, LLC for the lease of a detention facility of approximately 1,000 beds contained in approximately 139,000 square feet and an administrative building of approximately 60,000 square feet located on 17 acres at the Northeast corner of Sloan and Las Vegas Boulevard, Las Vegas, Nevada (the "Leased Property"). The Leased Property is for the operation of a low level offender facility and administrative offices. The facility is valued at \$17,600,000 for land and \$165,019,483 for buildings. Accumulated depreciation is \$27,044,860 as of June 30, 2014. The term of the lease commenced on August 10, 2009 and continues for a period of approximately thirty years at a monthly base rent of \$945,660 and is subject to a 6% increase every 24 months. The Master Lease provides for the option to extend the lease term by three separate renewal periods, each of five years in duration. Accrued interest totals \$9,475,990, as of June 30, 2014.

Clark County has the option to purchase the Leased Property beginning on the date that is the earlier of (i) ten years after the recordation of the deed of trust for the Landlord's permanent loan on the Leased Property, and (ii) ten years and three months from the commencement date (the earlier of such dates shall be the "Option Commencement Date"), and expiring on the date that is twelve months after the Option Commencement Date. The purchase price for the Leased Property if purchased shall be based on the appraised fair value. In accordance with State law, the County may terminate the Master Lease at the end of each fiscal year if the County decides not to appropriate funds to pay amounts due under the Master Lease in the ensuing fiscal year.

LVMPD Headquarters Complex

On December 2, 2008, the County entered in a long-term lease agreement (the "Master Lease") with Project Alta II, LLC for the lease of three multi-story office buildings totaling 370,500 square feet located at the Northwest corner of Martin Luther King Boulevard and Alta Drive in Las Vegas, Nevada (the "Leased Property"). The Leased Property is for the operation of the Las Vegas Metropolitan Police Department ("LVMPD") headquarters complex that includes various administrative offices, training and meeting rooms, and investigative bureaus (including specialized evidence processing and storage rooms). The complex is valued at \$5,082,187 for land and \$162,317,813 for buildings. Accumulated depreciation is \$16,231,781 as of June 30, 2014. The term of the lease commenced on July 1, 2011 and continues for a period of approximately thirty years at a monthly base rent of \$1,026,649 and is subject to an annual base rent adjustment. The Master Lease provides for the option to extend the lease term by two separate renewal periods, each of ten years in duration. Clark County has the option to purchase the Leased Property during any of the following 12-month periods: (A) the 12-month period beginning upon the earlier of (i) the third annual anniversary of the commencement date of the last building, or (ii) the first day of the forty-seventh month after the commencement date of the first building (the earlier of the two options herein referred to as the "Option Period Reference Date") or (B) the 12 month periods which commence upon the fifth, tenth, fifteenth, twentieth, and twenty-fifth annual anniversaries of Option Period Reference Date. The price to be paid for the purchase of the Leased Property shall be the greater of (i) \$167,400,000, or (ii) fair market value. In accordance with State law, the County may terminate the Master Lease at the end of each fiscal year if the County decides not to appropriate funds to pay amounts due under the Master Lease in the ensuing fiscal year.

On December 15, 2008, the County entered into an interlocal agreement with the LVMPD for the sublease of the Leased Property. The term of the interlocal agreement continues for the entire term of the Master Lease at a monthly rate equal to all rent and other charges required to be paid by the County pursuant to the Master Lease. In the event that the County acquires title to the Leased Property, the term of the interlocal shall not expire, nor will the Master Lease terminate. The County and LVMPD agree that the interlocal agreement and the Master Lease shall survive to govern and control the County's and LVMPD's rights and obligations with respect to the Leased Property, as if they were "landlord" and "tenant" under the Master Lease.

III. DETAILED NOTES - ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Litigation Accrual and Arbitrage Liability

The County is a defendant in various litigation cases (see Note 10). \$2,500,000 has been recorded as an estimated liability for potential litigation losses that would be liquidated by general fund.

When a state or local government earns interest at a higher rate of return on tax-exempt bond issues than it pays on the debt, a liability for the spread is payable to the federal government. This interest spread, known as "rebutable arbitrage," is due five years after issuing the bonds. Excess earnings of one year may be offset by lesser earnings in subsequent years. Arbitrage liabilities are liquidated by the individual funds in which they are accrued.

The following summarizes activity for the year:

<u>Litigation Accrual and Arbitrage Liability Activity</u>		
	Litigation	Arbitrage
Balance, June 30, 2013	\$ 2,500,000	\$ -
Additions	-	-
Reductions	-	-
Balance, June 30, 2014	<u>\$ 2,500,000</u>	<u>\$ -</u>
Due within one year	<u>\$ -</u>	<u>\$ -</u>

Compensated Absences

<u>Compensated Absences Activity</u>		
	Governmental Activities	Business- Types Activities
Balance, June 30, 2013	\$ 183,123,795	\$ 38,323,370
Additions	114,468,270	33,579,420
Reductions	<u>(126,689,941)</u>	<u>(31,938,238)</u>
Balance, June 30, 2014	<u>\$ 170,902,124</u>	<u>\$ 39,964,552</u>
Due within one year	<u>\$ 110,000,000</u>	<u>\$ 35,881,102</u>

Compensated absences are liquidated by the individual funds in which they are accrued.

III. DETAILED NOTES - ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Prior Year Defeasance of Debt

In prior years, the County defeased certain general obligation and revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. At June 30, 2014, the following were the remaining balances of the defeased bond issues:

<u>Remaining Balance of Defeased Bond Issues as of June 30, 2014</u>			
<i>Special Assessment Bonds</i>		<i>Clark County Bond Bank</i>	
Series of October 1, 1995	\$ 2,125,000	Series of July 1, 2000	156,065,000
Series of December 14, 1999	27,095,000	Series of June 1, 2001	190,760,000
Series of May 17, 2001	10,305,000	Series of November 1, 2002	151,435,000
Series of December 4, 2003	56,710,000	<i>Clark County Public Facilities</i>	
<i>Clark County Public Safety</i>		Series of March 1, 1999(A)	3,015,000
Series of October 1, 1996	25,485,000	Series of March 1, 1999(B)	6,900,000
Series of March 1, 2000	1,690,000	Series of March 1, 1999(C)	13,965,000
Series of April 1, 2004	24,460,000	<i>Airport Improvement Bonds</i>	
<i>Clark County Transportation</i>		Series of August 1, 1992(A)	112,600,000
Series of June 1, 1992 (C)	1,385,000	Series of August 1, 1992(B)	42,750,000
Series of July 1, 1994 (A)	33,290,000	Series of May 1, 1993	5,210,000
Series of July 1, 1994 (C)	1,185,000	Series of 1999(A)	105,220,000
Series of December 1, 1998(A)	23,575,000	Series of 2003(A)	42,550,000
Series of December 1, 1998(B)	15,720,000	Series of 2001(C)	115,560,000
Series of February 1, 2000(A)	19,015,000	Series of 2003 (B)	37,000,000
Series of February 1, 2000(B)	16,905,000	Series of 2003 (C)	79,940,000
Series of January 15, 1996(A)	21,155,000	Series of 2005(B)	50,550,000
Series of January 15, 1996(B)	16,925,000	Series of 2005(C1, 2, 3)	215,150,000
Series of March 1, 1998(A)	33,365,000	Series of 2005(D1, 2, 3)	205,375,000
Series of March 1, 1998(C)	2,515,000	Series of 2005(E1, 2, 3)	58,920,000
<i>Las Vegas Valley Water District</i>		Series of 1998(A)	31,245,000
<i>General Obligation Bonds</i>		Series of 1998(A) PFC	163,850,000
Series of April 1, 1994	4,920,000	Series of 2004 A-1	113,550,000
Series of March 1, 1995	1,660,000	Series of 2004 A-2	232,725,000
Series of July 1, 1995	4,590,000	<i>Hospital Bonds</i>	
Series of July 1, 1996	123,575,000	Series of 2000	34,525,000
<i>CC Parks and Regional Justice Center</i>		Series of 2003	17,205,000
Series of 1999	54,885,000	Series of 2007	4,900,000
		<i>Flood Control Bonds</i>	
		Series of September 15, 1998	52,180,000
			\$ 2,765,680,000

Conduit Debt Obligations

The County has issued approximately \$1,735,945,000 in economic development revenue bonds since 1990. The bonds have been issued for a number of economic development projects, including: utility projects, healthcare projects, and education projects. The bonds are paid solely from the revenues derived from the respective projects, therefore, these bonds are not liabilities of the County under any condition, and they are not included as a liability of the County.

III. DETAILED NOTES - ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Derivative Instruments

(a) Interest Rate Swaps

The intention of the Department of Aviation's implementation of a swap portfolio was to convert variable interest rate bonds to synthetically fixed interest rate bonds as a means to lower its borrowing costs when compared to fixed-rate bonds at the time of issuance. The Department executed several floating-to-fixed swaps in connection with its issuance of variable rate bonds. The Department of Aviation also executed forward starting swaps to lock in attractive synthetically fixed rates for future variable rate bonds. Some of the Department of Aviation's swaps are structured with step-down coupons to reduce the cash outflows of the fixed leg of those swaps in the later years of the swap.

The mark-to-market value, or fair value, for each swap is estimated using the zero-coupon method. Under this method, future cash payments are calculated either based on using the contractually-specified fixed rate or based on using the contractually-specified variable forward rates as implied by the SIFMA (Securities Industry and Financial Markets Association) Municipal Swap Index yield curve (formerly known as the Bond Market Association Municipal Swap Index yield curve, or BMA Municipal Swap Index yield curve), as applicable. Each future cash payment is adjusted by a factor called the swap rate, which is a rate that is set, at the inception of the swap and at the occurrence of certain events, such as a refunding, to such a value as to make the mark-to-market value of the swap equal to zero. (For this reason, the swap rate is sometimes referred to as the "at-the-market" rate of the swap.) Future cash receipts are calculated either based on using the contractually-specified fixed rate or based on using the contractually-specified variable forward rates as implied by the LIBOR (London Interbank Offered Rate) yield curve or the CMS (Constant Maturity Swap rate) yield curve, as applicable. The future cash payment, as modified by the swap rate factor, and the future cash receipt due on the date of each and every future net settlement on the swap is netted, and each netting is then discounted using the discount factor implied by the LIBOR yield curve for a hypothetical zero-coupon rate bond due on the date of the future net settlement. These discounted nettings are then summed to arrive at the mark-to-market value, or fair value, of the swap.

All the swaps entered into by the Department of Aviation comply with the County's swap policy. Each swap is written pursuant to guidelines and documentation promulgated by the International Swaps and Derivatives Association ("ISDA"), which include standard provisions for termination events such as failure to pay or bankruptcy. The Department of Aviation retains the right to terminate any swap agreement at market value prior to maturity. The Department of Aviation has termination risk under the contract, particularly if an additional termination event ("ATE") were to occur. An ATE occurs either if the credit rating of the bonds associated with a particular swap agreement and the rating of the swap insurer fall below a pre-defined credit rating threshold or if the credit rating of the swap counterparty falls below a threshold as defined in the swap agreement.

With regard to credit risk, potential exposure is mitigated through the use of an ISDA credit support annex ("CSA"). Under the terms of master agreements between the Department of Aviation and the swap counterparties, each swap counterparty is required to post collateral with a third party when the counterparty's credit rating falls below the trigger level defined in each master agreement. This protects the Department of Aviation from credit risks inherent in the swap agreements. As long as the Department of Aviation retains insurance, the Department of Aviation is not required to post any collateral; only the counterparties are required to post collateral. However, as of June 30, 2014 and 2013, none of the counterparties are required to post collateral.

As summarized in the table below, the initial notional amounts of all the active swaps as of June 30, 2014, totaled \$2,087,735,000. Currently, the Department of Aviation has 18 outstanding swap agreements as of June 30, 2014. The outstanding notional total as of June 30, 2014 was \$1,502,940,867, comprising \$1,052,115,000 in floating-to-fixed swaps, \$251,045,139 in fixed-to-fixed swaps, and \$199,780,728 in basis swaps.

III. DETAILED NOTES - ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Swap#	Associated Variable Rate Bonds or Amended Swaps	County Pays	County Receives	Effective Date	Maturity Date	Initial Notional Amount	Counterparty	Counterparty Ratings			Outstanding Notional June 30, 2014
								Moody's	S&P	Fitch	
Interest Rate Swap Analysis As of June 30, 2014											
Basic Swap											
02	N/A	SIFMA Swap Index - .41%	72.5% of USD LIBOR - 0.410%	8/23/2001	7/1/2036	\$ 185,855,000	Citigroup Financial Products Inc.	Baa2	A-	A	\$ 79,791,889
Floating to Fixed											
03*	N/A	5.49% to 7/2010, 3% to maturity	69% of USD LIBOR + 0.350%	4/4/2005	7/1/2022	259,900,000	Citigroup Financial Products Inc.	Baa2	A-	A	
Basic Swap											
04	N/A	SIFMA Swap Index	68% of USD LIBOR + 0.435%	7/1/2003	7/1/2025	200,000,000	Citigroup Financial Products Inc.	Baa2	A-	A	119,988,839
Floating to Fixed											
05*	N/A	4.97% to 7/2010, 3% to maturity	62.6% of USD LIBOR + 0.330%	3/19/2008	7/1/2025	60,175,000	Citigroup Financial Products Inc.	Baa2	A-	A	
Basic Swap											
06§	N/A	SIFMA Swap Index	62.2% of USD LIBOR + 1.052%	9/1/2004	7/1/2025	N/A	Citigroup Financial Products Inc.	N/A	N/A	N/A	
Floating to Fixed											
07A‡	2008 A-2, 2011 B-1	4.3057% to 7/2017, 0.25% to maturity	64.7% of USD LIBOR + 0.280%	7/1/2008	7/1/2022	150,000,000	JPMorgan Chase Bank, N.A.	Aa3	A+	A+	150,000,000
07B‡	2008 B-2, 2011 B-2	4.3057% to 7/2017, 0.25% to maturity	64.7% of USD LIBOR + 0.280%	7/1/2008	7/1/2022	150,000,000	UBS AG Citigroup Financial Products Inc.	A2	A	A	150,000,000
08A	2008C	4% to 7/2015, 3% to maturity	82% of 10 year CMS - 0.936%	3/19/2008	7/1/2040	151,200,000	Citigroup Financial Products Inc.	Baa2	A-	A	151,200,000
08B	2008C	4% to 7/2015, 3% to maturity	82% of 10 year CMS - 0.936%	3/19/2008	7/1/2040	31,975,000	JPMorgan Chase Bank, N.A.	Aa3	A+	A+	31,975,000
08C	2008C	4% to 7/2015, 3% to maturity	82% of 10 year CMS - 0.936%	3/19/2008	7/1/2040	31,975,000	UBS AG Citigroup Financial Products Inc.	A2	A	A	31,975,000
09A	2008 D-1	5% to 7/2015, 1.21% to maturity	82% of 10 year CMS - 1.031%	3/19/2008	7/1/2036	41,330,000	Citigroup Financial Products Inc.	Baa2	A-	A	41,330,000
09B	2008 D-1	5% to 7/2015, 1.21% to maturity	82% of 10 year CMS - 1.031%	3/19/2008	7/1/2036	8,795,000	JPMorgan Chase Bank, N.A.	Aa3	A+	A+	8,795,000
09C	2008 D-1	5% to 7/2015, 1.21% to maturity	82% of 10 year CMS - 1.031%	3/19/2008	7/1/2036	8,795,000	UBS AG Citigroup Financial Products Inc.	A2	A	A	8,795,000
10A*	N/A	4.0030% to 7/2015, 2.27% to maturity	62% of USD LIBOR + 0.280%	3/19/2008	7/1/2040	N/A	Citigroup Financial Products Inc.	Baa2	A-	A	

III. DETAILED NOTES - ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Interest Rate Swap Analysis As of June 30, 2014 Continued											
Swap#	Associated Variable Rate Bonds or Amended Swaps	County Pays	County Receives	Effective Date	Maturity Date	Initial Notional Amount	Counterparty	Counterparty Ratings			Outstanding Notional June 30, 2014
								Moody's	S&P	Fitch	
Floating to Fixed											
10B	2008 D-2A, 2008 D-2B	4.0030% to 7/2015, 2.27% to maturity	62% of USD LIBOR + 0.280%	3/19/2008	7/1/2040	29,935,000	JPMorgan Chase Bank, N.A.	Aa3	A+	A+	29,935,000
10C	2008 D-2A, 2008 D-2B	4.0030% to 7/2015, 2.2700% to maturity	62% of USD LIBOR + 0.280%	3/19/2008	7/1/2040	29,935,000	UBS AG	A2	A	A	29,935,000
11*	N/A 2008 D-2A, 2008 D-2B, 2008C, 2008 D- 3, 2010 F-2 PFC	4.742% to 7/2010, 1.212% to maturity	62% of USD LIBOR + 0.280%	4/4/2008	7/1/2029	122,865,000	Citigroup Financial Products Inc.	Baa2	A-	A	-
12A	2008 D-3, 2013 C-1	5.626% to 7/2017, 0.25% to maturity	64.7% of USD LIBOR + 0.280%	7/1/2009	7/1/2026	200,000,000	Citigroup Financial Products Inc.	Baa2	A-	A	200,000,000
12B† §	N/A	6% to 7/2017, 1.455% to maturity	64.7% of USD LIBOR + 0.280%	7/1/2009	7/1/2038	N/A	Citigroup Financial Products Inc.	N/A	N/A	N/A	-
13*	N/A	6% to 7/2017, 1.913% to maturity	61.9% of USD LIBOR + 0.270%	7/1/2010	7/1/2040	150,000,000	Citigroup Financial Products Inc.	Baa2	A-	A	-
14A§	2008 D-3, 2013 C-1	3.886%	64.4% of USD LIBOR + 0.280%	7/1/2011	7/1/2030	73,025,000	UBS AG	A2	A	A	73,025,000
14B** §	2008 C, 2008 D-2A, 2008 D- 2B, 2008A GO, 2010 F-2 PFC	3.881%	64.4% of USD LIBOR + 0.280%	7/1/2011	7/1/2037	201,975,000	Citigroup Financial Products Inc.	Baa2	A-	A	145,150,000
Remaining portions of swaps after April 6, 2010 terminations											
15	swap #03 (amended and restated)	1.02% until 7/1/2010	1.47% starting at 7/1/2010	4/6/2010	7/1/2022	N/A	Citigroup Financial Products Inc.	Baa2	A-	A	50,495,139
16	swap #05 (amended and restated)	1.37% until 7/1/2010	0.6% starting at 7/1/2010	4/6/2010	7/1/2025	N/A	Citigroup Financial Products Inc.	Baa2	A-	A	50,550,000
17§	swap #10A (amended and restated)	0.873% until 7/1/2015	0.86% starting at 7/1/2015	4/6/2010	7/1/2040	N/A	Citigroup Financial Products Inc.	N/A	N/A	N/A	-
18	swap #13 (amended and restated)	2.493% until 7/1/2017	1.594% starting at 7/1/2017	4/6/2010	7/1/2040	N/A	Citigroup Financial Products Inc.	Baa2	A-	A	150,000,000
						<u>\$ 2,087,735,000</u>				<u>\$ 1,502,940,867</u>	

III. DETAILED NOTES - ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Source: The PFM Group

* On April 6, 2010, the Department terminated the "on market" (at-market coupon) portion of its floating-to-fixed swaps #03, #05, #10A, #11, and #13. To fund the terminations, the Department fully terminated the "off-market" (step-coupon) portion of swap #11 and partially terminated \$162.2M of \$229.9M notional of the "off-market" portion of swap #03. The agreements related to swaps #03, #05, #10A, and #13 were amended and restated, and the new terms of the swap agreements are presented in the table above as swaps #15, #16, #17, and #18, respectively.

† On November 4, 2010, the Department refunded the outstanding principal of its Series 2005 A-1 and A-2 PFC bonds with the Series 2010 F-1 and F-2 PFC bonds. Upon refunding, swap #12B was re-associated with the cash flows of the \$100,000,000 of outstanding principal of the Series 2010 F-2 PFC bonds and became an investment instrument. The remaining \$250,000,000 was re-associated with the 2008C and 2008 D-3 bonds along with the 2013 C-2 note. This swap was fully terminated on November 19, 2013. All associated bonds were re-associated with other swaps.

‡ On August 3, 2011, the Department refunded the outstanding principal of its Series 2008 A-1 and B-1 bonds with the Series 2011 B-1 and B-2 bonds, respectively. Upon refunding, swap #07B was re-associated with the cash flows of the \$100,000,000 of outstanding principal of the Series 2011 B-1 bonds, and swap #07A was re-associated with the cash flows of the \$100 million of outstanding principal of the Series 2011 B-2 bonds. On November 19, 2013, to better match the principal amortizations, swap #07A was re-associated with the Series 2011 B-1 bonds, and swap #07B was re-associated with the Series 2011 B-2 bonds.

** On July 1, 2011, forward swaps # 14A and # 14B, both with a trade date of April 17, 2007, became effective as scheduled. \$4,480,000 of the entire notional amount of swap # 14A, \$73,025,000, was associated with the 2008A general obligation bonds, with the excess notional balance classified as an investment derivative. The entire notional amount of swap #14B, \$201,975,000, was associated both with the principal of the 2008A general obligation bonds remaining after the association of swap #14A and with the 2013 C-1 and 2013 C-2 notes. Although the notes are deemed to mature in perpetuity, the 2008A general obligation bond matures on July 1, 2027, a date in advance of the maturities of swaps #14A and #14B, which occur on July 1, 2030 and July 1, 2037, respectively. Therefore, those portions of swaps #14A and #14B associated with these excess maturities had been classified as investment derivatives.

§ On November 19, 2013, the Department fully terminated swaps #06, #12B, and #17, and partially terminated swap #14B. All variable rate bonds formerly associated with any of those swaps were re-associated as indicated above.

As indicated in the previous subnote, the Department of Aviation entered into various interest rate swap agreements to hedge financial risks associated with the cost of borrowing and the cash flows associated with the Department of Aviation's variable interest rate debt. In accordance with the provisions of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* ("GASB 53"), the Department of Aviation is required to report the fair value of all derivative instruments on the Statements of Net Position. In addition, GASB 53 requires that all derivatives be classified into two basic categories: (1) hedging and (2) investment. Hedging derivatives are derivative instruments that significantly reduce an identified financial risk by substantially offsetting changes in the cash flows or fair values of an associated hedgeable item. Hedging derivatives are required to be tested for their effectiveness. Effectiveness of hedging derivatives is first tested using the consistent critical terms method. If critical terms analysis fails because the critical terms of the hedged item and the hedging instrument do not match, a quantitative method is employed, typically regression analysis. On an annual basis and consistent with the fiscal year end, the Department of Aviation uses an external consulting firm to perform this evaluation. Investment derivatives are either derivative instruments entered into primarily for income or profit purposes or derivative instruments that do not meet the criteria of an effective hedging derivative instrument. Changes in the fair value of hedging derivative instruments are presented as deferred inflows of resources or deferred outflows of resources on the Statements of Net Position, and changes in the fair value of investment derivative instruments are recognized as investment gains or losses on the Statements of Revenues, Expenses, and Changes in Net Position.

III. DETAILED NOTES - ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

The tables below provide the fair values and the changes in fair value of the Department of Aviation's interest rate swap agreements for the fiscal years ended June 30, 2014. The valuation of all outstanding swap agreements as of June 30, 2014 is \$(52,844,332).

Interest Rate Swap Fair Value and Changes in Fair Values in Hedging Derivative Instruments											
Swap #	Outstanding Notional, Classification, and Fair Value as of June 30, 2014			Changes in Fair Value for the Fiscal Year Ended June 30, 2014			Swap Terminations and Reassociations for the Fiscal Year Ended June 30, 2014				
	Outstanding Notional	Non-Current Derivative Instrument Classification	Fair Value	Increase (Decrease) in Deferred Inflows	Increase (Decrease) in Deferred Outflows	Net Change in Fair Value	Swap Terminations	Swap to Bond Reassociations	Net Change in Swaps	Swap Termination Impact on Deferred Outflows	Net Change in Deferred Outflows
<i>Hedging derivative instruments</i>											
<i>Floating to fixed rate interest swap</i>											
01	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
03*	-	-	-	-	-	-	-	-	-	-	-
05*	-	-	-	-	-	-	-	-	-	-	-
07A†	150,000,000	Liability	(4,734,487)	-	(773,487)	773,487	-	-	-	-	-
07B†	150,000,000	Liability	(4,732,009)	-	(766,677)	766,677	-	-	-	-	-
10A*	-	-	-	-	-	-	-	-	-	-	-
10B	29,935,000	Liability	(719,004)	-	(24,750)	24,750	-	-	-	-	-
10C	29,935,000	Liability	(718,989)	-	(23,741)	23,741	-	-	-	-	-
11*	-	-	-	-	-	-	-	-	-	-	-
12A	200,000,000	Liability	(2,146,943)	-	(5,242,908)	5,242,908	-	-	-	-	-
12B†§	-	-	-	-	(7,521,971)	7,521,971	7,934,176	-	7,934,176	-	-
13*	-	-	-	-	-	-	-	-	-	-	-
14A**§	73,025,000	Liability	(15,581,821)	-	1,614,223	(1,614,223)	-	(13,198,671)	(13,198,671)	-	-
14B*§	145,150,000	Liability	(35,069,923)	-	2,365,121	(2,365,121)	9,423,526	(2,388,263)	7,035,263	-	-
Total hedging derivative activities	\$ 778,045,000		\$ (63,703,176)		\$ (10,374,190)	\$ 10,374,190	\$ 17,357,702	\$ (15,586,934)	\$ 1,770,768	\$ -	\$ -

III. DETAILED NOTES - ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Interest Rate Swap Fair Value and Changes in Fair Values in Investment Derivative Instruments											
Swap #	Outstanding Notional, Classification, and Fair Value as of June 30, 2014		Changes in Fair Value for the Fiscal Year Ended June 30, 2014				Swap Terminations and Reassociations for the Fiscal Year Ended June 30, 2014				
	Outstanding Notional	Non-Current Derivative Instrument Classification	Fair Value	Gain (Loss) on Investment	Deferrals Included in Gain (Loss)	Net Change in Fair Value	Swap Terminations	Swap to Bond Reassociations	Net Change in Swaps	Swap Termination Impact on Deferred Outflows	Net Change in Deferred Outflows
<i>Investment derivative instruments</i>											
<i>Basis rate swap</i>											
02	\$ 79,791,889	Liability	\$ (3,580,149)	\$ 97,308	\$ -	\$ 97,308	\$ -	\$ -	\$ -	\$ -	\$ -
04	119,988,839	Asset	1,008,958	75,191	-	75,191	-	-	-	-	-
06	-	-	-	(2,603,596)	-	(2,603,596)	(11,195,000)	-	(11,195,000)	-	-
<i>Floating to fixed rate interest swap</i>											
08A	151,200,000	Liability	(14,229,967)	(3,305,116)	-	(3,305,116)	-	-	-	-	-
08B	31,975,000	Liability	(3,009,398)	(698,801)	-	(698,801)	-	-	-	-	-
08C	31,975,000	Liability	(3,009,409)	(698,809)	-	(698,809)	-	-	-	-	-
09A	41,330,000	Asset	2,846,824	(39,817)	-	(39,817)	-	-	-	-	-
09B	8,795,000	Asset	605,573	(8,449)	-	(8,449)	-	-	-	-	-
09C	8,795,000	Asset	605,580	(8,451)	-	(8,451)	-	-	-	-	-
12B † §	-	-	-	(237,597)	(7,934,176)	(8,171,773)	(770,000)	-	(770,000)	7,934,176	7,934,176
14A ** §	-	-	-	1,073,078	-	1,073,078	-	13,198,671	13,198,671	-	-
14B ** §	-	-	-	2,054,069	(9,423,526)	(7,369,457)	2,446,000	2,388,263	4,834,263	9,423,526	9,423,526
<i>Remaining portions of swaps after April 6, 2010 terminations*</i>											
15 (formerly #03)	50,495,139	Asset	2,993,903	(691,490)	-	(691,490)	-	-	-	-	-
16 (formerly #05)	50,550,000	Asset	2,801,527	(224,318)	-	(224,318)	-	-	-	-	-
17 §(formerly #10A)	-	-	-	507,056	-	507,056	(15,295,000)	-	(15,295,000)	-	-
18 (formerly #13)	150,000,000	Asset	23,825,402	5,492,148	-	5,492,148	-	-	-	-	-
Total investment derivative activities	<u>724,895,867</u>		<u>10,858,844</u>	<u>782,406</u>	<u>(17,357,702)</u>	<u>(16,575,296)</u>	<u>(24,814,000)</u>	<u>15,586,934</u>	<u>15,562,120</u>	<u>17,357,702</u>	<u>17,357,702</u>
Total	<u>\$1,502,940,867</u>		<u>\$(52,844,332)</u>			<u>\$ (6,201,106)</u>			<u>\$ 17,332,888</u>		<u>\$ 17,357,702</u>

III. DETAILED NOTES - ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

*On April 6, 2010, the Department terminated the "on market" (at-market coupon) portion of its floating-to-fixed swaps #03, #05, #10A, #11, and #13. To fund the terminations, the Department fully terminated the "off-market" (step-coupon) portion of swap #11 and partially terminated \$162.2M of \$229.9M notional of the "off-market" portion of swap #03. The agreements related to swaps #03, #05, #10A, and #13 were amended and restated, and the new terms of the swap agreements are presented in the table above as swaps #15, #16, #17, and #18, respectively.

† Hedging component or investment component, as applicable. On November 4, 2010, the Department refunded the outstanding principal of its Series 2005 A-1 and A-2 PFC bonds with the Series 2010 F-1 and F-2 PFC bonds. Upon refunding, swap #12B was re-associated with the cash flows of the \$100 million of outstanding principal of the Series 2010 F-2 PFC bonds and became an investment instrument. The remaining \$250 million was re-associated with the 2008C and 2008 D-3 bonds along with the 2013 C-2 note. This swap was terminated on November 19, 2013. All associated bonds were re-associated with other derivative instruments.

‡ On August 3, 2011, the Department refunded the outstanding principal of its Series 2008 A-1 and B-1 bonds with the Series 2011 B-1 and B-2 bonds, respectively. Upon refunding, swap #07B was re-associated with the cash flows of the \$100 million of outstanding principal of the Series 2011 B-1 bonds, and swap #07A was re-associated with the cash flows of the \$100 million of outstanding principal of the Series 2011 B-2 bonds. On November 19, 2013, to better match the principal amortizations, swap #07A was re-associated with the Series 2011 B-1 bonds, and swap #07B was re-associated with the Series 2011 B-2 bonds.

**Hedging component or investment component, as applicable. On July 1, 2011, forward swaps # 14A and # 14B, both with a trade date of April 17, 2007, became effective as scheduled. \$4.48 million of the entire notional amount of swap # 14A, \$73.025 million, was associated with the 2008A general obligation bonds, with the excess notional balance classified as an investment derivative. The entire notional amount of swap #14B, \$201.975 million, was associated both with the principal of the 2008A general obligation bonds remaining after the association of swap #14A and with the 2013 C-1 and 2013 C-2 notes. Although the notes are deemed to mature in perpetuity, the 2008A general obligation bond matures on July 1, 2027, a date in advance of the maturities of swaps #14A and #14B, which occur on July 1, 2030 and July 1, 2037, respectively. Therefore, those portions of swaps #14A and #14B associated with these excess maturities had been classified as investment derivatives.

§ On November 19, 2013, the Department fully terminated swaps #06, #12B, and #17, and partially terminated swap #14B. All variable rate bonds formerly associated with any of those swaps were re-associated as indicated above. Moreover, the investment portions of swaps #14A and #14B were re-associated with bonds. GASB 53 requires any deferred inflow or outflow of resources related to a hedged derivative instrument be recognized as a gain or loss upon termination.

III. DETAILED NOTES - ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

On November 4, 2010, the Department of Aviation refunded the outstanding principal of its Series 2005 A-1 and A-2 PFC bonds with the Series 2010 F-1 and F-2 PFC bonds. Upon execution of the refunding, swap #12B was re-associated with the cash flows of the \$100,000,000 of outstanding principal of the Series 2010 F-2 PFC bonds, and the fair value of swap #12B was revalued using the forward rates in effect at the time of the refunding. This created a deferred loss on imputed debt, and an offsetting liability, imputed debt from termination of hedges, in the amount of \$12,388,710, and this deferred loss on imputed debt and corresponding imputed debt from termination of hedges were amortized against each other on a straight-line basis over the remaining life of the swap. Swap #12B was fully terminated on November 19, 2013, as discussed below. In connection with this termination, the related deferred loss on imputed debt and imputed debt were eliminated against each other.

On August 3, 2011, the Department of Aviation refunded the Series 2008 B-1 bonds and the Series 2008 A-1 bonds with the Series 2011 B-2 bonds and the Series 2011 B-1 bonds, respectively. Upon refunding, \$100,000,000 in notional of swap #07A and \$100,000,000 in notional of swap #07B were re-associated with the 2011 B-1 bonds and the 2011 B-2 bonds, respectively. This re-association resulted in a revaluation of swaps #07A and #07B to adjust the overall swap rate of each swap to the market rate, creating a deferred loss on imputed debt for each swap, and an offsetting liability for each swap, imputed debt, in the amounts of \$10,706,687 for swap #07A and \$10,706,687 for swap #07B. These deferred losses on imputed debt and corresponding imputed debts are amortized against each other on a straight-line basis over the remaining lives of the swaps. In November 2013, the Department re-associated swap #07A with the 2011 B-1 bonds and re-associated swap #07B with the 2011 B-2 bonds.

On November 19, 2013, the Department of Aviation fully terminated swaps #06, #12B, and #17 and partially terminated swap #14B. Because swap #14B was only partially terminated, its outstanding notional value was reduced by \$56,825,000 from \$201,975,000 to \$145,150,000. At the transaction closing, the fair values of all the terminated swaps or portions thereof, coupled with their related accrued interest, resulted in a net termination payment of \$0. The Department executed this transaction to lower overall swap exposure, reduce interest rate risk, increase cash flow, reduce debt service, and tailor its swap portfolio to better match its variable rate bond portfolio. Upon completion of the termination, the Department re-associated the investment component of each of swap derivatives #14A and #14B with variable rate bonds, thereby resulting in the full hedging of these swaps.

(b) Hedging Derivative Instruments

On June 30, 2014, the Department of Aviation had seven outstanding floating-to-fixed interest rate swap agreements, considered to be hedging derivative instruments in accordance with the provisions of GASB 53.

Objective:

As a means of lowering its borrowing costs when compared against fixed-rate bonds at the time of issuance, the Department of Aviation executed floating-to-fixed interest rate swaps in connection with its issuance of variable rate bonds. The intention of implementing these swaps was to convert the Department of Aviation's variable interest rates on the bonds to synthetic fixed rates. As of June 30, 2014, the Department had five outstanding hedging swaps that had been structured with step-down coupons to reduce the cash outflows of the fixed leg of those swaps in the later years of the swap.

Forward Starting Swap Agreements:

On January 3, 2006, the Department of Aviation entered into five swap agreements (swaps #7A, #7B, #12A, #12B, and #13) to hedge future variable rate debt as a means to lower its borrowing costs and to provide favorable synthetically fixed rates for financing the construction of T3 and other related projects. Swaps #7A and #7B, with a notional amounts of \$150,000,000 each, became effective July 1, 2008, while swaps #12A and #12B, with notional amounts totaling \$550,000,000, became effective July 1, 2009. Swap #13, with a notional amount totaling \$150,000,000, was scheduled to become effective July 1, 2010. However, due to the attractive market rates for fixed rate bonds, together with the favorable provisions of ARRA, the Department of Aviation chose to refinance its outstanding bond anticipation notes and issue fixed rate bonds to complete financing for the construction of T3, and, as a result, the planned \$550,000,000 of 2009 Series A and B variable rate bonds was not issued on July 1, 2009. In addition, to better match its outstanding notional of floating-to-fixed interest rate swaps to the cash flows associated with its outstanding variable rate bonds, on April 6, 2010, the Department terminated \$543.3 million in notional amounts of its outstanding floating-to-fixed interest rate swaps (swaps #3, #5, #10A, and #11) and \$150,000,000 in the notional amount of the July 1, 2010, forward starting swap #13. On April 17, 2007, the Department entered into two additional forward starting swaps, swaps #14A and #14B, with notional amounts totaling \$275,000,000, which became effective on July 1, 2011, as scheduled.

III. DETAILED NOTES - ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Terms, Notional Amounts, and Fair Values

The terms, notional amounts, and fair values of the Department's hedging derivatives at June 30, 2014 are included in the table below. The notional amounts of the swap agreements match the principal portions of the associated debt and contain reductions in the notional amounts that are expected to follow the reductions in principal of the associated debt, except as discussed in the section on rollover risk.

Hedging Derivative Instruments - Terms, Notional Amounts, and Fair Values as of June 30, 2014								
Swap#	Interest Rate Swap Description	Associated Variable Rate Bonds or Amended Swaps	Effective Date	Outstanding Notional	County Pays	County Receives	Fair Value	Maturity Date
07A	Floating-to-Fixed	2008 A-2, 2011 B-1	7/1/2008	\$ 150,000,000	4.3057% to 7/2017, 0.25% to maturity	64.7% of USD LIBOR + 0.28%	\$ (4,734,487)	7/1/2022
07B	Floating-to-Fixed	2008 B-2, 2011 B-2	7/1/2008	150,000,000	4.3057% to 7/2017, 0.25% to maturity	64.7% of USD LIBOR + 0.28%	(4,732,009)	7/1/2022
10B	Floating-to-Fixed	2008 D-2A, 2008 D-2B	3/19/2008	29,935,000	4.0030% to 7/2015, 2.27% to maturity	62.0% of USD LIBOR + 0.28%	(719,004)	7/1/2040
10C	Floating-to-Fixed	2008 D-2A, 2008 D-2B, 2008 D-2A, 2008 D-2B, 2008C, 2008	3/19/2008	29,935,000	4.0030% to 7/2015, 2.27% to maturity	62.0% of USD LIBOR + 0.28%	(718,989)	7/1/2040
12A	Floating-to-Fixed	D-3, 2010 F-2 PFC	7/1/2009	200,000,000	5.6260% to 7/2017, 0.25% to maturity	64.7% of USD LIBOR + 0.28%	(2,146,943)	7/1/2026
14A	Floating-to-Fixed	2008 D-3, 2013 C-1, 2008 C, 2008 D-2A, 2008 D-2B, 2008A GO, 2010 F-2	7/1/2011	73,025,000	3.8860%	64.4% of USD LIBOR + 0.280%	(15,581,821)	7/1/2030
14B	Floating-to-Fixed	PFC	7/1/2011	145,150,000	3.8810%	64.4% of USD LIBOR + 0.28%	(35,069,923)	7/1/2037
				<u>\$ 778,045,000</u>			<u>\$ (63,703,176)</u>	

Due to an overall decline in variable rates, none of the Department's hedging derivatives had positive fair values as of June 30, 2014. The fair values are estimated using the methodology discussed above under Subnote (a), "Interest Rate Swaps."

III. DETAILED NOTES - ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Associated Debt Cash Flows

The net cash flows for the Department's hedging derivative instruments for the year ended June 30, 2014, are provided in the table below.

<u>Hedging Derivative Instruments - Net Cash Flows</u> For the Fiscal Year Ended June 30, 2014							
Swap#	Interest Rate Swap Description	Associated Variable Rate Bonds	Counterparty Swap Interest			Interest to Bondholders	Net Interest Payments 2014
			(Pay)	Receive	Net		
07A	Floating-to-Fixed	2008 A-2, 2011 B-1	\$ (6,458,550)	\$ 613,776	\$ (5,844,774)	\$ (149,110)	\$ (5,993,884)
07B	Floating-to-Fixed	2008 B-2, 2011 B-2	(6,458,550)	613,755	(5,844,795)	(148,699)	(5,993,494)
10B	Floating-to-Fixed	2008 D-2A, 2008 D-2B	(1,198,298)	120,924	(1,077,374)	(9,388)	(1,086,762)
10C	Floating-to-Fixed	2008 D-2A, 2008 D-2B	(1,198,298)	120,920	(1,077,378)	(9,388)	(1,086,766)
12A	Floating-to-Fixed	2008 D-2A, 2008 D-2B, 2008C, 2008 D-3, 2010 F-2 PFC	(11,252,000)	818,311	(10,433,689)	(253,958)	(10,687,647)
12B*	Floating-to-Fixed	N/A	(7,500,000)	516,084	(6,983,916)	(1,488,448)	(8,472,364)
14A*	Floating-to-Fixed	2008 D-3, 2013 C-1	(1,491,413)	155,542	(1,335,871)	(2,224,031)	(3,559,902)
14B*	Floating-to-Fixed	2008 C, 2008 D-2A, 2008 D-2B, 2008A GO, 2010 F-2 PFC	(6,156,984)	648,720	(5,508,264)	(862,620)	(6,370,884)
			<u>\$ (41,714,093)</u>	<u>\$ 3,608,032</u>	<u>\$ (38,106,061)</u>	<u>\$ (5,145,642)</u>	<u>\$ (43,251,703)</u>

* Hedging component only, pro-rated over swap notional

Credit Risk:

The Department is exposed to credit risk in the amount of the hedging derivatives' positive fair values. Since none of the hedging derivatives had a positive fair value as of June 30, 2014, the Department was exposed to no credit risk for these derivatives. Nonetheless, as described earlier, a CSA is in place to provide collateral to protect the value of the swaps under specific circumstances. The counterparty credit ratings for the Department's hedging derivative instruments at June 30, 2014, are included in the table below.

<u>Counterparty Credit Ratings and Credit Risk Exposure - Hedging Derivative Instruments at June 30, 2014</u>						
Swap #	Interest Rate Swap Description	Counterparty	Counterparty Ratings			Credit Risk Exposure
			Moody's	S&P	Fitch	
07A	Floating-to-Fixed	JPMorgan Chase Bank, N.A.	Aa3	A+	A+	\$ -
07B	Floating-to-Fixed	UBS AG	A2	A	A	-
10B	Floating-to-Fixed	JPMorgan Chase Bank, N.A.	Aa3	A+	A+	-
10C	Floating-to-Fixed	UBS AG	A2	A	A	-
12A	Floating-to-Fixed	Citigroup Financial Products Inc.	Baa2	A-	A	-
14A	Floating-to-Fixed	UBS AG	A2	A	A	-
14B	Floating-to-Fixed	Citigroup Financial Products Inc.	Baa2	A-	A	-
						<u>\$ -</u>

Basis and Interest Rate Risk:

All the hedging derivative swaps are subject to basis risk and interest rate risk should the relationship between the LIBOR rate and the Department's bond rates converge. If a change occurs that results in the rates moving to convergence, the expected cost savings and expected cash flows of the swaps may not be realized.

Tax Policy Risk:

III. DETAILED NOTES - ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

The Department is exposed to tax risk if a permanent mismatch (shortfall) occurs between the floating rate received on the swap and the variable rate paid on the underlying variable rate bonds due to changes in tax law such that the federal or state tax exemption of municipal debt is eliminated or its value is reduced.

Termination Risk:

The Department is exposed to termination risk if either the credit rating of the bonds associated with the swap or the credit rating of the swap counterparty falls below the threshold defined in the swap agreement, i.e. if an ATE occurs. If at the time of the ATE the swap has a negative fair value, the Department would be liable to the counterparty for a payment equal to the swap's fair value. For all swap agreements, except for swaps #08A and #09A, the Department is required to designate a day between 5 and 30 days to provide written notice following the ATE date. For the exceptions, the designated date is 30 days after the ATE date.

Rollover Risk and Other Risk:

There exists the possibility that the Department may undertake additional refinancing with respect to its swaps to improve its debt structure or cash flow position and that such refinancing may result in hedging swap maturities that do not extend to the maturities of the associated debt, in hedging swaps becoming decoupled from associated debt, in the establishment of imputed debt, or in the creation of losses.

(c) Investment Derivative Instruments

As of June 30, 2014, the Department had 11 outstanding interest rate swaps considered to be investment derivative instruments in accordance with the provisions of GASB 53. On November 19, 2013, the Department fully terminated investment swaps #06 and #17. In addition, the component of swap #12B that was designated as an investment derivative in accordance with GASB 53 was terminated in connection with the full termination of swap #12B. Moreover, the investment component of swap #14B was partially terminated, leaving a remaining investment component with swap #14B that was, immediately after the termination, re-associated with bonds, thereby converting this remaining investment component to a hedge and adding it to the existing hedging component of swap #14B. The investment component of swap #14A, in a fashion similar to swap #14B, also was re-associated with bonds at the same time the re-association occurred with swap #14B, thereby converting this investment component to a hedge and adding it to the existing hedging component of swap #14A. These transactions reduced by five the number of interest rate swaps considered to be investment derivative instruments.

III. DETAILED NOTES - ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Terms, Notional Amounts, and Fair Values:

The terms, notional amounts, and fair values of the Department's investment derivatives at June 30, 2014, are included in the table below.

Investment Derivative Instruments - Terms, Notional Amounts, and Fair Values								
As of June 30, 2014								
Swap#	Interest Rate Swap Description	Associated Variable Rate Bonds or Amended Swaps	Effective Date	Outstanding Notional	County Pays	County Receives	Fair Value	Maturity Date
02	Basis Swap	N/A	8/23/2001	\$ 79,791,889	SIFMA Swap Index - 0.41%	72.5% of USD LIBOR - 0.410%	\$ (3,580,149)	7/1/2036
04	Basis Swap	N/A	7/1/2003	119,988,839	SIFMA Swap Index	68% of USD LIBOR + 0.435%	1,008,958	7/1/2025
08A	Floating-to-Fixed	2008C	3/19/2008	151,200,000	4% to 7/2015, 3% to maturity	82% of 10 year CMS - 0.936%	(14,229,967)	7/1/2040
08B	Floating-to-Fixed	2008C	3/19/2008	31,975,000	4% to 7/2015, 3% to maturity	82% of 10 year CMS - 0.936%	(3,009,398)	7/1/2040
08C	Floating-to-Fixed	2008C	3/19/2008	31,975,000	4% to 7/2015, 3% to maturity	82% of 10 year CMS - 0.936%	(3,009,409)	7/1/2040
09A	Floating-to-Fixed	2008 D-1	3/19/2008	41,330,000	5% to 7/2015, 1.21% to maturity	82% of 10 year CMS - 1.031%	2,846,824	7/1/2036
09B	Floating-to-Fixed	2008 D-1	3/19/2008	8,795,000	5% to 7/2015, 1.21% to maturity	82% of 10 year CMS - 1.031%	605,573	7/1/2036
09C	Floating-to-Fixed	2008 D-1	3/19/2008	8,795,000	5% to 7/2015, 1.21% to maturity	82% of 10 year CMS - 1.031%	605,580	7/1/2036
<u>Remaining portions of swaps after April 6, 2010 terminations</u>								
15	Fixed-to-Fixed	swap #03 (1)	4/6/2010	50,495,139	1.02% until 7/1/2010	1.47% starting at 7/1/2010	2,993,903	7/1/2022
16	Fixed-to-Fixed	swap #05 (1)	4/6/2010	50,550,000	1.37% until 7/1/2010	0.6% starting at 7/1/2010	2,801,527	7/1/2025
18	Fixed-to-Fixed	swap #13 (1)	4/6/2010	150,000,000	2.493% until 7/1/2017	1.594% starting at 7/1/2017	23,825,402	7/1/2040
				<u>\$ 724,895,867</u>			<u>\$ 10,858,844</u>	

(1) Amended and restated

III. DETAILED NOTES - ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Credit Risk:

The Department is exposed to credit risk on the seven interest rate swaps with positive fair values totaling \$34,687,767. The Department is not exposed to credit risk on the remaining interest rate swaps with negative fair values. Should forward interest rates change such that the fair values of those swaps become positive, the Department would then be exposed to credit risk in the amount of those derivatives' fair values. As described earlier, a CSA is in place to provide collateral to protect the value of the swap under specific circumstances. The counterparty credit ratings for the Department's investment derivative swaps at June 30, 2014, are included in the table below.

Counterparty Credit Ratings and Credit Risk Exposure - Investment Derivative Swaps at June 30, 2014						
Swap #	Interest Rate Swap Description	Counterparty	Counterparty Ratings			Credit Risk Exposure
			Moody's	S&P	Fitch	
02	Basis Swap	Citigroup Financial Products Inc.	Baa2	A-	A	\$ -
04	Basis Swap	Citigroup Financial Products Inc.	Baa2	A-	A	1,008,958
08A	Floating-to-Fixed	Citigroup Financial Products Inc.	Baa2	A-	A	-
08B	Floating-to-Fixed	JPMorgan Chase Bank, N.A.	Aa3	A+	A+	-
08C	Floating-to-Fixed	UBS AG	A2	A	A	-
09A	Floating-to-Fixed	Citigroup Financial Products Inc.	Baa2	A-	A	2,846,824
09B	Floating-to-Fixed	JPMorgan Chase Bank, N.A.	Aa3	A+	A+	605,573
09C	Floating-to-Fixed	UBS AG	A2	A	A	605,580
<u>Remaining portions of swaps after April 6, 2010 terminations</u>						
15	Fixed-to-Fixed	Citigroup Financial Products Inc.	Baa2	A-	A	2,993,903
16	Fixed-to-Fixed	Citigroup Financial Products Inc.	Baa2	A-	A	2,801,527
18	Fixed-to-Fixed	Citigroup Financial Products Inc.	Baa2	A-	A	23,825,402
						\$ 34,687,767

Interest Rate Risk:

Swaps #02 and #04 are subject to interest rate risk should the relationship between the LIBOR rate and the SIFMA rate converge. If economic conditions change such that these rates converge, the expected cash flows of the swaps and expected cost savings may not be realized.

Swaps #08A, #08B, and #08C and swaps #09A, #09B, and #09C are subject to interest rate risk should the relationship between the 10-year CMS rate (Constant Maturity Swap rate) and the LIBOR rate converge. If economic conditions change such that these rates converge, the expected cash flows of the swaps and expected cost savings may not be realized.

The investment components of swaps #15, #16, and #18 are not subject to interest rate risk, since there is no variable rate component.

Foreign Currency Risk

None of the Department's interest rate swaps are subject to foreign currency risk.

III. DETAILED NOTES - ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Projected Maturities and Interest on Variable Rate Bonds, Bond Anticipation Notes, and Swap Payments

Using the rates in effect on June 30, 2014, the approximate maturities and interest payments of the Department's variable rate debt and bond anticipation notes plus the net payment projections on the floating-to-fixed interest rate swaps are presented in the following table.

<u>Variable Rate Debt and Bond Anticipation Notes - Maturities and Net Payment Projections</u>						
Year Ended June 30,	<u>Variable Rate Bonds</u>		<u>Bond Anticipation Notes</u>		<u>Net Swap</u>	<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Payments</u>	
2015	\$ 100,000	\$ 817,929	\$ -	\$ 4,357,125	\$ 9,870,308	\$ 45,145,362
2016	3,865,000	815,266	174,285,000	2,178,563	37,094,634	218,238,463
2017	14,130,000	805,959	-	-	34,133,619	49,069,578
2018	23,620,000	790,120	-	-	22,687,290	47,097,410
2019	84,195,000	732,638	-	-	11,384,488	96,312,126
2020-2024	345,785,000	2,840,441	-	-	56,652,840	405,278,281
2025-2029	227,730,000	1,895,023	-	-	55,096,597	284,721,620
2030-2034	151,295,000	950,530	-	-	37,575,146	189,820,676
2035-2039	168,745,000	441,736	-	-	12,000,748	181,187,484
2040-2044	70,730,000	23,047	-	-	678,805	71,431,852
Total	<u>\$ 1,090,195,000</u>	<u>\$ 10,112,689</u>	<u>\$ 174,285,000</u>	<u>\$ 6,535,688</u>	<u>\$ 307,174,475</u>	<u>\$ 1,588,302,852</u>

Deferred outflows of resources and deferred inflows of resources

Deferred outflows of resources for governmental activities consist of \$30.1 million in unamortized losses on refunded bonds. Deferred outflows of resources for business-type activities consist of hedging derivative instruments of \$48.1 million and \$52.8 million in unamortized losses on refunded bonds. Deferred inflows of resources for governmental activities consist of \$2.8 million in unamortized gains on refunded bonds. Deferred inflows of resources for business-type activities consist of \$5.6 million in unamortized gains on refunded bonds.

Discretely Presented Component Units

Flood Control District

The following is a summary of bonds and compensated absences payable by the Flood Control District for the year ended June 30, 2014:

<u>Bonds and Compensated Absences Payable For the Year Ended June 30, 2014</u>					
	<u>Balance at July 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2014</u>	<u>Due Within One Year</u>
General obligation bonds	<u>\$ 400,140,798</u>	<u>\$ 78,265,708</u>	<u>\$ 12,881,059</u>	<u>\$ 465,525,447</u>	<u>\$ 12,260,000</u>
Compensated Absences	<u>\$ 847,455</u>	<u>\$ 365,925</u>	<u>\$ 453,965</u>	<u>\$ 759,415</u>	<u>N/A</u>

III. DETAILED NOTES - ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Discretely Presented Component Units (Continued)

Flood Control District (Continued)

The following individual issues comprised the bonds payable at June 30, 2014:

<u>Bonds Payable as of June 30, 2014</u>					
<u>Series</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance at June 30, 2013</u>
General obligation bonds					
2006	2/21/06	11/01/35	3.50 - 4.75 %	\$ 200,000,000	\$ 199,400,000
2008	8/20/08	11/01/15	3.00 - 5.00	50,570,000	18,420,000
2009	6/23/09	11/01/38	2.69 - 7.25	150,000,000	134,310,000
2010	7/13/10	11/01/18	5.00	29,425,000	29,425,000
2013	12/19/13	11/01/38	5.00	75,000,000	75,000,000
Unamortized premium/(discount)			N/A	N/A	8,970,447
Total long-term debt					<u>\$ 465,525,447</u>

All bonds issued by the Flood Control District are collateralized by a portion of the one-quarter cent sales tax authorized by NRS 543.600 for Flood Control District operations. Pledged revenues for the year ended June 30, 2014 totaled \$85,126,634 for a debt service coverage ratio of 2.49 times.

The debt service requirements are as follows:

<u>Annual Debt Service Requirements to Maturity</u>			
<u>Year Ending June 30,</u>	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 12,260,000	\$ 24,296,097	\$ 36,556,097
2016	12,820,000	23,679,848	36,499,848
2017	12,910,000	23,035,640	35,945,640
2018	13,505,000	22,365,520	35,870,520
2019	14,140,000	21,658,941	35,798,941
2020-2024	64,475,000	98,716,688	163,191,688
2025-2029	80,750,000	79,662,861	160,412,861
2030-2034	105,965,000	54,262,059	160,227,059
2035-2039	139,730,000	20,505,231	160,235,231
	<u>\$ 456,555,000</u>	<u>\$ 368,182,885</u>	<u>\$ 824,737,885</u>

Deferred outflows of resources and deferred inflows of resources

Deferred outflows of resources for the Flood Control District consist of \$529,888 in unamortized losses on refunded bonds.

III. DETAILED NOTES - ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Discretely Presented Component Units (Continued)

RTC (Continued)

The following is a summary of bonds and compensated absences payable by the RTC for the year ended June 30, 2014:

<u>Bonds and Compensated Absences Payable For the Year Ended June 30, 2014</u>					
	<u>Balance at July 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2014</u>	<u>Due Within One Year</u>
Revenue	\$ 770,480,956	\$ 110,635,131	\$ 35,421,410	\$ 845,694,677	\$ 33,030,000
Compensated Absences	\$ 3,465,287	\$ 1,924,167	\$ 1,661,842	\$ 3,727,612	\$ 1,661,842

The following individual issues comprised the bonds payable at June 30, 2014:

<u>Bonds Payable as of June 30, 2014</u>					
<u>Series</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance at June 30, 2014</u>
<i>Revenue Bonds</i>					
<i>Motor Vehicle Fuel Tax Revenue Bonds</i>					
2007	06/12/07	07/01/27	3.00 - 5.00	\$ 300,000,000	\$ 238,570,000
2010A	02/25/10	07/01/29	6.10 - 6.35	32,595,000	32,595,000
2010B	02/25/10	07/01/28	5.00	51,180,000	51,180,000
2011	11/29/11	07/01/23	4.00 - 5.00	118,105,000	115,905,000
2014A	04/01/14	07/01/34	3.00 - 5.00	100,000,000	100,000,000
<i>Sales Tax Revenue Bonds</i>					
2010	02/23/10	07/01/29	3.00 - 5.00	69,595,000	59,590,000
2010B	08/11/10	07/01/20	3.00 - 5.00	94,835,000	70,330,000
2010C	08/11/10	07/01/30	5.10 - 6.15	140,560,000	140,560,000
Unamortized premium/(discount)		N/A	N/A	N/A	36,964,677
Total long term debt					<u>\$ 845,694,677</u>

Pledged Revenues

Motor Vehicle Fuel Tax Bonds

Motor vehicle fuel tax revenue bonds issued for RTC purposes are collateralized by a maximum of twelve cents per gallon motor vehicle fuel tax levied by the County, except that portion required to be allocated as direct distributions for those political subdivisions not included in the "Las Vegas Valley Area Major Street and Highway Plan." The collateralized twelve cents includes the County's share of the three cents per gallon tax levied by the State pursuant to NRS 365.180 and 365.190 and accounted for in other County funds, and the County's share of the Indexed Fuel Taxes. Indexed Fuel Tax includes taxes calculated and imposed on motor vehicle fuel tax, and special fuels taxes that consist of taxes on diesel fuel, taxes on compressed natural gas, and taxes on liquefied petroleum gas. Pledged revenues for the year ended June 30, 2014 totaled \$96,180,212 for a debt service coverage ratio of 2.26 times.

Sales Tax Revenue Bonds

Series 2010 sales and excise tax revenue bonds issued for RTC purposes are collateralized by 1/8% sales and excise tax and a 1 cent jet aviation fuel tax in Clark County. Series 2010B and 2010C sales and excise tax revenue bonds issued for RTC purposes are collateralized by ¼% sales and excise tax and a 1 cent jet aviation fuel tax in Clark County. Pledged revenues for the year ended June 30, 2014 totaled \$88,611,891 for a debt service coverage ratio of 3.54 times.

III. DETAILED NOTES - ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Discretely Presented Component Units (Continued)

RTC (Continued)

The debt service requirements are as follows:

<u>Annual Debt Service Requirements to Maturity</u>			
Year Ending June 30,	Revenue Bonds		
	Principal	Interest	Total
2015	\$ 33,030,000	\$ 37,683,201	\$ 70,713,201
2016	37,675,000	37,266,263	74,941,263
2017	39,425,000	35,463,038	74,888,038
2018	41,265,000	33,562,113	74,827,113
2019	43,150,000	31,637,163	74,787,163
2020-2024	248,380,000	123,761,592	372,141,592
2025-2029	256,080,000	62,757,528	318,837,528
2030-2034	102,110,000	9,324,879	111,434,879
2035-2039	7,615,000	190,375	7,805,375
	<u>\$ 808,730,000</u>	<u>\$ 371,646,152</u>	<u>\$ 1,180,376,152</u>

Arbitrage Rebate and Debt Covenant Requirements

The federal Tax Reform Act of 1986 imposes a rebate requirement with respect to some bonds issued by the County for the RTC. Under this Act, an amount may be required to be rebated to the United States Treasury (called "arbitrage") for interest on the bonds to qualify for exclusion from gross income for federal income tax purposes. Rebatable arbitrage is computed as of each installment computation date and as of the most recent such date the RTC's management believes that there is no rebatable arbitrage amount due. Future calculations might result in adjustments to this determination.

Long-term debt obligations are subject to restrictive debt covenants, including certain revenue levels and revenue/expense ratios, for which management believes the RTC is in compliance.

Deferred outflows of resources and deferred inflows of resources

Deferred outflows of resources for RTC consist of \$6.2 million in unamortized losses on refunded bonds. Deferred inflows of resources for RTC consist of \$1.8 million in unearned revenue from the Build America Bonds Rebate.

Las Vegas Valley Water District:

The following is a summary of bonds and loans payable by the Las Vegas Valley Water District for the year ended June 30, 2014:

<u>Bonds and Loans Payable For the Year Ended June 30, 2014</u>					
	Balance at July 1, 2013	Additions	Reductions	Balance at June 30, 2014	Due Within One Year
General obligation bonds	\$ 2,352,501,068	\$ -	\$ 41,608,552	\$ 2,310,892,516	\$ 47,965,000
Revenue bonds	1,680,000	-	168,000	1,512,000	168,000
Commercial paper loans	400,000,000	-	-	400,000,000	400,000,000
Total long-term debt	<u>\$ 2,754,181,068</u>	<u>\$ -</u>	<u>\$ 41,776,552</u>	<u>\$ 2,712,404,516</u>	<u>\$ 448,133,000</u>

III. DETAILED NOTES - ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Discretely Presented Component Units (Continued)

Las Vegas Valley Water District (Continued)

The following individual issues comprised the bonds and loans payable at June 30, 2014:

Series	Issue Date	Bonds Payable as of June 30, 2014			Original Issue	Balance at June 30, 2014
		Maturity Date	Interest Rate			
General Obligation Bonds						
2005A	05/04/05	06/01/27	4.00 - 5.00%	\$	302,425,000	\$ 210,410,000
2006A	06/15/06	06/01/36	4.75 - 5.00		151,555,000	133,840,000
2006B	07/20/06	06/01/36	variable		75,000,000	66,265,000
2006C	07/20/06	06/01/36	variable		75,000,000	66,265,000
2008A	02/19/08	12/01/37	5.00		190,760,000	154,300,000
2008B	02/19/08	06/01/26	3.50- 5.00		171,720,000	116,335,000
2009A	08/05/09	06/01/39	7.10		90,000,000	90,000,000
2009B	08/05/09	06/01/32	4.00 - 5.25		10,000,000	9,650,000
2009C	12/23/09	06/01/39	7.013 - 7.26		348,115,000	348,115,000
2009D	12/23/09	06/01/30	4.25 - 5.25		71,965,000	66,265,000
2010A	06/15/10	03/01/40	5.60 - 5.70		75,995,000	75,995,000
2010B	06/15/10	03/01/38	2.00 - 4.625		31,075,000	30,310,000
2011A	05/26/11	06/01/26	3.051 - 5.434		58,110,000	58,110,000
2011B	10/19/11	06/01/27	2.789 - 4.958		129,650,000	129,650,000
2011C	10/19/11	06/01/38	2.00 - 5.00		267,815,000	249,995,000
2011D	10/19/11	06/01/27	2.00 - 5.25		78,680,000	70,875,000
2012A	09/05/12	06/01/32	5.00		39,310,000	39,310,000
2012B	07/31/12	06/01/42	3.50- 5.00		360,000,000	360,000,000
Unamortized premium/(discount)						35,202,516
Total general obligation bonds						2,310,892,516
Revenue Bonds						
2008	07/15/08	12/15/22	1.30		2,520,000	1,512,000
Commercial Paper Loans						
2004	06/02/04	02/28/14	.09		400,000,000	400,000,000
Total long-term debt						\$ 2,712,404,516

These bonds are being serviced, principal and interest, by the Las Vegas Valley Water District.

III. DETAILED NOTES - ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Discretely Presented Component Units (Continued)

Las Vegas Valley Water District (Continued)

The debt service requirements are as follows:

Year Ending June 30,	Annual Debt Service Requirements to Maturity					
	General Obligation Bonds			Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 47,965,000	\$ 113,533,032	\$ 161,498,032	\$ 168,000	\$ 18,564	\$ 186,564
2016	72,920,000	111,667,421	184,587,421	168,000	16,380	184,380
2017	73,650,000	108,593,426	182,243,426	168,000	14,196	182,196
2018	76,955,000	105,475,383	182,430,383	168,000	12,012	180,012
2019	80,560,000	102,096,038	182,656,038	168,000	9,828	177,828
2020-2024	464,415,000	452,717,259	917,132,259	672,000	17,472	689,472
2025-2029	432,370,000	341,107,312	773,477,312	-	-	-
2030-2034	395,090,000	253,299,989	648,389,989	-	-	-
2035-2039	549,800,000	129,093,205	678,893,205	-	-	-
2040-2043	81,965,000	7,170,025	89,135,025	-	-	-
	<u>\$ 2,275,690,000</u>	<u>\$ 1,724,753,090</u>	<u>\$ 4,000,443,090</u>	<u>\$ 1,512,000</u>	<u>\$ 88,452</u>	<u>\$ 1,600,452</u>

\$400,000,000 in principal and \$58,859 in interest were due on the commercial paper loans for the year ended June 30, 2014.

Deferred outflows of resources and deferred inflows of resources

Deferred outflows of resources for the Las Vegas Valley Water District consist of \$8.6 million in unamortized losses on refunded bonds. Deferred inflows of resources for the Las Vegas Valley Water District consist of \$869,675 in unamortized gains on refunded bonds.

Other Discretely Presented Component Units

Big Bend Water District

The following is a summary of bonds payable by the Big Bend Water District for the year ended June 30, 2014:

	Bonds Payable For the Year Ended June 30, 2014				
	Balance at July 1, 2013	Additions	Reductions	Balance at June 30, 2014	Due Within One Year
General obligation bonds	\$ 5,040,153	\$ -	\$ 359,254	\$ 4,680,899	\$ 370,823

The following individual issues comprised the bonds payable at June 30, 2014:

Series	Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Payable as of June 30, 2014	
						Balance at June 30, 2014
General obligation bonds						
2003	06/03/04	01/01/25	3.19 %	\$ 4,000,000	\$	2,507,487
2004	08/06/04	07/01/24	3.2	6,000,000		2,173,412
Total long-term debt						<u>\$ 4,680,899</u>

These bonds are being serviced, principal and interest, by the Big Bend Water District.

III. DETAILED NOTES - ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Other Discretely Presented Component Units (Continued)

Big Bend Water District (Continued)

The debt service requirements are as follows:

<u>Annual Debt Service Requirements to Maturity</u>			
Year Ending June 30,	Revenue Bonds		
	Principal	Interest	Total
2015	\$ 370,823	\$ 146,600	\$ 517,423
2016	382,765	134,658	517,423
2017	395,091	122,332	517,423
2018	407,814	109,609	517,423
2019	420,947	96,476	517,423
2020-2024	2,317,016	270,100	2,587,116
2025-2029	386,444	8,306	394,750
	<u>\$ 4,680,900</u>	<u>\$ 888,081</u>	<u>\$ 5,568,981</u>

III. DETAILED NOTES - ALL FUNDS (Continued)

7. FINANCIAL INFORMATION FOR DISCRETELY PRESENTED COMPONENT UNITS - OTHER WATER DISTRICTS

Statement of Net Position			
	Kyle Canyon Water District	Big Bend Water District	Total
Assets			
Current assets	\$ 153,140	\$ 2,290,421	\$ 2,443,561
Noncurrent assets	6,421,047	33,153,878	39,574,925
Total assets	6,574,187	35,444,299	42,018,486
Liabilities			
Current liabilities	673,649	504,880	1,178,529
Noncurrent liabilities	-	4,310,076	4,310,076
Total liabilities	673,649	4,814,956	5,488,605
Net Position			
Net investment in capital assets	6,421,047	28,472,979	34,894,026
Unrestricted	(520,509)	2,156,364	1,635,855
Total Net Position	\$ 5,900,538	\$ 30,629,343	\$ 36,529,881

Statement of Revenues, Expenses and Changes in Net Position			
	Kyle Canyon Water District	Big Bend Water District	Total
Operating revenues	\$ 353,778	\$ 3,251,855	\$ 3,605,633
Operating expenses	(658,845)	(4,499,070)	(5,157,915)
Interest Income	1,317	7,804	9,121
Nonoperating revenue	63,930	-	63,930
Nonoperating expense	(3,298)	(128,996)	(132,294)
Capital contributions	-	419,775	419,775
Change in net position	(243,118)	(948,632)	(1,191,750)
Net Position			
Beginning of year	6,143,656	31,577,975	37,721,631
End of year	\$ 5,900,358	\$ 30,629,343	\$ 36,529,881

Statement of Cash Flows			
	Kyle Canyon Water District	Big Bend Water District	Total
Cash Flows From Operating Activities	\$ (51,886)	\$ (179,167)	\$ (231,053)
Cash Flows From Noncapital Financing Activities	63,931	-	63,931
Cash Flows From Capital and Related Financing Activities	-	(394,160)	(394,160)
Cash Flows From Investing Activities	(1,996)	7,804	5,808
Net increase (decrease) in cash and cash equivalents	10,049	(565,523)	(555,474)
Cash and cash equivalents:			
Beginning of year	118,837	2,495,686	2,614,523
End of year	\$ 128,886	\$ 1,930,163	\$ 2,059,049

III. DETAILED NOTES - ALL FUNDS (Continued)

8. NET POSITION AND FUND BALANCES

Primary Government

Net Position - Government-wide Financial Statements:

The government-wide Statement of Net Position utilizes a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted. Net investment in capital assets is less the related debt outstanding that relates to the acquisition, construction, or improvement of capital assets.

Restricted assets are assets that have externally imposed (statutory, bond covenant, contract, or grantor) limitations on their use. Restricted assets are classified either by function, debt service, capital projects, or claims. Assets restricted by function relate to net position of government and enterprise funds whose use is legally limited by outside parties for a specific purpose. The restriction for debt service represents assets legally restricted by statute or bond covenants for future debt service requirements of both principal and interest. The amount restricted for capital projects consists of unspent grants, donations, and debt proceeds with third party restriction for use on specific projects or programs. The government-wide statement of net position reports \$1,105,913,563 of restricted net position, all of which is externally imposed.

Unrestricted net position represents financial resources of the County that do not have externally imposed limitations on their use.

Amounts shown in the next table include the following primary purposes:

Restricted fund balances:

Transportation	\$388,875,866
Police	118,863,997
Fire	32,861,938

Committed fund balances:

Transportation	119,621,754
Public Facilities	30,000,000

Assigned fund balances:

Public Facilities	233,904,412
Transportation	139,483,601
Detention	43,242,599
Police	40,707,225
Fire	34,245,029

III. DETAILED NOTES - ALL FUNDS (Continued)

8. NET POSITION AND FUND BALANCES

Primary Government Continued

Governmental Funds

Government fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the County is bound to observe constraints imposed on the use of the resources of the fund. Fund balance classifications by County function consist of the following:

Governmental Funds Fund Balance as of June 30, 2014				
Fund Balances	General Funds	LVMPD	Nonmajor Governmental Funds	Total
Nonspendable:				
Long-term receivable and endowment	\$ 4,530,973	\$ -	\$ 3,100,000	\$ 7,630,973
Restricted for:				
General government	35,668,699	-	68,259,968	103,928,667
Judicial	-	-	19,845,240	19,845,240
Public safety	20,938,000	-	179,684,009	200,622,009
Health	-	-	18,942,904	18,942,904
Welfare	-	-	919,300	919,300
Culture and recreation	-	-	12,141,632	12,141,632
Community support	-	-	7,205,693	7,205,693
Public works	-	-	1,878,273	1,878,273
Debt service:				
Public works	-	-	178,787,028	178,787,028
Capital projects:				
Public works	-	-	262,729,688	262,729,688
Total restricted	56,606,699	-	750,393,735	807,000,434
Committed to:				
General government	-	-	10,629,226	10,629,226
Judicial	-	-	80,397	80,397
Public safety	-	1,854,169	-	1,854,169
Community support	-	-	1,049,249	1,049,249
Capital projects:				
Public works	-	-	168,245,988	168,245,988
Total committed	-	1,854,169	180,004,860	181,859,029
Assigned to:				
General government	7,684,554	-	30,291,827	37,976,381
Judicial	1,150,866	-	15,176,031	16,326,897
Public safety	45,227,257	10,651,576	39,456,577	95,335,410
Public works	939,273	-	-	939,273
Health	-	-	7,326,950	7,326,950
Welfare	-	-	1,501,421	1,501,421
Culture and recreation	-	-	1,516,920	1,516,920
Community support	-	-	2,627,495	2,627,495
Nonmajor Special Revenue:				
Public works	-	-	27,391,211	27,391,211
Debt service:				
Public works	-	-	65,468,483	65,468,483
Capital projects:				
Public works	-	-	504,473,848	504,473,848
Total assigned	55,001,950	10,651,576	695,230,763	760,884,289
Unassigned	183,288,748	-	-	183,288,748
Total fund balances	\$ 299,428,370	\$ 12,505,745	\$ 1,628,729,358	\$ 1,940,663,473

III. DETAILED NOTES - ALL FUNDS (Continued)

8. NET POSITION AND FUND BALANCES (Continued)

Discretely Presented Component Units

Flood Control District

Net Position

The government-wide statement of net position reports \$8,222,975 of restricted net position which is restricted by creditors for general obligation debt repayment.

RTC

Net Position

The government-wide statement of net position reports \$351,773,421 of restricted net position, of which \$243,235,726 is restricted by enabling legislation for street and highway projects and other related activities and \$108,537,695 is restricted by creditors for debt repayment.

Las Vegas Valley Water District

The statement of net position reports \$10,689,687 of restricted net position, of which \$118,714 is restricted by enabling legislation for water projects and \$10,570,973 is restricted by creditors for debt repayment.

9. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Over the past three years, settlements have not exceeded insurance coverage. The County maintains the following types of risk exposures:

Self-Funded Group Insurance and Group Insurance Reserve

The County has established self-insurance funds for insuring medical benefits provided to County employees and covered dependents. An independent claims administrator performs all claims-handling procedures.

Incurred but not reported claims have been accrued as a liability based upon a variety of actuarial and statistical techniques.

Clark County Workers' Compensation

The County has established a fund for self-insurance related to workers' compensation claims. Self-insurance is in effect up to an individual stop loss amount of \$500,000 per occurrence in the first year, \$275,000 in the second year and \$175,000 per year thereafter. Coverage from private insurers is maintained for losses in excess of the claim stop loss amount up to \$100,000,000. Incurred but not reported claims have been accrued as a liability based upon a variety of actuarial and statistical techniques.

The County has estimated the potential exposure for costs of indemnity (wage replacement) benefits, medical benefits, and other claim related expenses for disability of public safety employees (fire/bailiffs) who develop heart disease, cancer, lung disease or hepatitis. The estimated liability is the sum of two components:

- The outstanding costs due to reported claims for which the County is currently paying benefits, and
- The outstanding costs for future claims incurred but not reported (IBNR) by the County (current population of active and retired public safety employees who may meet future eligibility requirements for awards under Nevada Revised Statutes).

The claims liability currently payable for indemnity claims is estimated to be \$13,102,594. Reported as noncurrent is \$27,283,988 for incurred but not reported (IBNR) claims. IBNR is discounted utilizing an interest rate of 5.0%. The anticipated future exposure for potential claims associated with currently active employees based on an actuarial calculation is approximately \$33,911,875 discounted at 5.0%.

Las Vegas Metropolitan Police Department (LVMPD) and Clark County Detention Center (CCDC) Self-Funded Insurance

The County has established separate self-insurance funds for general liabilities of the LVMPD and CCDC. Loss amounts of \$25,000 or more require approval of the LVMPD Fiscal Affairs Committee. Self-insurance is in effect for loss amounts up to \$2,000,000 per occurrence, accident, or loss. Coverage from private insurers is maintained for losses in excess of the stop loss amount up to \$20,000,000 - an increase from \$10,000,000 of coverage in the prior year. An independent claims administrator performs claims-handling procedures for traffic claims. All other claims are administered through the LVMPD Risk Management Section. Incurred but not reported claims have been accrued as a liability based upon a variety of actuarial and statistical techniques.

III. DETAILED NOTES - ALL FUNDS (Continued)

9. RISK MANAGEMENT (Continued)

LVMPD and CCDC Self-Funded Industrial Insurance

The County has established separate self-insurance funds to pay workers' compensation claims of the LVMPD and CCDC. Self-insurance is in effect up to an individual stop loss amount of \$1,000,000 per occurrence in the first year, \$300,000 in the second year, and \$250,000 each year thereafter. Coverage from private insurers is maintained for losses in excess of the claim stop loss amount up to \$10,000,000. Incurred but not reported claims have been accrued as a liability based upon a variety of actuarial and statistical techniques.

County Liability Insurance

The County has established a general liability self-insurance fund for losses up to a \$25,000 per occurrence retention limit. Losses in excess of this retention are covered by the County liability insurance pool fund. An independent claims administrator performs all claims-handling procedures. Incurred but not reported claims have been accrued as a liability based upon a variety of actuarial and statistical techniques.

County Liability Insurance Pool

The County has established a general liability insurance pool for the benefit of County funds. Self-insurance is in effect for loss amounts over the \$25,000 retention up to \$2,000,000 per occurrence, accident, or loss.

Coverage from private insurers is maintained for losses in excess of the stop loss amount up to \$20,000,000. An independent claims administrator performs all claims-handling procedures. Incurred but not reported claims have been accrued as a liability based upon a variety of actuarial and statistical techniques.

Changes in Liability Amounts

The total current claims liability at June 30, 2014, is included in the accounts payable line item in the government-wide financial statements. Changes in the funds' claims liability amounts for the past two years were:

Change in Liability Accounts for the Year Ended June 30, 2014				
	Liability July 1, 2013	Claims and Changes in Estimates	Claim Payments	Liability June 30, 2014
Self-funded group insurance	\$ 28,858,788	\$ 78,764,795	\$ 76,668,638	\$ 30,954,945
Clark County workers' compensation	56,549,712	25,658,981	27,088,410	55,120,283
LVMPD self-funded insurance	12,996,322	2,720,010	2,364,000	13,352,332
LVMPD self-funded industrial insurance	52,876,533	9,446,606	9,470,767	52,852,372
CCDC self-funded insurance	1,941,979	315,717	315,717	1,941,979
CCDC self-funded industrial insurance	8,959,365	1,625,461	1,617,318	8,967,508
County liability insurance	5,675,529	395,042	384,864	5,685,707
County liability insurance pool	10,475,666	97,062	2,999,104	7,573,624
Total self-insurance funds	\$ 178,333,894	\$ 119,023,674	\$ 120,908,818	\$ 176,448,750

Change in Liability Accounts for the Year Ended June 30, 2013				
	Liability July 1, 2012	Claims and Changes in Estimates	Claim Payments	Liability June 30, 2013
Self-funded group insurance	\$ 33,954,582	\$ 81,733,810	\$ 86,829,604	\$ 28,858,788
Clark County workers' compensation	28,118,287	37,190,410	8,758,985	56,549,712
LVMPD self-funded insurance	13,337,280	947,646	1,288,604	12,996,322
LVMPD self-funded industrial insurance	52,889,284	10,136,861	10,149,612	52,876,533
CCDC self-funded insurance	1,941,979	46,174	46,174	1,941,979
CCDC self-funded industrial insurance	8,933,183	1,650,297	1,624,115	8,959,365
County liability insurance	5,636,154	551,290	511,915	5,675,529
County liability insurance pool	10,292,955	550,401	367,690	10,475,666
Total self-insurance funds	\$ 155,103,704	\$ 132,806,889	\$ 109,576,699	\$ 178,333,894

III. DETAILED NOTES - ALL FUNDS (Continued)

10. COMMITMENTS AND CONTINGENCIES

Encumbrances

The County utilizes encumbrance accounting in its government funds. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which a purchase order, contract, or other commitment is issued. In general, unencumbered appropriations lapse at year end. Open encumbrances at fiscal yearend are included in restricted, committed, or assigned fund balance, as appropriate. The following schedule outlines significant encumbrances included in governmental fund balances:

<u>Governmental Funds Fund Balance - Encumbrances as of June 30, 2014</u>			
Major Funds	Restricted Fund Balance	Committed Fund Balance	Assigned Fund Balance
General Fund	\$ -	\$ -	\$ 35,918
LVMPD	-	1,691,372	162,797
Nonmajor Funds			
Aggregate nonmajor funds	<u>82,388,845</u>	<u>87,745,871</u>	<u>2,469,004</u>
	<u>\$ 82,388,845</u>	<u>\$ 89,437,243</u>	<u>\$ 2,667,719</u>

Grant Entitlement

The County is a participant in a number of federal and state-assisted programs. These programs are subject to compliance audits by the grantors. The audits of these programs for fiscal year 2014 and certain earlier years have not yet been completed. Accordingly, the County's compliance with applicable program requirements is not completely established. The amount, if any, of expenditures that may be disallowed by the grantors cannot be determined at this time. The County believes it has adequately provided for potential liabilities, if any, which may arise from the grantors' audits.

Medicare and Medicaid Reimbursements

UMC's Medicare and Medicaid cost reports for certain prior years are in various stages of review by third-party intermediaries and have not been settled as a result of certain unresolved reimbursement issues. The County believes it has adequately provided for any potential liabilities that may arise from the intermediaries' audits.

Operating Lease Commitments

The following is a schedule of future minimum lease payments primarily for office and storage space (with initial or remaining terms in excess of one year) as of June 30, 2014:

<u>Governmental Activities</u>	
<u>Operating Leases Future Minimum Lease Payments</u>	
Years ending June 30.	
2015	\$ 11,181,392
2016	9,142,825
2017	7,526,711
2018	7,377,848
2019	7,551,300
Thereafter	6,466,652
Total minimum lease payments	<u>\$ 49,246,728</u>

Rental expenditures including nonrecurring items was approximately \$15,748,188 for the year ended June 30, 2014.

III. DETAILED NOTES - ALL FUNDS (Continued)

10. COMMITMENTS AND CONTINGENCIES (Continued)

Operating Lease Commitments - (Continued)

The UMC enterprise fund also had future minimum rental commitments as of June 30, 2014, for noncancelable operating leases for property and equipment as follows:

<u>UMC</u>	
<u>Operating Leases Future Minimum Lease Payments</u>	
Years ending June 30,	
2015	\$ 4,553,824
2016	2,934,043
2017	2,273,324
2018	1,511,698
2019	919,943
Total minimum lease payments	<u>\$ 12,192,832</u>

The rental expense of UMC for property and equipment was approximately \$8,802,474 for the year ended June 30, 2014.

Rentals and Operating Leases

The Department of Aviation derives a substantial portion of its revenues from fees and charges to air carriers and concessionaires. Charges to air carriers are generated from terminal building rentals, gate use fees, and landing fees in accordance with the Lease or with the provisions of the applicable County ordinance. The Department of Aviation leases land, building, and terminal space to various tenants and concessionaires under operating leases that expire at various times through 2099. Under the terms of the agreements, concession fees are based principally either on a percentage of the concessionaires' gross sales or a stated minimum annual guarantee, whichever is greater, or on land and building rents that are based on square footage rates. The Department of Aviation received \$219,456,932 and \$173,079,138 in the years ended June 30, 2014, and 2013, respectively, for contingent rental payments in excess of stated annual minimum guarantees.

The following is a schedule of minimum future rentals receivable on non-cancelable operating leases (with initial or remaining terms in excess of one year) as of June 30, 2014:

<u>Department of Aviation</u>	
<u>Minimum Rents Receivable</u>	
Years ending June 30,	
2015	\$ 262,735,708
2016	85,413,194
2017	63,377,818
2018	41,668,364
2019	39,938,100
Thereafter	417,960,899
Total minimum rents receivable	<u>\$ 911,094,083</u>

III. DETAILED NOTES - ALL FUNDS (Continued)

10. COMMITMENTS AND CONTINGENCIES (Continued)

Operating Lease Commitments (Continued)

Discretely Presented Component Units

RTC

On January 5, 2008 the RTC entered into a land lease for the Bonneville Transit Center for a monthly lease payment of \$126,139, through January 4, 2048. The following is a schedule of future minimum lease payments for operating leases as of June 30, 2014:

<u>Operating Leases Future Minimum Lease Payments</u>	
Years ending June 30,	
2015	\$ 1,559,079
2016	1,605,851
2017	1,654,027
2018	1,728,824
2019	1,805,866
Thereafter	89,523,786
Total minimum rents receivable	<u>\$ 97,877,433</u>

The total rent expense for fiscal year 2014 was \$1,513,669.

Litigation

There are various outstanding claims against the County for which a probability of loss exists with a cumulative amount of approximately \$2,500,000. An accrual for litigation losses has been provided in the governmental activities column. Other cases, some of which involve alleged civil rights violations, have been filed against the County. These cases are in the discovery stage and no estimate of the probability or extent of possible losses can be determined at this time.

UMC is involved in litigation and regulatory investigations arising in the ordinary course of business. UMC does not accrue for estimated future legal and defense costs, if any, to be incurred in connection with outstanding or threatened litigation and other disputed matters, but rather records such as period costs when services are rendered.

11. JOINT VENTURES

Southern Nevada Water Authority

The Water District, a component unit (see Note 1), has a joint venture with the Southern Nevada Water Authority ("SNWA"). The SNWA is a political subdivision of the State of Nevada, created on July 25, 1991, by a cooperative agreement between the Water District, the Big Bend Water District, the City of Boulder City, the City of Henderson, the City of Las Vegas, the City of North Las Vegas, and the Reclamation District (the "Members"). SNWA was created to secure additional supplies of water and effectively manage existing supplies of water on a regional basis through the cooperative action of the Members.

The SNWA is governed by a seven-member board of directors composed of one director from each member agency. The Water District is the operating agent for the SNWA; the General Manager of the Water District is the General Manager of the SNWA; and the Chief Financial Officer of the Water District is the Treasurer of the SNWA.

The SNWA has the power to periodically assess the Members directly for operating and capital costs and for the satisfaction of any liabilities imposed against the SNWA. The Water District and other members do not have an expressed claim to the resources of the SNWA except that, upon termination of the joint venture, any assets remaining after payment of all obligations shall be returned to the contributing Members.

In 1995, the SNWA approved agreements for the repayment of the cost of an additional expansion of the Southern Nevada Water System (SNWS). The agreements required contributions from purveyor members, including the Water District, benefiting from the expansion. In 1996, the Water District approved the collection of regional connection charges, regional commodity charges, and regional reliability surcharges to fund these contributions. In March 2012, a regional infrastructure charge based upon meter size was approved. In August 2012, a credit to the regional infrastructure charge amounting to 50 percent of the approved charges levied against fire meters was approved.

III. DETAILED NOTES - ALL FUNDS (Continued)

11. JOINT VENTURES (Continued)

Southern Nevada Water Authority (Continued)

The Water District records these charges as operating revenues, and contributions to the SNWA as operating expenses. However, to avoid a "grossing-up" effect on operating revenues and operating expenses in the Statements of Revenues, Expenses, and Changes in Net Position, revenue collected for the SNWA is offset against the related remittances to the SNWA. Any remaining balance is classified as an operating expense and adjusted in a following period. The table below show the SNWA regional charges collected for and remitted to the SNWA for the fiscal year 2014.

<u>SNWA Regional Charges Collected for and Remitted to the SNWA for Fiscal Year Ending June 30, 2014</u>	
Connection charges, net of refunds	\$ 26,284,180
Commodity and reliability charges	34,908,299
Infrastructure charges	<u>57,375,876</u>
Total	<u>\$ 118,568,355</u>

Audited financial reports for fiscal year 2014 can be obtained by contacting:

Office of the Treasurer
Southern Nevada Water Authority
1001 South Valley View Boulevard
Las Vegas, Nevada 89153

12. RETIREMENT SYSTEM

Clark County, Nevada employees, with the exception of those of the Water District enterprise fund, are covered by the State of Nevada Public Employees' Retirement System (the "System"). The System was established on July 1, 1948, by the Legislature and is governed by the Public Employees' Retirement Board whose seven members are appointed by the Governor. All public employees who meet certain eligibility requirements participate in the System, which is a cost sharing multiple-employer defined benefit plan. Clark County, Nevada does not exercise any control over the System. Nevada Revised Statute 286.110 states that: "Respective participating public employers are not liable for any obligation of the System."

Benefits, as required by statute, are determined by the number of years of accredited service at the time of retirement and the member's highest average compensation in any 36 consecutive months. Benefit payments to which participants may be entitled under the System include pension benefits, disability benefits, and death benefits.

Monthly benefit allowances for regular members and police and firemen are computed at 2.5 percent for service credits earned prior to July 1, 2001, and 2.67 percent for service credit earned July 1, 2001, and thereafter, of average compensation (36 consecutive months of highest compensation) for each accredited year of service prior to retirement up to a maximum of 90 percent of the average compensation for employees who entered the System prior to July 1, 1985, and 75 percent for those entering after that date. The System offers several alternatives to the unmodified service retirement allowance which, in general, allows the retired employee to accept a reduced service retirement allowance payable monthly during the employee's life and various optional monthly payments to a named beneficiary after the employee's death. Regular members are eligible for full retirement benefits at age 65 with 5 years of service, at age 60 with 10 years of service, or at any age with 30 years of service. Police and firemen are eligible for full retirement benefits with 5 years of service at age 65, with 10 years of service at age 55, at age 50 with 20 years of service, or at any age with 25 years of service.

Contribution rates are established by NRS 286.410. The statute provides for increases in odd-numbered years to an actuarially determined rate sufficient to amortize the unfunded liability of the system to zero over a 30-year amortization period. The County is obligated to contribute all amounts due under the System. The contribution rate for regular members, based on covered payroll, was 25.75 percent for the year ended June 30, 2014 and 23.75 percent for the years ended June 30, 2013 and 2012. The contribution rate for police and fire was 40.50 percent for the year ended June 30, 2014 and 39.75 percent for the years ended June 30, 2013 and 2012.

The County's contributions to the plan for the years ended June 30, 2014, 2013, and 2012 were \$328,011,410, \$310,358,480, and \$312,622,410, respectively, equal to the required contributions for each year.

An annual report containing financial statements and required information for the System may be obtained by writing to PERS, 693 W. Nye Lane, Carson City, Nevada 89703-1599, or by calling (775) 687-4200.

III. DETAILED NOTES - ALL FUNDS (Continued)

12. RETIREMENT SYSTEM (Continued)

Discretely Presented Component Units

Flood Control District

The Flood Control District's contributions to the plan for the years ended June 30, 2014, 2013, and 2012 were \$541,155, \$489,265, and \$517,079, respectively, equal to the required contributions for each year.

RTC

The RTC's contributions to the plan for the years ended June 30, 2014, 2013, and 2012 were \$4,588,722, \$4,053,405, and \$3,971,166, respectively, equal to the required contributions for each year.

Las Vegas Valley Water District Retirement Plan

The Water District enterprise fund has provided for employee retirement by participation in Social Security and adoption of a supplementary defined benefit pension plan covering substantially all employees.

Plan Description

The Water District contributes to the Las Vegas Valley Water District Pension Plan (the "Plan"), a single-employer defined benefit pension trust fund established by the Water District to provide pension benefits solely for the employees of the Water District. The Board of Trustees of the Plan, composed of the Water District's board of directors, has the authority to establish and amend the benefit provisions of the Plan and the contribution requirements of the Water District and the employees. Water District employees are not required to contribute to the Plan. Water District employees may, however, under certain conditions, purchase additional years of service for eligibility and increased benefits. For the year ended, June 30, 2014, the contributions for this purpose were \$599,685; for the year ended June 30, 2013, the contributions were \$294,948.

The Plan was amended effective February 15, 2005, to provide the following: (1) Increase the annual service credit of 2 percent to 2.17 percent for years of service after July 1, 2001. (Service credit is the accumulation of pension plan years while an employee was in paid status at the Water District.) (2) Change the benefit formula to increase the calculation of highest average pay by approximately 10 percent as currently prescribed in the Nevada Revised Statutes. (3) Add shift differential and standby pay to the total compensation counted toward the pension benefit.

Other than cost of living adjustments, the Plan does not provide ad hoc post-retirement benefit increases nor does it administer post-employment healthcare plans. The Plan does not issue a stand-alone financial report.

All Water District employees are eligible to participate in the Plan after attaining age 20 and completing six months of employment. Subject to a maximum pension benefit, normally 60 percent of average monthly compensation, Water District employees who retire at age 65 are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2 percent of their average monthly compensation multiplied by the years of service prior to July 1, 2001, and 2.17 percent of their average monthly compensation multiplied for the years of service after July 1, 2001. For the purpose of calculating the pension benefit, average monthly compensation means the average of a member's 36 consecutive months of highest compensation, after excluding certain elements, times approximately 110 percent, while participating in the Plan.

III. DETAILED NOTES - ALL FUNDS (Continued)

12. RETIREMENT SYSTEM (Continued)

Las Vegas Valley Water District Retirement Plan (Continued)

A. Plan Description (Continued)

For participants in the plan as of January 1, 2001, benefits start to vest after three years of service with a 20 percent vested interest; after four years of service, 40 percent; and after five years of service, 100 percent. New participants after January 1, 2001, start to vest at 5 years of service, at which time they are vested 100 percent. The Plan also provides for early retirement and pre-retirement death benefits. The Plan is not subject to the Employee Retirement Income Security Act (ERISA) of 1974, but is operated consistent with ERISA fiduciary requirements.

For employees on or after January 1, 2001, benefits are increased after retirement by cost of living adjustments that become effective on the first month following the anniversary of benefit commencement according to the following schedule:

<u>Schedule of Benefit Increases - Employees hired on or after January 2, 2001</u>	
0.0%	following the 1 st , 2 nd and 3 rd anniversaries
2.0%	following the 4 th , 5 th and 6 th anniversaries
3.0%	following the 7 th , 8 th and 9 th anniversaries
3.5%	following the 10 th , 11 th and 12 th anniversaries
4.0%	following the 13 th and 14 th anniversaries
5.0%	following each anniversary thereafter

However, if the benefit amount at the time of an increase is at least or equal to the original benefit amount multiplied by cumulative inflation since retirement, as measured by the increase in the Consumer Price Index (All Items), then the increase cannot exceed the average rate of inflation for the three preceding years.

The Water District contributes amounts actuarially determined necessary to fund the Plan in order to pay benefits when due and to provide an allowance sufficient to finance the administrative costs of the Plan. Contributions cannot revert to or be revocable by the Water District or be used for any purpose other than the exclusive benefit of the participants.

At June 30, 2014, and 2013, participants in the Plan consisted of the following:

<u>Plan Participants as of June 30, 2014 and 2013</u>		
	<u>2014</u>	<u>2013</u>
Participant Count		
Retirees in pay status with unpurchased benefits	318	311
Terminated employees not yet receiving benefits	395	331
Retirees paid monthly from plan	33	-
Active employees		
fully vested	1,170	1,283
Non-vested	76	53
Total active employees	<u>1,246</u>	<u>1,336</u>
Total participants	<u>1,992</u>	<u>1,978</u>

B. Supplemental Information

The Schedule of employer contributions is included in the Required Supplementary Information section in the Comprehensive Annual Financial Report.

C. Basis of Accounting

The financial statements of the Plan are prepared using the accrual basis of accounting. Employer contributions are recognized when due. Participants do not make contributions except voluntarily under certain conditions to purchase additional years of service. Participant contributions are non-refundable.

III. DETAILED NOTES - ALL FUNDS (Continued)

12. RETIREMENT SYSTEM (Continued)

Las Vegas Valley Water District Retirement Plan (Continued)

D. Allocated Insurance Contracts

Through December 31, 2013, benefit obligations were recognized and paid when due by purchasing annuity contracts from a life insurance company rated A++ by A.M. Best rating company. Beginning January 1, 2014, benefit obligations are paid by the Plan through a large multi-national bank. Cost of living adjustments for benefit obligations that were initially paid by purchasing annuity contracts from a life insurance company continue to be paid by purchasing additional annuity contracts from a life insurance company. The costs to purchase annuity contracts from a life insurance company for benefit obligations or cost of living adjustments were \$8,422,611 and \$26,101,849 for the years ended June 30, 2014 and June 30, 2013 respectively. The obligation for the payment of benefits covered by these annuity contracts have been transferred to a life insurance company and are excluded from the Plan assets.

E. Method Used to Value Investments

The domestic equity, international equity, domestic bond, global real estate investment trust (REIT) and money market accounts are stated at fair value, measured by the underlying market value as reported by the managing institutions. Investments at contract value are insurance contracts and pooled accounts, stated at contract value as determined by the insurance companies in accordance with the terms of the contracts.

F. Actuarially Determined Contribution

The Water District's policy is to pay the current year's actuarially determined contribution when due. This amount was \$30,700,443 and \$29,058,894 for the years ended June 30, 2014, and 2013, respectively.

G. Net Pension Liability

The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based upon the discount rate and actuarial assumptions listed below. The total pension liability was then projected forward to the measurement date taking into account any significant changes between the valuation date and the fiscal year end. The liabilities are calculated using a discount rate that is a blend of the expected investment rate of return and a high quality bond index rate. The expected investment rate of return applies for as long as the Plan assets (including future contributions) are projected to be sufficient to make the projected benefit payments. If Plan assets are projected to be depleted at some point in the future, the rate of return of a high quality bond index is used for the period after the depletion date. The disclosures below exclude assets and liabilities held with a life insurance company, which provides benefits for retirees or their beneficiaries whose benefits were purchased with annuity contracts from the life insurance company.

<u>Net Pension Liability Components</u>		
	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Total pension liability	\$ 441,508,189	\$ 401,160,155
Fiduciary net position	273,876,159	213,988,078
Net pension liability	\$ 167,632,030	\$ 187,162,077
Fiduciary net position as a % of total pension liability	62.03%	53.34%
Covered payroll	\$ 121,696,965	\$ 119,067,304
Net pension liability as a % of covered payroll	137.75%	157.19%
Valuation date	June 30, 2013	June 30, 2013
Measurement date	June 30, 2014	June 30, 2013
GASB No. 67 reporting date	June 30, 2014	N/A
Depletion date	None	None
Discount rate	7.25%	7.25%
Expected rate of return, net of investment expenses	7.25%	7.25%
Municipal bond rate	N/A	N/A

If the assets and liabilities for retirees or their beneficiaries whose benefits were purchased with annuity contracts from a life insurance company were included with the Plan assets:

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Fiduciary net position as a % of total pension liability	72.99%	67.22%

III. DETAILED NOTES - ALL FUNDS (Continued)

12. RETIREMENT SYSTEM (Continued)

Las Vegas Valley Water District Retirement Plan (Continued)

H. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability calculated using the discount rate of 7.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) and 1 percentage point higher (8.25%) than the current rate.

	<u>Discount Rate Sensitivity as of June 30, 2014</u>		
	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase In Discount Rate</u>
Sensitivity Analysis	6.25%	7.25%	8.25%
Total Pension Liability	\$ 572,742,259	\$ 441,508,189	\$ 341,564,747
Fiduciary Net Position	\$ 273,876,159	\$ 273,876,159	\$ 273,876,159
Net Pension Liability	\$ 298,866,100	\$ 167,632,030	\$ 67,688,588

I. Actuarial Assumptions

Actuarial cost method	Entry age.
Amortization method	30 year amortization of unfunded liability (closed period) as a level percent of pay, using layered bases starting July 1, 2009.
Remaining amortization period	25 years for the initial unfunded liability base established July 1, 2009. Bases established between July 1, 2010 and July 1, 2013 have remaining amortization periods ranging from 26 to 29 years.
Inflation	2.75% per year.
Salary increases	4.75% per year, including inflation.
Investment rate of return	7.25%, net of pension plan investment expenses, including inflation.
Retirement age	Normal retirement age is attainment of age 65. Unreduced early retirement is available after either 1) 30 years of service, or 2) age 60 with 10 years of service. Reduced early retirement benefits are available after attainment of age 55 and completion of 5 years of service (3 years of service if a participant prior to January 1, 2001).
Mortality	Future mortality follows the 1994 Group Annuity Mortality Basic table projected to 2004 using Scale AA.

J. Investment Rate of Return

<u>Investment Rate of Return as of June 30, 2014</u>		
<u>Asset Class</u>	<u>Expected Nominal Return</u>	<u>Target Asset Allocation</u>
Large Cap U.S. Equities	8.57%	38%
Mid Cap U.S. Equities	9.34%	8%
Small Cap U.S. Equities	10.34%	8%
International Developed Equities	8.71%	12%
Emerging Market Equities	11.42%	3%
Core Fixed Income	4.85%	22%
High Yield Bonds	7.20%	6%
REITs	8.39%	3%
Cash	3.26%	0%
Expected Average Return (1 year)		7.97%
Expected Geometric Average Return (30 years)		7.08%
25 th to 75 th Percentile Return		5.35% to 8.79%

The expected geometric average return over 30 years is less than the expected 1 year return due to expected deviations each year from the average which, due to the compounding effect, lower long term returns.

III. DETAILED NOTES - ALL FUNDS (Continued)

12. RETIREMENT SYSTEM (Continued)

Las Vegas Valley Water District Retirement Plan (Continued)

K. Pension Investments

Management believes the Water District's pension investment policy conforms to the Water District's enabling act which requires the District to follow the "prudent person" rule, i.e., invest with discretion, care and intelligence. The investment policy does not specify credit quality ratings or maturities except that investments must be those that are allowed by law and those that the investment managers are trained and competent to handle.

To diversify investment risk, the Water District's investment policy currently limits pension plan investments as follows:

<u>Pension Plan investment Limits</u>		
<u>Investment Type</u>	<u>Percent of Portfolio</u>	
Cash and Cash Equivalents	2%	+/- 2%
Fixed-Income Securities	27%	+/- 10%
Equity Securities	68%	+/- 10%
Global REIT	3%	+/- 3%

At June 30, 2014, the Pension Trust Fund had the following investments (includes contract investments at contract value; carrying value excludes accrued interest):

<u>Pension Investments as of June 30, 2014</u>			
<u>Investment Type</u>	<u>Maturities</u>	<u>Carrying Value</u>	<u>Percent of Total</u>
Cash and Cash Equivalents			
Money Market Fund	Weighted Avg. 28 days	\$ 897,938	.3%
Money Market Fund	Weighted Avg. 40 days	302,419	.1%
Fixed Income Securities			
U.S. Fixed Income Securities	Weighted Avg. 7.7 years	54,766,270	20.0%
High Yield Fixed Income Securities	Weighted Avg. 3.7 years	16,375,708	6.0%
Union Central Life Ins. Co. Contract	Open	1,671,659	.6%
New York Life Ins. Co. Contract	Open	269,955	.1%
Equity Securities			
U.S. Equity Securities [†]	N/A	151,247,407	55.2%
International Equity Securities	N/A	39,993,901	14.6%
Global REIT	N/A	8,343,261	3.1%
Total		<u>\$ 273,868,518</u>	<u>100.0%</u>

[†] This investment category includes approximately 69.7% large cap and 30.3% small and mid-cap domestic equity investments.

L. Credit Exposure As a Percentage of Total Fixed-Income Investments

<u>Credit Exposure As a Percentage of Total Fixed Income Investments as of June 30, 2014</u>	
Domestic Bond Fund	74.9%
High Yield Bond Fund	22.4%
Contracts	2.7%

M. Credit Quality of Fixed Income Investments

The pension fund fixed-income investments are in insurance company contracts, a domestic bond fund and a high yield bond fund. The insurance company contracts are not rated by credit rating agencies. The managing institution of the domestic bond fund reports an average quality rating of AA1/AA2 at June 30, 2014 and at June 30, 2013 for the underlying securities. The managing institution of the high yield bond fund reports an average quality rating of B1 at June 30, 2014 for the underlying securities.

III. DETAILED NOTES - ALL FUNDS (Continued)

12. RETIREMENT SYSTEM (Continued)

Las Vegas Valley Water District Retirement Plan (Continued)

N. Credit Quality of Money Market Funds

One of the Plan's money market funds reports ratings of AAA by Standard & Poors and Aaa by Moody's, at June 30, 2014 and at June 30, 2013. The other money market account fund was not rated by either Standard & Poors or Moody's at June 30, 2014.

O. Concentration of Credit Risk - Excluding Money Market and Mutual Funds

The pension investment policy does not restrict the amount that may be invested with any one issuer as long as the prudent person rule is followed. Excluding the money market, equity, bond and REIT funds, no investment comprised more than 5% of the pension trust investments at June 30, 2014 and at June 30, 2013.

P. Rate of Return

For the year ended June 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 15.99%. For the year ended June 30, 2013, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.15%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Q. Financial Statements

Las Vegas Valley Water District Pension Plan Statement of Net Position June 30, 2014	
<u>Assets</u>	
Cash and Investments:	
With a fiscal agent	\$ 273,868,518
Interest receivable	7,641
Total assets	273,876,159
<u>Net Position</u>	
Held in trust for pension benefits and other purposes	\$ 273,876,159

Las Vegas Valley Water District Pension Plan Statement of Changes in Net Position For the Fiscal Year Ended June 30, 2014	
<u>Additions:</u>	
Contributions:	
Contributions from employer	\$ 30,700,443
Contributions from employees	599,685
Total contributions	31,300,128
Investment earnings	
Interest	124,379
Net increase in fair value of investments	37,874,587
Total investment earnings	37,998,966
Less investment expenses	(105,426)
Net investment earnings	37,893,540
Total additions	69,193,668
<u>Deductions:</u>	
General and administrative	277,319
Benefit payments	9,038,268
Total deductions	9,315,587
Change in net position	59,878,081
<u>Net Position:</u>	
Beginning of year	213,998,078
End of year	\$ 273,876,159

III. DETAILED NOTES - ALL FUNDS (Continued)

13. RELATED PARTY TRANSACTIONS

The County transfers sales, fuel, and various other taxes and fees deposited in the Master Transportation Plan special revenue fund to the RTC, a discretely presented component unit. Transfers during the fiscal year ended June 30, 2014, totaled \$257,781,558. The balance payable from the Master Transportation Plan fund to the RTC as of June 30, 2014, was \$51,693,249.

The County is reimbursed by the RTC for construction and maintenance of transportation projects. At June 30, 2014, the County had open interlocal contracts totaling \$286,646,350. Of those contracts, \$147,822,140 was spent, and there remain outstanding contract balances totaling \$138,824,210. Reimbursements during the fiscal year ended June 30, 2014 totaled \$53,823,030. The balance receivable from the RTC to the County as of June 30, 2014 was \$2,485,133.

The County is reimbursed by the RFCD for construction and maintenance of flood control projects. At June 30, 2014, the County had open interlocal contracts totaling \$247,460,612. Of those contracts, \$142,773,362 was spent, and there remain outstanding contract balances totaling \$104,687,250. Reimbursements during the fiscal year ended June 30, 2014 totaled \$55,481,867. The balance receivable from the RFCD to the County as of June 30, 2014 was \$18,851,651.

14. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Information

Clark County and the component units described in Footnote I contribute to five different defined benefit health programs:

1. Clark County retiree health program (County) - the County plan is an agent, multiple-employer defined benefit plan. Retirees may choose between the Clark County Self-Funded Group Medical and Dental Benefits Plan (Self-Funded Plan) and a health maintenance organization (HMO) plan.
2. Public Employee Benefit Program (PEBP) - an agent, multiple-employer, defined benefit plan;
3. Clark County Firefighters Union Local 1908 Security Fund (Fire Plan) - a single-employer, defined benefit plan;
4. Las Vegas Metro Employee Benefit Trust (Metro Plan) - a single-employer, defined benefit plan; and
5. Las Vegas Police Protective Association Civilian Employees, Sierra Choice/HPN (Metro Civilian Plan) - a single employer, defined benefit plan.

Each plan provides medical, dental, and vision benefits to eligible active and retired employees and beneficiaries. Except for the PEBP, benefit provisions are established and amended through negotiations between the respective unions and the employers. PEBP benefit provisions are established by the Nevada State Legislature.

The Self-Funded Plan is included in the financial reporting entity, as described in the next section. The Public Employee Benefit Plan, Clark County Firefighters Union Local 1908 Security Fund, Las Vegas Metro Employee Benefit Trust and the Las Vegas Police Protective Association Civilian Employees, Sierra Choice/HPN plans issue publicly available financial reports that include financial statements and required supplementary information for those plans. Those reports may be obtained by writing or calling the plans at the following addresses or numbers:

Public Employee Benefits Plan
901 South Stewart Street, Suite 101
Carson City, Nevada 89701
(800) 326-5496

Clark County Firefighters Union Local 1908 Security Fund
6200 W. Charleston Boulevard
Las Vegas, NV 89146
(702) 870-1908

Las Vegas Metropolitan Police Department Employees
Health and Welfare Trust
700 E. Warm Springs Road, Suite 210
Las Vegas, NV 89119
(702) 269-2591

Sierra Choice/HPN
Las Vegas Police Protective Association Civilian Employees
9330 W. Lake Mead, Suite 100
Las Vegas, NV 89134
(702) 382-9121

Participating Employers

In addition to the County and its component units included in this report, the following employers participate in one or more of the OPEB plans and are required to disclose separately their funding policy, annual OPEB cost and contributions made, the funded status and funding progress, and actuarial methods and assumptions used:

Las Vegas Convention and Visitors Authority
Southern Nevada Health District

Henderson Library District
Boulder City Library District

III. DETAILED NOTES - ALL FUNDS (Continued)

14. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Funding Policy and Annual OPEB Cost

For all plans other than the PEBP, contribution requirements of plan members and the employer are established and may be amended through negotiations between the various unions and the governing bodies of the employers.

Clark County is required to pay the PEBP an explicit subsidy, based on years of service, for retirees who enroll in this plan. In 2014, retirees were eligible for a minimum subsidy of \$114 per month after 5 years of service with a Nevada state or local government entity. The maximum subsidy of \$627 is earned after 20 years of combined service with any eligible entity. The subsidy is set by the State Legislature.

The annual OPEB cost for each program is calculated based on the annual required contribution to the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The County's annual OPEB cost for the current year and the related information for each program are as follows:

<u>Annual OPEB Cost Related Information for the Year Ended June 30, 2014</u>					
	<u>County</u>	<u>PEBP</u>	<u>Fire</u>	<u>Metro (1)(2)</u>	<u>Metro Civilian(1)</u>
<u>Contribution Rates:</u>	<u>Actuarially determined premium sharing determined by union contracts</u>	<u>Set by State Legislature</u>	<u>Contractually Determined</u>	<u>Contractually Determined</u>	<u>Contractually Determined</u>
County Plan members' annual required contribution(ARC)	\$ 80,668,853	\$ 6,285,210	\$ 2,845,571	\$ 88,915,802	\$ 1,918,032
Interest on net OPEB obligations	9,721,767	723,450	1,565,583	10,155,979	326,831
Adjustments to ARC	<u>(14,055,269)</u>	<u>(1,045,930)</u>	<u>(2,777,411)</u>	<u>(300,326,821)</u>	<u>(507,720)</u>
Annual OPEB cost	76,335,351	5,962,730	1,633,743	(201,255,040)	1,737,143
Contributions made	<u>(8,982,188)</u>	<u>(3,907,889)</u>	<u>(1,617,273)</u>	<u>(5,453,321)</u>	<u>(338,326)</u>
Increase/(decrease) in net OPEB obligation	67,353,163	2,054,841	16,470	(206,708,361)	1,398,817
Net OPEB obligation beginning of year (2)	<u>318,516,485</u>	<u>12,162,160</u>	<u>39,740,584</u>	<u>290,170,842</u>	<u>9,338,018</u>
Net OPEB obligation end of year	<u>\$ 385,869,648</u>	<u>\$ 14,217,001</u>	<u>\$ 39,757,054</u>	<u>\$ 83,462,481</u>	<u>\$ 10,736,835</u>

(1) The County is responsible for 100 percent of the net OPEB obligation for the Detention Center employees covered under the Metro and Metro Civilian plans in the amount of \$19,324,693. The remaining net OPEB obligation of \$74,874,623 for the Las Vegas Metropolitan Police Department (LVMPD), is jointly funded by the County and the City of Las Vegas. The City currently funds 37.91 percent of the LVMPD and is liable for \$29,903,754 of the Metro net OPEB obligation. A receivable has been established in the government-wide statement of net position for the City's portion.

(2) Effective April 1, 2014, all retirees over the age of 65 are no longer covered under the Metro plan; also, monthly premium contributions for retirees increased by 55%, resulting in a significant decline in the net OPEB obligation and the related receivable from the City of Las Vegas.

III. DETAILED NOTES - ALL FUNDS (Continued)

14. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Funding Policy and Annual OPEB Cost (Continued)

The County's annual OPEB cost, the percentage of annual cost contributed to the program, and the net OPEB obligation for 2012, 2013, and 2014 were as follows:

Annual OPEB Cost, % of Annual Cost Contributed to the Program, and Net OPEB Obligation				
Plan	Year Ended	Annual OPEB Cost	Percent of OPEB Cost Contributed	Net OPEB Obligation
County	06/30/2012	\$ 78,338,302	8.5 %	\$ 260,888,993
County	06/30/2013	76,335,351	11.8	318,516,485
County	06/30/2014	76,335,351	11.8	385,869,648
PEBP	06/30/2012	7,705,700	53.7	10,107,319
PEBP	06/30/2013	5,962,730	65.5	12,162,160
PEBP	06/30/2014	5,962,730	65.5	14,217,001
Fire	06/30/2012	13,866,883	19.9	38,512,286
Fire	06/30/2013	2,845,571	56.8	39,740,584
Fire	06/30/2014	1,633,743	99.0	39,757,054
Metro	06/30/2012	49,962,053	7.1	244,527,709
Metro	06/30/2013	49,169,423	7.2	290,170,842
Metro	06/30/2014	(201,255,040)	100.0	83,462,481
Metro Civilian	06/30/2012	2,885,057	9.3	6,720,329
Metro Civilian	06/30/2013	2,885,057	9.3	9,338,018
Metro Civilian	06/30/2014	1,737,143	19.5	10,736,835

Funded Status and Funding Progress

The funded status of the plans as of the most recent actuarial valuation date was as follows:

	Unfunded Actuarial Accrued Liability				
	County	PEBP (1)	Fire	Metro	Metro Civilian
Actuarial accrued liability (a)	\$ 732,005,639	\$ 113,031,433	\$ 39,172,059	\$ 82,966,647	\$ 14,417,147
Actuarial value of plan assets (b)	-	-	5,339,668	-	-
Unfunded actuarial accrued liability (funding excess) (a) - (b)	\$ 732,005,639	\$ 113,031,433	\$ 33,832,391	\$ 82,966,647	\$ 14,417,147
Funded ratio (b)/(a)	0%	0%	13.6%	0%	0%
Covered payroll (c)	\$ 739,832,130	\$ -	\$ 72,824,754	\$ 288,805,624	\$ 93,214,706
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll (a) - (b)/(c)	98.9%	N/A	46.4%	28.7%	15.5%

(1) PEBP closed to new County participants as of November 1, 2008; therefore, covered payroll is zero.

III. DETAILED NOTES - ALL FUNDS (Continued)

14. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Funded Status and Funding Progress (Continued)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plans and the annual required contributions of the employer are subject to continual revision, and actual results are compared to past expectations. Supplementary information will provide multi-year trend information that will show, in future years, whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plans (the plans as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the County and the plan members at this point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions are as follows:

	<u>Actuarial Methods and Assumptions</u>				
	<u>County</u>	<u>PEBP</u>	<u>Fire</u>	<u>Metro</u>	<u>Metro Civilian</u>
Actuarial valuation date	07/01/12	07/01/12	07/01/12	06/30/14	06/30/14
Actuarial cost method	Entry age Normal	Entry age Normal	Entry age Normal	Projected unit credit cost	Projected unit credit cost
Amortization method	Level dollar	Level dollar	Level dollar	Level dollar	Level dollar
Remaining amortization period	30 years, open	30 years, open	30 years, open	1 year, open	30 years, open
Asset valuation method	No assets in trusts	No assets in trusts	Date of valuation	No assets in trusts	No assets in trusts
Actuarial assumptions:					
Investment rate of return	4.0%	4.0%	4.0%	3.5 %	3.5%
Healthcare inflation rate	5 - 8.5% initial 5% ultimate	5 - 8.5% initial 5% ultimate	3 - 9% initial 4% ultimate	4 - 7.25% initial 4.75% ultimate	4 - 6.5% initial 4.50% ultimate

County Net Position in Internal Service Fund

The County uses the Other Postemployment Benefits Reserve internal service fund to allocate OPEB costs to each fund, based on employee count. Each fund incurs a charge for service from the Other Postemployment Benefit Reserve fund for their portion of the annual OPEB cost. As of June 30, 2014, the Other Postemployment Benefit Reserve fund had \$287,068,025 in cash and investments, and \$53,947,826 in receivables that the County intends to use for future OPEB costs for the net OPEB obligations of the County, PEBP, Fire and Detention portion of Metro and Metro Civilian plans, which total \$459,168,396 as of June 30, 2014. These assets cannot be included in the plan assets considered in the OPEB funding schedules because they are not held in trust.

Agency Fund

The County established the Other Postemployment Benefits Agency Fund to comply with governmental accounting standards regarding OPEB assets not held in trust. The beginning balance is equal to the net OPEB obligation (NOO) as of June 30, 2013. Additions consist of the increase to NOO and deletions comprise contributions paid during the fiscal year. The ending balance equals the NOO as of June 30, 2014.

Clark County Self-Funded Group Medical and Dental Benefits Plan

Clark County administers the Clark County Self-Funded Group Medical and Dental Benefits Plan, an agent, multiple-employer defined benefit plan (the "Self-Funded Plan"). Participants of the Self-Funded Plan include Clark County, University Medical Center of Southern Nevada, the Las Vegas Valley Water District, the Clark County Water Reclamation District, the Las Vegas Convention and Visitors Authority, the Regional Transportation Commission of Southern Nevada, the Regional Flood Control District, the Henderson Library District, and the Southern Nevada Health District. The Self-Funded Plan provides benefits for all full-time active employees of each participant entity effective the first day of the month following two consecutive months of active employment, as well as for retired employees of the entities. As of June 30, 2014, there were 7,510 employee members and 1,784 retired members enrolled in the Self-Funded Plan, with 10,030 additional covered dependents. The Self-Funded Plan provides medical, dental, and vision benefits.

III. DETAILED NOTES - ALL FUNDS (Continued)

14. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Clark County Self-Funded Group Medical and Dental Benefits Plan (Continued)

The Self-Funded Plan is governed by an interlocal agreement between each of the participant entities, and all Self-Funded Plan benefit changes must be approved by the governing boards of these entities.

The Self-Funded Plan is not administered as a qualifying trust or equivalent arrangement. The Self-Funded Plan is included in this CAFR as an internal service fund (the Self-Funded Group Insurance fund), as required by Nevada Revised Statutes.

Basis of Accounting: The Plan is accounted for using the accrual basis of accounting. Plan member and employer contributions are recognized in the period in which contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Method Used to Value Investments: Investments are reported at fair value as described in Note 1.

Retirement Health Account Plan

Effective November 1, 2005, Clark County established a retirement health account plan under the provisions of Internal Revenue Code sections 105 and 106. The purpose of the plan is to provide employees a means to save for the cost of health insurance premiums once they retire. Each participant maintains a separate account within the plan. All contributions come from employees, with the exception that the County provides a 100 percent match up to \$480 annually for a maximum of five years to employees in eligible bargaining units. Retirees are reimbursed from their individual accounts for their out-of-pocket health insurance premium costs as they submit documentation of those costs. As of July 1, 2007, the plan was closed to new participants.

Contributions and Reserves

Premium rates for the Plan are established through the previously mentioned interlocal agreement. Each participant entity, through its employee bargaining and budgeting processes, establishes the employer and employee contribution sharing percentages. All administrative costs other than personnel costs are funded through premium rates. Administrative personnel costs are funded through the County Liability Insurance Internal Service fund, which provides general risk management administration. The County pays approximately 90 percent of premiums for active employee coverage, an average of \$8,892 per active employee for the year ended June 30, 2014. County retirees pay the entire cost of their premium. Active and retiree loss experience is combined to create a single, blended premium for each level of coverage (member only, member plus spouse, member plus children, or family), as required by state law. This combining of loss experience creates an implicit subsidy to the retirees who would otherwise pay higher premiums if their loss experience were rated separately.

Clark County Regional Flood Control District

The Clark County Regional Flood Control District (the "District") uses the County and PEBP plans, with contribution rates and actuarial assumptions identical to those previously described. The District's annual OPEB cost for the current year is as follows:

	<u>Annual OPEB Cost</u>	
	<u>County</u>	<u>PEBP</u>
Annual required contribution (ARC)	\$ 202,620	\$ 21,676
Interest on net OPEB obligation	25,031	2,676
Adjustment to annual required contribution	(36,189)	(3,871)
Annual OPEB cost	191,462	20,481
Contributions made	(22,164)	(13,064)
Increase in net OPEB obligation	169,298	7,417
Net OPEB obligation, beginning of year	<u>719,399</u>	<u>9,830</u>
Net OPEB obligation, end of year	<u>\$ 888,697</u>	<u>\$ 17,247</u>

III. DETAILED NOTES - ALL FUNDS (Continued)

14. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Clark County Regional Flood Control District (Continued)

The District's annual OPEB cost, the percentage of annual cost contributed to the program, and the net OPEB obligation for 2012, 2013, and 2014 were as follows:

Annual OPEB Cost, % of Annual Cost Contributed to the Program, and Net OPEB Obligation				
Plan	Year Ended	Annual OPEB Cost	Percent of OPEB Cost Contributed	Net OPEB Obligation
County	06/30/2012	\$ 151,588	4.1%	\$ 550,103
County	06/30/2013	191,462	11.6	719,399
County	06/30/2014	191,462	11.6	888,697
PEBP	06/30/2012	24,166	68.7	2,411
PEBP	06/30/2013	20,483	63.8	9,830
PEBP	06/30/2014	20,483	63.8	17,247

Funded Status and Funding Progress

The funded status of the plans as of the most recent actuarial valuation date, July 1, 2012, was as follows:

	Unfunded Actuarial Accrued Liability	
	County	PEBP (1)
Actuarial accrued liability (a)	\$ 2,049,732	\$ 389,812
Actuarial value of plan assets (b)	-	-
Unfunded actuarial accrued liability (funding excess) (a) - (b)	\$ 2,049,732	\$ 389,812
Funded ratio (b)/(a)	0%	0%
Covered payroll (c)	\$ 2,221,676	\$ -
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll (a) - (b)/(c)	92.3%	N/A

(1) PEBP closed to new County participants as of November 1, 2008; therefore, covered payroll is zero.

District Assets in Internal Service Fund

Clark County utilizes the Other Postemployment Benefit Reserve internal service fund to allocate OPEB costs to each fund, based on employee count. Each fund incurs a charge for service from the Other Postemployment Benefit Reserve fund for their portion of the annual OPEB cost. As of June 30, 2014, the Other Postemployment Benefit Reserve fund had \$940,119 in cash, investments, and receivables held on behalf of the District. The District intends to use these assets for future OPEB funding. These assets cannot be included in the plan assets considered in the OPEB funding schedules because they are not held in trust.

III. DETAILED NOTES - ALL FUNDS (Continued)

14. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Regional Transportation Commission of Southern Nevada

The Regional Transportation Commission of Southern Nevada (RTC) uses the County and PEBP plans, with contribution rates and actuarial assumptions identical to those previously described. The RTC's annual OPEB cost for the current year is as follows:

	Annual OPEB Cost	
	County	PEBP
Annual required contribution (ARC)	\$ 1,659,122	\$ 95,583
Interest on net OPEB obligation	213,041	12,273
Adjustment to annual required contribution	<u>(308,004)</u>	<u>(17,744)</u>
Annual OPEB cost	1,564,159	90,112
Contributions made	<u>(332,615)</u>	<u>(74,719)</u>
Increase in net OPEB obligation	1,231,544	15,393
Net OPEB obligation, beginning of year	<u>6,793,906</u>	<u>85,870</u>
Net OPEB obligation, end of year	\$ <u>8,025,450</u>	\$ <u>101,263</u>

The RTC's annual OPEB cost, the percentage of annual cost contributed to the program, and the net OPEB obligation for 2012, 2013, and 2014 were as follows:

Plan	Year Ended	Annual OPEB Cost, % of Annual Cost Contributed to the Program, and Net OPEB Obligation		
		Annual OPEB Cost	Percent of OPEB Cost Contributed	Net OPEB Obligation
County	06/30/2012	\$ 1,761,450	1.8%	\$ 5,562,363
County	06/30/2013	1,564,159	21.4	6,793,906
County	06/30/2014	1,564,159	21.4	8,025,450
PEBP	06/30/2012	60,806	120.3	70,477
PEBP	06/30/2013	90,112	82.9	85,870
PEBP	06/30/2014	90,112	82.9	101,263

Funded Status and Funding Progress

The funded status of the plans as of the most recent actuarial valuation date, July 1, 2012, was as follows:

	Unfunded Actuarial Accrued Liability	
	County	PEBP (1)
Actuarial accrued liability (a)	\$ 13,301,785	\$ 1,718,943
Actuarial value of plan assets (b)	-	-
Unfunded actuarial accrued liability (funding excess) (a) - (b)	\$ 13,301,785	\$ 1,718,943
Funded ratio (b)/(a)	0%	0%
Covered payroll (c)	\$ 17,963,919	N/A
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll (a) - (b)/(c)	74.0%	N/A

(1) PEBP closed to new County participants as of November 1, 2008; therefore, covered payroll is zero.

III. DETAILED NOTES - ALL FUNDS (Continued)

14. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Regional Transportation Commission of Southern Nevada (Continued)

RTC Assets in Internal Service Fund

Clark County utilizes the Other Employment Benefit Reserve internal service fund to allocate OPEB costs to each fund based on employee count. Each fund incurs a charge for service from the Other Postemployment Benefit Reserve fund for their portion of the annual OPEB cost. As of June 30, 2014, the Other Postemployment Benefit Reserve fund had \$224,571 in cash, investments, and interest receivable held on behalf of the RTC. The RTC intends to use these assets for future OPEB funding. These assets cannot be included in the plan assets considered in the OPEB funding schedules because they are not held in trust.

Las Vegas Valley Water District

The Las Vegas Valley Water District (LVVWD) uses the County plan with actuarial assumptions identical to those previously described, except for an initial healthcare inflation rate of 5.25 % with an ultimate rate of 4.75%. LVVWD contributes 100% of life insurance and group health insurance premiums for eligible retirees and 85% for their dependents until the retirees become eligible for Medicare. The LVVWD's annual OPEB cost for the current year is as follows:

<u>Annual OPEB Cost</u>	
Annual Required Contribution (ARC)	\$ 3,005,915
Interest on the net OPEB obligation	478,246
Adjustment to annual required contribution	<u>(664,833)</u>
Annual OPEB cost	2,819,328
Contributions made	<u>(1,049,159)</u>
Increase in net OPEB obligation	1,770,169
Net OPEB obligation, beginning of the year	<u>11,956,155</u>
Net OPEB obligation, end of the year	<u>\$ 13,726,324</u>

The LVVWD's annual OPEB cost, the percentage of annual cost contributed to the program, and the net OPEB obligation for 2012, 2013 and 2014 were as follows:

<u>Annual OPEB Cost, % of Annual Cost Contributed to the Program, and Net OPEB Obligation</u>			
<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percent of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
06/30/2012	\$ 3,211,091	31.2%	\$ 9,725,671
06/30/2013	3,217,866	30.7	11,956,155
06/30/2014	2,819,328	37.2	13,726,324

Funded Status and Funding Progress

The funded status of the plan as of the most recent actuarial valuation date, July 1, 2012 was as follows:

<u>Unfunded Actuarial Accrued Liability</u>	
	<u>LVVWD</u>
Actuarial accrued liability (a)	\$ 23,489,420
Actuarial value of plan assets (b)	-
Unfunded actuarial accrued liability (funding excess) (a) - (b)	\$ 23,489,420
Funded ratio (b)/(a)	0%
Covered payroll (c)	\$ 119,067,304
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll (a) - (b)/(c)	19.7%

III. DETAILED NOTES - ALL FUNDS (Continued)

15. SUBSEQUENT EVENTS

Primary Government

On July 1, 2014, the County issued the Series 2014B Junior Subordinate Lien Revenue Notes for \$103,365,000. The 2014B Note is a fixed rate Airport System Junior Subordinate Lien Revenue Note. The proceeds were used to satisfy the outstanding principal and interest balance of the 2013 C-2 Airport System Junior Subordinate Lien Notes, and to pay certain issuance costs. The 2014B Note matures on July 1, 2018, and bears an annual interest rate of 5.00 percent.

On July 8, 2014, the Department of Aviation entered into a Settlement Agreement and Release with Travelers, assignee of the rights of Williams Brother, Inc. This agreement settled the outstanding litigation *Williams Brother, Inc. v. Clark County*, Case No. A-10630397-B. Both parties agreed to \$300,000 as final compensation to resolve outstanding issues on Contract 2367-Reconstruction of Taxiway G project. The settlement was accrued in FY 2014. The satisfying payment was made in July, 2014.

On September 10, 2014, the County issued General Obligation (Limited Tax) Transportation refunding bonds (additionally secured with pledged revenues) series 2014A in the amount of \$19,922,000. The bonds bear an interest rate of 1.180%, payable on December 1, 2014 and semiannually thereafter on June 1 and December 1. The proceeds of the bond will refund all of the Transportation bonds Series 2004A and pay the costs of issuance of the bonds.

On September 10, 2014, the County issued General Obligation (Limited Tax) Transportation refunding bonds (additionally secured with pledged revenues) Series 2014B in the amount of \$17,004,000. The bonds bear an interest rate of 1.190%, payable on December 1, 2014 and semiannually thereafter on June 1 and December 1. The proceeds of the bond will refund all of the transportation bonds Series 2004B and pay the costs of issuance of the bonds.

On September 10, 2014, the County issued General Obligation (Limited Tax) Park, Regional Justice Center, and Public Safety refunding bonds (additionally secured with pledged revenues) Series 2014C in the amount of \$17,540,000. The bonds bear an interest rate of .65%, payable on November 1, 2014 and semiannually thereafter on May 1 and November 1. The proceeds of the bond will refund all of the Park, Regional Justice Center, and Public Safety Series 2004C and pay the costs of issuance of the bonds.

On October 17, 2014, the Department of Aviation entered into a Settlement Agreement with National Federation of the Blind. This agreement settled the outstanding litigation *National Federation of the Blind, et al. vs. Clark County, Nevada, et al.*, U.S. District Court Case No. 2:11-cv-0474. Both parties agreed to \$25,000 as final compensation. The settlement was not accrued in FY 2014. The case was dismissed with prejudice on October 24, 2014.

On October 28, 2014, the County purchased the Las Vegas Metropolitan Police Department Headquarters located at 400 S. Martin Luther King Boulevard, Las Vegas, Nevada in the amount of \$208,351,063. Reserves from the OPEB Benefits Reserve Fund were used for the purchase. All future lease payments from LVMPD have been pledged to the OPEB Benefits Reserve Fund accordingly.

On December 1, 2014 UMC issued \$29,374,000 Series 2014 General Obligation (Limited Tax) Hospital Refunding Bonds, additionally secured with pledged revenues. The bonds bear an interest rate ranging from .62 percent to 2.00 percent, payable on March 1, 2015 and semiannually thereafter on September 1 and March 1. The proceeds of the bond will be used to refund a portion of the County's outstanding General Obligation Hospital Bonds, series 2005 and pay the costs of the issuance of the Bonds.

Flood Control District

On December 11, 2014 Flood Control District issued \$100,000,000 Series 2014 General Obligation (Limited Tax) Flood Control Bonds, additionally secured with pledged revenues. The bonds bear an interest rate ranging from 4.00 percent to 5.00 percent, payable on May 1, 2015 and semiannually thereafter on November 1 and May 1. The proceeds of the bonds will be used to fund the acquisition, construction and improvement and extension of flood control infrastructure projects and pay the costs of issuance of the Bonds. The County guarantees this general bond issue. Although guaranteed by the County, the Regional Flood Control District bonds are pledged with sales tax revenue. In the event the District is unable to make a debt service payment, Clark County will be required to make that payment.

Las Vegas Valley Water District

On December 1, 2014, the Las Vegas Valley Water District issued a \$20 million bond to the Nevada Drinking Water State Revolving Fund. The initial draw was \$1,051,016 on December 1, 2014. The bonds bear an interest rate of 2.57 percent, payable on January 1 and July 1. The proceeds of the bonds provide funding for system rehabilitation projects.

REQUIRED SUPPLEMENTARY INFORMATION

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Clark County, Nevada
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2014
(With comparative actual for the fiscal year ended June 30, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Taxes	\$ 253,304,958	\$ 253,304,958	\$ 253,254,155	\$ (50,803)	\$ 257,375,116
Licenses and permits	216,000,000	216,000,000	224,811,427	8,811,427	212,148,330
Intergovernmental revenue	297,435,000	297,435,000	314,626,279	17,191,279	293,416,117
Charges for services	76,888,377	76,888,377	74,033,153	(2,855,224)	74,544,474
Fines and forfeitures	25,500,000	25,500,000	22,357,315	(3,142,685)	24,953,878
Interest	2,000,000	2,000,000	2,288,145	288,145	32,069
Other	3,000,000	13,004,286	13,584,084	579,798	5,281,702
Total revenues	874,128,335	884,132,621	904,954,558	20,821,937	867,751,686
Other Financing Sources					
Transfers from other funds	279,892,400	284,871,400	284,123,810	(747,590)	305,388,441
Total revenues and other financing sources	1,154,020,735	1,169,004,021	1,189,078,368	20,074,347	1,173,140,127
Expenditures					
General government	119,909,469	120,153,586	109,482,301	(10,671,285)	110,785,014
Judicial	151,555,780	151,587,175	146,773,868	(4,813,307)	142,117,507
Public safety	215,943,269	206,484,569	203,994,733	(2,489,836)	198,485,736
Public works	11,472,425	11,472,425	10,868,498	(603,927)	10,258,273
Health	101,235,620	76,073,080	76,072,981	(99)	101,000,239
Welfare	75,069,538	75,069,538	67,944,224	(7,125,314)	76,767,785
Culture and recreation	10,554,441	10,554,441	10,272,006	(282,435)	9,863,924
Other general expenditures	109,232,165	127,486,993	121,650,934	(5,866,788)	113,485,175
Total expenditures	794,972,707	778,881,807	747,059,545	(31,822,262)	762,763,653
Other Financing Uses					
Transfers to other funds	415,748,251	475,716,073	473,588,105	(2,127,968)	381,998,350
Total expenditures and other financing uses	1,210,720,958	1,254,597,880	1,220,647,650	(33,950,230)	1,144,762,003
Net change in fund balance	(56,700,223)	(85,593,859)	(31,569,282)	54,024,577	28,378,124
Fund Balance					
Beginning of year	188,775,535	219,389,003	219,389,003	-	191,010,879
End of year	\$ 132,075,312	\$ 133,795,144	\$ 187,819,721	\$ 54,024,577	\$ 219,389,003

See notes to Required Supplementary Information.

Clark County, Nevada
General Fund
Schedule of Revenues and Transfers - Budget and Actual
For the fiscal year ended June 30, 2014
(With comparative actual for the fiscal year ended June 30, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Taxes					
Ad valorem taxes	\$ 239,604,958	\$ 239,604,958	\$ 243,971,633	\$ 4,366,675	\$ 242,468,838
Penalties & interest on delinquent taxes	13,700,000	13,700,000	9,282,522	(4,417,478)	14,906,278
Total taxes	<u>253,304,958</u>	<u>253,304,958</u>	<u>253,254,155</u>	<u>(50,803)</u>	<u>257,375,116</u>
Licenses and permits:					
Business licenses	31,000,000	31,000,000	31,633,696	633,696	30,409,696
Liquor licenses	7,900,000	7,900,000	8,316,741	416,741	8,234,018
County gaming licenses	38,250,000	38,250,000	38,759,110	509,110	37,796,112
Franchise fees:					
Utilities	66,000,000	66,000,000	76,016,494	10,016,494	71,774,954
Other	26,000,000	26,000,000	17,000,908	(8,999,092)	16,412,227
Other licenses and permits	45,000,000	45,000,000	51,378,333	6,378,333	45,796,401
Marriage licenses	1,850,000	1,850,000	1,706,145	(143,855)	1,724,922
Total licenses and permits	<u>216,000,000</u>	<u>216,000,000</u>	<u>224,811,427</u>	<u>8,811,427</u>	<u>212,148,330</u>
Intergovernmental revenue:					
Federal grants	2,100,000	2,100,000	2,976	(2,097,024)	112,344
Federal payments in lieu of taxes	2,985,000	2,985,000	3,331,831	346,831	3,122,952
State grants	350,000	350,000	487,250	137,250	487,250
State gaming licenses	150,000	150,000	141,872	(8,128)	139,946
Consolidated tax	290,975,000	290,975,000	309,987,642	19,012,642	288,481,527
Court administrative assessment	800,000	800,000	677,493	(122,507)	762,087
Other	75,000	75,000	(2,785)	(77,785)	310,011
Total intergovernmental revenue	<u>297,435,000</u>	<u>297,435,000</u>	<u>314,626,279</u>	<u>17,191,279</u>	<u>293,416,117</u>
Charges for services:					
General government					
Clerk fees	2,500,000	2,500,000	2,058,685	(441,315)	2,120,402
Recorder fees	18,500,000	18,500,000	16,783,791	(1,716,209)	19,426,814
Map fees	50,000	50,000	43,920	(6,080)	47,253
Assessor commissions	7,500,000	7,500,000	8,240,240	740,240	7,618,314
Building and zoning fees	675,000	675,000	2,858,155	2,183,155	596,035
Room tax collection commissions	7,000,000	7,000,000	7,327,777	327,777	6,398,188
Administrative fees	11,789,880	11,789,880	10,977,681	(812,199)	11,745,324
Other	5,000,000	5,000,000	3,813,899	(1,186,101)	4,154,314
Judicial					
Clerk fees	10,000,000	10,000,000	8,751,809	(1,248,191)	9,107,767
Other	2,159,000	2,159,000	2,103,934	(55,066)	1,925,397
Public safety					
Fire protection services	7,614,497	7,614,497	7,801,607	187,110	7,069,605
Other	1,000,000	1,000,000	1,279,890	279,890	1,323,924
Public works					
Engineering	3,000,000	3,000,000	1,879,768	(1,120,232)	2,895,637
Health and welfare					
Animal control	100,000	100,000	111,997	11,997	115,500
Total charges for services	<u>76,888,377</u>	<u>76,888,377</u>	<u>74,033,153</u>	<u>(2,855,224)</u>	<u>74,544,474</u>
Fines and forfeitures:					
Court fines	10,000,000	10,000,000	6,146,985	(3,853,015)	6,803,764
Court forfeits	15,500,000	15,500,000	16,210,330	710,330	18,150,114
Total fines and forfeitures	<u>25,500,000</u>	<u>25,500,000</u>	<u>22,357,315</u>	<u>(3,142,685)</u>	<u>24,953,878</u>
Interest	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,288,145</u>	<u>288,145</u>	<u>32,069</u>
Other	3,000,000	13,004,286	13,584,084	579,798	5,281,702
Total revenues	<u>874,128,335</u>	<u>884,132,621</u>	<u>904,954,558</u>	<u>20,821,937</u>	<u>867,751,686</u>
Other Financing Sources					
Transfers from other funds	279,892,400	284,871,400	284,123,810	(747,590)	305,388,441
Total revenues and other financing sources	<u>\$ 1,154,020,735</u>	<u>\$ 1,169,004,021</u>	<u>\$ 1,189,078,368</u>	<u>\$ 20,074,347</u>	<u>\$ 1,173,140,127</u>

See notes to Required Supplementary Information.

Clark County, Nevada
 General Fund
 Schedule of Expenditures and Transfers - Budget and Actual
 For the Fiscal Year Ended June 30, 2014
 (With comparative actual for the fiscal year ended June 30, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance	Actual
Expenditures					
General Government					
<i>Commission/Manager:</i>					
Salaries and wages	\$ 2,842,606	\$ 2,842,606	\$ 2,854,873	\$ 12,267	\$ 2,805,099
Employee benefits	1,344,223	1,344,223	1,350,411	6,188	1,284,798
Services and supplies	253,900	253,900	146,415	(107,485)	243,453
Total Commission/Manager	4,440,729	4,440,729	4,351,699	(89,030)	4,333,350
<i>Office of Diversity:</i>					
Salaries and wages	414,672	414,672	410,427	(4,245)	418,114
Employee benefits	213,584	213,584	197,755	(15,829)	180,395
Services and supplies	26,800	26,800	17,524	(9,276)	19,225
Total Office of Diversity	655,056	655,056	625,706	(29,350)	617,734
<i>Office of Appointed Counsel:</i>					
Salaries and wages	180,869	180,869	184,299	3,430	179,936
Employee benefits	62,933	62,933	63,967	1,034	59,731
Services and supplies	10,810,850	10,810,850	10,103,936	(706,914)	10,714,663
Total Office of Appointed Counsel	11,054,652	11,054,652	10,352,202	(702,450)	10,954,330
<i>Audit:</i>					
Salaries and wages	667,471	667,471	606,174	(61,297)	593,580
Employee benefits	320,491	320,491	285,238	(35,253)	266,684
Services and supplies	25,150	25,150	23,055	(2,095)	23,449
Total Audit	1,013,112	1,013,112	914,467	(98,645)	883,713
<i>Finance:</i>					
Salaries and wages	3,334,925	2,194,060	1,779,874	(414,186)	3,106,244
Employee benefits	1,687,124	1,056,727	760,192	(296,535)	1,406,890
Services and supplies	449,800	347,881	34,039	(313,842)	102,151
Total Finance	5,471,849	3,598,668	2,574,105	(1,024,563)	4,615,285
<i>Comptroller:</i>					
Salaries and wages	2,462,695	2,462,695	2,446,798	(15,897)	2,368,258
Employee benefits	1,355,647	1,355,647	1,311,592	(44,055)	1,210,324
Services and supplies	147,695	147,695	117,915	(29,780)	86,774
Total Comptroller	3,966,037	3,966,037	3,876,305	(89,732)	3,665,356
<i>Treasurer:</i>					
Salaries and wages	1,619,727	1,619,727	1,555,905	(63,822)	1,498,852
Employee benefits	899,203	899,203	788,795	(110,408)	754,824
Services and supplies	975,440	975,440	830,787	(144,653)	845,343
Total Treasurer	3,494,370	3,494,370	3,175,487	(318,883)	3,099,019
<i>Elections:</i>					
Salaries and wages	3,987,892	3,987,892	3,150,987	(836,905)	4,277,141
Employee benefits	1,518,211	1,518,211	1,238,816	(279,395)	1,163,048
Services and supplies	4,460,267	4,460,267	1,940,585	(2,519,682)	2,212,984
Total Elections	9,966,370	9,966,370	6,330,388	(3,635,982)	7,653,173
<i>Assessor:</i>					
Salaries and wages	9,157,031	9,157,031	8,874,358	(282,673)	9,030,334
Employee benefits	4,527,408	4,527,408	4,315,002	(212,406)	4,135,425
Services and supplies	1,197,850	1,197,850	827,056	(370,794)	856,506
Total Assessor	14,882,289	14,882,289	14,016,416	(865,873)	14,022,265
<i>Recorder:</i>					
Salaries and wages	2,330,767	2,330,767	2,240,889	(89,878)	2,263,533
Employee benefits	1,427,892	1,427,892	1,325,057	(102,835)	1,278,116
Services and supplies	222,980	222,980	200,586	(22,394)	215,307
Total Recorder	3,981,639	3,981,639	3,766,532	(215,107)	3,756,956
<i>Clerk:</i>					
Salaries and wages	2,026,406	2,026,406	1,908,022	(118,384)	2,009,913
Employee benefits	1,228,614	1,228,614	1,113,528	(115,086)	1,074,829
Services and supplies	167,450	167,450	103,707	(63,743)	96,861
Total Clerk	3,422,470	3,422,470	3,125,257	(297,213)	3,181,603

(Continued)

Clark County, Nevada
 General Fund
 Schedule of Expenditures and Transfers - Budget and Actual
 For the Fiscal Year Ended June 30, 2014
 (With comparative actual for the fiscal year ended June 30, 2013)

(Continued)

	2014				2013
	Original Budget	Final Budget	Actual	Variance	Actual
Expenditures (continued)					
General Government (continued)					
<i>Administrative Services:</i>					
Salaries and wages	5,923,066	7,063,931	6,505,781	(558,150)	5,688,012
Employee benefits	3,313,015	3,943,412	3,516,582	(426,830)	2,813,289
Services and supplies	3,510,655	3,619,755	3,132,774	(486,981)	3,160,858
Total Administrative Services	12,746,736	14,627,098	13,155,137	(1,471,961)	11,662,159
<i>Human Resources:</i>					
Salaries and wages	1,581,855	1,581,855	1,576,180	(5,675)	1,538,125
Employee benefits	771,014	771,014	707,891	(63,123)	672,890
Services and supplies	431,010	431,010	394,617	(36,393)	292,443
Total Human Resources	2,783,879	2,783,879	2,678,688	(105,191)	2,503,458
<i>Comprehensive Planning:</i>					
Salaries and wages	4,323,199	4,304,199	4,304,259	60	4,210,009
Employee benefits	2,073,037	2,073,037	1,984,240	(88,797)	1,862,426
Services and supplies	581,593	600,743	678,727	77,984	342,762
Total Comprehensive Planning	6,977,829	6,977,979	6,967,226	(10,753)	6,415,197
<i>A-95 Clearinghouse Council:</i>					
Salaries and wages	53,621	53,621	54,765	1,144	53,967
Employee benefits	31,547	31,547	35,804	4,257	34,277
Services and supplies	4,642	4,492	920	(3,572)	627
Total A-95 Clearinghouse Council	89,810	89,660	91,489	1,829	88,871
<i>Business License:</i>					
Salaries and wages	3,650,121	3,660,121	3,701,593	41,472	3,546,030
Employee benefits	1,921,157	1,921,157	1,846,842	(74,315)	1,737,349
Services and supplies	398,556	388,556	319,509	(69,047)	330,933
Total Business License	5,969,834	5,969,834	5,867,944	(101,890)	5,614,312
<i>Real Property Management:</i>					
Salaries and wages	11,511,744	11,511,744	10,709,291	(802,453)	11,729,633
Employee benefits	6,173,209	6,173,209	5,571,230	(601,979)	5,557,069
Services and supplies	11,307,855	11,534,526	11,307,268	(227,258)	10,431,531
Capital outlay	-	10,265	25,464	15,199	-
Total Real Property Management	28,992,808	29,229,744	27,613,253	(1,616,491)	27,718,233
Total General Government	119,909,469	120,153,586	109,482,301	(10,671,285)	110,785,014
Judicial					
<i>Outlying Constable:</i>					
Salaries and wages	96,012	96,012	92,828	(3,184)	92,642
Employee benefits	187,737	187,737	185,389	(2,348)	188,018
Services and supplies	10,350	10,330	5,976	(4,354)	5,366
Total Outlying Constable	294,099	294,079	284,193	(9,886)	286,026
<i>Henderson Constable:</i>					
Salaries and wages	91,555	91,555	93,649	2,094	93,998
Employee benefits	69,573	69,573	68,037	(1,536)	65,467
Services and supplies	17,500	49,051	48,891	(160)	37,957
Total Henderson Constable	178,628	210,179	210,577	398	197,422
<i>North Las Vegas Constable:</i>					
Salaries and wages	103,069	103,069	105,226	2,157	102,528
Employee benefits	78,272	78,272	70,609	(7,663)	67,427
Services and supplies	27,300	35,050	35,037	(13)	34,029
Total North Las Vegas Constable	208,641	216,391	210,872	(5,519)	203,984
<i>District Attorney:</i>					
Salaries and wages	26,117,946	26,117,946	25,785,911	(332,035)	25,411,056
Employee benefits	12,398,465	12,398,465	11,692,246	(706,219)	10,898,500
Services and supplies	1,273,190	1,308,190	1,205,832	(102,358)	1,103,838
Total District Attorney	39,789,601	39,824,601	38,683,989	(1,140,612)	37,413,394

(Continued)

Clark County, Nevada
 General Fund
 Schedule of Expenditures and Transfers - Budget and Actual
 For the Fiscal Year Ended June 30, 2014
 (With comparative actual for the fiscal year ended June 30, 2013)

(Continued)

	2014				2013
	Original Budget	Final Budget	Actual	Variance	Actual
Expenditures (continued)					
Judicial (continued)					
<i>Witness/Legal Fees:</i>					
Services and supplies	1,790,000	1,755,000	1,352,004	(402,996)	1,401,816
Total Witness/Legal Fees	1,790,000	1,755,000	1,352,004	(402,996)	1,401,816
<i>Family Court:</i>					
Salaries and wages	5,970,414	5,847,810	5,813,950	(33,860)	6,008,636
Employee benefits	2,978,346	2,913,312	2,729,602	(183,710)	2,673,101
Services and supplies	1,347,000	1,463,340	1,441,399	(21,941)	1,244,178
Total Family Court	10,295,760	10,224,462	9,984,951	(239,511)	9,925,915
<i>Civil/Criminal:</i>					
Salaries and wages	11,028,984	11,099,486	11,133,038	33,552	10,961,791
Employee benefits	5,685,607	5,721,863	5,318,757	(403,106)	5,032,899
Services and supplies	2,474,594	2,760,694	2,696,964	(63,730)	2,490,826
Total Civil/Criminal	19,189,185	19,582,043	19,148,759	(433,284)	18,485,516
<i>Clerk of the Court:</i>					
Salaries and wages	11,510,034	11,510,034	11,333,555	(176,479)	11,106,874
Employee benefits	6,810,734	6,810,734	6,217,604	(593,130)	6,000,387
Services and supplies	455,000	279,120	246,354	(32,766)	369,922
Total Clerk of the Court	18,775,768	18,599,888	17,797,513	(802,375)	17,477,183
<i>Alternative Dispute Resolution</i>					
Salaries and wages	424,296	424,296	428,749	4,453	414,819
Employee benefits	233,879	233,879	239,178	5,299	222,323
Services and supplies	110,000	98,000	90,993	(7,007)	91,611
Total Alternative Dispute Resolution	768,175	756,175	758,920	2,745	728,753
<i>Special Public Defender:</i>					
Salaries and wages	2,199,801	2,199,801	2,279,357	79,556	2,149,507
Employee benefits	1,019,106	1,019,106	1,016,942	(2,164)	927,608
Services and supplies	422,825	422,120	255,317	(166,803)	330,669
Total Special Public Defender	3,641,732	3,641,027	3,551,616	(89,411)	3,407,784
<i>Court Jury Services:</i>					
Salaries and wages	217,283	217,283	197,765	(19,518)	176,760
Employee benefits	140,535	140,535	122,706	(17,829)	100,205
Services and supplies	1,203,974	1,101,813	1,018,191	(83,622)	1,025,277
Total Court Jury Services	1,561,792	1,459,631	1,338,662	(120,969)	1,302,242
<i>Grand Jury:</i>					
Services and supplies	211,150	172,450	171,220	(1,230)	183,333
Total Grand Jury	211,150	172,450	171,220	(1,230)	183,333
<i>Las Vegas Justice Court:</i>					
Salaries and wages	11,801,810	11,801,810	11,422,751	(379,059)	11,110,467
Employee benefits	6,338,151	6,338,151	5,894,151	(444,000)	5,593,552
Services and supplies	1,987,561	1,987,561	1,809,722	(177,839)	1,754,401
Total Las Vegas Justice Court	20,127,522	20,127,522	19,126,624	(1,000,898)	18,458,420
<i>Henderson Justice Court:</i>					
Salaries and wages	1,740,709	1,740,709	1,743,642	2,933	1,718,776
Employee benefits	896,973	896,973	860,332	(36,641)	818,175
Services and supplies	171,050	171,050	114,133	(56,917)	129,913
Total Henderson Justice Court	2,808,732	2,808,732	2,718,107	(90,625)	2,666,864
<i>North Las Vegas Justice Court:</i>					
Salaries and wages	1,902,285	1,902,285	1,928,334	26,049	1,835,327
Employee benefits	987,415	987,415	996,017	8,602	919,240
Services and supplies	117,700	117,700	78,114	(39,586)	97,351
Total North Las Vegas Justice Court	3,007,400	3,007,400	3,002,465	(4,935)	2,851,918

(Continued)

Clark County, Nevada
 General Fund
 Schedule of Expenditures and Transfers - Budget and Actual
 For the Fiscal Year Ended June 30, 2014
 (With comparative actual for the fiscal year ended June 30, 2013)

(Continued)

	2014				2013
	Original Budget	Final Budget	Actual	Variance	Actual
Expenditures (continued)					
Judicial (continued)					
<i>Outlying Justice Court:</i>					
Salaries and wages	1,641,726	1,641,726	1,530,581	(111,145)	1,612,709
Employee benefits	789,641	789,641	705,993	(83,648)	695,106
Services and supplies	228,187	228,187	178,840	(49,347)	194,474
Total Outlying Justice Court	2,659,554	2,659,554	2,415,414	(244,140)	2,502,289
<i>Public Defender:</i>					
Salaries and wages	16,309,859	16,309,859	16,513,297	203,438	15,730,800
Employee benefits	7,546,808	7,546,808	7,292,683	(254,125)	6,669,044
Services and supplies	1,002,695	1,002,695	856,493	(146,202)	864,005
Total Public Defender	24,859,362	24,859,362	24,662,473	(196,889)	23,263,849
<i>Neighborhood Justice Center:</i>					
Salaries and wages	625,023	625,023	641,214	16,191	698,919
Employee benefits	315,906	315,906	313,848	(2,058)	308,643
Services and supplies	447,750	447,750	400,447	(47,303)	353,237
Total Neighborhood Justice Center	1,388,679	1,388,679	1,355,509	(33,170)	1,360,799
Total Judicial	151,555,780	151,587,175	146,773,868	(4,813,307)	142,117,507
Public Safety					
<i>Office of the Sheriff:</i>					
Salaries and wages	180,654	180,654	185,013	4,359	187,070
Employee benefits	24,309	24,309	18,443	(5,866)	23,055
Services and supplies	1,000	1,000	-	(1,000)	-
Total Office of the Sheriff	205,963	205,963	203,456	(2,507)	210,125
<i>Fire Department:</i>					
Salaries and wages	72,622,487	72,622,487	72,854,275	231,788	73,568,959
Employee benefits	49,177,541	39,718,841	38,263,498	(1,455,343)	37,092,359
Services and supplies	8,706,891	8,692,891	7,488,255	(1,204,636)	7,578,647
Total Fire Department	130,506,919	121,034,219	118,606,028	(2,428,191)	118,239,965
<i>Volunteer Fire and Ambulance:</i>					
Services and supplies	249,100	263,100	243,169	(19,931)	215,124
<i>Public Guardian:</i>					
Salaries and wages	1,436,972	1,436,972	1,240,554	(196,418)	1,232,282
Employee benefits	767,507	767,507	648,917	(118,590)	602,772
Services and supplies	111,500	111,500	81,489	(30,011)	66,591
Total Public Guardian	2,315,979	2,315,979	1,970,960	(345,019)	1,901,645
<i>Public Administrator:</i>					
Salaries and wages	632,657	632,657	659,274	26,617	633,466
Employee benefits	240,712	240,712	236,318	(4,394)	216,451
Services and supplies	54,511	54,511	40,931	(13,580)	35,059
Total Public Administrator	927,880	927,880	936,523	8,643	884,976
<i>Coroner:</i>					
Salaries and wages	3,019,790	3,019,790	3,037,746	17,956	3,028,942
Employee benefits	1,271,982	1,271,982	1,249,925	(22,057)	1,190,580
Services and supplies	1,314,131	1,314,131	1,082,184	(231,947)	1,011,313
Total Coroner	5,605,903	5,605,903	5,369,855	(236,048)	5,230,835
<i>Juvenile Justice:</i>					
Salaries and wages	24,576,724	24,576,724	25,886,296	1,309,572	24,952,327
Employee benefits	15,688,352	15,688,352	14,712,614	(975,738)	13,430,112
Services and supplies	4,492,407	4,492,407	3,983,552	(508,855)	3,678,798
Total Juvenile Justice	44,757,483	44,757,483	44,582,462	(175,021)	42,061,237

(Continued)

Clark County, Nevada
 General Fund
 Schedule of Expenditures and Transfers - Budget and Actual
 For the Fiscal Year Ended June 30, 2014
 (With comparative actual for the fiscal year ended June 30, 2013)

(Continued)

	2014				2013
	Original Budget	Final Budget	Actual	Variance	Actual
Expenditures (continued)					
Public Safety (continued)					
<i>Family Services:</i>					
Salaries and wages	18,373,360	18,373,360	19,581,536	1,208,176	18,246,104
Employee benefits	9,347,082	9,178,662	8,831,151	(347,511)	8,127,755
Services and supplies	3,653,600	3,822,020	3,669,593	(152,427)	3,344,753
Capital outlay	-	-	-	-	23,217
Total Family Services	31,374,042	31,374,042	32,082,280	708,238	29,741,829
Total Public Safety	215,943,269	206,484,569	203,994,733	(2,489,836)	198,485,736
Public Works					
Salaries and wages	6,618,565	6,618,565	6,463,152	(155,413)	6,197,184
Employee benefits	3,281,769	3,281,769	3,101,834	(179,935)	2,824,854
Services and supplies	1,572,091	1,572,091	1,303,512	(268,579)	1,236,235
Total Public Works	11,472,425	11,472,425	10,868,498	(603,927)	10,258,273
Health					
<i>Emergency Room Admittance:</i>					
Services and supplies	98,185,620	72,913,203	72,625,105	(288,098)	98,185,620
<i>Emergency Medical Care:</i>					
Services and supplies	3,050,000	3,159,877	3,447,876	287,999	2,814,619
Total Health	101,235,620	76,073,080	76,072,981	(99)	101,000,239
Welfare					
Salaries and wages	7,018,874	7,018,874	6,764,829	(254,045)	6,509,781
Employee benefits	3,922,631	3,922,631	3,469,071	(453,560)	3,240,778
Services and supplies	64,128,033	64,128,033	57,710,324	(6,417,709)	67,017,226
Total Welfare	75,069,538	75,069,538	67,944,224	(7,125,314)	76,767,785
Culture and Recreation					
Salaries and wages	6,392,755	6,392,755	6,399,742	6,987	6,224,685
Employee benefits	3,134,825	3,134,825	3,107,335	(27,490)	2,902,970
Services and supplies	1,026,861	1,026,861	764,929	(261,932)	736,269
Total Culture and Recreation	10,554,441	10,554,441	10,272,006	(282,435)	9,863,924
Other general expenditures					
Utilities	22,071,000	21,071,000	19,723,108	(1,347,892)	18,262,914
Building rental	2,469,000	2,232,769	2,166,931	(65,838)	1,823,555
Capital replacement	3,367,500	1,767,500	997,043	(770,457)	528,626
Administrative assessments	1,314,000	1,314,000	687,174	(626,826)	992,886
Insurance and official bonds	3,650,000	3,650,000	3,506,786	(143,214)	3,510,394
Miscellaneous refunds and expenditures	13,851,000	34,942,059	33,558,938	(1,383,121)	8,404,062
Internal service charges	41,069,305	41,069,305	40,954,407	(114,898)	41,968,477
Publications and professional services	3,452,000	3,452,000	2,068,187	(1,383,813)	2,226,433
Contributions	17,988,360	17,988,360	17,988,360	-	35,767,828
Total other general expenditures	109,232,165	127,486,993	121,650,934	(5,836,059)	113,485,175
Total expenditures	794,972,707	778,881,807	747,059,545	(31,822,262)	762,763,653
Other Financing Uses					
Transfers to other funds	415,748,251	475,716,073	473,588,105	(2,127,968)	381,998,350
Total expenditures and transfers	\$ 1,210,720,958	\$ 1,254,597,880	\$ 1,220,647,650	\$ (33,950,230)	\$ 1,144,762,003

See notes to Required Supplementary Information.

Clark County, Nevada
Reconciliation of General Fund (Budgetary Basis) to General Fund (Modified Accrual Basis)
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2014

	General Fund Budgetary Basis	Internally Reported Special Revenue Funds	Eliminations	General Fund Modified Accrual Basis
Revenues				
Taxes	\$ 253,254,155	\$ 158,036,962	\$ -	\$ 411,291,117
Licenses and permits	224,811,427	21,486,595	-	246,298,022
Intergovernmental revenue	314,626,279	434,099,677	-	748,725,956
Charges for services	74,033,153	11,587,747	-	85,620,900
Fines and forfeitures	22,357,315	-	-	22,357,315
Interest	2,288,145	1,616,418	-	3,904,563
Other	13,584,084	1,337,263	-	14,921,347
Total revenues	<u>904,954,558</u>	<u>628,164,662</u>	<u>-</u>	<u>1,533,119,220</u>
Expenditures				
Current				
General government	108,072,062	3,377,099	-	111,449,161
Judicial	146,713,782	1,397,990	-	148,111,772
Public safety	204,617,849	186,346,722	-	390,964,571
Public works	11,267,514	226,338,373	-	237,605,887
Health	76,063,203	-	-	76,063,203
Welfare	67,966,536	-	-	67,966,536
Culture and recreation	10,549,190	19,757	-	10,568,947
Other general expenditures	121,185,946	3,659	-	121,189,605
Capital outlay	623,463	975,436	-	1,598,899
Debt service				
Interest	-	12,630,246	-	12,630,246
Total expenditures	<u>747,059,545</u>	<u>431,089,282</u>	<u>-</u>	<u>1,178,148,827</u>
Excess (deficiency) of revenues over (under) expenditures	<u>157,895,013</u>	<u>197,075,380</u>	<u>-</u>	<u>354,970,393</u>
Other Financing Sources (Uses)				
Transfers from other funds	284,123,810	184,621,161	447,435,546	21,309,425
Transfers to other funds	(473,588,105)	(389,158,744)	(447,435,546)	(415,311,303)
Total other financing sources (uses)	<u>(189,464,295)</u>	<u>(204,537,583)</u>	<u>-</u>	<u>(394,001,878)</u>
Net change in fund balances	(31,569,282)	(7,462,203)	-	(39,031,485)
Fund Balance				
Beginning of year	<u>219,389,003</u>	<u>119,070,852</u>	<u>-</u>	<u>338,459,855</u>
End of year	<u>\$ 187,819,721</u>	<u>\$ 111,608,649</u>	<u>\$ -</u>	<u>\$ 299,428,370</u>

See notes to Required Supplementary Information.

Clark County, Nevada
Internally Reported Special Revenue Funds - Budgetary Basis
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2014
(With comparative totals for June 30, 2013)

	Detention Services	Master Transportation Plan	Court Education Program	Citizen Review Board Administration	Personnel Services
Revenues					
Taxes	\$ -	\$ 46,674,085	\$ -	\$ -	\$ -
Licenses and permits	-	11,124,668	-	-	-
Intergovernmental revenue	-	277,839,885	500,466	84,862	-
Charges for services	5,998,084	-	961,321	-	285,713
Interest	471,884	430,317	6,483	360	(36)
Other	795,952	-	143	-	-
Total revenues	<u>7,265,920</u>	<u>336,068,955</u>	<u>1,468,413</u>	<u>85,222</u>	<u>285,677</u>
Expenditures					
Current					
Salaries and wages	89,364,793	-	391,764	151,887	186,560
Employee benefits	44,280,227	-	196,435	54,698	97,192
Services and supplies	34,595,545	226,051,584	495,714	24,611	1,925
Capital outlay	916,208	-	-	-	-
Debt service	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>169,156,773</u>	<u>226,051,584</u>	<u>1,083,913</u>	<u>231,196</u>	<u>285,677</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(161,890,853)</u>	<u>110,017,371</u>	<u>384,500</u>	<u>(145,974)</u>	<u>-</u>
Other Financing Sources (Uses)					
Transfers from other funds	156,000,000	-	400,000	144,759	-
Transfers to other funds	-	(110,017,371)	-	-	-
Total other financing sources (uses)	<u>156,000,000</u>	<u>(110,017,371)</u>	<u>400,000</u>	<u>144,759</u>	<u>-</u>
Net change in fund balances	(5,890,853)	-	784,500	(1,215)	-
Fund Balance					
Beginning of year	<u>35,461,706</u>	<u>-</u>	<u>366,366</u>	<u>27,992</u>	<u>-</u>
End of year	<u>\$ 29,570,853</u>	<u>\$ -</u>	<u>\$ 1,150,866</u>	<u>\$ 26,777</u>	<u>\$ -</u>

(Continued)

Clark County, Nevada
Internally Reported Special Revenue Funds - Budgetary Basis
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2014
(With comparative totals for June 30, 2013)

(Continued)

	Federal Nuclear Waste Grant	Technology Fees	Fire Prevention Bureau	LVMPD Seized Funds	County Licensing Applications
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental revenue	-	-	-	-	-
Charges for services	-	-	3,953,267	-	-
Interest	6,032	32,996	29,405	20,771	46,125
Other	-	-	57,061	-	120,739
Total revenues	<u>6,032</u>	<u>32,996</u>	<u>4,039,733</u>	<u>20,771</u>	<u>166,864</u>
Expenditures					
Current					
Salaries and wages	79,585	602,846	6,039,543	-	-
Employee benefits	33,187	298,703	2,662,343	-	-
Services and supplies	6,145	1,996,337	652,778	-	89,434
Capital outlay	-	51,297	-	-	-
Debt service	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>118,917</u>	<u>2,949,183</u>	<u>9,354,664</u>	<u>-</u>	<u>89,434</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(112,885)</u>	<u>(2,916,187)</u>	<u>(5,314,931)</u>	<u>20,771</u>	<u>77,430</u>
Other Financing Sources (Uses)					
Transfers from other funds	-	2,276,402	5,800,000	-	-
Transfers to other funds	-	-	-	(100,000)	(110,000)
Total other financing sources (uses)	<u>-</u>	<u>2,276,402</u>	<u>5,800,000</u>	<u>(100,000)</u>	<u>(110,000)</u>
Net change in fund balances	(112,885)	(639,785)	485,069	(79,229)	(32,570)
Fund Balance					
Beginning of year	<u>607,831</u>	<u>3,429,320</u>	<u>1,458,489</u>	<u>120,329</u>	<u>1,316,122</u>
End of year	<u>\$ 494,946</u>	<u>\$ 2,789,535</u>	<u>\$ 1,943,558</u>	<u>\$ 41,100</u>	<u>\$ 1,283,552</u>

(Continued)

Clark County, Nevada
Internally Reported Special Revenue Funds - Budgetary Basis
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2014
(With comparative totals for June 30, 2013)

(Continued)

	Satellite Detention Center	Special Improvement District Administration	In-Transit	Bunkerville Town	Clark County Fire Service District
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ 4,671	\$ 58,492,945
Licenses and permits	-	-	-	-	-
Intergovernmental revenue	-	-	-	531,906	44,407,582
Charges for services	-	389,362	-	-	-
Interest	176,630	9,280	386,171	-	-
Other	-	-	362,830	-	-
Total revenues	<u>176,630</u>	<u>398,642</u>	<u>749,001</u>	<u>536,577</u>	<u>102,900,527</u>
Expenditures					
Current					
Salaries and wages	-	283,712	-	-	-
Employee benefits	-	158,883	-	-	-
Services and supplies	8,667,041	11	-	-	-
Capital outlay	7,931	-	-	-	-
Debt service					
Interest	12,630,246	-	-	-	-
Total expenditures	<u>21,305,218</u>	<u>442,606</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(21,128,588)</u>	<u>(43,964)</u>	<u>749,001</u>	<u>536,577</u>	<u>102,900,527</u>
Other Financing Sources (Uses)					
Transfers from other funds	10,000,000	-	-	-	10,000,000
Transfers to other funds	-	-	(235,000)	(547,429)	(104,300,000)
Total other financing sources (uses)	<u>10,000,000</u>	<u>-</u>	<u>(235,000)</u>	<u>(547,429)</u>	<u>(94,300,000)</u>
Net change in fund balances	(11,128,588)	(43,964)	514,001	(10,852)	8,600,527
Fund Balance					
Beginning of year	<u>24,800,334</u>	<u>983,237</u>	<u>4,695,484</u>	<u>99,520</u>	<u>12,337,473</u>
End of year	<u>\$ 13,671,746</u>	<u>\$ 939,273</u>	<u>\$ 5,209,485</u>	<u>\$ 88,668</u>	<u>\$ 20,938,000</u>

(Continued)

Clark County, Nevada
Internally Reported Special Revenue Funds - Budgetary Basis
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2014
(With comparative totals for June 30, 2013)

(Continued)

	Enterprise Town	Indian Springs Town	Moapa Town	Moapa Valley Town	Mt. Charleston Town
Revenues					
Taxes	\$ 10,396,500	\$ 2,054	\$ 58,226	\$ 29,100	\$ 7,310
Licenses and permits	693,389	10,050	9,270	-	1,440
Intergovernmental revenue	3,854,883	-	-	715,506	-
Charges for services	-	-	-	-	-
Interest	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>14,944,772</u>	<u>12,104</u>	<u>67,496</u>	<u>744,606</u>	<u>8,750</u>
Expenditures					
Current					
Salaries and wages	-	-	17,541	-	-
Employee benefits	-	-	447	-	-
Services and supplies	-	-	1,769	360	-
Capital outlay	-	-	-	-	-
Debt service	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>19,757</u>	<u>360</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,944,772</u>	<u>12,104</u>	<u>47,739</u>	<u>744,246</u>	<u>8,750</u>
Other Financing Sources (Uses)					
Transfers from other funds	-	-	-	-	-
Transfers to other funds	(14,500,000)	(13,171)	(43,011)	(759,488)	(10,362)
Total other financing sources (uses)	<u>(14,500,000)</u>	<u>(13,171)</u>	<u>(43,011)</u>	<u>(759,488)</u>	<u>(10,362)</u>
Net change in fund balances	444,772	(1,067)	4,728	(15,242)	(1,612)
Fund Balance					
Beginning of year	<u>1,261,756</u>	<u>1,079</u>	<u>9,686</u>	<u>134,651</u>	<u>1,688</u>
End of year	<u>\$ 1,706,528</u>	<u>\$ 12</u>	<u>\$ 14,414</u>	<u>\$ 119,409</u>	<u>\$ 76</u>

(Continued)

Clark County, Nevada
Internally Reported Special Revenue Funds - Budgetary Basis
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2014
(With comparative totals for June 30, 2013)

(Continued)

	Paradise Town	Searchlight Town	Spring Valley Town	Summerlin Town	Sunrise Manor Town
Revenues					
Taxes	\$ 22,850,898	\$ 3,984	\$ 9,087,092	\$ 3,210,183	\$ 3,970,816
Licenses and permits	7,353,846	18,750	208,055	403,950	1,040,157
Intergovernmental revenue	64,020,608	374,435	18,947,653	141,352	9,179,268
Charges for services	-	-	-	-	-
Interest	-	-	-	-	-
Other	-	538	-	-	-
Total revenues	<u>94,225,352</u>	<u>397,707</u>	<u>28,240,800</u>	<u>3,755,485</u>	<u>14,190,241</u>
Expenditures					
Current					
Salaries and wages	-	-	-	-	-
Employee benefits	-	-	-	-	-
Services and supplies	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>94,225,352</u>	<u>397,707</u>	<u>28,240,800</u>	<u>3,755,485</u>	<u>14,190,241</u>
Other Financing Sources (Uses)					
Transfers from other funds	-	-	-	-	-
Transfers to other funds	(93,150,000)	(405,519)	(28,500,000)	(4,000,000)	(14,000,000)
Total other financing sources (uses)	<u>(93,150,000)</u>	<u>(405,519)</u>	<u>(28,500,000)</u>	<u>(4,000,000)</u>	<u>(14,000,000)</u>
Net change in fund balances	1,075,352	(7,812)	(259,200)	(244,515)	190,241
Fund Balance					
Beginning of year	<u>17,712,864</u>	<u>70,318</u>	<u>5,537,769</u>	<u>1,536,190</u>	<u>3,110,104</u>
End of year	<u>\$ 18,788,216</u>	<u>\$ 62,506</u>	<u>\$ 5,278,569</u>	<u>\$ 1,291,675</u>	<u>\$ 3,300,345</u>

(Continued)

Clark County, Nevada
Internally Reported Special Revenue Funds - Budgetary Basis
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2014
(With comparative totals for June 30, 2013)

(Continued)

	Whitney Town	Winchester Town	Totals	
			2014	2013
Revenues				
Taxes	\$ 978,479	\$ 2,270,619	\$ 158,036,962	\$ 153,750,033
Licenses and permits	55,800	569,220	21,486,595	19,323,356
Intergovernmental revenue	750,027	12,751,244	434,099,677	405,631,511
Charges for services	-	-	11,587,747	10,753,319
Interest	-	-	1,616,418	420,494
Other	-	-	1,337,263	682,074
Total revenues	<u>1,784,306</u>	<u>15,591,083</u>	<u>628,164,662</u>	<u>590,560,787</u>
Expenditures				
Current				
Salaries and wages	-	-	97,118,231	94,217,385
Employee benefits	-	-	47,782,115	43,370,184
Services and supplies	-	-	272,583,254	251,402,196
Capital outlay	-	-	975,436	475,530
Debt service				
Interest	-	-	12,630,246	12,028,806
Total expenditures	<u>-</u>	<u>-</u>	<u>431,089,282</u>	<u>401,494,101</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,784,306</u>	<u>15,591,083</u>	<u>197,075,380</u>	<u>189,066,686</u>
Other Financing Sources (Uses)				
Transfers from other funds	-	-	184,621,161	185,451,520
Transfers to other funds	(1,767,393)	(16,700,000)	(389,158,744)	(390,394,542)
Total other financing sources (uses)	<u>(1,767,393)</u>	<u>(16,700,000)</u>	<u>(204,537,583)</u>	<u>(204,943,022)</u>
Net change in fund balances	16,913	(1,108,917)	(7,462,203)	(15,876,336)
Fund Balance				
Beginning of year	<u>124,514</u>	<u>3,866,030</u>	<u>119,070,852</u>	<u>134,947,188</u>
End of year	<u>\$ 141,427</u>	<u>\$ 2,757,113</u>	<u>\$ 111,608,649</u>	<u>\$ 119,070,852</u>

See notes to Required Supplementary Information.

LAS VEGAS METROPOLITAN POLICE DEPARTMENT FUND

To account for the operations of the Las Vegas Metropolitan Police Department. Financing is provided primarily by LVMPD ad valorem taxes, contributions from the City of Las Vegas and transfers from the County general fund. Such contributions may only be used to finance the LVMPD.

Clark County, Nevada
Las Vegas Metropolitan Police Department
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2014
(With comparative actual for the fiscal year ended June 30, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Ad valorem taxes	\$ 108,565,797	\$ 109,065,797	\$ 111,185,297	\$ 2,119,500	\$ 111,453,834
Intergovernmental revenue:					
Federal and state grants	-	11,854,540	8,922,496	(2,932,044)	10,784,594
City of Las Vegas contribution	119,800,568	119,800,568	119,800,568	-	115,459,895
Charges for services:					
Airport security	20,009,921	20,009,921	19,510,955	(498,966)	19,672,072
Other	10,250,000	12,773,133	13,930,343	1,157,210	12,433,955
Interest	700,000	700,000	469,322	(230,678)	181,674
Other	1,990,000	2,227,098	1,487,837	(739,261)	2,343,922
Total revenues	<u>261,316,286</u>	<u>276,431,057</u>	<u>275,306,818</u>	<u>(1,124,239)</u>	<u>272,329,946</u>
Other Financing Sources					
Transfers from other funds	198,590,209	198,590,209	198,590,209	-	202,907,207
Total revenues and other financing sources	<u>459,906,495</u>	<u>475,021,266</u>	<u>473,897,027</u>	<u>(1,124,239)</u>	<u>475,237,153</u>
Expenditures					
Salaries and wages	278,621,575	288,051,711	283,880,774	(4,170,937)	287,226,070
Employee benefits	134,534,496	136,953,300	136,255,482	(697,818)	125,006,306
Services and supplies	65,761,399	73,649,636	69,487,445	(4,162,191)	61,351,627
Capital outlay	10,989,025	12,979,825	11,807,362	(1,172,463)	16,029,995
Total expenditures	<u>489,906,495</u>	<u>511,634,472</u>	<u>501,431,063</u>	<u>(10,203,409)</u>	<u>489,613,998</u>
Net change in fund balance	(30,000,000)	(36,613,206)	(27,534,036)	9,079,170	(14,376,845)
Fund Balance					
Beginning of year	31,064,991	37,678,197	40,039,781	2,361,584	54,416,626
End of year	<u>\$ 1,064,991</u>	<u>\$ 1,064,991</u>	<u>\$ 12,505,745</u>	<u>\$ 11,440,754</u>	<u>\$ 40,039,781</u>

See notes to Required Supplementary Information.

Clark County, Nevada
Las Vegas Valley Water District Pension Trust
Schedule of Changes in Net Pension Liability
Last Ten Fiscal Years
(Unaudited)

Schedule B-1

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Total Pension Liability - Beginning of Year	\$ 401,160,155	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Service Cost	18,670,779	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Purchase of Service Payments	599,685	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Interest on the Total Pension Liability	30,115,838	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Changes of Benefit Terms	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Differences between Actual and Expected Experience with regard to Economic or Demographic Factors	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Changes of Assumptions	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Benefit Payments	(9,038,268)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	<u>40,348,034</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
Total Pension Liability - End of Year	<u>\$ 441,508,189</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
Fiduciary Net Position - Beginning of Year	\$ 213,998,078	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Contributions from Employer	30,700,443	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Purchase of Service Payments	599,685	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Net Investment Income	37,893,540	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Benefit Payments	(9,038,268)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Administrative Expenses	(277,319)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	<u>59,878,081</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
Fiduciary Net Position - End of Year	<u>\$ 273,876,159</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
Net Pension Liability	<u>\$ 167,632,030</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
Fiduciary Net Position as a % of Total Pension Liability	62.03%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Covered Employee Payroll	\$ 121,696,965	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Net Pension Liability as a % of Covered Employee Payroll	137.75%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

The required supplementary information is presented for fiscal year 2014, for which information measured in conformity with the requirements of GASB No. 67 is available. This schedule will ultimately present information for the last 10 fiscal years.

See notes to Required Supplementary Information

Clark County, Nevada
Las Vegas Valley Water District Pension Trust
Schedule of Defined Benefit Plan Contributions
Last Ten Fiscal Years
(Unaudited)

Schedule B-2

Plan Year Ending June 30	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2014	\$ 30,700,443	\$ 30,700,443	\$ -	\$ 121,696,965	25.23%
2013	29,058,894	29,058,894	-	119,067,304	24.41%
2012	26,721,710	26,721,710	-	117,220,320	22.80%
2011	26,606,950	26,606,950	-	119,663,339	22.23%
2010	25,753,794	25,753,794	-	122,006,497	21.11%
2009	27,262,106	27,262,106	-	111,054,552	24.55%
2008	23,587,076	23,587,076	-	97,880,824	24.10%
2007	22,040,681	22,040,681	-	86,960,597	25.35%
2005	18,913,372	18,913,372	-	76,673,296	24.67%
2005	15,137,310	15,137,310	-	71,465,600	21.18%

Notes to Schedule

Valuation Date: Actuarially determined contribution rates are calculated as of July 1 of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rate as of the last actuarial valuation:

Actuarial cost method	Entry age.
Amortization method	30 year amortization of unfunded liability (closed period) as a level percent of pay, using layered bases starting July 1, 2009.
Remaining amortization period	25 years for the initial unfunded liability base established July 1, 2009. Bases established between July 1, 2010 and July 1, 2013 have remaining amortization periods ranging from 26 to 29 years.
Asset valuation method	5 year phase-in of gains/losses relative to interest rate assumptions.
Inflation	2.75% per year.
Salary increases	4.75% per year, including inflation.
Investment rate of return	7.25%, net of pension plan investment expenses, including inflation.
Retirement age	Normal retirement age is attainment of age 65. Unreduced early retirement is available after either 1) 30 years of service, or 2) age 60 with 10 years of service. Reduced early retirement benefits are available after attainment of age 55 and completion of 5 years of service (3 years of service if a participant prior to January 1, 2001).
Mortality	Future mortality follows the 1994 Group Annuity Mortality Basic table projected to 2004 using Scale AA.

See notes to Required Supplementary Information

Clark County, Nevada
Las Vegas Valley Water District Pension Trust
Schedule of Defined Benefit Plan Investment Returns
Last Ten Fiscal Years
(Unaudited)

Schedule B-3

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Actual money-weighted rate of return, net of investment expense	15.99%	9.15%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

GASB No. 67 requires the disclosure of the money-weighted rate of return on Plan investments. The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportionate amount of time they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the beginning of each month. The money-weighted rate of return is calculated net of investment expense.

The required supplementary information is presented for fiscal years 2014 and 2013, for which information measured in conformity with the requirements of GASB No. 67 is available. This schedule will ultimately present information for the last 10 fiscal years.

See notes to Required Supplementary Information

Clark County, Nevada
Las Vegas Valley Water District Pension Trust
Schedule of Funding Progress
Postemployment Benefit Plan
Proprietary Enterprise Fund
(Unaudited)

Schedule B-4

Actuarial Valuation Date	Actuarial Value Of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/12	\$ -	\$ 23,489,420	\$ 23,489,420	0.0%	\$ 119,067,304	19.7%
7/1/10	-	23,455,123	23,455,123	0.0%	119,663,339	19.6%
7/1/08	-	16,116,100	16,116,100	0.0%	111,054,552	14.5%
7/1/06	-	15,776,208	15,776,208	0.0%	86,960,597	18.1%

The actuarially determined AAL and UAAL involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The estimates are subject to continual revision.

The July 1, 2006 actuarial valuation is the first valuation of the postemployment benefit plan.

See notes to Required Supplementary Information

Clark County, Nevada
Other Post-Employment Benefits Required Supplementary Information
Schedule of Funding Progress

	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
County Plan	07/01/2008	\$ -	\$447,990,595	\$447,990,595	0.0%	\$766,272,363	58.5%
	07/01/2010	-	693,803,547	693,803,547	0.0	765,110,216	90.7%
	07/01/2012	-	732,005,639	732,005,639	0.0	739,832,130	98.9%
PEBP(1)	07/01/2008	-	111,336,740	111,336,740	0.0	-	n/a
	07/01/2010	-	127,975,674	127,975,674	0.0	-	n/a
	07/01/2012	-	113,031,433	113,031,433	0.0	-	n/a
Fire Plan	07/01/2008	5,552,810	85,378,281	79,825,471	6.5	77,213,379	103.4
	07/01/2010	6,541,552	138,226,725	131,685,173	4.7	74,167,614	177.6
	07/01/2012(3)	5,339,668	39,172,059	33,832,391	13.6	72,824,754	46.4
Metro Plan(2)	06/30/2010	-	398,433,914	398,433,914	0.0	349,202,005	114.1
	06/30/2012	-	447,563,618	447,563,618	0.0	302,392,694	148.0
	06/30/2014(4)	-	82,966,647	82,966,647	0.0	288,805,624	28.7
Metro Civilian Plan(2)	06/30/2010	-	14,554,697	14,554,697	0.0	71,192,228	20.4
	06/30/2012	-	19,304,624	19,304,624	0.0	95,492,430	20.2
	06/30/2014	-	14,417,147	14,417,147	0.0	93,214,706	15.5

(1) PEBP closed to new County participants as of November 1, 2008; therefore, covered payroll is zero as of July 1, 2008, valuation date.

(2) Calculation based on Projected-unit-credit-cost actuarial cost method

(3) For the 7/1/2012 plan, County contributions are assumed to grow at the same rate as the healthcare inflation rate, vs. no growth assumed in the previous actuarial valuation.

Also, per capita cost assumptions have been reduced to reflect actual experience and healthcare cost trend assumptions were reduced in light of current economic conditions and future expected inflation.

(4) Effective April 1, 2014, all retirees over the age of 65 are no longer covered under the Metro Plan; also, monthly premium contributions for retirees increased by 55%. These factors resulted in a significant decline in the Metro Plan actuarial accrued liability.

See notes to Required Supplementary Information

Budgetary Information

The County uses the following procedures to establish, modify, and control the budgetary data presented in the financial statements:

- a. Prior to April 15, the County Manager submits to the Nevada State Department of Taxation the tentative budget for the next fiscal year, commencing on July 1. The budget as submitted contains the proposed expenditures and means of financing them.
- b. The Nevada State Department of Taxation notifies the County of its acceptance of the budget.
- c. Public hearings are conducted on the third Monday in May.
- d. After all the changes have been noted and hearings closed, the County Commission adopts the budget on or before June 1.
- e. The County Manager is authorized to transfer budgeted amounts within functions or funds, but the County Commissioners must approve any transfers between funds or increases to a fund's original appropriated level.
- f. Increases to a fund's budget (augmentations) other than by transfers are accomplished through formal County Commission action.
- g. The General Fund and all special revenue, debt service, and capital project funds have legally adopted annual budgets.
- h. Statutory regulations require budgetary control to be exercised at the function level within the General Fund or at the fund level of all other funds. The County administratively exercises control at the budgeted item level within a department.
- i. All appropriations lapse at the end of the fiscal year. Encumbrances are reappropriated in the ensuing fiscal year.
- j. Budgets are adopted on a basis consistent with the method used to report on governmental funds that are prepared in accordance with the accounting principles generally accepted in the United States of America.
- k. Budgeted expenditure amounts for the year ended June 30, 2014, as originally adopted, were augmented during the year for grants and other County Commission action.

Reconciliation of General Fund (Budget Basis) to the General Fund (Modified Accrual Basis)

This statement reconciles the General Fund as presented for budget purposes to the presentation required under the modified accrual basis of accounting.

Internally Reported Special Revenue Funds

This statement details special revenue funds on a budgetary basis that are included in the General Fund under the modified accrual basis of accounting.

COMMENTS OF INDEPENDENT AUDITOR



KAFOURY, ARMSTRONG & CO.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Board of County Commissioners
and the County Manager
Clark County, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Clark County, Nevada (the "County") as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 14, 2014.

Our report includes a reference to other auditors who audited the financial statements of University Medical Center of Southern Nevada, Clark County Water Reclamation District, Las Vegas Valley Water District, Big Bend Water District, Kyle Canyon Water District, and Regional Transportation Commission of Southern Nevada, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the County are free from material misstatement, we performed tests of its compliance with certain provisions of laws,

regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Kafoury, Armstrong & Co." The signature is written in black ink and is centered horizontally below the main text.

Las Vegas, Nevada
December 14, 2014



CPAs & BUSINESS ADVISORS

**Independent Auditor's Report on Compliance for Each Major Program;
Report on Internal Control Over Compliance; and Report on the
Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

To the Honorable Board of County Commissioners
and the Clark County Manager
Clark County, Nevada

Report on Compliance for Each Major Federal Program

We have audited Clark County, Nevada's (the "County") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2014. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of the University Medical Center of Southern Nevada, Las Vegas Valley Water District, and Regional Transportation Commission of Southern Nevada, which received \$5,821,647, \$2,809,293, and \$23,183,224, respectively, in federal awards which are not included in the schedule during the year ended June 30, 2014. Our audit, described below, did not include the operations of the University Medical Center of Southern Nevada, Las Vegas Valley Water District, and Regional Transportation Commission of Southern Nevada because these entities engaged other auditors to perform an audit in accordance with OMB Circular A-133.

The County's basic financial statements include the operations of the Department of Aviation, which received \$9,793,840 in federal awards which is not included in the schedule during the year ended June 30, 2014. Our audit, described below, did not include the operations of the Department of Aviation because they were audited separately in accordance with OMB Circular A-133.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Basis for Adverse Opinion on National Urban Search and Rescue Response System (CFDA 97.025)

As described in the accompanying schedule of findings and questioned costs, the County did not comply with the requirements regarding National Urban Search and Rescue Response System (CFDA 97.025) as described in finding numbers 2014-004 for Activities Allowed and Allowable Costs, 2014-006 for Equipment and Real Property Management, 2014-007 for Suspension and Debarment, and 2014-008 for Reporting. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

Adverse Opinion on National Urban Search and Rescue Response System (CFDA 97.025)

In our opinion, because of the significance of the noncompliance of the matter discussed in the Basis for Adverse Opinion paragraph, the County did not comply in all material respects, with the compliance requirements referred to above that could have a direct and material effect on National Urban Search and Rescue Response System (CFDA 97.025) for the year ended June 30, 2014.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2014.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2014-001, 2014-003, 2014-009 and 2014-010. Our opinion on each major federal program is not modified with respect to these matters.

The County's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned

functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2014-001, 2014-003, 2014-004, 2014-006, 2014-007, 2014-008, 2014-009, 2014-010 to be material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2014-002 and 2014-005 to be significant deficiencies.

The County's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

Kafoury, Armstrong & Co., who joined Eide Bailly LLP on December 15, 2014 audited the financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Clark County, Nevada (the "County") as of and for the year ended June 30, 2014 and the related notes to the financial statements, which collectively comprise the County's basic financial statements. Kafoury, Armstrong & Co. issued their report thereon dated December 14, 2014, which contained unmodified opinions on those financial statements. The audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



Las Vegas, Nevada
March 31, 2015

ACCOMPANYING INFORMATION - EXPENDITURES OF FEDERAL AWARDS

Clark County, Nevada
 Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Pass-Through Number	Program or Award Amount	Total Federal Disbursements/ Expenditures
DEPARTMENT OF AGRICULTURE				
Child Nutrition Cluster				
Passed Through Nevada Department of Education:				
School Breakfast Program	10.553	Agreement R-315-11	\$ 149,431	\$ 149,431
Passed Through Nevada Department of Education:				
National School Lunch Program	10.555	Agreement R-315-11	235,382	235,382
Passed Through Nevada Department of Administration:				
National School Lunch Program - Commodity	10.555	Permanent Agreement	5,331	<u>5,331</u>
				<u>240,713</u>
Passed Through Nevada Department of Education:				
Special Milk Program For Children	10.556	Agreement #M-102500-13	32,400	27,897
Passed Through Nevada Department of Education:				
Summer Food Service Program for Children	10.559	SFSP-AGREE2011	85,582	<u>58,411</u>
Total Child Nutrition Cluster				<u>476,452</u>
Passed Through Nevada Department of Education:				
Child and Adult Care Food Program	10.558	Cooperative Agreement	270,000	78,047
Passed Through Nevada Department of Conservation and Natural Resources:				
Cooperative Forestry Assistance	10.664	None	104,949	104,949
Forest Service Schools and Roads Cluster				
Passed Through the State of Nevada, Office of the Controller:				
Schools and Roads - Grants to States - Title I	10.665	Public Law 106-393	200,637	200,637
Schools and Roads - Grants to States - Title III	10.665	Public Law 106-393	35,406	<u>35,406</u>
Total Forest Service Schools and Roads Cluster				<u>236,043</u>
Direct:				
Spring Mountain Youth Camp Forestry Program	10.Unknown	11-PA-11041705-021	9,160	3,726
Spring Mountain Youth Camp Forestry Program	10.Unknown	11-PA-11041705-021	15,000	<u>4,004</u>
				<u>7,730</u>
Total Department of Agriculture				<u>903,221</u>
DEPARTMENT OF COMMERCE				
Economic Development Cluster				
Direct:				
Economic Adjustment Assistance	11.307	07 79 06715	400,000	<u>196,000</u>
Total Economic Development Cluster				<u>196,000</u>
Total Department of Commerce				<u>196,000</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
CDBG-Entitlement Grants Cluster				
Direct Program:				
CDBG Entitlement Grants:				
Neighborhood Stabilization Program 3	14.218	B-11-UN-32-0001	20,253,261	7,386,402
Recaptured NSP Funds	14.218		7,328,451	31,293
Recaptured NSP Funds	14.218		2,285,586	1,221,326
Community Development Block Grant	14.218	B-12-UC-32-0001	7,476,076	5,625,742

(Continued)

Clark County, Nevada
 Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Pass-Through Number	Program or Award Amount	Total Federal Disbursements/ Expenditures
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (Continued)				
Recaptured CDBG Funds	14.218		\$ 22,077	\$ 15,917
				<u>14,280,680</u>
Total CDBG-Entitlement Grants Cluster				<u>14,280,680</u>
Direct Program:				
Emergency Solutions Grant Program	14.231	E-11-UC-32-0001	157,908	87,775
Emergency Solutions Grant Program	14.231	E-12-UC-32-0001	502,151	186,051
Emergency Solutions Grant Program	14.231	E-13-UC-32-0001	545,402	304,820
				<u>578,646</u>
Direct Program:				
Supportive Housing Program	14.235	NV0061B9T001100	495,000	293,333
Direct Program:				
Shelter Plus Care	14.238	NV01C700001	3,504,819	928,421
Direct Program:				
Home Investment Partnerships Program	14.239	M10-DC320224	3,670,250	3,161,761
Home Investment Partnerships Program	14.239	M11-DC320224	3,259,271	1,635,290
Recaptured Home Funds	14.239		552,727	379,659
				<u>5,176,710</u>
Passed Through Nevada Housing Division:				
Home Investment Partnerships Program	14.239	M-09-SG-32-0100	733,394	668,661
Home Investment Partnerships Program	14.239	M10-SG320106	766,590	203,832
Recaptured Home Funds	14.239		733,814	7,150
				<u>879,643</u>
				<u>6,056,353</u>
Direct Program:				
Continuum of Care Program	14.267	NV0070L9T001200	96,302	49,500
Total Department of Housing and Urban Development				<u>22,186,933</u>
DEPARTMENT OF INTERIOR				
Pass Through the State of Nevada, Office of the Controller:				
Distribution of Receipts to State and Local Governments	15.227	FLPMA of 1976	180	180
Direct Program:				
Southern Nevada Public Land Management	15.235	L05AC14148	2,108,871	167,458
Southern Nevada Public Land Management	15.235	L05AC14676	4,662,000	65,607
Southern Nevada Public Land Management	15.235	L07AC13496	1,732,687	979,296
Southern Nevada Public Land Management	15.235	L07AC13809	5,496,845	1,983,112
Southern Nevada Public Land Management	15.235	L08AC12964	1,320,000	203,687
Southern Nevada Public Land Management	15.235	L08AC13680	2,129,113	15,336
Southern Nevada Public Land Management	15.235	L08AC14128	2,123,957	1,047,821
Southern Nevada Public Land Management	15.235	L09AC15505	1,712,700	55,137
Southern Nevada Public Land Management	15.235	L09AC15506	530,475	37,836
Southern Nevada Public Land Management	15.235	L11AC20009	898,555	181,431
Southern Nevada Public Land Management	15.235	L11AC20010	812,900	2,095
Southern Nevada Public Land Management	15.235	L11AC20012	920,009	26,065
Southern Nevada Public Land Management	15.235	L11AC20153	8,500,000	6,555,195
Southern Nevada Public Land Management	15.235	L13AC00041	473,675	40,715
Southern Nevada Public Land Management	15.235	L13AC00042	255,388	24,498

(Continued)

Clark County, Nevada
 Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Pass-Through Number	Program or Award Amount	Total Federal Disbursements/Expenditures
DEPARTMENT OF INTERIOR (Continued)				
Southern Nevada Public Land Management	15.235	L07AC14893	\$ 744,822	\$ 133,892
Southern Nevada Public Land Management	15.235	L08AC13225	1,134,842	178,714
Southern Nevada Public Land Management	15.235	L08AC13507	65,889	3,883
Southern Nevada Public Land Management	15.235	L12AC20371	42,000	31,657
Southern Nevada Public Land Management	15.235	L12AC20372	50,000	9,430
Total SNPLMA				<u>11,742,865</u>
Total Department of Interior				<u>11,743,045</u>
DEPARTMENT OF JUSTICE				
Direct Program:				
Joint Law Enforcement Operations (JLEO)	16.111	Agreement	1,625	1,625
Joint Law Enforcement Operations (JLEO)	16.111	Agreement	41,592	418
Joint Law Enforcement Operations (JLEO)	16.111	Agreement	9,184	5,980
Joint Law Enforcement Operations (JLEO)	16.111	Agreement	10,000	5,000
Joint Law Enforcement Operations (JLEO)	16.111	Agreement	5,000	280
				<u>13,303</u>
Direct Program:				
Services for Trafficking Victims	16.320	2012-VT-BX-K003	499,808	280,332
Passed Through Nevada Department of Health and Human Services:				
Juvenile Accountability Block Grant	16.523	2013-JB-FX-0049	196,872	196,872
Passed Through Nevada Department of Health and Human Services:				
Juvenile Justice and Delinquency Prevention_Allocation to States	16.540	2013-MU-FX-0052	161,000	161,000
Direct Program:				
Missing Children's Assistance	16.543	2011-MC-CX-K002	863,550	266,765
Research & Development Cluster				
Direct Program:				
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	2010-DN-BX-K201	258,054	14,325
Total Research & Development Cluster				<u>14,325</u>
Passed through Nevada Department of Health and Human Services:				
Crime Victim Assistance	16.575	VOCA13-073	380,000	380,000
Crime Victim Assistance	16.575	VOCA13-124	98,650	71,744
				<u>451,744</u>
Direct Program:				
Drug Court Discretionary Grant Program	16.585	2010-DC-BX-0058	160,220	1,534
Drug Court Discretionary Grant Program	16.585	2011-DC-BX-0114	188,613	94,754
				<u>96,288</u>
Passed through the State of Nevada, Office of the Attorney General:				
Violence Against Women Formula Grants	16.588	2012-VAWA-02	33,242	15,320
Violence Against Women Formula Grants	16.588	2013-VAWA-02	34,748	15,693
Violence Against Women Formula Grants	16.588	2012-VAWA-09	122,086	62,229
Violence Against Women Formula Grants	16.588	2013-VAWA-09	131,475	63,806
Violence Against Women Formula Grants	16.588	2012-VAWA-35	45,020	23,682
Violence Against Women Formula Grants	16.588	2012-VAWA-35	49,605	24,499
				<u>205,229</u>

(Continued)

Clark County, Nevada
 Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Pass-Through Number	Program or Award Amount	Total Federal Disbursements/Expenditures
DEPARTMENT OF JUSTICE (Continued)				
Direct Program:				
State Criminal Alien Assistance Program	16.606	2008-AP-BX-0539	\$ 2,713,602	\$ 81,628
State Criminal Alien Assistance Program	16.606	2008-AP-BX-1670	2,458,833	246,126
State Criminal Alien Assistance Program	16.606	2009-AP-BX-0803	2,370,394	97,380
State Criminal Alien Assistance Program	16.606	2011-AP-BX-0841	1,949,699	860,703
State Criminal Alien Assistance Program	16.606	2012-AP-BX-0122	1,436,764	1,436,764
State Criminal Alien Assistance Program	16.606	2013-AP-BX-0391	807,326	807,326
				<u>3,529,927</u>
Direct Program:				
Public Safety Partnership and Community Policing Grants	16.710	2010CKWX0239	299,994	2,739
Passed through Nevada Department of Health and Human Services:				
Enforcing Underage Drinking Laws Program	16.727	Agreement	184,500	52,675
Enforcing Underage Drinking Laws Program	16.727	Agreement	75,000	2,039
Enforcing Underage Drinking Laws Program	16.727	Agreement	132,000	39,205
				<u>93,919</u>
JAG Program Cluster				
Direct Program:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2010-DJ-BX-0933	1,552,085	270,764
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2011-DB-BX-0022	396,894	18,968
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2012-DJ-BX-1056	1,024,399	683,078
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2013-DJ-BX-1172	964,872	56,216
				<u>1,029,026</u>
Passed through Nevada Department of Public Safety:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	10-JAG-37	75,829	75,829
Edward Byrne Memorial Justice Assistance Grant Program	16.738	10-JAG-381	11,415	11,415
Edward Byrne Memorial Justice Assistance Grant Program	16.738	13-JAG-17	99,590	99,590
				<u>186,834</u>
Passed through City of Henderson:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Interlocal Agreement	66,425	26,040
Passed through City of Las Vegas:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Interlocal Agreement	1,373,278	27,368
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Interlocal Agreement	382,696	66,846
Recaptured JAG Funds	16.738		27,254	27,254
				<u>121,468</u>
Passed through City of North Las Vegas:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Interlocal Agreement	198,085	12,555
				<u>1,375,923</u>
Passed through City of Las Vegas:				
ARRA - Edward Byrne Memorial Justice Assistance Grant Program	16.804	Interlocal Agreement	1,220,939	51,609
Program Income ARRA - JAG Funds			96,207	21,842
				<u>73,451</u>
Total JAG Program Cluster				<u>1,449,374</u>
Direct Program:				
DNA Backlog Reduction Program	16.741	2010-DN-BX-K076	872,138	133,615
DNA Backlog Reduction Program	16.741	2012-DN-BX-0105	1,009,635	456,673
DNA Backlog Reduction Program	16.741	2013-DN-BX-0090	604,591	129,648
				<u>719,936</u>

(Continued)

Clark County, Nevada
 Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Pass-Through Number	Program or Award Amount	Total Federal Disbursements/Expenditures
DEPARTMENT OF JUSTICE (Continued)				
Passed through the Nevada Department of Public Safety:				
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	13-FSI-03	\$ 15,805	\$ 4,360
Direct Program:				
Congressionally Recommended Awards	16.753	2010-DD-BX-0681	999,999	404,147
Direct Program:				
Equitable Sharing Program	16.922	Cooperative Agreement	1,356,711	398,128
Equitable Sharing Program	16.922	Cooperative Agreement	717,761	717,286
				<u>1,115,414</u>
Direct Program:				
ATF - Gang Task Force	16.Unknown	Agreement	46,102	3,022
ATF - Gang Task Force	16.Unknown	Agreement	22,544	22,544
ATF - Armor Task Force	16.Unknown	Agreement	3,883	298
DEA - So. NV Gang Task Force	16.Unknown	Agreement	97,843	14,897
DEA - So. NV Gang Task Force	16.Unknown	Agreement	47,255	47,255
DEA - Tactical Diversion Task Force	16.Unknown	Agreement	34,260	9,910
DEA - Tactical Diversion Task Force	16.Unknown	Agreement	26,295	26,295
DEA - Marijuana Eradication	16.Unknown	Agreement	100,000	100,000
DEA - Marijuana Eradication	16.Unknown	Agreement	100,000	20,597
FBI - Criminal Apprehension Team	16.Unknown	Agreement	131,391	17,388
FBI - Criminal Apprehension Team	16.Unknown	Agreement	61,569	61,569
FBI - Eastern European Organized Crime Task Force	16.Unknown	Agreement	18,369	13,298
FBI - Eastern European Organized Crime Task Force	16.Unknown	Agreement	12,044	12,044
FBI - Joint Terrorism Task Force	16.Unknown	Agreement	52,462	5,051
FBI - Joint Terrorism Task Force	16.Unknown	Agreement	42,700	42,700
FBI - Innocence Lost Task Force	16.Unknown	Agreement	79,729	40,377
FBI - Las Vegas Safe Streets Gang Task Force	16.Unknown	Agreement	113,392	39,856
FBI - Las Vegas Safe Streets Gang Task Force	16.Unknown	Agreement	46,851	46,851
US Marshals - NV Fugitive Investigative Strike Team	16.Unknown	Agreement	53,590	16,412
US Marshals - NV Fugitive Investigative Strike Team	16.Unknown	Agreement	56,598	56,598
MPD - Child Exploitation Task Force	16.Unknown	Agreement	21,285	13,421
MPD - Child Exploitation Task Force	16.Unknown	Agreement	69,093	69,093
				<u>679,476</u>
Total Department of Justice				<u>9,685,150</u>
DEPARTMENT OF TRANSPORTATION				
Highway Planning and Construction Cluster				
Passed Through Nevada Department of Transportation:				
Highway Planning and Construction	20.205	Agreement PR033-11-015	35,998,546	5,685,222
Highway Planning and Construction	20.205	Agreement PR234-10-063	650,000	1,284
Highway Planning and Construction	20.205	Agreement P086-12-063	4,325,611	357,324
Highway Planning and Construction	20.205	Agreement P087-12-063	7,172,820	394,489
Highway Planning and Construction	20.205	Agreement P268-12-063	281,000	17,026
				<u>6,455,345</u>
Passed Through Nevada Department of Public Safety:				
Highway Planning and Construction	20.205	TS-2014-LVMPD-00178	10,000	10,000
Total Highway Planning and Construction Cluster				<u>6,465,345</u>
Highway Safety Cluster				
Passed Through Nevada Department of Public Safety:				
State and Community Highway Safety	20.600	23-JF-1.10 & 23-401PT-10	231,512	70,720

(Continued)

Clark County, Nevada
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Pass-Through Number	Program or Award Amount	Total Federal Disbursements/ Expenditures
DEPARTMENT OF TRANSPORTATION (Continued)				
State and Community Highway Safety	20.600	JF-2014-LVMPD-00019	\$ 259,584	\$ 174,426
State and Community Highway Safety	20.600	TS-127-1	9,274	9,274
State and Community Highway Safety	20.600	LFD-2014-LVMPD-00015	5,000	5,000
State and Community Highway Safety	20.600	23-CP-2.5	4,995	1,557
				<u>260,977</u>
Passed Through Nevada Department of Public Safety:				
Alcohol Impaired Driving Countermeasures Incentive Grants I Total Highway Safety Cluster	20.601	23-410AL-7	75,000	19,068
				<u>280,045</u>
Passed Through Nevada Department of Public Safety:				
National Priority Safety Programs	20.616	Agreement	88,098	48,422
National Priority Safety Programs	20.616	TS-2014-LVMPD-00003	110,869	70,211
				<u>118,633</u>
Passed Through the State Emergency Response Commission:				
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	13-HMEP-03-01	898	898
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	14-HMEP-03-01	11,366	11,366
				<u>12,264</u>
Total Department of Transportation				<u>6,876,287</u>
DEPARTMENT OF THE TREASURY				
Community Development Financial Institutions Cluster				
Direct Program:				
Community Development Financial Institutions Program	21.020	212882252	6,253	2,109
Community Development Financial Institutions Program	21.020		36,000	36,000
Total Community Development Financial Institutions Cluster				<u>38,109</u>
Total Department of the Treasury				<u>38,109</u>
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES				
Direct Program:				
Promotion of the Arts_ Grants to Organizations and Individuals	45.024	12-5900-7116	10,000	2,075
Passed Through the Nevada Arts Council:				
Promotion of the Arts_ Grants to Organizations and Individuals	45.024	PIE14-6-03	14,731	14,731
				<u>16,806</u>
Total National Foundation on the Arts and the Humanities:				<u>16,806</u>
ENVIRONMENTAL PROTECTION AGENCY				
Direct Program:				
Air Pollution Control Program Support	66.001	A-97914714-2	837,668	837,668
Direct Program:				
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	PM-96948101-A	133,780	133,780
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	XA-00T82901-1	400,000	67,704
				<u>201,484</u>

(Continued)

Clark County, Nevada
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Pass-Through Number	Program or Award Amount	Total Federal Disbursements/ Expenditures
ENVIRONMENTAL PROTECTION AGENCY (Continued)				
Passed through Nevada Division of Environmental Protection:				
Nonpoint Source Implementation Grants	66.460	Agreement DEP S: 12-023-1	\$ 52,189	\$ 15,220
Nonpoint Source Implementation Grants	66.460	Agreement DEP-S 13-018	39,063	7,793
				<u>23,013</u>
Total Environmental Protection Agency				<u>1,062,165</u>
DEPARTMENT OF ENERGY				
Direct Program:				
Renewable Energy Research and Development	81.087	DE-EE003180	1,000,000	82,315
Passed Through Nevada Department of Public Safety:				
Environmental Monitoring/Cleanup, Cultural and Resource Mgmt., Emergency Response Research, Outreach, Technical Analysis	81.502	81502.12A	23,010	<u>23,010</u>
Total Department of Energy				<u>105,325</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Aging Cluster				
Passed Through Nevada Department of Health and Human Services:				
Special Programs for the Aging_ Title III, Part B_ Grants for Supportive Services and Senior Centers	93.044	03-015-21-BX-14	135,975	<u>135,975</u>
Total Aging Cluster				<u>135,975</u>
Passed through Nevada Department of Health and Human Services:				
Enhance Safety of Children Affected by Substance Abuse	93.087	RPG13-015	11,344	7,313
Enhance Safety of Children Affected by Substance Abuse	93.087	PRG13-015	13,000	1,910
				<u>9,223</u>
Direct Program:				
Substance Abuse and Mental Health Services_ Projects of Regional and National Significance	93.243	1H79T1024168-01	118,273	22,091
Substance Abuse and Mental Health Services_ Projects of Regional and National Significance	93.243	1H79T1024168.01	316,750	<u>232,241</u>
				<u>254,332</u>
Passed through Nevada Department of Health and Human Services:				
Substance Abuse and Mental Health Services_ Projects of Regional and National Significance	93.243	9324313X	62,353	817
				<u>255,149</u>
Direct Program:				
Transitional Living for Homeless Youth	93.550	90CX6947-01-00	139,671	75,230
Transitional Living for Homeless Youth	93.550	90CX6947-02-00	247,470	<u>134,284</u>
				<u>209,514</u>
Direct Program:				
Promoting Safe and Stable Families	93.556	90CW1140/02	549,656	162,247
Promoting Safe and Stable Families	93.556	90CW1140-03-00	602,866	<u>351,153</u>
				<u>513,400</u>
Passed Through Nevada Department of Health and Human Services:				
Promoting Safe and Stable Families	93.556	IV-B-14-045	137,156	137,156
Promoting Safe and Stable Families	93.556	IV-B-14-048	229,122	229,122

(Continued)

Clark County, Nevada
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Pass-Through Number	Program or Award Amount	Total Federal Disbursements/ Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
Promoting Safe and Stable Families	93.556	IVB2-13-050	\$ 88,430	\$ 24,287
Promoting Safe and Stable Families	93.556	IVB-2-14-050	95,456	27,327
				<u>417,892</u>
				<u>931,292</u>
Passed Through Nevada Department of Health and Human Services:				
Child Support Enforcement -Hearing Master FY14	93.563	Interlocal Agreement	1,261,828	1,261,828
Child Support Enforcement FY14	93.563	Interlocal Agreement	17,046,519	17,046,519
Child Support Enforcement, FFY10 Incentive Award	93.563	Interlocal Agreement	1,797,426	463,912
Child Support Enforcement, FFY11 Incentive Award	93.563	Interlocal Agreement	1,514,794	356,064
Child Support Enforcement, Incentive Funds (Statewide Employer Service Center Project)	93.563	Interlocal Agreement	522,134	144,555
Child Support Enforcement, Incentive Funds (Statewide Employer Service Center Project)	93.563	Interlocal Agreement	230,400	198,895
				<u>19,471,773</u>
Passed through Nevada Department of Health and Human Services:				
Community-Based Child Abuse Prevention Grants	93.590	1285	89,179	89,179
Passed through Nevada Department of Health and Human Services:				
Grants to States for Access and Visitation Programs	93.597	1201NVSAVP	74,694	19,549
Grants to States for Access and Visitation Programs	93.597	1301NVSAVP	76,500	56,211
				<u>75,760</u>
Passed Through Nevada Department of Health and Human Services:				
Adoption Incentive Payments	93.603	AI-2012-009	746,151	206,488
Adoption Incentive Payments	93.603	AI-13-011	121,142	104,312
Adoption Incentive Payments	93.603	AI-13-011	1,649,000	1,135,507
				<u>1,446,307</u>
Passed Through Nevada Department of Health and Human Services:				
Children's Justice Grants to States	93.643	CJA-14-039	10,000	10,000
Passed Through Nevada Department of Health and Human Services:				
Stephanie Tubbs Jones Child Welfare Services Program	93.645	1401NVCWSS	186,015	186,015
Direct Program:				
Adoption Opportunities	93.652	90CO1054/03	376,840	70,354
Adoption Opportunities	93.652	90CO1054-04-00	380,870	191,606
				<u>261,960</u>
Passed Through Nevada Department of Health and Human Services:				
Foster Care_Title IV-E	93.658	1401NV1401	8,092,039	8,092,039
Foster Care_Title IV-E	93.658	1401NV1401	13,254,520	13,254,520
				<u>21,346,559</u>
Passed Through Nevada Department of Health and Human Services:				
Adoption Assistance	93.659	1401NV1407	684,471	684,471
Adoption Assistance	93.659	1401NV1407	16,358,048	16,358,048
				<u>17,042,519</u>
Passed Through Nevada Department of Health and Human Services:				
Social Services Block Grant:	93.667	G-1401NVSOSR	2,048,429	2,048,429
Passed Through Nevada Department of Health and Human Services:				
Child Abuse and Neglect Discretionary Activities	93.670	90CA1808-01-00	359,817	16,122

(Continued)

Clark County, Nevada
 Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Pass-Through Number	Program or Award Amount	Total Federal Disbursements/ Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
Passed Through Nevada Department of Health and Human Services:				
Chafee Foster Care Independence Program	93.674	CH-14-031	\$ 833,858	\$ 833,858
Direct Program:				
HIV Emergency Relief Project Grants:				
Ryan White Minority AIDS Initiative Program	93.914	2 H89HA06900-08-04	382,096	235,559
Ryan White Part A HIV Emergency Relief Project	93.914	2 H89HA06900-08-04	4,549,455	4,083,536
Ryan White Minority AIDS Initiative Program	93.914	2 H89HA06900-09-01	366,749	72,822
Ryan White Part A HIV Emergency Relief Project	93.914	2 H89HA06900-09-02	5,515,012	593,662
Ryan White Part A HIV Emergency Relief Project - Program Income	93.914	2 H89HA06900-08-04	1,615	1,615
Total Department of Health and Human Services				<u>69,356,828</u>
OFFICE OF THE NATIONAL DRUG CONTROL POLICY				
Direct Program:				
Executive Office of the President:				
High Intensity Drug Trafficking Areas Program	95.001	G12NV0001A	3,303,650	778,439
High Intensity Drug Trafficking Areas Program	95.001	G13NV0001A	3,014,728	2,139,528
High Intensity Drug Trafficking Areas Program	95.001	G14NV0001A	752,898	386,858
Total Office of The National Drug Control Policy				<u>3,304,825</u>
DEPARTMENT OF HOMELAND SECURITY				
Direct Program:				
National Urban Search and Rescue Response System	97.025	EMW-2008-CA-1494	1,530,800	1,045,237
National Urban Search and Rescue Response System	97.025	EMW-2012-CA-K00029-S01	1,287,608	420,687
National Urban Search and Rescue Response System	97.025	EMW-2013-CA-K00016-S01	1,247,154	750,347
National Urban Search and Rescue Response System	97.025	EMW-2013-CA-USR-0019	30,800	26,146
				<u>2,242,417</u>
Passed Through State of Nevada Department of Public Safety:				
Emergency Management Performance Grants	97.042	9704213	511,076	511,076
Homeland Security Grant Program:				
Passed Through Nevada Department of Public Safety:				
Homeland Security Grant Program:				
2010 Urban Area Security Initiative	97.067	97067U10	982,771	53,048
2011 Urban Area Security Initiative	97.067	97067.11-U11	2,017,280	494,138
2011 Urban Area Security Initiative	97.067	97067.11-U11	93,023	6,106
2012 Urban Area Security Initiative	97.067	97067.11-U11	185,016	85,627
2012 Urban Area Security Initiative	97.067	97067.12-U12	4,143	4,143
2011 Urban Area Security Initiative	97.067	97067-U11	118,702	118,702
2011 Urban Area Security Initiative	97.067	97067.11-U11	62,907	62,907
2012 Urban Area Security Initiative	97.067	97067.12-U12	150,312	150,312
2013 Urban Area Security Initiative	97.067	97067-HL3	206,000	1,583
2011 Urban Area Security Initiative	97.067	97067.11-U11	15,122	15,122
2012 Urban Area Security Initiative	97.067	97067.12-U12	2,315	2,315
2012 Urban Area Security Initiative	97.067	97067-HL3	19,760	5,473
2011 Urban Area Security Initiative	97.067	97067-U11	25,000	25,000
2012 Urban Area Security Initiative	97.067	97067.12-U12	56,473	18,341
2012 Urban Area Security Initiative	97.067	97067.12-U11	137,837	137,837
2012 Urban Area Security Initiative	97.067	97067.12-U12	369,193	325,551

(Continued)

Clark County, Nevada
 Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Pass-Through Number	Program or Award Amount	Total Federal Disbursements/ Expenditures
DEPARTMENT OF HOMELAND SECURITY (Continued)				
2011 State Homeland Security Program	97.067	97067.11-HL1	\$ 395,810	\$ 232,004
2012 State Homeland Security Program	97.067	97067.11-U11	522,259	508,352
2012 State Homeland Security Program	97.067	97067.12-U12	519,125	517,106
2012 State Homeland Security Program	97.067	97067.12-HL12	372,677	343,645
2013 State Homeland Security Program	97.067	97067-HL3	749,950	243,781
2012 State Homeland Security Program	97.067	97067-HL2	29,415	29,415
2013 State Homeland Security Program	97.067	97067-HL3	116,250	62,000
Total Homeland Security Grant Program				<u>3,442,508</u>
Direct Program:				
2013 Secret Service Agreement	97.Unknown	None	20,363	7,244
2013 Secret Service Agreement	97.Unknown	None	52,000	47,055
2013 US Customs - ICE	97.Unknown	LV02PR06LV0017	47,200	4,409
2013 US Customs - ICE	97.Unknown	LV02PR06LV0017	14,860	14,860
				<u>73,568</u>
Total Department of Homeland Security				<u>6,269,569</u>
TOTAL FEDERAL DISBURSEMENTS/EXPENDITURES				<u>\$ 131,744,263</u>

Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

Clark County, Nevada
Notes to Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2014

1. REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards presents the activity of Federal financial assistance programs of Clark County, Nevada (the "County"). The County's reporting entity is defined in Note 1 to its basic financial statements. Federal award expenditures for the Clark County Department of Aviation, Las Vegas Valley Water District, Big Bend Water District, Kyle Canyon Water District, University Medical Center of Southern Nevada, and Regional Transportation Commission of Southern Nevada, if any, are not included in this schedule. All Federal financial assistance received directly from Federal agencies as well as Federal financial assistance passed through other government agencies is included in the schedule.

2. BASIS OF ACCOUNTING

The Schedule of Expenditures of Federal Awards is prepared on the modified accrual basis of accounting. Expenditures are recognized when they become a demand on current available financial resources.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Expenditures of Federal awards reported in the County's basic financial statements are as follows:

Special revenue funds	\$ 113,744,712
Capital projects funds	17,876,040
Enterprise funds	23,013
Agency funds	<u>100,498</u>
Total	<u>\$ 131,744,263</u>

4. SUBRECIPIENT EXPENDITURES

Clark County provided Federal funds to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA#</u>	<u>Subrecipient Expenditures</u>
Community Development Block Grants/Entitlement Grants	14.218	\$ 10,284,872
Emergency Solutions Grant Program	14.231	574,751
Supportive Housing Program	14.235	293,333
Shelter Plus Care	14.238	781,516
Home Investment Partnerships Program	14.239	5,907,205
Southern Nevada Public Land Management	15.235	183,527
Edward Byrne Memorial Justice Assistance Grant Program	16.738	251,258
ARRA - Edward Byrne Memorial Justice Assistance Grant	16.804	36,843
Transitional Living for Homeless Youth	93.550	195,998
HIV Emergency Relief Project Grants	93.914	3,451,471
Homeland Security Grant Program	97.067	<u>456,448</u>
Total		<u>\$ 22,417,222</u>

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
! Material weakness(es) identified?	No
! Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
! Material weakness(es) identified?	Yes
! Significant deficiency(ies) identified that are not considered to be material weaknesses?	Yes
Type of auditor's report issued on compliance for major programs:	Unmodified for all major programs except for National Urban Search and Rescue Response System (CFDA 97.025), which was adverse.
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	Yes

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number(s)</u>
Community Development Block Grants - Entitlement Grants Cluster	14.218
Emergency Solutions Grant Program	14.231
Home Investment Partnerships Program	14.239
State Criminal Alien Assistance Program	16.606
Highway Planning and Construction Cluster	20.205
Child Support Enforcement	93.563
Adoption Assistance- Title IV-E	93.659
High Intensity Drug Trafficking Area Programs	95.001
National Urban Search and Rescue Response System	97.025
Emergency Management Performance Grants	97.042
Homeland Security Grant Program	97.067

Dollar threshold used to distinguish between type A and type B programs:	\$3,000,000
Auditee qualified as low-risk auditee?	No

SECTION II – FINANCIAL STATEMENT FINDINGS

There were no findings.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

**DEPARTMENT OF TRANSPORTATION
 PASSED THROUGH NEVADA DEPARTMENT OF TRANSPORTATION**

		Questioned Costs
2014-001	PROCUREMENT	
	Highway Planning and Construction Cluster- CFDA No. 20.205; affects the following grant awards: PR033-11-015, PR234-10-063, P086-12-063, P087-12-063, and P268-12-063.	
<i>Criteria:</i>	Federal laws and regulations do not permit any State or local requirements that limit competition in the award of federally funded engineering and design related services. 23 CFR Part 172.5 requires proposal solicitation by a method that assures qualified in-State and out-of State consultants are given a fair opportunity to be considered for contract award.	
<i>Condition:</i>	During our review of the County’s qualifications based selection procedures, for engineering and design related services, we noted only firms with a local office in Clark County are considered for these contracts.	
<i>Effect:</i>	Engineering and design related contracts are not awarded in accordance with federal laws and regulations.	None
<i>Cause:</i>	Written procedures for the selection of firms for engineering and design related services on federally funded projects are not adequate to ensure federal laws and regulations are followed.	
<i>Recommendation</i> :	The County should develop written procedures for procurement of engineering and design related services specific to federally funded projects that are in accordance with federal laws and regulations. These procedures should be approved by the pass-through entity.	
<i>Views of responsible officials and planned corrective actions:</i>	See page 147.	



Department of Public Works

500 S Grand Central Pky • Box 554000 • Las Vegas NV 89155-4000
(702) 455-6000 • Fax (702) 455-6040

Denis Cederburg, P.E., Director • E-Mail: dlc@ClarkCountyNV.gov

March 31, 2015

Eide Bailly LLP
8485 West Sunset Road, Suite 204
Las Vegas, Nevada 89113-2253

HIGHWAY PLANNING AND CONSTRUCTION CLUSTER – CFDA NO. 20.205

The Clark County Department of Public Works (CCPW) has performed reviews of Finding Nos. 2014-001 and 2014-002 concerning the above-referenced audit, and provides the following responses:

2014-001 – Procurement

Condition: During our review of the County's qualifications-based selection procedures for engineering and design-related services, we noted only firms with a local office in Clark County are considered for these contracts.

Corrective Action: CCPW will not use the Public Works Professional Services Pre-qualifications list for engineering and design services, which will be reimbursed by federal funding on federally-funded design projects. A separate Request For Proposal process in compliance with 23 CFR Part 172.5 will be used for selecting engineering and design services with the approval of the Nevada Department of Transportation.

Should you have any questions, please feel free to contact Patsy Schrader at (702) 455-6022.

Sincerely,



Denis Cederburg
Director of Public Works

DC:gms

cc: Patsy Schrader, Finance Department – Support Services
Stacey Demetrias, Finance Department – Support Services

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

		<u>Questioned Costs</u>
2014-002	Cash Management	
	<i>CDBG Entitlement Grants Cluster:</i> Community Development Block Grants (CDBG) – CFDA No. 14.218; affects the following grant awards: B-11-UN-32-0001 and B-12-UC-32-0001.	
<i>Criteria:</i>	OMB Circular A-133 establishes certain requirements for non-Federal entities that expend Federal awards. Specifically, the County is required to “maintain internal control over Federal programs that provides reasonable assurance that the [County] is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs”.	
<i>Condition:</i>	During our testing over cash management, we noted two drawdowns for subrecipient reimbursements that were not paid to the subrecipient until approximately three months after receipt of the federal funds.	
<i>Effect:</i>	The program could have excess federal cash on hand and not be in compliance with federal cash management requirements.	None
<i>Cause:</i>	There was turnover in program personnel during the year. There are not adequate controls and procedures in place to ensure compliance when there is turnover in program personnel.	
<i>Recommendation</i> :	We recommend program management develop written controls and procedures to ensure compliance with program requirements. Written policies and procedures helps ensure all program personnel perform and follow the same procedures even during times of personnel turnover.	
<i>Views of responsible officials and planned corrective actions:</i> See page 149.		



Department of Administrative Services

Community Resources Management

500 S Grand Central Pky 5th Fl • Box 551212 • Las Vegas NV 89155-1212
(702) 455-5025 • Fax (702) 455-5038

Sabra Smith Newby, Chief Administrative Officer • Michael J. Pawlak, Manager

March 15, 2013

Eide Bailly LLP
8485 W. Sunset Rd., Ste. 204
Las Vegas, NV 89113-2253

Dear Auditors:

The purpose of this letter is to respond to the finding 2014-002 identified by the County's external auditors, Eide Bailly, LLP, related to their review of the CDBG Entitlement Grants Cluster.

2014-002 Cash Management

Condition:

During our testing over cash management, we noted two drawdowns for subrecipient reimbursements that were not paid to the subrecipient until approximately three months after receipt of the federal funds.

Corrective Action:

The Clark County Community Resources Management Division (CRMD) will strengthen its policies and procedures for control of cash management to ensure ongoing program compliance. While it is our belief that we have a robust procedure in place for cash management as demonstrated by the volume of consistently successful transactions, mistakes can still happen. Such occurrences provide an opportunity to evaluate and further strengthen existing controls. CRMD is especially cognizant of the requirement to minimize the time elapsing between drawdown and disbursement of federal funds. Based upon the Finding, we will add additional written procedures to our internal control documents to address this issue. We will pursue two specific and mutually reinforcing strategies. First, we will codify a step in our procedures requiring follow-up in SAP on each payment request submitted to Accounts Payable (AP) to ensure that the payment has been processed and paid in a timely manner. Secondly, we will work with AP to investigate the feasibility of using SAP to send an automated response when pay requests post for payment. Additionally, we will continue to rely on existing controls, such as the reconciliation required to prepare our quarterly cash transaction reports (which identified and corrected the missed disbursement referenced herein) to identify and correct processing errors.

Thank you for the opportunity to respond to the audit finding and identify the corrective action that we have taken.

Sincerely,

Michael J. Pawlak, Manager
Community Resources Management

CC: Sabra Smith Newby
Mark Gamett
Elizabeth Vorce

BOARD OF COUNTY COMMISSIONERS
STEVE SISOLAK, Chairman • LARRY BROWN, Vice Chairman
SUSAN BRAGER • TOM COLLINS • CHRIS GIUNCHIGLIANI • MARY BETH SCOW • LAWRENCE WEEKLY
DONALD G. BURNETTE, County Manager

**DEPARTMENT OF HOMELAND SECURITY
 PASSED THROUGH NEVADA DEPARTMENT OF EMERGENCY MANAGEMENT**

		Questioned Costs
2014-003	SUBRECIPIENT MONITORING	
	Homeland Security Grant Program – CFDA No. 97.067; affects the following Clark County Office of Emergency Management grant awards: 97067U10, 97067.11-U11, and 97067.11-HL1	
<i>Criteria:</i>	<p>The OMB Circular A-133 Compliance Supplement states that Clark County’s responsibilities regarding subrecipients include the following:</p> <p>Subrecipient Audits – Clark County is required to:</p> <ol style="list-style-type: none"> 1. Ensure that subrecipients expending \$500,000 or more in Federal awards during the subrecipient’s fiscal year for fiscal years ending after December 31, 2003 as provided in OMB Circular A-133 have met the audit requirements of OMB Circular A-133 and that the required audits are completed within 9 months of the end of the subrecipient’s audit period; 2. Issue a management decision on audit findings within 6 months after receipt of the subrecipient’s audit report; 3. Ensure that the subrecipient takes timely and appropriate corrective action on all audit findings. In cases of continued inability or unwillingness of a subrecipient to have the required audits, the County shall take appropriate action using sanctions. 	
<i>Condition:</i>	Program personnel did not obtain the subrecipients’ audit reports. Therefore, the subrecipient audit reports were not examined for non-compliance. If applicable, management decisions were not issued to ensure appropriate corrective action.	
<i>Effect:</i>	Noncompliance at the subrecipient level may occur and not be detected and corrected.	None
<i>Cause:</i>	The Office of Emergency Management did not have adequate procedures in place to monitor subrecipient audit reports and issue management decisions, when required, to ensure appropriate corrective action.	
<i>Recommendation</i> :	The Office of Emergency Management should strengthen its policies and procedures over subrecipient monitoring to ensure that all subrecipients are consistently monitored for compliance with the audit requirements of OMB Circular A-133.	
	<i>Views of responsible officials and planned corrective actions:</i> See pages 151-152.	



Fire Department

575 East Flamingo Road • Las Vegas NV 89119
(702) 455-7311 • Fax (702) 734-6111



Greg Cassell, Fire Chief
Erik Newman, Sr. Deputy Fire Chief
Kelly Blackmon, Deputy Fire Chief • Jon Klassen, Deputy Fire Chief
John Steinbeck, Deputy Fire Chief • Roy Session, Deputy Fire Chief • Jeff Buchanan, Deputy Fire Chief
"Responding with Integrity – Serving with Compassion"

March 26, 2015

Eide Bailly LLP
8485 W. Sunset Rd., Ste. 204
Las Vegas, NV 89113-2253

Re: 2014-003 Subrecipient Monitoring (Homeland Security Grants)
2014-009 Allowable Costs/Cost Principles (EMPG)

Dear Sir or Madam:

2014-003 Subrecipient Monitoring (Homeland Security Grants)

Condition: Program personnel did not obtain the subrecipients' audit reports. Therefore, the subrecipient audit reports were not examined for non-compliance. If applicable, management decisions were not issued to ensure appropriate corrective action.

Recommendation: The Office of Emergency Management should strengthen its policies and procedures over subrecipient monitoring to ensure appropriate corrective action.


Response: During the period covered by this audit, the Office of Emergency Management (OEM) lacked trained personnel to ensure single audit compliance by subrecipients. However, staff did review and approve all deliverables, and provided program oversight as needed to ensure completion and reporting on deliverables and compliance with grant requirements within the grant period. Compliance issues were addressed jointly with staff from the Nevada Division of Emergency Management and OEM to ensure proper grant disposition and close-out. Although OEM does not currently manage any subrecipient grants for homeland security outside of Clark County departments, the Office of Emergency Management will document and strengthen established procedures with regard to single audit reviews and compliance audits should the need arise in the future.

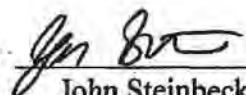
2014-009 Allowable Costs/Cost Principles

Condition: The program did not have supporting personnel activity reports or equivalent documentation for salaries charged to the grants.

Recommendation: Clark County office of Emergency Management responsible officials should implement policies and procedures to ensure documentation of payroll costs are in accordance with OMG Circular A-87 requirements.

Response: The Office of Emergency Management (OEM) has consistently ensured compliance with OMB Circular A-87 for those OEM employees who are 100% funded under EMPG. General fund employees in the division whose salaries are partially reimbursed under EMPG have not previously been required to complete the OMB forms. The Office of Emergency Management will strengthen established procedures to ensure proper documentation by all division staff. Corrective action to complete the required records for all OEM staff is underway and will be completed in the near future.

Signed: 
Gregory Cassell
Title: Fire Chief

Signed: 
John Steinbeck
Title: Deputy Fire Chief

- cc: Deputy Chief Kelly Blackmon
- Jessica Colvin, Comptroller
- Mark Gammett, Finance Department
- Elizabeth Vorce, Finance Department
- Karen Taylor, Office of Emergency Management

DEPARTMENT OF HOMELAND SECURITY

		<u>Questioned Costs</u>
2014-004	Activities Allowed and Allowable Costs	
	National Urban Search and Rescue Response System – CFDA No. 97.025; affects the following grant awards: EMW-2008-CA-1494, EMW-2012-CA-K00029-S01, EMW-2013-CA-K00016-S01, and EMW-2013-CA-USR-0019.	
<i>Criteria:</i>	As noted in OMB Circular A-87, <i>Cost Principles for State, Local, and Indian Tribal Governments</i> , amounts charged to federal programs must be for allowable costs. To be allowable under federal awards, costs must be necessary and reasonable for the performance and administration of the federal award, and be adequately documented.	
<i>Condition:</i>	<p>Our testing disclosed charges for professional and consulting services that were not documented in accordance with the professional service section of OMB Circular A-87. We identified approximately \$274,000 of charges not supported by a contractual agreement. Additionally, we identified approximately \$96,000 of charges where the contractual agreement did not contain the relevant criteria outlined in A-87. As a result, we were not able to conclude whether the program is in compliance with the Activities Allowed and Allowable Cost requirements.</p> <p>During our testing of payroll transactions we had difficulties reconciling amounts to the underlying accounting records. Because we already identified material non-compliance as described in the preceding paragraph, no further testing was performed.</p>	
<i>Effect:</i>	Unallowable costs were charged to the grant.	\$369,961
<i>Cause:</i>	The program does not have adequate policies and procedures in place to ensure that contractual agreements are in place for all professional and consulting services.	
<i>Recommendation</i> :	We recommend the program work with the Comptroller’s office to ensure costs are documented in accordance with requirements.	
<i>Views of responsible officials and planned corrective actions:</i>	See pages 154-155.	



Fire Department

575 East Flamingo Road • Las Vegas NV 89119
(702) 455-7311 • Fax (702) 734-6111



Greg Cassell, Fire Chief
Erik Newman, Sr. Deputy Fire Chief
Kelly Blackmon, Deputy Fire Chief • Jon Klassen, Deputy Fire Chief
John Steinbeck, Deputy Fire Chief • Roy Session, Deputy Fire Chief • Jeff Buchanan, Deputy Fire Chief
"Responding with Integrity – Serving with Compassion"

March 26, 2015

Eide Bailly, LLP
8485 W. Sunset Road, Suite 204
Las Vegas, Nevada 89113-2253

Re: 2014-004 Activities Allowed and Allowable Costs
2014-005 Activities Allowed and Allowable Costs
2014-006 Equipment and Real Property Management
2014-007 Suspension and Debarment
2014-008 Reporting

Dear Sir or Madam:

Following are responses to audit recommendations in 2014 for improvements to activities allowed and allowable costs; equipment and real property management; suspension and debarment; and reporting of Homeland Security grants by the Clark County Fire Department:

2014-004 Activities Allowed and Allowable Costs

Recommendation: The Program should work with the Comptroller's office to ensure costs are documented in accordance with requirements.

Response: The Memorandum of Agreement (MOA) that Clark County Fire Department enters into with contractors utilizes a standard template approved by the District Attorney's Office. While not all MOA's were in writing, both the contractor and the Program Manager agreed to the description of service, estimate of hours required and rate of compensation. The Program will work with the Comptroller's Office and Purchasing Department to ensure costs are documented in accordance with requirements of the professional service section of OMB Circular A-87.

2014-005 Activities Allowed and Allowable Costs

Recommendation: Program management and program personnel should review and consistently apply the established internal control procedures for completing sign-in/sign-out sheets.

Response: The Program will strengthen established procedures to fully complete sign-in/sign-out sheets to ensure personnel hours charged are accurate and are allowable activities under the grant.

2014-006 Equipment and Real Property Management

Recommendation: The Program personnel should work with the Comptroller's office to update capital asset records in accordance with the A-102 Common Rule. Additionally, the program should work with the Comptroller's office to develop corrective action to prevent future noncompliance.

Response: The Program will work with the Comptroller's Office to update capital asset records in accordance with the A-102 Common Rule. The Program will also develop internal procedures and a corrective action plan for review by the Comptroller's Office to prevent future noncompliance within sixty (60) days.

2014-007 Suspension and Debarment

Recommendation: The Program should develop procedures to ensure suspension and debarment requirements are performed.

Response: Clark County Purchasing ensures suspension and debarment requirements are performed for purchase order payments. Whenever possible, the program will utilize the purchase order process. The Program will develop procedures to ensure suspension and debarment requirements are performed for non-purchase order payments within sixty (60) days.

2014-008 Reporting

Recommendation: Program personnel should implement policies and procedures over report preparation that include management oversight and review. Review procedures should include agreeing the hourly wage information to supporting accounting records.

Response: The Program will strengthen established procedures over report preparation that include management oversight and review. The procedures will include agreeing the hourly wage information to supporting accounting records.

Thank you for your recommendations. Please let us know if any additional information is required.

Respectfully,



Greg Cassell
Fire Chief

cc: Kelly Blackmon, Deputy Fire Chief
 John Steinbeck, Deputy Fire Chief
 Mark Gammatt, Comptroller's Office
 Elizabeth Vorce, Comptroller's Office
 Heidi Albrecht, Management Analyst II

DEPARTMENT OF HOMELAND SECURITY

**Questioned
 Costs**

2014-005 **Activities Allowed and Allowable Costs**

National Urban Search and Rescue Response System – CFDA No. 97.025; affects the following grant awards: EMW-2008-CA-1494, EMW-2012-CA-K00029-S01, EMW-2013-CA-K00016-S01, and EMW-2013-CA-USR-0019.

Criteria: OMB Circular A-133 establishes certain requirements for non-Federal entities that expend Federal awards. Specifically, the County is required to “maintain internal control over Federal programs that provides reasonable assurance that the [County] is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs”.

Condition: The program utilizes sign-in/sign-out sheets for training, exercises and deployments. The purpose of the sheet is to document the type of activity and to document hours worked for team members. The sheet contains an area for approval by the team manager and/or program manager. During our testing we noted the following items:

- ! 4 of 10 sign-in/sign-out sheets reviewed were not signed approved by program manager and/or team manager.
- ! 2 of 10 sign-in/sign-out sheets reviewed did not contain course title or other information to identify the type of activity being performed.
- ! Team members’ return times were not consistently documented on the sign-in/out sheets reviewed for deployment and exercises.

Effect: Program personnel could inadvertently charge the grant for expenses based on inaccurate hours or unallowed activities. None

Cause: Program personnel are not consistently following the established internal control procedures when completing the sign-in/sign-out sheets.

Recommendation We recommend program management and program personnel review and consistently apply the established internal control procedures for completing sign-in/sign-out sheets.
 :

Views of responsible officials and planned corrective actions: See pages 154-155.

DEPARTMENT OF HOMELAND SECURITY

		<u>Questioned Costs</u>
2014-006	Equipment and Real Property Management	
	National Urban Search and Rescue Response System – CFDA No. 97.025; affects the following grant awards: EMW-2008-CA-1494, EMW-2012-CA-K00029-S01, EMW-2013-CA-K00016-S01, and EMW-2013-CA-USR-0019.	
<i>Criteria:</i>	Local governments acquiring equipment under federal awards received directly from a Federal awarding agency are required to comply with equipment requirements contained in A-102 Common Rule.	
<i>Condition:</i>	Program personnel were unable to produce a complete listing of equipment purchased with grant funds that reconciled to the County’s accounting system. Because of this, we were unable to test the County’s compliance with the equipment and real property management requirement for this program. Additionally, we noted that equipment purchased with grant funds under this program is not being tagged, tracked or inventoried in accordance with the County’s capital asset policies and procedures.	
<i>Effect:</i>	The program is not in compliance with the requirements of A-102 Common Rule.	None
<i>Cause:</i>	Program personnel are not following the County’s policies and procedures to ensure assets purchased with grant funds are properly tracked and safeguarded.	
<i>Recommendation</i> :	We recommend that program personnel work with the Comptroller’s office to update capital asset records in accordance with the A-102 Common Rule. Additionally, the program should work with the Comptroller’s office to develop corrective action to prevent future noncompliance.	
<i>Views of responsible officials and planned corrective actions:</i>	See pages 154-155.	

DEPARTMENT OF HOMELAND SECURITY

Questioned
Costs

2014-007 **Suspension and Debarment**

National Urban Search and Rescue Response System – CFDA No. 97.025; affects the following grant awards: EMW-2008-CA-1494, EMW-2012-CA-K00029-S01, EMW-2013-CA-K00016-S01, and EMW-2013-CA-USR-0019.

Criteria: The OMB Circular A-133 Compliance Supplement (dated June 2012) states that “non-federal entities are prohibited from contracting or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. ‘Covered transactions’ include those procurement contracts for goods and services awarded under a nonprocurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other specified criteria. 2 CFR section 180.220 of the governmentwide nonprocurement debarment and suspension guidance contains those additional limited circumstances. All nonprocurement transactions (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions. When a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking the Excluded Parties List System (EPLS) maintained by the General Services Administration (GSA), collecting a certification from the entity, or adding a clause or condition to the covered transaction with that entity (2 CFR section 180.300).

Condition: The program did not perform any procedures to verify vendors were not suspended or debarred.

Effect: Clark County was not in compliance with the verification requirements related to suspension and debarment specified by federal regulations for applicable contracts entered into and paid with these grant funds. As part of our audit procedures, we verified that none of the vendors with transactions over \$25,000 were suspended or debarred and therefore there are no questioned costs associated with this finding. However, by failing to follow established procedures, contracts with suspended or debarred vendors or subrecipients could be initiated by Clark County and suspended or debarred parties could be paid with federal funds. None

Cause: The program’s professional and consulting service transactions do not go through the County’s purchasing department since they are non-P.O. transactions. As a result, the purchasing department is unable to perform suspension and debarment procedures.

Recommendation We recommend the program develop procedures to ensure suspension and
: debarment requirements are performed.

Views of responsible officials and planned corrective actions: See pages 154-155.

DEPARTMENT OF HOMELAND SECURITY

		<u>Questioned Costs</u>
2014-008	Reporting	
	National Urban Search and Rescue Response System – CFDA No. 97.025; affects grant award EMW-2008-CA-1494.	
<i>Criteria:</i>	OMB Circular A-133 establishes certain requirements for non-Federal entities that expend Federal awards. Specifically, the County is required to “maintain internal control over Federal programs that provides reasonable assurance that the [County] is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs”. In addition, the OMB Circular A-133 Compliance Supplement requires that financial reports be complete, accurate and prepared in accordance with the required accounting basis.	
<i>Condition:</i>	Our procedures included testing salary information reported in the FEMA US & R Form 18-001 for the Colorado Flooding Deployment. Three out of the forty hourly rates tested did not agree to the hourly rates per the County’s accounting system.	
<i>Effect:</i>	Inaccurate information could have been submitted to the federal agency.	None
<i>Cause:</i>	Internal controls were not sufficient to ensure that information was accurately reported to the federal agency.	
<i>Recommendation:</i>	We recommend that program personnel implement policies and procedures over report preparation that include management oversight and review. Review procedures should include agreeing the hourly wage information to supporting accounting records.	
<i>Views of responsible officials and planned corrective actions:</i> See pages 154-155.		

**DEPARTMENT OF HOMELAND SECURITY
 PASSED THROUGH NEVADA DEPARTMENT OF EMERGENCY MANAGEMENT**

		<u>Questioned Costs</u>
2014-009	Allowable Cost/Cost Principles	
	Emergency Management Performance Grants- CFDA No. 97.042; 9704213	
	Homeland Security Grant Program – CFDA No. 97.067; affects Clark County Office of Emergency Management grant award 97067.11-U11.	
<i>Criteria:</i>	OMB Circular A-87 requires that “where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5).” Subsection (5) requires personnel activity reports or equivalent documentation reflect after the fact distribution of the actual activity of the employee, account for the total activity for which the employee is compensated, be prepared at least monthly and coincide with one or more pay periods and be signed by the employee.	
<i>Condition:</i>	The program did not have supporting personnel activity reports or equivalent documentation for salaries charged to the grants.	
<i>Effect:</i>	The program is not in compliance with Federal requirements for supporting salaries and wages charged to the grant.	Unknown
<i>Cause:</i>	It appears that there were inadequate policies and procedures over the allowable costs/cost principles requirements.	
<i>Recommendation</i> :	Clark County Office of Emergency Management responsible officials should implement policies and procedures to ensure documentation of payroll costs are in accordance with OMB Circular A-87 requirements.	
<i>Views of responsible officials and planned corrective actions:</i> See pages 151-152.		

DEPARTMENT OF JUSTICE

**Questioned
 Costs**

2014-010

Reporting

State Criminal Alien Assistance Program (SCAAP) – CFDA No. 16.606; affects grant number 2014-AP-BX-0334 and potentially affects all other grant awards.

Criteria:

Required reports for Federal awards should include all activity of the reporting period, be supported by applicable accounting or performance records, and be fairly presented in accordance with program requirements.

Condition:

The SCAAP Application includes certain key line items, which are used to calculate the SCAAP award amount. During our testing of the total inmate days line item in the FY 14 SCAAP Application, we noted the following :

- ! Total inmate days reported were 50,001 less than the inmate days per the program’s supporting master count spreadsheet.
- ! Total inmate days reported were based on average daily counts instead of the nightly count as required by the FY 14 SCAAP Guidelines.
- ! We compared the count per the master count spreadsheet to the daily count interoffice memo (serves as record of reconciled head count) for a sample 40 counts. We noted variances between the records for 14 counts resulting in a total variance of 442 days in the sample.

Effect:

Because the inmate days impacts the SCAAP award calculation, the program may have been awarded more funds than it should have.

Unknown

Cause:

Controls and procedures over the preparation of the application and daily inmate count records for purposes of the grant application are not adequate to ensure the correct amounts are reported.

*Recommendation
 :*

We recommend that program management enlist the assistance of the Comptroller’s office in developing controls and procedures to correct the above conditions as well as providing oversight in completing the application.

Views of responsible officials and planned corrective actions: See pages 162-163.



March 24, 2015

Eide Bailly LLP
8485 W. Sunset Rd., Ste. 204
Las Vegas, NV 89113-2253

Dear Auditor,

The purpose of this letter is to respond to the findings 2014-010 identified by the county's external auditor, Eide Bailly LLP, related to their review of the State Criminal Alien Assistance Program (SCAAP).

Conditions:

The SCAAP Application includes certain key line items, which are used to calculate the SCAAP award amount. During the testing of the total inmate days line item in the FY 14 SCAAP Application, we noted the following:

- Total inmate days reported was 50,001 less than the inmate days per the program's supporting master count spreadsheet.

Corrective Action: The reported total was 1,266,826 whereas the actual total was 1,316,827. It is unknown how the reported figure was arrived upon. In all future applications the total number of days will be calculated using the evening count for the Clark County Detention Center (CCDC), Hospital, UMC, Tucker Holding Facility and contract beds. This data will be compiled by the Division Crime Analyst and supplied to a single point designated by the Deputy Chief Detention Services for preparing the grant.

- Total inmate days reported were based on average daily counts instead of the nightly count as required by the FY 14 SCAAP Guidelines.

Corrective Action: The reported count will be compiled by the Division Crime Analyst using the evening count for CCDC, Hospital, UMC, Tucker Holding Facility and contract beds.

- We compared the count per the master count spreadsheet to the daily count interoffice memo (serves as record of reconciled head count) for a sample 40 counts. We noted variances between the records for 14 counts resulting in a total variance of 442 days in the sample.

Corrective Action: Currently, the count data is compiled by an administrative Senior Law Enforcement Support Technician (Sr. LEST). The commissioned line staff completes a hard head count of all inmates incarcerated. This count verifies the actual bodies match the electronic file on hand. Once this has been reconciled, this count is communicated to the Sr. LEST who

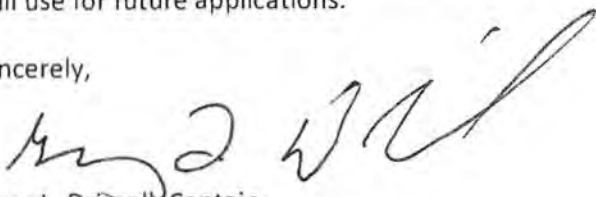


documents this data on both a spread sheet and an interoffice memorandum. The spread sheet is maintained unprotected on a common drive which numerous people have access.

To mitigate the possibility of data being written over, inadvertently deleted, or entered incorrectly, a separate spread sheet will be created and maintained by a sole custodian of this file. The custodian of the spread sheet will be placed on the distribution list for the evening count memo. Upon receipt, the custodian will enter the data from the memo into the spread sheet. At the end of the fiscal year, the Administrative Assistant will provide the spread sheet to the Crime Analyst to calculate the bed days.

Thank you for the opportunity to respond to the audit finding and to identify corrective measures we will use for future applications.

Sincerely,



Gary L. Driscoll, Captain

Las Vegas Metropolitan Police Department

CC: Charles Hank, Deputy Chief
Steve Morris
Elizabeth Vorce

See pages 165-169.



Department of Administrative Services

Community Resources Management

500 S Grand Central Pky 5th Fl • Box 551212 • Las Vegas NV 89155-1212
(702) 455-5025 • Fax (702) 455-5038

Sabra Smith Newby, Director • Michael J. Pawlak, Manager

March 6, 2015

Eide Bailly, LLP
8485 W. Sunset Rd., Ste. 204
Las Vegas, NV 89113-2253

Dear Auditors:

The purpose of this letter is to confirm implementation of the Corrective Action Letter dated March 31, 2014, for the finding reported during the 2013 OMB A-133 Single Audit.

2013-001

Condition:

The SF-425 reports submitted for Grant #B-11-UN-32-0001 (NSP3), Grant #B-08-UN-32-0001 (NSP1) for the quarter ending March 31, 2013 did not have the signature of the authorizing certifying official which resulted in incomplete reports being submitted.

The SF-425 reports submitted for quarters ending December 31, 2012 and March 31, 2013 included incorrect expenditure amounts for Grant #B-10-UC-320001 and Grant #B-11-UC-320001. Specifically, for the quarter ending December 31, 2012, expenditures for Grant #B-10-UC-320001 were overstated by \$186,772 and expenditures for Grant #B-11-UC-320001 were understated by \$211,410. For the quarter ending March 31, 2013, expenditures for Grant #B-10-UC-320001 were overstated by \$186,772 and expenditures for Grant #B-11-UC-320001 were understated by \$186,772.

For the JAG Program Cluster, two SF-425 reports submitted for Grant 2010-DJ-BX-0933 (1020.JAG.2011) and 2012-DJ-BX-1056 (1080.JAG.2013) for the quarter ending March 31, 2013 did not have the signature of the authorizing certifying official which could have resulted in incomplete and/or inaccurate reports being submitted.

Corrective Action:

Following the 2013 audit report finding 2013-001, the identified errors in the reports were corrected. Also, in order to reduce the risk of making future reporting errors in our SF-425 Reports, Clark County implemented an additional review step in the process. The current process involves preparation of the Report by the Administrative Specialist. The Principal Planner (Kristin Cooper) reviews the report and prepares the cover letter. The report is then forwarded to the certifying official, CRM Manager (Mike Pawlak) for final review and signature.

The corrective action for submitting the JAG SF-425 reports continues in effect. In addition to having the Financial Point of Contact (FPOC-currently, Gary Zielinski, Grant Accountant) submit the report electronically, a mock hard copy report is prepared in advance, reviewed and signed by the FPOC and the CRM Manager.

Sincerely,

Michael J. Pawlak, Manager
Community Resources Management

CC: Sabra Smith Newby, Mark Gamett, Elizabeth Vorce



EIGHTH JUDICIAL DISTRICT COURT
REGIONAL JUSTICE CENTER
200 LEWIS AVENUE
LAS VEGAS, NEVADA 89155-2364

STEVEN D. GRIERSON
COURT EXECUTIVE OFFICER

(702) 671-4537
FAX: (702) 928-1004

March 19, 2015

Eide Bailly LLP
8485 W. Sunset Road
Suite 204
Las Vegas, NV 89113-2253

Re: Single Audit Findings 2013-002

To Whom It May Concern,

I have reviewed the corrective actions taken by the District Court regarding the condition outlined in Finding 2013-002. My review has confirmed that by implementing a reconciliation of payroll costs to the program cost center in the general ledger system and identifying individuals who no longer work on the program, the Court has strengthened its controls over the preparation and review of the monthly requests for reimbursement to ensure that only allowable costs are included.

Please let me know if I can be for further assistance.

Sincerely,

A handwritten signature in black ink that reads "Steven D. Grierson".

Steven D. Grierson
Court Executive Officer

Cc: Elizabeth Vorce, CPA Comptroller's Office
Jeff Adams, District Court Finance Manager



Department of Family Services

121 S Martin Luther King Blvd • Las Vegas NV 89106-4309
(702) 455-7200 • Fax (702) 385-2999 • Hotline (702) 399-0081

Lisa Ruiz-Lee, Director
Paula Hammack, Assistant Director • Michael Knight, Assistant Director



March 5, 2015

Eide Bailly
8485 West Sunset Road, Suite 204
Las Vegas, NV 89113-2253

Subject: Adoption Assistance Program (CFDA No 93.659) – Audit Finding 2013-003

The Department of Family Services (DFS) has reviewed the previously submitted audit response dated March 31, 2014 and has implemented the corrective actions outlined below.

Finding 2013-003 – Program personnel are not completing Section D, line 46 of the CB-496 accurately. We noted discrepancies for the quarters ending September 30, 2013 and June 30, 2013, but based on communication with program personnel believe this applies to all quarters submitted during the year. Line 46, which represents "Number of Children, Any assistance Payments", was underreported by 86 children and 617 children respectively. The error rate is in excess of 14%.

Effect: The grantor agencies are relying on inaccurate data.

Corrective Action – Program personnel have reviewed the instructions for preparing CB-496 and have corrected the report preparation procedures to ensure that the day reported on line 46 "Number of Children, Any Assistance Payments" includes the correct information.

The discrepancies noted for quarters ending September 30, 2013 and June 30, 2013 were corrected and submitted on quarters ending December 31, 2013 and March 31, 2014.

If you have any questions concerning this response please contact Eboni Washington at (702) 455-5983.

Sincerely,

Lisa Ruiz-Lee
Director
Department of Family Services

Cc: Mark Gamett

Clark County Local Emergency Planning Committee



March 11, 2015

Eide Bailly LLP
8485 W. Sunset Road, Suite 204
Las Vegas, Nevada 89113-2253

Re: 2013-004 Reporting
2013-005 Subrecipient Monitoring

Dear Sir or Madam:

Following are updates (highlighted in blue) to audit recommendations in 2014 for improvements to reporting and monitoring of Homeland Security grants by the Clark County Office of Emergency Management:

2013-004 Reporting

Recommendation: Office of Emergency Management personnel should review the department's established controls and procedures over financial reporting to ensure they are being consistently followed

Response: With regard to consistent review and approval of quarterly reports, Office of Emergency Management (OEM) personnel responsible for those reviews and approvals are no longer with the division, so it is not possible to confirm the conditions under which those discrepancies may have occurred. The established procedure within the OEM requires two signatures prior to submittal to the State of Nevada Division of Emergency Management. The established procedure will be reviewed during training of new staff as they are hired, and with existing staff to ensure consistency.

3/11/15 Update: In order to ensure that a minimum of two approval signatures are included on all quarterly reports, additional quality control measures and training of new staff was implemented.

2013-005 Subrecipient Monitoring

Recommendation: The Office of Emergency Management should strengthen its policies and

procedures over subrecipient monitoring to ensure that all subrecipients are consistently monitored for compliance with the audit requirements of OMB Circular A-133.

Response: The Office of Emergency Management will strengthen established procedures to confirm receipt and subsequent review of subrecipient audit reports. Although a mechanism is in place to require such audits, it appears that staff who are no longer with OEM did not have a consistent process in place to ensure compliance. Due to their absence, it is not possible to confirm what steps, if any, were taken to comply with this requirement. The strengthened procedure will be reviewed during training of new staff as they are hired, and existing staff assigned to ensure subrecipient compliance will also be trained.

3/11/15 Update: The Office of Emergency Management has strengthened compliance monitoring by requesting copies of deliverables and more detailed project updates with quarterly reports. All project deliverables are reviewed and approved by OEM and copies are provided to NDEM along with the quarterly reports.

Please let us know if any additional information is required.

Sincerely,



John Steinbeck
Urban Area Administrator
Deputy Fire Chief/Emergency Manager

cc: Deputy Chief Kelly Blackmon
Mark Gammatt, Finance Department
Elizabeth Vorce, Finance Department
Karen Taylor, Grants Coordinator