

CLARK COUNTY, NEVADA  
FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION  
PERTAINING TO EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2010  
AND  
INDEPENDENT AUDITOR'S REPORTS

CLARK COUNTY, NEVADA

FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION  
PERTAINING TO EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2010

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

For the Year Ended June 30, 2010

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

## INDEPENDENT AUDITOR'S REPORT

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

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, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of University Medical Center of Southern Nevada, Las Vegas Valley Water District, or Big Bend Water District, which, when combined, represent 30 percent, 28 percent, and 57 percent, respectively, of the assets, net assets, and revenues of the Enterprise Funds. Additionally, we did not audit the financial statements of the Regional Transportation Commission of Southern Nevada, a discretely presented component unit. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for University Medical Center of Southern Nevada, Las Vegas Valley Water District, Big Bend Water District, and Regional Transportation Commission of Southern Nevada 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2010, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 4, 2011, 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* and should be considered in assessing the results of our audit.

The management's discussion and analysis, the budgetary comparison information, and pension and OPEB trend data and related notes on pages 3 through 12 and 113 through 129 are not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures to the management's discussion and analysis and pension and OPEB trend data, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it. The budgetary comparison information and related notes have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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 accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Kafoury, Armstrong & Co.*

Las Vegas, Nevada  
January 4, 2011

Clark County, Nevada

Management's Discussion and Analysis  
June 30, 2010

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 unqualified opinion that the County's financial statements are presented fairly in all material respects.
- Government-wide net assets totaled \$11,792,883,519. Net assets of governmental activities totaled \$7,444,977,245 and those of business-type activities totaled \$4,347,906,274.
- The County's total net assets increased by \$142,046,728, resulting from an increase in net assets from governmental activities of \$194,808,174 and a decrease in net assets from business-type activities of \$52,761,446. Net assets from governmental activities increased mainly due to infrastructure additions of roadways and improvements. Net assets from business-type activities decreased due to decreases in net capital assets of the Clark County Department of Aviation and Building and Development Services Review non-major enterprise funds.
- Unrestricted net assets were \$1,850,838,946, with \$1,122,539,350 resulting from governmental activities and \$728,299,596 from business-type activities. Unrestricted net assets from governmental activities decreased by one (1) percent from the prior year, and unrestricted net assets from business-type activities decreased by 12 percent over the prior year.
- Net capital assets were \$14,018,845,328 of which \$5,853,032,202 were from governmental activities and \$8,165,813,126 were from business-type activities. Major additions for governmental activities during the year included \$268 million toward beltways, roadways, and streets, and \$71 million toward flood control projects. Major additions for business-type activities during the year included \$120 million in water system additions, \$158 million for terminal 3 and other additions for the Department of Aviation, and \$386 million in sewer system additions. Depreciation expense attributable to assets of governmental activities amounted to \$225,483,615 for the year, and \$289,756,922 for business-type activities.
- Bonds and loans payable totaled \$9,917,943,565. The following new debt was issued during the fiscal year:

Governmental activities:

General obligation bonds:

\$50,000,000 in Southern Nevada Water Authority refunding bond bank bonds  
\$124,465,000 in transportation bonds

Special assessment bonds:

\$5,640,000 in special assessment bonds

Business-type activities:

General obligation bonds:

\$627,150,000 in bonds for the Las Vegas Valley Water District  
\$5,744,780 in bonds for the Water Reclamation District

#### Revenue bonds

\$2,155,260,000 in bonds for the Department of Aviation

- The County's primary revenue sources for governmental activities were ad valorem taxes (\$773,956,199) consolidated taxes (\$383,366,531), and sales and use taxes (\$208,946,026). These three revenue sources comprised 27 percent, 13 percent, and seven (7) percent, respectively, or 47 percent of total governmental activities revenues.
- The County's total expenses were \$4,327,678,384. Governmental activities comprised \$2,669,077,792 of total expenses, the largest functional expenses being public safety (\$1,212,609,296) and public works (\$436,880,168). Business-type activities contributed \$1,658,600,592 to total expenses, the largest components being hospital (\$581,325,269), airport (\$528,022,591), and water (\$371,696,883).
- Public works expenses were \$436,880,168, or 10 percent less than the prior year due to decreased road construction and financing.
- Community support expenses were \$44,195,982 or 101 percent higher than the prior year due to increased federal grant spending.
- At the end of the fiscal year, the unreserved fund balance for the General Fund was \$147,970,317 or 11 percent of total General Fund expenditures and transfers out. This was a decrease of \$47,896,289, or 24 percent, from the prior year. This decrease is due to reduced intergovernmental revenues.

#### 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 assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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, water and sewer utilities, and other operations. Discretely presented component units account for functions of legally separate entities for whom the County is financially accountable, but whose governing bodies are not substantially the same as the County. The activities of the discretely presented component units include regional transportation and flood control planning. 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 business-type activities of the County itself (known as the primary government), but also those of the legally separate component units: UMC, Las Vegas Valley Water District, 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, the Las Vegas Metropolitan Police Department, and the Master Transportation Plan fund, each of which is considered to be a major fund. 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.
- 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 statements accompanying 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, water, 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, Clark County Water Reclamation District, and the Las Vegas Valley Water 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. It also includes a schedule of budgetary comparisons for the following major governmental funds:

- ◆ General Fund
- ◆ Special Revenue Funds:
  - \* Las Vegas Metropolitan Police Department
  - \* Master Transportation Plan

– The combining statements and individual fund schedules are presented immediately following the required supplementary information.

– Unaudited statistical information is provided on a ten-year basis for trend and historical analysis, except where data is not available due to the initial year of GASB Statement No. 34 presentation.

Government-Wide Financial Analysis

- Net assets of the County as of June 30, 2010, and June 30, 2009, are summarized and analyzed below:

Clark County, Nevada Net Assets – Primary Government

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
<b>Assets</b>						
Current and other assets	\$ 4,796,635,499	\$ 5,225,819,410	\$ 4,605,617,596	\$ 3,474,370,616	\$ 9,402,253,095	\$ 8,700,190,026
Net capital assets	<u>5,853,032,202</u>	<u>5,658,297,499</u>	<u>8,165,813,126</u>	<u>7,242,604,343</u>	<u>14,018,845,328</u>	<u>12,900,901,842</u>
<b>Total assets</b>	<u>10,649,667,701</u>	<u>10,884,116,909</u>	<u>12,771,430,722</u>	<u>10,716,974,959</u>	<u>23,421,098,423</u>	<u>21,601,091,868</u>
<b>Liabilities</b>						
Long-term liabilities	2,547,855,200	2,523,143,425	7,319,397,117	4,881,366,924	9,867,252,317	7,404,510,349
Other liabilities	<u>656,835,256</u>	<u>1,110,804,413</u>	<u>1,104,127,331</u>	<u>1,434,940,315</u>	<u>1,760,962,587</u>	<u>2,545,744,728</u>
<b>Total liabilities</b>	<u>3,204,690,456</u>	<u>3,633,947,838</u>	<u>8,423,524,448</u>	<u>6,316,307,239</u>	<u>11,628,214,904</u>	<u>9,950,255,077</u>
<b>Net assets</b>						
Invested in capital assets, net of related debt	4,995,921,396	4,804,599,338	3,220,806,971	3,302,426,756	8,216,728,367	8,107,026,094
Restricted	1,326,516,499	1,308,548,811	398,799,707	271,985,113	1,725,316,206	1,580,533,924
Unrestricted	<u>1,122,539,350</u>	<u>1,137,020,922</u>	<u>728,299,596</u>	<u>826,255,851</u>	<u>1,850,838,946</u>	<u>1,963,276,773</u>
<b>Total net assets</b>	<u>\$ 7,444,977,245</u>	<u>\$ 7,250,169,071</u>	<u>\$ 4,347,906,274</u>	<u>\$ 4,400,667,720</u>	<u>\$11,792,883,519</u>	<u>\$11,650,836,791</u>

- As noted earlier, net assets may serve over time as a useful indicator of the County’s financial position. Assets exceeded liabilities by \$11,792,883,519 as of June 30, 2010, and by \$11,650,836,791 as of June 30, 2009, a net increase of \$142,046,728, or one (1) percent.
- The largest portion of the County’s net assets (70 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 assets (14 percent) represent resources that are subject to external restrictions on how they may be used. Of these restricted net assets, 46 percent is for construction of capital assets, 25 percent is for repayment of long-term debt, 13 percent is for police protection, and the balance is restricted for the County’s special revenue funds or other purposes.
- The remaining portion of the County’s net assets (16 percent) is unrestricted and may be used to meet the County’s ongoing obligations to citizens and creditors.
- At June 30, 2010, the County had positive balances in all three categories of net assets, both for the government as a whole, as well as for separate governmental and business-type activities

Clark County, Nevada Changes in Net Assets – Primary Government

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenues:						
Program revenues:						
Charges for services	\$ 367,818,754	\$ 371,520,267	\$1,429,880,969	\$1,486,025,667	\$ 1,797,699,723	\$ 1,857,545,934
Operating grants and contributions	532,784,892	455,497,564	65,400,000	60,000,000	598,184,892	515,497,564
Capital grants and contributions	256,791,998	296,666,310	60,209,144	98,328,506	317,001,142	394,994,816
General revenues:						
Ad valorem taxes	773,956,199	870,671,907	16,738	15,957	773,972,937	870,687,864
Consolidated tax	383,366,531	424,296,491	50,042	53,466	383,416,573	424,349,957
Sales and use tax	208,946,026	230,475,375	12,472,583	13,735,092	221,418,609	244,210,467
Franchise fees	96,089,107	95,441,780	-	-	96,089,107	95,441,780
Fuel taxes	71,381,785	73,662,757	-	-	71,381,785	73,662,757
Motor vehicle privilege tax	47,373,522	43,158,008	-	-	47,373,522	43,158,008
Room tax	32,338,354	37,179,811	-	-	32,338,354	37,179,811
Other	29,054,214	32,310,674	-	-	29,054,214	32,310,674
Gain on sale or disposition of assets	1,747,497	3,172,705	709,052	161,239	2,456,549	3,333,944
Interest income	75,901,563	106,744,335	41,167,124	79,651,192	117,068,687	186,395,527
<b>Total revenues</b>	<b>2,877,550,442</b>	<b>3,040,797,984</b>	<b>1,609,905,652</b>	<b>1,737,971,119</b>	<b>4,487,456,094</b>	<b>4,778,769,103</b>
Expenses:						
General government	230,702,394	237,328,938	-	-	230,702,394	237,328,938
Judicial	201,902,371	188,151,791	-	-	201,902,371	188,151,791
Public safety	1,212,609,296	1,197,914,886	-	-	1,212,609,296	1,197,914,886
Public works	436,880,168	484,787,359	-	-	436,880,168	484,787,359
Health	101,240,331	112,505,490	-	-	101,240,331	112,505,490
Welfare	184,093,105	199,691,030	-	-	184,093,105	199,691,030
Culture and recreation	35,200,111	42,244,450	-	-	35,200,111	42,244,450
Community support	44,195,982	22,015,264	-	-	44,195,982	22,015,264
Other	111,022,098	101,298,299	-	-	111,022,098	101,298,299
Interest on long-term debt	111,231,936	112,277,946	-	-	111,231,936	112,277,946
Hospital	-	-	581,325,269	599,590,137	581,325,269	599,590,137
Water	-	-	371,696,883	416,639,766	371,696,883	416,639,766
Airport	-	-	528,022,591	513,349,050	528,022,591	513,349,050
Sewer	-	-	116,989,734	108,643,275	116,989,734	108,643,275
Other	-	-	60,566,115	68,966,176	60,566,115	68,966,176
<b>Total expenses</b>	<b>2,669,077,792</b>	<b>2,698,215,453</b>	<b>1,658,600,592</b>	<b>1,707,188,404</b>	<b>4,327,678,384</b>	<b>4,405,403,857</b>
Increase in net assets before transfers	208,472,650	342,582,531	(48,694,940)	30,782,715	159,777,710	373,365,246
Transfers	(13,664,476)	(11,114,377)	13,664,476	11,114,377	-	-
<b>Increase (decrease) in net assets</b>	<b>194,808,174</b>	<b>331,468,154</b>	<b>(35,030,464)</b>	<b>41,897,092</b>	<b>159,777,710</b>	<b>373,365,246</b>
Net assets – beginning	7,250,169,071	6,918,700,917	4,400,667,720	4,336,780,081	11,650,836,791	11,255,480,998
Restatement of beginning fund balances	-	-	(17,730,982)	21,990,547	(17,730,982)	21,990,547
<b>Net assets restated</b>	<b>7,250,169,071</b>	<b>6,918,700,917</b>	<b>4,382,936,738</b>	<b>4,358,770,628</b>	<b>11,633,105,809</b>	<b>11,277,471,545</b>
<b>Net assets – ending</b>	<b>\$7,444,977,245</b>	<b>\$7,250,169,071</b>	<b>\$4,347,906,274</b>	<b>\$4,400,667,720</b>	<b>\$11,792,883,519</b>	<b>\$11,650,836,791</b>

- 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 increased by \$33,711,503, or three (3) percent, due to increases in federal grant activity. Program revenues from business-type activities decreased by \$88,864,060, or six (6) percent, due to decreases in hospital, water, and charges for services as well as decreases in capital contributions to the Las Vegas Valley Water District, the Clark County Water Reclamation District, and reductions of Airport federal grants.
- General revenues consisted of taxes and interest not allocable to specific programs. For governmental activities, the largest of these revenues, ad valorem taxes, decreased by \$96,715,708, or 11 percent. This decrease was due mainly to decreases in residential assessed valuation. Consolidated tax declined by \$40,929,960, or ten (10) percent, and sales and use tax decreased in governmental activities by \$21,529,349, or nine (9) percent, both due to the effects of the recession on the local economy during fiscal year 2010. Interest revenue for governmental activities decreased by \$30,842,772 or

29 percent; interest revenue for business-type activities decreased by \$38,484,068, or 48 percent. These decreases were due to lower rates of investment returns.

- The County had a gain on disposition of assets of \$1,747,497 from governmental activities. This was mainly due to sales of County right-of-way and equipment during the fiscal year.
- County governmental activity expenses decreased one (1) percent in fiscal year 2010. Decreases in general government of three (3) percent were due to cost containment efforts. Public works expenses decreased by \$47,907,191, or ten (10) percent due to decreased road construction and financing. Community support expenses increased by \$22,180,718, or 101 percent, due to additional federal grant awards. Water functional area expenses decreased \$44,942,883, or 11 percent, because of the decrease in the regional connection fees paid by the Las Vegas Valley Water District to the Southern Nevada Water Authority.

#### Financial Analysis of the County's Funds

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

#### Governmental Funds

- o 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. In particular, the unreserved fund balance may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.
- o As of the end of the current fiscal year, the County's governmental funds reported a combined ending fund balance of \$2,327,805,686, a decrease of \$35,947,820, or two (2) percent, from the prior year. Approximately 81 percent of fund balances (\$1.9 billion) constitute unreserved fund balance. Approximately \$1.2 billion dollars, or 62 percent, of the unreserved fund balance is designated for specific projects in major special revenue and capital project funds. Of the unreserved fund balance, \$715 million, or 38 percent, is undesignated. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$168 million), 2) to pay debt service (\$258 million), and 3) as reserves for long-term receivables (\$24 million).
- o The General Fund is the main operating fund of the County. At the end of the current fiscal year, the unreserved fund balance of the General Fund was \$147,970,317, a decrease of \$45,890,344, or 24 percent, from the prior year. The total fund balance was \$172,111,310, a decrease of \$46,234,090, or 21 percent, from the prior year. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures and transfers. Unreserved fund balance represented 11 percent of total General Fund expenditures and transfers out for the fiscal year ended June 30, 2010, and 15 percent for the fiscal year ended June 30, 2009. Total fund balance represented 13 percent and 17 percent of that same amount in the fiscal years ended June 30, 2010, and June 30, 2009, respectively.
- o Key factors in the change in fund balance in the General Fund are as follows:
  - Revenues and transfers-in decreased by \$33,537,937, or three (3) percent. General fund revenues decreased by \$54,542,452, or five (5) percent. Ad valorem tax revenues generated the largest revenue decrease of \$35,207,968, or nine (9) percent, due to residential valuation decreases. Intergovernmental revenue, the largest component of which is the consolidated tax, decreased by \$30,949,374, or 11 percent, due to the effects of the recession on the local economy. Interest income decreased by \$3,025,261 or 38 percent due to lower interest rates. The effects of these decreases were partially offset by a \$25 million land sale. The transfers in were primarily ad valorem and consolidated taxes from the unincorporated towns and the Clark County Fire District.
  - Expenditures and transfers out increased by \$12,587,669, or one (1) percent. General fund expenditures decreased \$3,412,973, or one (1) percent. Transfers out increased by \$16,000,642, or three (3) percent. The transfers out are primarily to the Las Vegas Metropolitan Police Department and the Detention Services special revenue funds. In

addition, periodic transfers are made from the general fund to the County Capital Projects Fund at the discretion of the Board of County Commissioners. Transfers to the County Capital Projects fund were \$20,000,000 and \$4,617,809 for the fiscal years ended June 30, 2010, and 2009, respectively, an increase of \$15,382,191.

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 fund balance of \$76,417,479 of which \$5,970,447 was reserved. Total revenues and transfers in were \$565,715,525, which was an increase of one (1) percent, or \$2,357,474, over the prior year. This increased amount occurred primarily as a result of a one (1) percent increase of \$3,449,677 in City of Las Vegas contributions and County transfers. Expenditures, which are primarily personnel costs, decreased six (6) percent, or \$31,999,182.
- The Master Transportation Plan fund accounts for tax proceeds from a variety of sources used to improve transportation in Clark County. Total revenues decreased \$21,180,002, or seven (7) percent, from the prior year due to a broad decline in all revenue categories related both to growth and activity. The proceeds of these taxes are then moved to the appropriate capital projects, debt service, or enterprise fund to effect the transportation improvements.
- The non-major governmental funds showed a decrease in fund balances of \$43,851,860, with total fund balances of \$2,049,497,411, and unreserved fund balances of \$1,629,028,800. 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 assets of the enterprise funds totaled \$736,441,278, a decrease of \$94,209,698, or 11 percent, and the total decrease in net assets for these funds was \$30,328,851, a one (1) percent decrease 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 expenditure appropriation was \$850,021,914, unchanged from the original budget. Actual expenditures were \$810,433,375, or five (5) percent less than the final budget, primarily due to the County's cost containment efforts.
- Revenues of the general fund fell short of the final budget by \$39,720,882, or four (4) percent. This occurred in spite of generally conservative revenue forecasts due to the ongoing recession.

Capital Assets and Debt Administration

Primary Government

• Capital Assets

- o The County's investment in capital assets, net of accumulated depreciation at June 30, 2010, was \$14,018,845,328, an increase of \$1,117,943,486, or nine (9) percent. Detail by type of activity and asset is summarized in the table below.

Major additions for this fiscal year are as follows:

Governmental Activities

Business-Type Activities

Roadways and streets (beltway)	\$268 million	Water system additions	\$120 million
Flood control projects	\$71 million	Airport land acquisition and construction	\$158 million
		Sewer system additions	\$386 million

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Land and improvements	\$1,564,248,453	\$1,502,446,164	\$3,083,563,595	\$2,950,977,615	\$4,647,812,048	\$ 4,453,423,779
Buildings	846,089,522	766,375,339	2,545,433,689	2,233,574,462	3,391,523,211	2,999,949,801
Machinery and equipment	88,440,270	125,820,120	574,355,273	607,971,976	662,795,543	733,792,096
Infrastructure	3,096,378,527	2,897,023,395	-	-	3,096,378,527	2,897,023,395
Construction in progress	257,875,430	366,632,481	1,962,460,569	1,450,080,290	2,220,335,999	1,816,712,771
Total	<u>\$5,853,032,202</u>	<u>\$5,658,297,499</u>	<u>\$8,165,813,126</u>	<u>\$7,242,604,343</u>	<u>\$14,018,845,328</u>	<u>\$12,900,901,842</u>

- 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, 2010, the County had total outstanding bonds and loans of \$9,917,943,565, an increase of \$2,164,419,654, or 28 percent, from the prior year. Of this amount, \$2,055,179,799 comprised general obligation debt backed by the full faith and credit of the County, \$2,473,627,359 of general obligation bonds additionally secured by specified revenue sources, \$401,618,863 of loans, primarily in the form of commercial paper, and \$263,354,244 in special assessment debt for which the County is liable in the event of default by the property owners subject to assessment.

Clark County, Nevada Outstanding Debt

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
General obligation bonds	\$2,055,166,107	\$2,037,843,510	\$ 13,692	\$ 26,731	\$2,055,179,799	\$2,037,870,241
Revenue backed general obligation bonds	-	-	2,473,627,359	1,931,506,885	2,473,627,359	1,931,506,885
Revenue bonds	10,000	10,000	4,724,153,300	3,012,511,446	4,724,163,300	3,012,521,446
Special assessment bonds	263,354,244	276,227,136	-	-	263,354,244	276,227,136
Loans	408,796	92,924,406	401,210,067	402,473,817	401,618,863	495,398,223
Total	<u>\$2,318,939,147</u>	<u>\$2,407,005,052</u>	<u>\$7,599,004,418</u>	<u>\$5,346,518,879</u>	<u>\$9,917,943,565</u>	<u>\$7,753,523,931</u>

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

#### Economic Factors

- After several years of significant economic growth, Las Vegas showed signs of continued slowing in 2010. Both taxable sales and new and existing home sales showed significant decreases. The County's unemployment rate at June 30, 2010, was 14.0 percent as compared to 12.3 percent in the prior year.
- UMC continues to deal with the impact of uninsured patients. UMC's operating loss was \$85,011,779 for the fiscal year 2010 compared to \$82,513,340 in fiscal year 2009. Continued high levels of care for uninsured and underinsured patients, and a decrease in State Medicaid funding contributed to the increased operating loss. The County will need to continue to fund these continued losses.
- Despite UMC's financial difficulties, the County has positioned itself to meet the needs of its citizens. A solid tax base continues to provide 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 unreserved ending fund balance remains healthy. Together, these factors have placed the County in an acceptable financial position to mitigate the current economic uncertainty. However, the length of the economic downturn could ultimately result in a continued 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 George W. Stevens, CFO/Comptroller, at 500 South Grand Central Parkway, Las Vegas, NV 89155.

**BASIC FINANCIAL STATEMENTS**



**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

Clark County, Nevada  
Statement of Net Assets  
June 30, 2010

	Primary Government			Component Units		
	Governmental Activities	Business-Type Activities	Total	Clark County		Regional
				Flood Control District	Regional Commission of Southern Nevada	
<b>ASSETS</b>						
Cash and investments:						
In custody of the County Treasurer	\$ 2,657,664,626	\$ 664,286,033	\$ 3,321,950,659	\$ 289,134,183	\$ 225,961,322	
In custody of other officials	6,880,740	90,941,106	97,821,846	391	10,500	
With fiscal agent	116,890,488	-	116,890,488	2,652,616	43,799,089	
Investments in custody of other officials	-	430,132,886	430,132,886	-	-	
Loaned securities	17,086,675	476,073	17,562,748	1,850,555	1,446,281	
Accounts receivable (net of provision for doubtful accounts)	9,374,605	226,452,600	235,827,205	298,970	5,754,717	
Interest receivable	12,882,022	7,500,692	20,382,714	1,335,905	1,044,060	
Bond bank receivable	4,355,000	-	4,355,000	-	-	
Taxes receivable, delinquent	26,865,828	714	26,866,542	-	-	
Penalties receivable on delinquent taxes	16,668,830	-	16,668,830	-	-	
Special assessments receivable	266,755,482	-	266,755,482	-	-	
Internal balances	31,448,741	(31,448,741)	-	-	-	
Due from other governmental units	197,264,683	3,720,389	200,985,072	11,662,955	56,591,427	
Inventories	374,985	34,544,072	34,919,057	-	-	
Prepaid items and other current assets	1,967,043	2,208,969	4,176,012	-	727,297	
Deferred charges and other assets	61,300,751	278,496,488	339,797,239	2,850,287	4,267,102	
Restricted assets:						
Cash and investments:						
In custody of the County Treasurer	-	43,936,268	43,936,268	-	-	
In custody of other officials	-	214,528,820	214,528,820	-	-	
With fiscal agent	-	1,350,562,549	1,350,562,549	-	-	
Loaned securities	-	4,029,547	4,029,547	-	-	
Accounts receivable	-	417,299,131	417,299,131	-	-	
Prepaid items and other current assets	-	-	-	6,704	-	
Bond bank receivable, noncurrent	1,368,855,000	867,950,000	2,236,805,000	-	-	
Capital assets not being depreciated	1,609,472,520	2,903,333,729	4,512,806,249	114,841	81,385,305	
Capital assets being depreciated, net of accumulated depreciation	4,243,559,682	5,262,479,397	9,506,039,079	2,530,082	347,683,182	
Total Assets	10,649,667,701	12,771,430,722	23,421,098,423	312,437,489	768,670,282	

(Continued)

Clark County, Nevada  
Statement of Net Assets  
June 30, 2010  
(Continued)

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Clark County	Regional
				Flood Control District	Commission of Southern Nevada
<b>LIABILITIES</b>					
Accounts payable	\$ 257,495,546	\$ 111,482,456	\$ 368,978,002	\$ 16,654,739	\$ 65,837,808
Accrued payroll and other accrued liabilities	183,433,318	140,223,965	323,657,283	130,005	2,138,461
Accrued interest	16,129,247	-	16,129,247	3,770,168	12,389,490
Due to other governmental units	33,905,368	-	33,905,368	-	-
Loaned securities	33,041,733	1,623,426	34,665,159	3,578,553	2,796,774
Unearned revenue and other liabilities	54,664,397	36,325,493	90,989,890	300,000	50,000
Liabilities payable from restricted assets:					
Accounts payable	-	147,360,705	147,360,705	-	-
Customer deposits	-	13,256,092	13,256,092	-	-
Accrued expenses	-	119,149,383	119,149,383	-	-
Loaned securities	-	7,089,424	7,089,424	-	-
Bonds and loans payable, due within one year	-	513,888,000	513,888,000	-	-
Bonds and loans payable, due within one year	78,165,647	13,728,387	91,894,034	10,350,000	20,860,000
Bonds and loans payable, due after one year	2,240,773,500	7,071,388,031	9,312,161,531	423,846,738	649,212,126
Other non-current liabilities, due after one year	307,081,700	248,009,086	555,090,786	974,733	3,944,128
<b>Total Liabilities</b>	<b>3,204,690,456</b>	<b>8,423,524,448</b>	<b>11,628,214,904</b>	<b>459,604,936</b>	<b>757,228,787</b>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	4,995,921,396	3,220,806,971	8,216,728,367	2,644,923	429,068,488
Restricted for:					
Capital projects	596,065,992	194,159,207	790,225,199	249,724,395	102,477,088
Debt service	258,498,983	174,633,830	433,132,813	9,739,093	72,314,494
Public safety	231,708,808	-	231,708,808	-	-
Other purposes	240,242,716	30,006,670	270,249,386	24,920,880	-
Unrestricted	1,122,539,350	728,299,596	1,850,838,946	(434,196,738)	(592,418,575)
<b>Total Net Assets</b>	<b>\$ 7,444,977,245</b>	<b>\$ 4,347,906,274</b>	<b>\$ 11,792,883,519</b>	<b>\$ (147,167,447)</b>	<b>\$ 11,441,495</b>

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

Clark County, Nevada  
Statement of Activities  
For the fiscal year ended June 30, 2010

	Program Revenues						Primary Government			Component Units		
	Net (Expenses) Revenues and Changes in Net Assets						Governmental Activities	Business-type Activities	Clark County Regional Flood Control District	Clark County Regional Transportation Commission of Southern Nevada	Total	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions								
Governmental activities:												
General government	\$ 230,702,394	\$ 187,918,173	\$ 97,352,158	\$ -	\$ -	\$ 54,567,937	\$ -	\$ -	\$ -	\$ 54,567,937	\$ -	\$ -
Judicial	201,902,371	69,866,465	21,688,615	-	-	(110,347,291)	-	-	-	(110,347,291)	-	-
Public safety	1,212,609,296	49,978,243	262,138,363	-	-	(900,492,690)	-	-	-	(900,492,690)	-	-
Public works	436,880,168	37,350,380	105,457,647	256,791,998	-	(37,280,143)	-	-	-	(37,280,143)	-	-
Health	101,240,331	7,284,270	2,685,161	-	-	(91,270,900)	-	-	-	(91,270,900)	-	-
Welfare	184,093,105	-	8,406,073	-	-	(175,687,032)	-	-	-	(175,687,032)	-	-
Culture and recreation	35,200,111	15,421,223	583,536	-	-	(19,195,352)	-	-	-	(19,195,352)	-	-
Community support	44,195,982	-	34,473,339	-	-	(9,722,643)	-	-	-	(9,722,643)	-	-
Other	111,022,098	-	-	-	-	(111,022,098)	-	-	-	(111,022,098)	-	-
Interest on long-term debt	111,231,936	-	-	-	-	(111,231,936)	-	-	-	(111,231,936)	-	-
Total governmental activities	2,669,077,792	367,818,754	532,784,892	256,791,998	-	(1,511,682,148)	-	-	-	(1,511,682,148)	-	-

(Continued)



**FUND FINANCIAL STATEMENTS**

Clark County, Nevada  
Governmental Funds  
Balance Sheet  
June 30, 2010

	General Fund	Las Vegas Metropolitan Police Department	Master Transportation Plan	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments:					
In custody of the County Treasurer	\$ 124,709,762	\$ 99,841,890	\$ 29,212,597	\$ 1,995,137,294	\$ 2,248,901,543
In custody of other officials	1,178,705	238,600	-	1,361,435	2,778,740
With fiscal agent	-	-	-	116,890,488	116,890,488
Loaned securities	1,481,328	659,147	115,896	12,168,672	14,425,043
Accounts receivable	27,819,245	535,767	-	3,649,142	32,004,154
Interest receivable	1,069,366	484,088	83,665	9,318,361	10,955,480
Taxes receivable, delinquent	12,040,295	5,006,475	-	9,819,058	26,865,828
Penalties receivable on delinquent taxes	16,668,830	-	-	-	16,668,830
Special assessments receivable	-	-	-	266,755,482	266,755,482
Due from other funds	1,001,926	6,247	-	13,479,324	14,487,497
Due from other governmental units	63,360,778	4,398,173	36,509,746	92,009,402	196,278,099
Prepaid items	-	752,078	-	-	752,078
<b>Total Assets</b>	<u>\$ 249,330,235</u>	<u>\$ 111,922,465</u>	<u>\$ 65,921,904</u>	<u>\$ 2,520,588,658</u>	<u>\$ 2,947,763,262</u>

(Continued)

Clark County, Nevada  
 Governmental Funds  
 Balance Sheet  
 June 30, 2010  
 (Continued)

	General Fund	Las Vegas Metropolitan Police Department	Master Transportation Plan	Other Governmental Funds	Total Governmental Funds
Accounts payable	\$ 11,456,144	\$ 4,973,208	\$ 458,974	\$ 75,136,682	\$ 92,025,008
Accrued payroll	19,684,379	20,326,314	-	14,059,191	54,069,884
Due to other funds	21,278,149	338,866	5,200,569	30,419,410	57,236,994
Due to other governmental units	-	53,006	30,258,755	3,593,607	33,905,368
Loaned securities	2,864,551	1,274,639	224,120	23,531,432	27,894,742
Deferred revenue and other liabilities	21,935,702	8,538,953	-	324,350,925	354,825,580
Total Liabilities	<u>77,218,925</u>	<u>35,504,986</u>	<u>36,142,418</u>	<u>471,091,247</u>	<u>619,957,576</u>
Fund balances:					
Reserved for encumbrances	98,225	5,970,447	-	161,969,628	168,038,300
Reserved for long-term receivables	24,042,768	-	-	-	24,042,768
Reserved for debt service	-	-	-	258,498,983	258,498,983
Unreserved:					
Designated for specific projects, reported in:					
Major funds	-	26,900,000	-	-	26,900,000
Special revenue funds	-	-	-	97,554,074	97,554,074
Capital projects funds	-	-	-	1,038,225,563	1,038,225,563
Undesignated, reported in:					
Major funds	147,970,317	43,547,032	29,779,486	-	221,296,835
Special revenue funds	-	-	-	491,209,886	491,209,886
Capital projects funds	-	-	-	2,039,277	2,039,277
Total Fund Balances	<u>172,111,310</u>	<u>76,417,479</u>	<u>29,779,486</u>	<u>2,049,497,411</u>	<u>2,327,805,686</u>
Total Liabilities and Fund Balances	<u>\$ 249,330,235</u>	<u>\$ 111,922,465</u>	<u>\$ 65,921,904</u>	<u>\$ 2,520,588,658</u>	<u>\$ 2,947,763,262</u>

**LIABILITIES AND FUND BALANCES**

Liabilities:

Accounts payable  
 Accrued payroll  
 Due to other funds  
 Due to other governmental units  
 Loaned securities  
 Deferred revenue and other liabilities  
 Total Liabilities

Fund balances:

Reserved for encumbrances  
 Reserved for long-term receivables  
 Reserved for debt service  
 Unreserved:

Designated for specific projects, reported in:

Major funds  
 Special revenue funds  
 Capital projects funds

Undesignated, reported in:

Major funds  
 Special revenue funds  
 Capital projects funds  
 Total Fund Balances

Total Liabilities and Fund Balances

The accompanying notes are an integral part of these financial statements



Clark County, Nevada  
Reconciliation of the Balance Sheet  
to the Statement of Net Assets  
June 30, 2010

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

Fund balances – governmental funds		\$2,327,805,686
Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds:		
Governmental capital assets	\$7,893,508,458	
Less accumulated depreciation	<u>(2,040,476,256)</u>	5,853,032,202
Long-term liabilities, 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	(2,318,530,351)	
Unamortized bond costs, premiums and discounts	13,761,723	
Loans payable	(408,796)	
Litigation liability	(2,500,000)	
Arbitrage rebate liability	(100,000)	
LVMPD OPEB liability, net of Detention portion	(118,544,560)	
Compensated absences	<u>(186,923,924)</u>	(2,613,245,908)
Accrued interest payable		(16,129,249)
Deferred revenue representing amounts that were not available to fund current expenditures and therefore are not reported in governmental funds		300,276,203
Long-term receivables reserved in governmental funds, adjusted to allowance for uncollectibles in statement of net assets		(24,042,768)
Long-term receivables not recorded in governmental funds:		
Bond bank receivable from So. Nevada Water Authority	1,373,210,000	
LVMPD OPEB receivable from City of Las Vegas	<u>47,539,028</u>	1,420,749,028
Internal service funds are used by management to charge the costs of certain activities to individual funds. Net assets of the internal service funds are reported with the governmental activities		187,435,313
Internal balances that are receivable from business-type activities		<u>9,096,738</u>
Net assets of governmental activities		<u>\$7,444,977,245</u>

The accompanying notes are an integral part of these financial statements

Clark County, Nevada  
Governmental Funds  
Statement of Revenues, Expenditures and Changes in Fund Balances  
For the fiscal year ended June 30, 2010

	General Fund	Las Vegas Metropolitan Police Department	Master Transportation Plan	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 347,888,378	\$ 165,184,055	\$ 32,338,354	\$ 269,971,410	\$ 815,382,197
Special assessments	-	-	-	39,650,930	39,650,930
Licenses and permits	210,359,702	-	5,969,710	29,909,779	246,239,191
Intergovernmental revenue	257,030,863	153,255,622	231,182,656	610,485,974	1,251,955,115
Charges for services	75,314,190	26,022,673	-	53,585,540	154,922,403
Fines and forfeitures	25,671,295	-	-	2,811,590	28,482,885
Interest	4,844,673	2,290,155	413,243	56,751,868	64,299,939
Other	30,829,371	1,374,604	-	5,194,168	37,398,143
<b>Total revenues</b>	<b>951,938,472</b>	<b>348,127,109</b>	<b>269,903,963</b>	<b>1,068,361,259</b>	<b>2,638,330,803</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	127,176,984	-	-	57,421,680	184,598,664
Judicial	146,502,648	-	-	47,299,763	193,802,411
Public safety	212,290,725	514,245,053	-	382,233,732	1,108,769,510
Public works	14,709,836	-	178,666,608	29,133,164	222,509,608
Health	83,677,333	-	-	16,935,783	100,613,116
Welfare	92,910,160	-	-	90,613,055	183,523,215
Culture and recreation	19,824,777	-	-	372,411	20,197,188
Community support	-	-	-	44,212,630	44,212,630
Other general expenditures	110,683,332	-	-	-	110,683,332
Capital outlays	2,657,580	6,867,422	-	289,354,092	298,879,094
Debt service:					
Principal	-	215,753	-	92,331,205	92,546,958
Interest	-	28,653	-	111,721,138	111,749,791
Bond issuance costs and other	-	-	-	2,632,483	2,632,483
<b>Total expenditures</b>	<b>810,433,375</b>	<b>521,356,881</b>	<b>178,666,608</b>	<b>1,164,261,136</b>	<b>2,674,718,000</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>141,505,097</b>	<b>(173,229,772)</b>	<b>91,237,355</b>	<b>(95,899,877)</b>	<b>(36,387,197)</b>

(Continued)

Clark County, Nevada  
 Governmental Funds  
 Statement of Revenues, Expenditures and Changes in Fund Balances  
 For the fiscal year ended June 30, 2010  
 (Continued)

	General Fund	Las Vegas Metropolitan Police Department	Master Transportation Plan	Other Governmental Funds	Total Governmental Funds
Other financing sources (uses):					
Transfers from other funds	318,187,963	217,588,416	-	443,797,768	979,574,147
Transfers to other funds	(505,927,150)	(20,000,000)	(61,457,869)	(419,853,604)	(1,007,238,623)
Bonds and loans issued	-	-	-	25,645,000	25,645,000
Refunding bonds issued	-	-	-	174,465,000	174,465,000
Premium on bonds issued	-	-	-	4,510,884	4,510,884
Payment to escrow agent	-	-	-	(176,517,031)	(176,517,031)
Total other financing sources (uses)	<u>(187,739,187)</u>	<u>197,588,416</u>	<u>(61,457,869)</u>	<u>52,048,017</u>	<u>439,377</u>
Net changes in fund balances	<u>(46,234,090)</u>	<u>24,358,644</u>	<u>29,779,486</u>	<u>(43,851,860)</u>	<u>(35,947,820)</u>
Fund balance:					
Beginning of year	<u>218,345,400</u>	<u>52,058,835</u>	<u>-</u>	<u>2,093,349,271</u>	<u>2,363,753,506</u>
End of year	<u>\$ 172,111,310</u>	<u>\$ 76,417,479</u>	<u>\$ 29,779,486</u>	<u>\$ 2,049,497,411</u>	<u>\$ 2,327,805,686</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, 2010

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

Net change in fund balances – governmental funds \$ (35,947,820)

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, the County relinquished infrastructure that was annexed by the cities. The County does not capitalize items costing less than \$5,000.

Capital outlay recorded in governmental funds	\$298,879,094	
Less amounts not capitalized	<u>(80,483,434)</u>	
Capitalized expenditures	218,395,660	
Less current year depreciation	<u>(224,571,492)</u>	(6,175,832)

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	256,529,353	
Loss on sale of capital assets	(44,762,258)	
Change in deferred revenue	(5,216,015)	
Bond bank operating contribution	<u>(18,028,750)</u>	188,522,330

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which bonds issued exceeded repayments:

Bonds and loans issued	(200,110,000)	
Bond issuance and other deferred costs	2,632,483	
Bond premiums and discounts	(4,510,884)	
Accrued interest	517,855	
Amortized bond costs	3,989,086	
Principal payment	92,546,958	
Payments to escrow agents	<u>176,517,031</u>	71,582,529

(Continued)

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, 2010

(Continued)

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	\$ (7,364,467)	
Change in LVMPD OPEB liability	(29,923,026)	
Change in arbitrage rebate liability	<u>(100,000)</u>	\$(37,387,493)
Long-term receivable is recorded in the governmental funds. The current portion of the provision for doubtful accounts is recognized in the statement of activities.		(1,598,512)
Long-term LVMPD OPEB receivable due from the City of Las Vegas		13,322,254
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net expense of the internal service funds is reported with governmental activities.		(2,210,895)
Increase to internal balances that are receivable from business-type activities.		<u>4,701,613</u>
Change in net assets of governmental activities		<u>\$194,808,174</u>

The accompanying notes are an integral part of these financial statements

Clark County, Nevada  
Proprietary Funds  
Statement of Net Assets  
June 30, 2010  
(Continued)

	Business-Type Activities - Enterprise Funds			
	University Medical Center	Reclamation District	Las Vegas Valley Water District	Department of Aviation
<b>ASSETS</b>				
Unrestricted current assets:				
Cash and cash equivalents:				
In custody of the County Treasurer	\$ 15,902,872	\$ -	\$ -	\$ 572,890,184
In custody of other officials	22,900	12,423,177	74,613,017	471,950
Investments in custody of other officials	-	422,370,228	7,762,658	-
Loaned securities	-	-	-	-
Accounts receivable	122,488,565	13,544,595	58,050,503	31,821,095
Interest receivable	-	2,574,951	13,334	4,568,733
Taxes receivable, delinquent	-	-	-	-
Due from other funds	-	-	-	1,621,147
Due from other governmental units	-	-	-	3,701,790
Inventories	12,777,010	2,439,816	17,542,229	1,785,017
Prepaid items and other current assets	1,368,254	264,589	-	561,126
Total unrestricted current assets	<u>152,559,601</u>	<u>453,617,356</u>	<u>157,981,741</u>	<u>617,421,042</u>
Restricted current assets:				
Cash and cash equivalents:				
In custody of the County Treasurer	25,267,642	18,668,626	-	-
In custody of other officials	-	-	119,035,898	-
With fiscal agent	-	-	-	1,350,562,549
Investments in custody of other officials	-	50,528,744	13,256,092	28,439,447
Loaned securities	243,754	119,684	-	3,666,109
Accounts receivable	1,299,463	2,120,325	413,879,343	-
Total restricted current assets	<u>26,810,859</u>	<u>71,437,379</u>	<u>546,171,333</u>	<u>1,382,668,105</u>
Total current assets	<u>179,370,460</u>	<u>525,054,735</u>	<u>704,153,074</u>	<u>2,000,089,147</u>
Noncurrent assets:				
Accounts receivable, restricted	-	-	867,950,000	-
Deferred charges and other assets	545,902	4,336,777	8,061,463	265,552,346
Capital assets:				
Property and equipment	295,988,291	1,985,541,224	2,727,081,786	5,711,483,134
Accumulated depreciation	(138,933,315)	(513,594,837)	(805,354,479)	(1,171,267,987)
Total capital assets, net of accumulated depreciation	<u>157,054,976</u>	<u>1,471,946,387</u>	<u>1,921,727,307</u>	<u>4,540,215,147</u>
Total noncurrent assets	<u>157,600,878</u>	<u>1,476,283,164</u>	<u>2,797,738,770</u>	<u>4,805,767,493</u>
Total assets	<u>336,971,338</u>	<u>2,001,337,899</u>	<u>3,501,891,844</u>	<u>6,805,856,640</u>

(Continued)

Clark County, Nevada  
Proprietary Funds  
Statement of Net Assets  
June 30, 2010  
(Continued)

	Business-Type Activities - Enterprise Funds			
	University Medical Center	Water Reclamation District	Las Vegas Valley Water District	Department of Aviation
<b>LIABILITIES</b>				
Current liabilities (payable from current assets):				
Current maturities of long-term debt	\$ 5,800,067	\$ 6,420,000	\$ -	\$ -
Accounts payable	33,750,189	18,897,806	37,933,628	15,415,145
Accrued expenses	73,922,907	13,717,769	33,366,310	16,827,857
Due to other funds	21,244,491	87,513	-	1,150,905
Loaned securities	471,366	231,441	-	-
Deferred revenue	-	-	-	6,702,055
Deposits and other current liabilities	-	2,858,479	26,401,947	-
Total current liabilities (payable from current assets)	<u>135,189,020</u>	<u>42,213,008</u>	<u>97,701,885</u>	<u>40,095,962</u>
Current liabilities (payable from restricted assets):				
Current maturities of long-term debt	-	-	427,738,000	86,150,000
Accounts payable	-	-	102,614	147,258,091
Accrued expenses	-	-	10,734,589	108,414,794
Customer deposits	-	-	13,256,092	-
Loaned securities	-	-	-	7,089,424
Total current liabilities (payable from restricted assets)	<u>-</u>	<u>-</u>	<u>451,831,295</u>	<u>348,912,309</u>
Total current liabilities	<u>135,189,020</u>	<u>42,213,008</u>	<u>549,533,180</u>	<u>389,008,271</u>
Noncurrent liabilities:				
Long-term debt, less current maturities	81,223,842	448,402,667	1,821,571,422	4,714,537,254
Deferred revenue and other non-current liabilities	36,776,838	8,527,043	8,657,202	188,005,421
Total noncurrent liabilities	<u>118,000,680</u>	<u>456,929,710</u>	<u>1,830,228,624</u>	<u>4,902,542,675</u>
Total Liabilities	<u>253,189,700</u>	<u>499,142,718</u>	<u>2,379,761,804</u>	<u>5,291,550,946</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	76,130,800	1,075,343,625	1,013,107,281	988,517,125
Restricted for:				
Capital projects	-	-	108,004	190,782,564
Debt service	-	20,929,994	19,100,378	134,603,458
Other	9,905,985	-	-	20,100,685
Unrestricted	(2,255,147)	405,921,562	89,814,377	180,301,862
Total Net Assets	<u>\$ 83,781,638</u>	<u>\$ 1,502,195,181</u>	<u>\$ 1,122,130,040</u>	<u>\$ 1,514,305,694</u>

(Continued)

Clark County, Nevada  
Proprietary Funds  
Statement of Net Assets  
June 30, 2010  
(Continued)

	Business-Type Activities- Enterprise Funds		
	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
<b>ASSETS</b>			
Unrestricted current assets:			
Cash and cash equivalents:			
In custody of the County Treasurer	\$ 75,492,977	\$ 664,286,033	\$ 408,763,083
In custody of other officials	3,410,062	90,941,106	4,102,000
Investments in custody of other officials	-	430,132,886	-
Loaned securities	476,073	476,073	2,661,632
Accounts receivable	547,842	226,452,600	1,413,219
Interest receivable	343,674	7,500,692	1,926,543
Taxes receivable, delinquent	714	714	-
Due from other funds	156,861	1,778,008	66,419,978
Due from other governmental units	18,599	3,720,389	986,584
Inventories	-	34,544,072	374,985
Prepaid items and other current assets	15,000	2,208,969	1,214,965
Total unrestricted current assets	80,461,802	1,462,041,542	487,862,989
Restricted current assets:			
Cash and cash equivalents:			
In custody of the County Treasurer	-	43,936,268	-
In custody of other officials	3,268,639	122,304,537	-
With fiscal agent	-	1,350,562,549	-
Investments in custody of other officials	-	92,224,283	-
Loaned securities	-	4,029,547	-
Accounts receivable	-	417,299,131	-
Total restricted current assets	3,268,639	2,030,356,315	-
Total current assets	83,730,441	3,492,397,857	487,862,989
Noncurrent assets:			
Accounts receivable, restricted	-	867,950,000	-
Deferred charges and other assets	-	278,496,488	16,304,427
Capital assets:			
Property and equipment	108,831,104	10,828,925,539	17,682,133
Accumulated depreciation	(33,961,795)	(2,663,112,413)	(15,015,349)
Total capital assets, net of accumulated depreciation	74,869,309	8,165,813,126	2,666,784
Total noncurrent assets	74,869,309	9,312,259,614	18,971,211
Total assets	158,599,750	12,804,657,471	506,834,200

(Continued)





Clark County, Nevada  
Proprietary Funds  
Statement of Revenues, Expenses and Changes in Net Assets  
For the fiscal year ended June 30, 2010

	Business-Type Activities - Enterprise Funds			
	University Medical Center	Water Reclamation District	Las Vegas Valley Water District	Department of Aviation
Operating revenues:				
Licenses and permits:				
New development fees	\$ -	\$ -	\$ -	\$ -
Charges for services:				
Sewer services and operations	-	123,717,412	-	-
Water sales and related water fees	-	-	320,695,958	-
Services to patients	461,079,014	-	-	-
Landing and other airport fees	-	-	-	56,942,662
Building and land rental	-	-	-	215,346,452
Concession fees	-	-	-	64,502,528
Constable fees	-	-	-	-
Building fees and permits	-	-	-	-
Recreation fees	-	-	-	-
Parking fees	-	-	-	-
Insurance	-	-	-	-
Other	29,035,577	-	-	-
Other operating revenues	-	1,071,194	2,263,906	25,658,813
Total operating revenues	<u>490,114,591</u>	<u>124,788,606</u>	<u>322,959,864</u>	<u>362,450,455</u>
Operating expenses:				
Salaries and benefits	-	29,423,759	-	109,214,004
General and administrative	147,993,687	-	-	56,464,269
Other professional services	413,814,263	7,433,909	-	-
Operating and maintenance	-	27,845,436	241,056,505	62,016,023
Depreciation	13,318,420	50,285,130	91,453,721	134,369,147
Total operating expenses	<u>575,126,370</u>	<u>114,988,234</u>	<u>332,510,226</u>	<u>362,063,443</u>
Operating income (loss)	<u>(85,011,779)</u>	<u>9,800,372</u>	<u>(9,550,362)</u>	<u>387,012</u>

(Continued)

Clark County, Nevada  
Proprietary Funds  
Statement of Revenues, Expenses and Changes in Net Assets  
For the fiscal year ended June 30, 2010  
(Continued)

	Business-Type Activities - Enterprise Funds			
	University Medical Center	Water Reclamation District	Las Vegas Valley Water District	Department of Aviation
Nonoperating revenues (expenses):				
Interest income	\$ 1,221,106	\$ 13,708,690	\$ 842,463	\$ 23,245,402
Interest expense	(3,994,979)	-	(34,460,433)	(164,498,708)
Gain (loss) on sale or abandonment of property and equipment	(163,900)	(1,300,285)	-	-
Consolidated tax	-	-	-	-
Sales and use tax	-	12,242,174	-	-
Contributions from other governmental units	65,400,000	-	-	-
Other	723,841	215,942	849,078	93,219,559
Total nonoperating revenues (expenses)	<u>63,186,068</u>	<u>24,866,521</u>	<u>(32,768,892)</u>	<u>(48,033,747)</u>
Income (loss) before contributions and transfers	(21,825,711)	34,666,893	(42,319,254)	(47,646,735)
Capital contributions	-	12,824,132	23,226,959	22,914,345
Transfers from other funds	4,165,592	-	-	7,798,884
Transfers to other funds	-	-	-	-
Change in net assets	<u>(17,660,119)</u>	<u>47,491,025</u>	<u>(19,092,295)</u>	<u>(16,933,506)</u>
Net assets:				
Beginning of year	101,441,757	1,454,704,156	1,141,222,335	1,548,970,182
Prior period adjustment	-	-	-	(17,730,982)
End of year	<u>\$ 83,781,638</u>	<u>\$ 1,502,195,181</u>	<u>\$ 1,122,130,040</u>	<u>\$ 1,514,305,694</u>

(Continued)

Clark County, Nevada  
Proprietary Funds  
Statement of Revenues, Expenses and Changes in Net Assets  
For the fiscal year ended June 30, 2010  
(Continued)

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Other Enterprise Funds	Total Enterprise Funds	-	
Operating revenues:				
Licenses and permits:				
New development fees	\$ 47,956	47,956	\$ -	-
Charges for services:				
Sewer services and operations	-	123,717,412	-	-
Water sales and related water fees	3,904,140	324,600,098	-	-
Services to patients	-	461,079,014	-	-
Landing and other airport fees	-	56,942,662	-	-
Building and land rental	-	215,346,452	-	-
Concession fees	-	64,502,528	-	-
Constable fees	3,787,797	3,787,797	-	-
Building fees and permits	14,284,940	14,284,940	-	-
Recreation fees	8,228,403	8,228,403	-	-
Parking fees	491,839	491,839	-	183,433
Insurance	-	-	-	152,199,806
Other	-	29,035,577	-	52,192,420
Other operating revenues	2,997,182	31,991,095	-	6,201,886
Total operating revenues	<u>33,742,257</u>	<u>1,334,055,773</u>	<u>-</u>	<u>210,777,545</u>
Operating expenses:				
Salaries and benefits	45,719,886	184,357,649	79,428,957	-
General and administrative	-	204,457,956	-	-
Other professional services	-	421,248,172	-	-
Operating and maintenance	15,465,122	346,383,086	159,110,227	-
Depreciation	3,150,619	292,577,037	912,123	-
Total operating expenses	<u>64,335,627</u>	<u>1,449,023,900</u>	<u>1,449,023,900</u>	<u>239,451,307</u>
Operating income (loss)	<u>(30,593,370)</u>	<u>(114,968,127)</u>	<u>(28,673,762)</u>	<u>(28,673,762)</u>

(Continued)

Clark County, Nevada  
Proprietary Funds  
Statement of Revenues, Expenses and Changes in Net Assets  
For the fiscal year ended June 30, 2010  
(Continued)

	Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
	Other Enterprise Funds	Total Enterprise Funds	Funds
Nonoperating revenues (expenses):			
Interest income	\$ 2,149,463	\$ 41,167,124	\$ 11,747,123
Interest expense	(304,299)	(203,258,419)	(45,499)
Gain (loss) on sale or abandonment of property and equipment	556,577	(907,608)	443,842
Consolidated tax	50,042	50,042	-
Sales and use tax	230,409	12,472,583	-
Contributions from other governmental units	-	65,400,000	-
Other	2,073,122	97,081,542	317,401
Total nonoperating revenues (expenses)	4,755,314	12,005,264	12,462,867
Income (loss) before contributions and transfers	(25,838,056)	(102,962,863)	(16,210,895)
Capital contributions	4,100	58,969,536	-
Transfers from other funds	7,841,783	19,806,259	15,533,264
Transfers to other funds	(6,141,783)	(6,141,783)	(1,533,264)
Change in net assets	(24,133,956)	(30,328,851)	(2,210,895)
Net assets:			
Beginning of year	158,724,415		192,312,992
End of year	\$ 134,590,459		\$ 190,102,097
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds		(4,701,613)	
Change in net assets of business-type activities		\$ (35,030,464)	

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, 2010  
(Continued)

	Business-Type Activities - Enterprise Funds			
	University Medical Center	Water Reclamation District	Las Vegas Valley Water District	Department of Aviation
Cash flows from operating activities:				
Cash received from customers	\$ 483,753,455	\$ 126,076,370	\$ 325,810,543	\$ 345,244,215
Cash paid for employees and for benefits	(314,768,025)	(27,467,186)	(119,996,383)	(101,761,312)
Cash paid for services and supplies	(257,953,129)	(36,274,617)	(137,315,454)	(118,578,894)
Other operating receipts	29,035,577	1,431,199	756,857	-
Net cash provided (used) by operating activities	<u>(59,932,122)</u>	<u>63,765,766</u>	<u>69,255,563</u>	<u>124,904,009</u>
Cash flows from noncapital financing activities:				
Cash provided by property taxes	-	-	-	-
Cash provided by consolidated taxes and sales and use taxes	-	-	-	-
Federal and state grants	-	-	-	-
Transfers from other funds	9,565,592	-	-	7,798,884
Transfers to other funds	-	-	-	-
Contributions from other governmental units	60,000,000	-	-	-
Net cash provided by noncapital financing activities	<u>69,565,592</u>	<u>-</u>	<u>-</u>	<u>7,798,884</u>
Cash flows from capital and related financing activities:				
Cash provided by contributed capital	-	10,810,344	3,370,159	-
Bonds and loans issued	-	-	86,454,477	2,593,695,689
Federal and state grants	-	267,180	-	20,319,884
Cash used for bond issue costs	-	-	(102,984)	(19,594,028)
Acquisition, construction, or improvement of capital assets	(17,955,699)	(166,037,184)	(48,644,184)	(1,026,634,668)

(Continued)

Clark County, Nevada  
Proprietary Funds  
Statement of Cash Flows  
For the fiscal year ended June 30, 2010  
(Continued)

	Business-Type Activities - Enterprise Funds			
	University Medical Center	Water Reclamation District	Las Vegas Valley Water District	Department of Aviation
Cash used for debt service:				
Principal	\$ (7,288,750)	\$ (6,110,000)	\$ (26,228,000)	\$ (71,780,000)
Interest	(4,007,830)	(42,384,276)	(37,691,180)	(129,109,741)
Payments to bond refunding agent	-	-	-	(800,000,000)
Proceeds from the sale of capital assets	-	217,618	189,656	-
Proceeds from customer assessments	-	-	-	85,076,592
Sales tax apportionment	-	12,240,581	-	-
Cash provided by other capital Net cash used by capital and related financing activities	723,840	-	(5,529,952)	-
Cash flows from investing activities:	(28,528,439)	(190,995,737)	(28,182,008)	651,973,728
Purchase of investments	-	(339,782,788)	(969,518,752)	-
Proceeds from maturities of investments	-	440,854,285	1,115,369,364	-
Interest income	1,128,262	14,602,562	389,314	23,541,680
Net cash provided by investing activities	1,128,262	115,674,059	146,239,926	23,541,680
Net increase (decrease) in cash and cash equivalents	(17,766,707)	(11,555,912)	187,313,481	808,218,301
Cash and cash equivalents:				
Beginning of year	58,960,121	42,647,715	6,335,434	1,115,706,382
End of year:				
Unrestricted	15,925,772	12,423,177	74,613,017	573,362,134
Restricted	25,267,642	18,668,626	119,035,898	1,350,562,549
Total cash and cash equivalents at end of year	\$ 41,193,414	\$ 31,091,803	\$ 193,648,915	\$ 1,923,924,683

(Continued)

Clark County, Nevada  
Proprietary Funds  
Statement of Cash Flows  
For the fiscal year ended June 30, 2010  
(Continued)

	Business-Type Activities - Enterprise Funds			
	University Medical Center	Water Reclamation District	Las Vegas Valley Water District	Department of Aviation
	\$ (85,011,779)	\$ 9,800,372	\$ (9,550,362)	\$ 387,012
Operating income (loss)	13,318,420	50,285,130	91,453,721	134,369,147
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	57,033,416	-	-	-
Depreciation	(34,358,975)	1,811,524	(12,132,224)	(9,759,043)
Provision for doubtful accounts	-	-	-	-
(Increase) decrease in accounts receivable	-	-	-	-
Increase in due from other funds	-	-	-	-
(Increase) decrease in due from other governmental units	-	-	-	-
Decrease in inventory	9,887	305,011	-	42,963
(Increase) decrease in prepaid expense	-	70,158	(4,666,844)	135,495
(Increase) decrease in other assets	332,276	-	1,723,182	-
Increase (decrease) in accounts payable	(14,593,842)	3,033,996	(2,070,609)	(1,089,100)
Increase in accrued payroll	-	-	3,803,198	7,453,276
Increase in due to other funds	-	-	-	-
Increase (decrease) in other non-current liabilities	1,999,613	(1,540,425)	-	-
Increase (decrease) in deferred revenue	-	-	(30,912)	1,419,054
Increase (decrease) in deposits and other current liabilities	1,338,862	-	726,413	(8,054,795)
Net cash provided (used) by operating activities	\$ (59,932,122)	\$ 63,765,766	\$ 69,255,563	\$ 124,904,009

(Continued)

Reconciliation of operating income (loss) to net cash flows from

operating activities:  
Operating income (loss)  
Adjustments to reconcile operating  
income (loss) to net cash provided  
(used) by operating activities:  
Depreciation  
Provision for doubtful accounts  
(Increase) decrease in accounts receivable  
Increase in due from other funds  
(Increase) decrease in  
due from other governmental units  
Decrease in inventory  
(Increase) decrease in prepaid expense  
(Increase) decrease in other assets  
Increase (decrease) in accounts payable  
Increase in accrued payroll  
Increase in due to other funds  
Increase (decrease) in  
other non-current liabilities  
Increase (decrease) in deferred revenue  
Increase (decrease) in deposits  
and other current liabilities  
Net cash provided (used) by  
operating activities



Clark County, Nevada  
Proprietary Funds  
Statement of Cash Flows  
For the fiscal year ended June 30, 2010  
(Continued)

	Business-Type Activities - Enterprise Funds			
	University Medical Center	Water Reclamation District	Las Vegas Valley Water District	Department of Aviation
Noncash investing, capital and financing activities	\$	\$	\$	\$
Donated mains and services	-	3,209,008	23,142,009	-
Property, plant and equipment purchased on account	-	16,625,512	-	-
Change in fair value of investments	-	9,133,278	19,000	-
Bond issuance costs deducted from bond proceeds	-	-	1,342,545	-
Refunding bonds issued	-	-	19,505,513	-
Bonds refunded	-	-	15,710,000	-
Deferred loss on refunded bonds	-	-	548,721	-
Debt issued on behalf of related party	-	-	520,080,000	-
Reduction of debt issued on behalf of related party	-	-	23,385,000	-
Contribution of land for Heliport facility	-	-	-	3,718,300

(Continued)

Clark County, Nevada  
Proprietary Funds  
Statement of Cash Flows  
For the fiscal year ended June 30, 2010  
(Continued)

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Other Enterprise Funds	Total Enterprise Funds		
Cash flows from operating activities:				
Cash received from customers	\$ 30,516,602	\$ 1,311,401,185		\$ 156,836,776
Cash paid for employees and for benefits	(45,375,049)	(609,367,955)		(29,446,159)
Cash paid for services and supplies	(12,405,348)	(562,527,442)		(141,297,082)
Other operating receipts	2,997,182	34,220,815		6,201,886
Net cash provided (used) by operating activities	(24,266,613)	173,726,603		(7,704,579)
Cash flows from noncapital financing activities:				
Cash provided by property taxes	16,607	16,607		-
Cash provided by consolidated taxes and sales and use taxes	50,042	50,042		-
Federal and state grants	1,406,601	1,406,601		-
Transfers from other funds	7,841,783	25,206,259		15,533,264
Transfers to other funds	(6,141,783)	(6,141,783)		(1,533,264)
Contributions from other governmental units	649,783	60,649,783		317,401
Net cash provided by noncapital financing activities	3,823,033	81,187,509		14,317,401
Cash flows from capital and related financing activities:				
Cash provided by contributed capital	-	14,180,503		-
Bonds and loans issued	-	2,680,150,166		-
Federal and state grants	-	20,587,064		-
Cash used for bond issue costs	-	(19,697,012)		-
Acquisition, construction, or improvement of capital assets	(14,729,817)	(1,274,001,552)		(55,565)

(Continued)

Clark County, Nevada  
Proprietary Funds  
Statement of Cash Flows  
For the fiscal year ended June 30, 2010  
(Continued)

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Other Enterprise Funds	Total Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
Cash used for debt service:				
Principal	\$ (1,781,556)	\$ (113,188,306)		-
Interest	(327,251)	(213,520,278)		-
Payments to bond refunding agent	-	(800,000,000)		-
Proceeds from the sale of capital assets	-	407,274		443,842
Proceeds from customer assessments	-	85,076,592		-
Sales tax apportionment	230,409	12,470,990		-
Cash provided by other capital	-	(4,806,112)		-
Net cash used by capital and related financing activities	(16,608,215)	387,659,329		388,277
Purchase of investments	-	(1,309,301,540)		-
Proceeds from maturities of investments	-	1,556,223,649		-
Interest income	2,302,031	41,963,849		12,456,374
Net cash provided by investing activities	2,302,031	288,885,958		12,456,374
Net increase (decrease) in cash and cash equivalents	(34,749,764)	931,459,399		19,457,473
Cash and cash equivalents:				
Beginning of year	116,921,442	1,340,571,094		393,407,610
End of year:				
Unrestricted	78,903,039	755,227,139		412,865,083
Restricted	3,268,639	1,516,803,354		-
Total cash and cash equivalents at end of year	\$ 82,171,678	\$ 2,272,030,493		\$ 412,865,083

(Continued)

Clark County, Nevada  
Proprietary Funds  
Statement of Cash Flows  
For the fiscal year ended June 30, 2010  
(Continued)

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Other Enterprise Funds	Total Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
Reconciliation of operating income (loss) to net cash flows from operating activities:				
Operating income (loss)	\$ (30,593,370)	\$ (114,968,127)	\$ (114,968,127)	\$ (28,673,762)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	3,150,619	292,577,037	292,577,037	912,123
Provision for doubtful accounts	-	57,033,416	57,033,416	-
(Increase) decrease in accounts receivable	(286,108)	(54,724,826)	(54,724,826)	10,704,509
Increase in due from other funds	(156,861)	(156,861)	(156,861)	(51,135,495)
(Increase) decrease in due from other governmental units	211,914	211,914	211,914	(986,584)
Decrease in inventory	-	357,861	357,861	75,889
(Increase) decrease in prepaid expense	-	(4,461,191)	(4,461,191)	629,233
(Increase) decrease in other assets	-	2,055,458	2,055,458	(6,201,426)
Increase (decrease) in accounts payable	474,693	(14,244,862)	(14,244,862)	15,823,410
Increase in accrued payroll	1,416,854	12,673,328	12,673,328	49,982,796
Increase in due to other funds	1,647,102	1,647,102	1,647,102	1,318,478
Increase (decrease) in other non-current liabilities	-	459,188	459,188	-
Increase (decrease) in deferred revenue	92	1,388,234	1,388,234	-
Increase (decrease) in deposits and other current liabilities	(131,548)	(6,121,068)	(6,121,068)	(153,750)
Net cash provided (used) by operating activities	<u>\$ (24,266,613)</u>	<u>\$ 173,726,603</u>	<u>\$ 173,726,603</u>	<u>\$ (7,704,579)</u>

(Continued)

Clark County, Nevada  
Proprietary Funds

Statement of Cash Flows

For the fiscal year ended June 30, 2010

(Continued)

	Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
	Other Enterprise Funds	Total Enterprise Funds	
Noncash investing, capital and financing activities			
Donated mains and services	\$ -	\$ 26,351,017	\$ -
Property, plant and equipment purchased on account	-	16,625,512	-
Change in fair value of investments	-	9,152,278	-
Bond issuance costs deducted from bond proceeds	-	1,342,545	-
Refunding bonds issued	-	19,505,513	-
Bonds refunded	-	15,710,000	-
Deferred loss on refunded bonds	-	548,721	-
Debt issued on behalf of related party	-	520,080,000	-
Reduction of debt issued on behalf of related party	-	23,385,000	-
Contribution of land for Heliport facility	-	3,718,300	-

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

Clark County, Nevada  
Fiduciary Funds  
Statement of Net Assets  
June 30, 2010

	Employee Benefit and Pension Funds	Agency Funds
<b>ASSETS</b>		
Cash and investments:		
In custody of the County Treasurer	\$ 3,165,055	\$ 151,897,428
In custody of other officials	-	37,607,355
With fiscal agent	150,368,731	7,902,351
Loaned securities	20,291	947,424
Accounts receivable	1,921	99,170
Interest receivable	1,420,387	685,374
Taxes receivable, delinquent	-	54,211,094
Due from other governmental units	-	297,943,931
Total Assets	154,976,385	551,294,127
<b>LIABILITIES</b>		
Accrued expenses	35,805	-
Loaned securities	39,238	1,832,102
Amounts held for others	-	549,462,025
Total Liabilities	75,043	551,294,127
<b>NET ASSETS</b>		
Held in trust for pension benefits and other purposes	\$ 154,901,342	\$ -

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

Clark County, Nevada  
Fiduciary Funds

Statement of Changes in Net Assets  
For the fiscal year ended June 30, 2010

	Employee Benefit and Pension Funds
<b>ADDITIONS</b>	
Contributions:	
Contributions from employer	\$ 25,788,680
Contributions from employees	232,694
Total contributions	<u>26,021,374</u>
Investment earnings:	
Interest	2,480,633
Net increase in fair value of investments	14,622,723
Total investment earnings	17,103,356
Less investment expense	(94,243)
Net investment earnings	<u>17,009,113</u>
Total additions	<u>43,030,487</u>
<b>DEDUCTIONS</b>	
General and administrative Benefit payments	240,752
Total deductions	<u>23,592,958</u>
Change in net assets	19,437,529
<b>NET ASSETS</b>	
Beginning of year	<u>135,463,813</u>
End of year	<u>\$ 154,901,342</u>

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

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

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 the Las Vegas Valley Water District (Water District), Big Bend Water District, University Medical Center of Southern Nevada (UMC), Clark County Water Reclamation District (Reclamation District) and the Clark County Redevelopment Agency (Redevelopment Agency).

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, they are blended into the financial statements. The operations of the Water District, Big Bend Water District, UMC, and the Reclamation District are reflected as enterprise funds. The Redevelopment Agency is reflected as a special revenue fund.

Discretely Presented Component Units

Included as discretely presented component units are the Regional Transportation Commission of Southern Nevada (RTC) and the Clark County Regional Flood Control District (Flood Control 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.

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 and Big Bend 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



Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets 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 is 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.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

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.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 and Water District funds 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 required to be 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.

The Master Transportation Fund accounts for revenues and expenditures associated with transportation improvements.

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.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fund Financial Statements (Continued)

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 Water District Fund is a blended component unit of the County. It accounts for the operations of the County's water distribution system.

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.

Additionally, the County reports the following fund types:

Internal service funds account for printing and mailing, fleet management, employee benefits, property management, 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 Assets or Equity

Investments

With the exception of the Water Reclamation District and Water District, the County pools the cash of its individual funds for investment purposes. Each fund in the pool records its own interest earnings. 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 and Water District also adjust 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

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Receivables and Payables (Continued)

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 Water District enterprise fund inventories are valued at the weighted average moving cost. The inventories of the other 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 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.

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

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

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

Excess of Expenditures Over Appropriations

For the fiscal year ended June 30, 2010, the following funds exceeded appropriations:

The Kyle Canyon Water District nonmajor enterprise fund expenses exceeded appropriations by \$66,630. The Clark County Worker's Compensation, LVMPD Self-Funded Insurance, and LVMPD Self-Funded Industrial Insurance internal service funds expenses exceeded appropriations by \$105,846, \$127,443 and \$6,017,405, respectively.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

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 do not specifically require collateral for demand deposits, but do 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 collateral held by the County's agent in the County's name. The County has written custodial agreements with the various financial institutions' trust banks for demand deposits and certificates of deposits. These custodial agreements pledge securities totaling 102 percent of the deposits with each financial institution. The County has a written agreement with the State Treasurer for monitoring the collateral maintained by the County's depository institutions.

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 \$125,345,317 and the carrying amount was \$77,219,927. The County utilizes zero balance sweep accounts and there are money market funds available to cover amounts presented for payment.

The bank balance of deposits held in the custody of other officials was \$256,915,488 and the carrying amount was \$249,381,954. The bank balance and the carrying value of deposits with fiscal agent was \$8,842,642.

At June 30, 2010, the fair value of Countywide deposits, investments, derivative instruments, and loaned securities reinvested consisted of the following:

Total Cash, Investments, Derivative Instruments, and Loaned Securities Reinvested  
All Entities Combined

		<u>Fair Value</u>
Investments	\$5,974,151,457	
Derivative Instruments	28,439,447	
Loaned Securities	<u>25,856,846</u>	\$6,028,447,750
Cash		335,444,523
Water District Pension		<u>150,287,110</u>
Grand total		<u>\$6,514,179,383</u>

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 on the whole and not 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.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

1. CASH AND INVESTMENTS (Continued)

Investments (Continued)

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.

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. Cash received as collateral for loaned securities is not considered a cash equivalent for the purpose of the statement of cash flows.

State statutes authorize the County to invest in the following: 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 is rated "A" or its equivalent; commercial paper having an "A-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 "A-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.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

1. CASH AND INVESTMENTS (Continued)

Investments (Continued)

At June 30, 2010, the fair value of Countywide investments, derivative instruments, and loaned securities reinvested were categorized by maturity as follows:

Investments with Derivative Instruments and Loaned Securities Reinvested – All Entities Combined

<u>Investment Type</u>	<u>Investment Maturities (in Years)</u>				
	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1 to 3</u>	<u>3 to 5</u>	<u>More Than 5</u>
Debt Securities:					
U.S. Treasuries	\$ 981,519,070	\$ 8,998,186	\$ 902,883,399	\$ 69,637,485	\$ -
U.S. Agencies	3,893,677,131	1,394,744,815	1,989,398,170	459,263,646	50,270,500
Corporate Obligations	188,266,800	11,057,300	160,885,450	16,324,050	-
Money Market Funds	770,432,615	770,432,615	-	-	-
Commercial Paper	23,993,980	23,993,980	-	-	-
Negotiable CDs	4,334,037	4,334,037	-	-	-
Collateralized Mortgage Obligations	56,949,458	-	5,410,006	9,355,263	42,184,189
Collateralized Investment Agreements*	35,292,569	35,292,569	-	-	-
Asset Backed Securities	45,542,643	20,006,846	793,023	21,536,790	3,205,984
Derivative Instruments	<u>28,439,447</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,439,447</u>
Total	<u>\$6,028,447,750</u>	<u>\$2,268,860,348</u>	<u>\$3,059,370,048</u>	<u>\$576,117,234</u>	<u>\$124,100,120</u>

\* These are fully collateralized guaranteed investment contracts and forward delivery agreements related to bond proceeds.

The State Investment Pool is an external pool administered by the State Treasurer with oversight by the State of Nevada Board of Finance. Fair value of the County's position in the pool is the same as the value of the pool shares.

At June 30, 2010, the Las Vegas Valley Water District Pension Trust Fund had the following investments (includes contract investments at contract value):

<u>Investment Type</u>	<u>Carrying Value</u>	<u>Percent of Total</u>
Fixed income securities	\$ 89,255,589	59.39%
Equities	<u>61,031,521</u>	<u>40.61</u>
Total	<u>\$150,287,110</u>	<u>100.00%</u>



Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

1. CASH AND INVESTMENTS (Continued)

Investments (Continued)

<u>Investment</u>	<u>Maturities</u>	<u>Carrying Value</u>
Domestic Equity Fund	N/A	\$ 61,031,521
Domestic Bond Fund	Weighted Average 6.31 years	51,868,948
Money Market Fund	Weighted Average 29 days	218,302
Union Central Life Insurance Co. Contract	Open	1,508,708
N.Y. Life Insurance Co. Contract	Open	11,800,258
N.Y. Life Insurance Co. Contract	07/30/10	4,990,772
N.Y. Life Insurance Co. Contract	09/03/10	4,991,771
N.Y. Life Insurance Co. Contract	10/01/10	4,510,357
N.Y. Life Insurance Co. Contract	09/04/12	4,826,349
N.Y. Life Insurance Co. Contract	10/01/12	<u>4,540,724</u>
Total		<u>\$150,287,110</u>

At June 30, 2010, the fair value of Countywide investments, derivative instruments, and loaned securities reinvested were categorized by quality rating as follows:

Investments with Derivative Instruments and Loaned Securities Reinvested – All Entities Combined

<u>Investment Type</u>	<u>Quality Ratings by Standard &amp; Poor's</u>					
	<u>Fair Value</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>A-1</u>	<u>Unrated</u>
<u>Debt Securities</u>						
U.S. Treasuries	\$ 981,519,070	\$ 981,519,070	\$ -	\$ -	\$ -	\$ -
U.S. Agencies	3,893,677,131	3,066,437,431	-	-	827,239,700	-
Corporate Obligations	188,266,800	118,310,650	48,227,000	15,879,150	-	5,850,000
Money Market Funds	770,432,615	770,432,615	-	-	-	-
Commercial Paper	23,993,980	-	-	-	23,993,980	-
Negotiable CDs	4,334,037	-	-	-	4,334,037	-
Collateralized Mortgage Obligations	56,949,458	56,949,458	-	-	-	-
Collateralized Investment Agreements*	35,292,569	-	14,867,770	20,424,799	-	-
Asset Backed Securities	45,542,643	45,542,643	-	-	-	-
Derivative Instruments	<u>28,439,447</u>	<u>-</u>	<u>91,271</u>	<u>28,348,176</u>	<u>-</u>	<u>-</u>
Total	<u>\$6,028,447,750</u>	<u>\$5,039,191,867</u>	<u>\$63,186,041</u>	<u>\$64,652,125</u>	<u>\$855,567,717</u>	<u>\$5,850,000</u>

\* These are fully collateralized guaranteed investment contracts and forward delivery agreements related to bond proceeds.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

1. CASH AND INVESTMENTS (Continued)

Investments (Continued)

Las Vegas Valley Water District Pension Trust Fund  
Credit Quality with Credit Exposure as a Percentage of Total Fixed Income Investments  
(Contracts Not Rated)

		<u>06/30/10</u>
Domestic Bond Fund	AA	58.11%
Money Market Fund	AAA/Aaa	.25
Contracts	N/A	41.64

The managing institution of the Domestic Bond Fund reports an overall rating of AA at June 30, 2010, for the underlying securities. The fund is benchmarked off the Capital Aggregate Bond Index; therefore, the fund uses Barclays' rating methodology. The methodology uses the middle rating of Moody's, Standard & Poor's, and Fitch after dropping the highest and lowest available ratings. The AAA/Aaa ratings for the Money Market Fund were by Standard & Poor's and Moody's.

The amounts above include investment balances for the RTC and the Flood Control District of \$271,217,192 and \$293,637,745, respectively, which are discretely presented component units and are not broken out separately as they participate in the investment pool.

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, 2010, 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.

*Step-up/step-down securities* have fixed rate coupons for a specific time interval that will step-up or step-down a predetermined number of basis points at scheduled coupon or other reset dates. These securities are callable one time or on their coupon dates.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

1. CASH AND INVESTMENTS (Continued)

Interest Rate Sensitivity (Continued)

Terms Table of Interest Rate Sensitive Securities

<u>CUSIP</u>	<u>Fair Value</u>	<u>Maturity Date</u>	<u>Call Frequency</u>	<u>Index</u>	<u>Coupon</u>
44329FAC2	\$ 99,388	11/17/11	Monthly	N/A	Fixed
92978BAC4	693,635	04/20/12	Monthly	N/A	Fixed
41283VAD5	1,912,789	08/15/13	Monthly	N/A	Fixed
41283FAD0	3,063,390	11/15/13	Monthly	N/A	Fixed
06052MAC9	3,159,356	07/15/14	Monthly	N/A	Fixed
65476CAC5	3,205,984	01/15/16	Monthly	N/A	Fixed
09657CAD2	4,110,600	08/15/13	Monthly	N/A	Fixed
65490AAF4	4,610,385	11/15/14	Monthly	N/A	Fixed
928664AD3	4,680,270	03/17/14	Monthly	N/A	Fixed
3133XYQT5	5,004,688	12/16/11	Quarterly	N/A	Fixed
3134GIEZ3	5,024,150	06/15/12	One time	N/A	Fixed
31331GR92	20,068,800	09/28/12	One time	N/A	Fixed
3128X9ZK9	20,145,600	02/25/13	One time	N/A	Fixed
31398AM25	20,170,932	04/15/13	One time	N/A	Fixed
31398AS45	20,212,600	06/24/13	One time	N/A	Fixed
3133XYED3	25,000,000	05/17/11	Monthly	N/A	Fixed
3133XVZC8	25,007,750	12/28/10	Quarterly	N/A	Fixed
3133XXKZ9	25,007,750	04/06/11	Quarterly	N/A	Fixed
3133XUAE3	50,047,000	07/27/12	One time	N/A	Fixed
3133XVVZ1	50,078,000	06/10/11	One time	N/A	Fixed
3128X9AM2	50,137,500	08/24/12	One time	N/A	Fixed
31398AZA3	50,140,500	09/10/12	One time	N/A	Fixed
3133XUYD9	50,187,500	10/05/12	One time	N/A	Fixed
31398AZQ8	50,187,500	10/29/12	One time	N/A	Fixed
3128X9KL3	50,229,500	11/05/12	One time	N/A	Fixed
3133XW6C8	50,234,500	12/21/12	One time	N/A	Fixed
3128X9ZK9	50,364,000	02/25/13	One time	N/A	Fixed
31398AZS4	50,406,500	10/29/14	One time	N/A	Fixed
31398AD90	50,407,355	01/28/13	One time	N/A	Fixed
31398AM25	50,427,330	04/15/13	One time	N/A	Fixed
31398AS45	50,531,500	06/24/13	One time	N/A	Fixed
3128X8XS6	50,560,000	04/27/12	One time	N/A	Fixed
3136FMKH6	13,663,784	04/15/15	Quarterly	N/A	Step-up
3136FMYP3	19,992,000	06/21/13	Quarterly	N/A	Step-up
3133XWB24	20,168,800	12/29/14	Semi annually	N/A	Step-up
3136FMYG3	49,927,500	06/15/15	Annually	N/A	Step-up
3136FMYP3	49,980,000	06/21/13	Quarterly	N/A	Step-up
3136FMLV4	50,031,500	04/19/13	One time	N/A	Step-up
3128X9GQ7	50,200,000	09/30/14	Annually	N/A	Step-up
3136FJWN7	50,234,500	12/22/14	Annually	N/A	Step-up
3128X9P53	50,270,500	03/24/17	Semi annually	N/A	Step-up

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

1. CASH AND INVESTMENTS (Continued)

Interest Rate Sensitivity (Continued)

Terms Table of Interest Rate Sensitive Securities (Continued)

<u>CUSIP</u>	<u>Fair Value</u>	<u>Maturity Date</u>	<u>Call Frequency</u>	<u>Index</u>	<u>Coupon</u>
3136FMBE3	50,297,000	03/02/15	Annually	N/A	Step-up
3136F94A8	50,390,500	01/28/14	Semi annually	N/A	Step-up
3136FMQW7	50,515,500	05/19/15	One time	N/A	Step-up

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 the 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 Standard & Poor's and Moody's Investors Service, respectively, as follows: obligations of the U.S. Treasury, AAA/Aaa; bonds of U.S. Federal agencies, AAA/Aaa; discount notes of U.S. Federal agencies, A-1/P-1; money market funds, AAA/Aaa; commercial paper, A-1/P-1; negotiable certificates of deposit, A-1/P-1; collateralized mortgage obligations, AAA/Aaa; collateralized investment agreements issued by insurance companies rated AA/Aa2 or its equivalent or higher, or issued by entities rated A/A2 or its equivalent or higher; asset-backed securities, AAA/Aaa; corporate notes issued by corporations organized and operating in the United States which have a rating of A or its equivalent 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, 2010, the following investments exceeded five percent of the total cash, investments, derivative instruments, and loaned securities collateral for all entities combined.

Federal Money Market Funds (FEDG)	8.93%
Federal Farm Credit Banks (FFCB)	10.98
Federal Home Loan Banks (FHLB)	19.35
Federal Home Loan Mortgage Corporation (FHLMC)	15.42
Federal National Mortgage Association (FNMA)	21.05

Securities Lending

Nevada Revised Statute (NRS) 355.178 authorizes the County to participate in securities lending transactions, where the County's securities are loaned to broker/dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The County's securities lending agent administers the securities lending program and receives cash or other securities equal to at least 102 percent of the fair value of the loaned

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

1. CASH AND INVESTMENTS (Continued)

Securities Lending (Continued)

securities plus accrued interest as collateral for securities of the type on loan at year end. The collateral for the loans is maintained at 102 percent, and the value of the securities borrowed is determined on a daily basis.

At year end, the County had no credit exposure to borrowers because the amount the County held as collateral exceeded the amounts the borrowers owed to the County. The contract with the securities lending agent requires it to indemnify the County for all losses relating to securities lending transactions.

The County does not have the ability to pledge or sell collateral securities without a borrower default. There were no borrower defaults during the period nor were there any prior period losses to recover.

State statutes place no restrictions on the amount of securities that can be loaned. Either the County or the borrower can terminate all open securities loans on demand. Cash collateral is invested in accordance with the investment guidelines stated in NRS 355.170. The County investment policy requires that the aggregate reinvestment of the cash collateral may not be mismatched to the aggregate securities loaned by more than three business days. In regard to this calculation, the final maturity or interest rate reset date is utilized. Such amounts are included in loaned securities in investments and liabilities.

The fair value of the securities on loan at June 30, 2010, was \$48,981,550. At June 30, 2010, the County had received cash collateral with a value totaling \$50,001,250. The total collateral received was in excess of the fair value of the investments held by brokers/dealers under the securities lending agreement.

During the year ending June 30, 2010, the Clark County Water Reclamation District ceased participating in securities lending activities through its custodial bank. Therefore, the District had no loaned securities balances in its custodial bank as of June 30, 2010.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Consistent with the County's securities lending policy, \$25,856,846 was held by the counterparty that was acting as the County's agent in securities lending transactions, and consisted of U.S. corporate obligations, asset-backed securities.

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.

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

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

2. PROPERTY TAXES (Continued)

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 revenue 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. The following delinquent taxes receivable and penalties receivable on delinquent taxes have been deferred as of June 30, 2010:

<u>General Fund</u>	<u>Las Vegas Metropolitan Police</u>	<u>Nonmajor Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>
\$21,949,221	\$3,941,634	\$7,818,253	\$287,369	\$630	\$33,997,107

3. ACCOUNTS RECEIVABLE

Accounts receivable balances at June 30, 2010, consisted of the following:

	<u>Accounts Receivable</u>	<u>Provisions for Doubtful Accounts</u>	<u>Net Accounts Receivable</u>
<b><u>Primary Government</u></b>			
<b>Governmental activities:</b>			
General Fund	\$ 27,819,245	\$ (24,042,768)	\$ 3,776,477
Las Vegas Metropolitan Police	535,767	-	535,767
Other governmental	3,649,142	-	3,649,142
Internal service	<u>1,413,219</u>	<u>-</u>	<u>1,413,219</u>
Total governmental activities	<u>\$ 33,417,373</u>	<u>\$ (24,042,768)</u>	<u>\$ 9,374,605</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ 24,042,768</u>		
<b>Business-type activities:</b>			
University Medical Center	\$372,462,069	\$(249,973,504)	\$ 122,488,565
Reclamation District	14,255,095	(710,500)	13,544,595
Water District	59,932,503	(1,882,000)	58,050,503
Department of Aviation	32,646,435	(825,340)	31,821,095
Other proprietary	<u>547,842</u>	<u>-</u>	<u>547,842</u>
Total business-type activities	<u>\$479,843,944</u>	<u>\$(253,391,344)</u>	<u>\$ 226,452,600</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

3. ACCOUNTS RECEIVABLE (Continued)

	<u>Accounts Receivable</u>	<u>Provisions for Doubtful Accounts</u>	<u>Net Accounts Receivable</u>
<u>Primary Government (Continued)</u>			
<b>Business-type activities restricted:</b>			
University Medical Center	\$ 1,299,463	\$ -	\$ 1,299,463
Reclamation District	2,120,325	-	2,120,325
Water District	<u>1,281,829,343</u>	<u>-</u>	<u>1,281,829,343</u>
Total business-type activities restricted	<u>\$1,285,249,131</u>	<u>\$ -</u>	<u>\$1,285,249,131</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ 867,950,000</u>		

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.

Discretely Presented Component Units

Regional Transportation Commission of Southern Nevada	\$ <u>6,342,544</u>	\$ <u>(587,827)</u>	\$ <u>5,754,717</u>
Regional Flood Control District	\$ <u>298,970</u>	\$ <u>-</u>	\$ <u>298,970</u>

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 assets. Balance as of June 30, 2010:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Bond bank receivable, current	\$ 4,355,000	\$ -
Bond bank receivable, noncurrent	<u>1,368,855,000</u>	<u>867,950,000</u>
Total bond bank receivable	<u>\$1,373,210,000</u>	<u>\$867,950,000</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

4. CAPITAL ASSETS

	<u>Balance</u> <u>July 1, 2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2010</u>
<u>Primary Government</u>				
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$1,352,225,114	\$ 25,830,829	\$ 26,458,853	\$1,351,597,090
Construction in progress	<u>366,632,481</u>	<u>175,484,135</u>	<u>284,241,186</u>	<u>257,875,430</u>
Total capital assets not being depreciated	<u>1,718,857,595</u>	<u>201,314,964</u>	<u>310,700,039</u>	<u>1,609,472,520</u>
Capital assets being depreciated:				
Buildings	930,507,716	99,584,073	639	1,030,091,150
Improvements other than buildings	245,278,173	75,488,213	150,566	320,615,820
Equipment	340,845,444	23,627,575	42,469,084	322,003,935
Infrastructure	<u>4,260,754,828</u>	<u>350,570,205</u>	<u>-</u>	<u>4,611,325,033</u>
Total capital assets being depreciated	<u>5,777,386,161</u>	<u>549,270,066</u>	<u>42,620,289</u>	<u>6,284,035,938</u>
Less accumulated depreciation for:				
Buildings	164,132,377	19,869,251	-	184,001,628
Improvements other than buildings	95,057,123	12,911,186	3,852	107,964,457
Equipment	215,025,324	41,488,105	22,949,764	233,563,665
Infrastructure	<u>1,363,731,433</u>	<u>151,215,073</u>	<u>-</u>	<u>1,514,946,506</u>
Total accumulated depreciation	<u>1,837,946,257</u>	<u>225,483,615</u>	<u>22,953,616</u>	<u>2,040,476,256</u>
Total capital assets being depreciated, net	<u>3,939,439,904</u>	<u>323,786,451</u>	<u>19,666,673</u>	<u>4,243,559,682</u>
Governmental activities capital assets, net	<u>\$5,658,297,499</u>	<u>\$ 525,101,415</u>	<u>\$330,366,712</u>	<u>\$5,853,032,202</u>
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 903,556,366	\$ 4,518,853	\$ 2,800	\$ 908,072,419
Construction in progress	1,450,080,290	1,152,673,266	640,292,987	1,962,460,569
Intangible asset	<u>32,800,741</u>	<u>-</u>	<u>-</u>	<u>32,800,741</u>
Total capital assets not being depreciated	<u>2,386,437,397</u>	<u>1,157,192,119</u>	<u>640,295,787</u>	<u>2,903,333,729</u>



Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

4. CAPITAL ASSETS (Continued)

	<u>Balance</u> <u>July 1, 2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2010</u>
<u>Primary Government (Continued)</u>				
Capital assets being depreciated:				
Land improvements	2,866,029,323	221,856,555	277,208	3,087,608,670
Buildings and improvements	3,250,931,634	435,162,871	4,558,795	3,681,535,710
Equipment	<u>1,126,252,155</u>	<u>44,198,347</u>	<u>14,003,072</u>	<u>1,156,447,430</u>
 Total capital assets being depreciated	 <u>7,243,213,112</u>	 <u>701,217,773</u>	 <u>18,839,075</u>	 <u>7,925,591,810</u>
Less accumulated depreciation for:				
Land improvements	851,408,815	93,635,552	126,132	944,918,235
Buildings and improvements	1,017,357,172	118,971,673	226,824	1,136,102,021
Equipment	<u>518,280,179</u>	<u>77,149,697</u>	<u>13,337,719</u>	<u>582,092,157</u>
 Total accumulated depreciation	 <u>2,387,046,166</u>	 <u>289,756,922</u>	 <u>13,690,675</u>	 <u>2,663,112,413</u>
 Total capital assets being depreciated, net	 <u>4,856,166,946</u>	 <u>411,460,851</u>	 <u>5,148,400</u>	 <u>5,262,479,397</u>
 Business-type activities capital assets, net	 <u>\$7,242,604,343</u>	 <u>\$1,568,652,970</u>	 <u>\$645,444,187</u>	 <u>\$8,165,813,126</u>

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

**Governmental activities:**

General government	\$ 19,978,425
Judicial	6,261,571
Public safety	29,114,998
Public works	154,697,321
Health	434,918
Welfare	493,443
Culture and recreation	13,812,106
Other	<u>690,833</u>

Total depreciation expense – governmental activities \$225,483,615

**Business-type activities:**

Hospital	\$ 13,318,420
Water	92,604,753
Airport	131,549,032
Sewer	50,285,130
Other	<u>1,999,587</u>

Total depreciation expense – business-type activities \$289,756,922

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

4. CAPITAL ASSETS (Continued)

Primary Government (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, 2010, were as follows:

	<u>Spent to date</u>	<u>Remaining Commitment</u>
<b>Governmental activities:</b>		
Buildings and improvements	\$ 134,934,784	\$ 248,234,611
Infrastructure:		
Work in progress – RFCD Clark County projects	24,335,963	144,866,855
Work in progress – Public Works	42,562,190	922,045,275
Work in progress – RTC Clark County projects	<u>56,042,493</u>	<u>144,974,109</u>
Total infrastructure	<u>122,940,646</u>	<u>1,211,886,239</u>
Total governmental activities	<u>\$ 257,875,430</u>	<u>\$1,460,120,850</u>
<b>Business-type activities:</b>		
Hospital	\$ 658,093	\$ 1,966,368
Water	60,505,982	14,400,000
Airport	1,561,160,344	1,800,000,000
Sewer	<u>340,136,150</u>	<u>109,175,964</u>
Total	<u>\$1,962,460,569</u>	<u>\$1,925,542,332</u>

Discretely Presented Component Units

Flood Control District

	<u>Balance July 1, 2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2010</u>
Capital assets not being depreciated:				
Construction in progress	\$ 119,967	\$ 44,151	\$ 49,227	\$ 114,841
Capital assets being depreciated:				
Buildings	3,019,694	-	-	3,019,694
Equipment	<u>1,551,746</u>	<u>54,816</u>	<u>23,589</u>	<u>1,582,973</u>
Total capital assets being depreciated	<u>4,571,440</u>	<u>54,816</u>	<u>23,589</u>	<u>4,602,667</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

4. CAPITAL ASSETS (Continued)

Discretely Presented Component Units (Continued)

Flood Control District (Continued)

	<u>Balance July 1, 2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2010</u>
Less accumulated depreciation for:				
Buildings	653,851	63,018	-	716,869
Equipment	<u>1,265,592</u>	<u>113,713</u>	<u>23,589</u>	<u>1,355,716</u>
Total accumulated depreciation	<u>1,919,443</u>	<u>176,731</u>	<u>23,589</u>	<u>2,072,585</u>
Total capital assets being depreciated, net	<u>2,651,997</u>	<u>(121,915)</u>	-	<u>2,530,082</u>
Government activities capital assets, net	<u>\$2,771,964</u>	<u>\$ (77,764)</u>	<u>\$ 49,277</u>	<u>\$2,644,923</u>

Depreciation expense of \$176,731 was charged to the public works function.

RTC

	<u>Balance July 1, 2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2010</u>
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Construction in progress	\$ <u>57,324</u>	\$ <u>49,000</u>	\$ <u>106,324</u>	\$ _____ -
Total capital assets not being depreciated	<u>57,324</u>	<u>49,000</u>	<u>106,324</u>	_____ -
Capital assets being depreciated:				
Buildings	18,522,095			18,522,095
Equipment	<u>2,669,846</u>	<u>343,970</u>	<u>20,502</u>	<u>2,993,314</u>
Total capital assets being depreciated	<u>21,191,941</u>	<u>343,970</u>	<u>20,502</u>	<u>21,515,409</u>
Less accumulated depreciation for:				
Buildings	3,689,630	417,108		4,106,738
Equipment	<u>1,313,927</u>	<u>549,900</u>	<u>20,502</u>	<u>1,843,325</u>
Total accumulated depreciation	<u>5,003,557</u>	<u>967,008</u>	<u>20,502</u>	<u>5,950,063</u>
Total capital assets being depreciated, net	<u>16,188,384</u>	<u>(623,038)</u>	-	<u>15,565,346</u>
Governmental activities capital assets, net	<u>\$ 16,245,708</u>	<u>\$ (574,038)</u>	<u>\$ 106,324</u>	<u>\$ 15,565,346</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

4. CAPITAL ASSETS (Continued)

Discretely Presented Component Units – RTC (Continued)

	<u>Balance July 1, 2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2010</u>
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 32,038,082	\$ -	\$ -	\$ 32,038,082
Construction in progress	<u>184,935,646</u>	<u>72,400,851</u>	<u>207,989,274</u>	<u>49,347,223</u>
Total capital assets not being depreciated	<u>216,973,728</u>	<u>72,400,851</u>	<u>207,989,274</u>	<u>81,385,305</u>
Capital assets being depreciated:				
Buildings and improvements	67,461,838	79,710,356	-	147,172,194
Equipment	<u>247,187,314</u>	<u>74,555,575</u>	<u>5,871,115</u>	<u>315,871,774</u>
Total capital assets being depreciated	<u>314,649,152</u>	<u>154,265,931</u>	<u>5,871,115</u>	<u>463,043,968</u>
Less accumulated depreciation for:				
Buildings and improvements	24,570,655	4,370,247	-	28,940,902
Equipment	<u>82,531,355</u>	<u>25,324,990</u>	<u>5,871,115</u>	<u>101,985,230</u>
Total accumulated depreciation	<u>107,102,010</u>	<u>29,695,237</u>	<u>5,871,115</u>	<u>130,926,132</u>
Total capital assets being depreciated, net	<u>207,547,142</u>	<u>124,570,694</u>	<u>-</u>	<u>332,117,836</u>
Business-type activities capital assets, net	<u>\$424,520,870</u>	<u>\$196,971,545</u>	<u>\$207,989,274</u>	<u>\$413,503,141</u>

Depreciation expense was charged to the following functions or programs:

**Governmental activities:**

Public Works \$ 967,008

**Business-type activities:**

Public Transit \$29,695,327

Construction commitments include major arterial roadway projects with various local entities of approximately \$196,000,000. In addition, the Public Transit fund has outstanding construction commitments of approximately \$39,200,000 for capital projects and vehicles.

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.

Due to/from other funds at June 30, 2010, were as follows:

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

5. INTERFUND TRANSACTIONS (Continued)

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 117,756
	University Medical Center	3,230
	Department of Aviation	880,940
Las Vegas Metropolitan Police Fund	Nonmajor Governmental Funds	6,247
Nonmajor Governmental Funds	General Fund	457,270
	Between Nonmajor Governmental Funds	8,811,522
	Master Transportation Fund	3,918,288
	Nonmajor Enterprise Fund	278,604
	University Medical Center	13,640
Department of Aviation	Master Transportation Fund	1,282,281
	Las Vegas Metropolitan Police Fund	338,866
Nonmajor Enterprise Funds	Nonmajor Governmental Funds	6,750
	Department of Aviation	150,111
Internal Service funds	General Fund	20,820,879
	Nonmajor Governmental Funds	21,477,135
	Nonmajor Enterprise Funds	1,368,498
	Between Internal Service Funds	1,318,478
	University Medical Center	21,227,621
	Department of Aviation	119,854
	Water Reclamation District	<u>87,513</u>
		<u>\$82,685,483</u>

Total due to/from other funds

Interfund transfers for the year ended June 30, 2010, consisted of the following:

<u>Fund transferred to:</u>	<u>Fund transferred from:</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 318,187,963
Las Vegas Metropolitan Police Fund	General Fund	216,281,886
	Nonmajor Governmental Funds	1,306,530
Nonmajor Governmental Funds	General Fund	281,695,264
	Between Nonmajor Governmental Funds	94,443,519
	Las Vegas Metropolitan Police Fund	14,000,000
	Master Transportation Fund	53,658,985
Nonmajor Enterprise Funds	General Fund	1,700,000
	Between Nonmajor Enterprise Funds	6,141,783
Internal Service Funds	General Fund	4,500,000
	Nonmajor Governmental Funds	3,500,000
	Las Vegas Metropolitan Police Fund	6,000,000
	Between Internal Service Funds	1,533,264
University Medical Center	General Fund	1,750,000
	Nonmajor Governmental Funds	2,415,592
Department of Aviation	Master Transportation Fund	<u>7,798,884</u>
		<u>\$1,014,913,670</u>

Total interfund transfers

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

5. INTERFUND TRANSACTIONS (Continued)

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.

6. LONG-TERM DEBT

Primary Government

Bonds payable at June 30, 2010, are comprised of the following individual issues:

**Governmental Activities:**

General Obligation Bonds

<u>Series</u>	<u>Purpose</u>	<u>Date Issued</u>	<u>Date of Final Maturity</u>	<u>Interest</u>	<u>Original Issue</u>	<u>Balance June 30, 2010</u>
1992	Transportation Improvement	06/01/92	06/01/17	4.90-8.00 %	\$250,000,000	\$ 21,800,000
2000	Transportation Improvement	02/01/00	12/01/11	5.00-6.00	85,000,000	8,420,000
2000	Public Safety	03/01/00	03/01/11	5.00-6.00	18,000,000	1,360,000
2001	Bond Bank	06/01/01	06/01/31	5.00-5.50	250,000,000	37,385,000
2002	Medium Term	02/01/02	02/01/12	4.50-5.00	20,000,000	4,650,000
2002	Bond Bank	11/01/02	06/01/32	5.00-5.25	200,000,000	69,730,000
2004	Government Center	04/01/04	01/01/14	2.00-5.00	7,910,000	6,070,000
2004	Public Safety	04/01/04	06/01/17	2.50-5.00	75,610,000	51,865,000
2004	Transportation Improvement	12/30/04	12/01/19	3.00-5.00	74,895,000	73,525,000
2004	Park and Justice Center	12/30/04	11/01/17	3.00-5.00	48,935,000	47,905,000
2005	Street Improvement	07/06/05	10/01/10	3.50-5.00	20,475,000	3,640,000
2005	Park and Justice Center	07/06/05	11/01/24	4.125-5.00	32,310,000	32,310,000
2006	Transportation Improvement	03/07/06	06/01/16	5.00	115,585,000	101,380,000
2006	Bond Bank	06/13/06	06/01/30	4.00-4.75	242,880,000	237,225,000
2006	Bond Bank	11/02/06	11/01/36	2.50-5.00	604,140,000	592,910,000
2007	Public Facilities	05/24/07	06/01/24	4.00-5.00	22,325,000	22,175,000
2008	Transportation Improvement	03/13/08	06/01/19	3.460	71,045,000	60,230,000
2008	Bond Bank	07/02/08	06/01/38	5.00	400,000,000	385,960,000
2009	Public Facilities	03/10/09	11/01/18	3.00-4.00	24,750,000	22,695,000
2009	Public Facilities	05/14/09	06/01/24	2.00-4.75	24,865,000	20,515,000
2009	Transportation BABs	06/23/09	06/01/29	2.69-7.05	60,000,000	57,665,000
2009	Bond Bank	11/10/09	06/01/30	5.00	50,000,000	50,000,000
2009	Transportation	12/08/09	12/01/29	1.00-5.00	124,465,000	<u>124,465,000</u>
Total General Obligation Bonds						<u>\$2,033,880,000</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

**Governmental Activities (Continued):**

General Obligation Bonds (Continued)

The annual debt service requirements to maturity are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2011	\$ 62,710,000	\$ 95,271,017	\$ 157,981,017
2012	70,545,000	92,425,519	162,970,519
2013	91,985,000	89,263,930	181,248,930
2014	96,505,000	84,735,185	181,240,185
2015	97,780,000	80,104,965	177,884,965
2016-2020	445,395,000	331,547,341	776,942,341
2021-2025	370,620,000	236,676,378	607,296,378
2026-2030	431,625,000	141,713,409	573,338,409
2031-2035	245,880,000	54,561,813	300,441,813
2036-2040	<u>120,835,000</u>	<u>8,690,638</u>	<u>129,525,638</u>
	<u>\$2,033,880,000</u>	<u>\$1,214,990,195</u>	<u>\$3,248,870,195</u>

Revenue Bonds

<u>Series</u>	<u>Purpose</u>	<u>Date Issued</u>	<u>Date of Final Maturity</u>	<u>Interest</u>	<u>Original Issue</u>	<u>Balance June 30, 2010</u>
2009	Performing Arts	04/01/09	04/01/59	5.83%	\$10,000	\$10,000

The annual debt service requirements to maturity are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2011	\$ -	\$ 583	\$ 583
2012	-	583	583
2013	-	583	583
2014	-	583	583
2015	-	583	583
2016-2020	-	2,915	2,915
2021-2025	-	2,915	2,915
2026-2030	-	2,915	2,915
2031-2035	-	2,915	2,915
2036-2040	-	2,915	2,915

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

**Governmental Activities (Continued):**

Revenue Bonds (Continued)

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirements</u>
2041-2045	-	2,915	2,915
2046-2050	-	2,915	2,915
2051-2055	-	2,915	2,915
2056-2060	<u>10,000</u>	<u>2,332</u>	<u>12,332</u>
	<u>\$10,000</u>	<u>\$28,567</u>	<u>\$38,567</u>

These bonds are being serviced, principal and interest, by car rental fees.

Special Assessment Bonds

<u>Series</u>	<u>Purpose</u>	<u>Date</u> <u>Issued</u>	<u>Date of</u> <u>Final</u> <u>Maturity</u>	<u>Interest</u>	<u>Original</u> <u>Issue</u>	<u>Balance</u> <u>June 30, 2010</u>
1998	Laughlin Wash #71A	09/01/98	04/15/14	4.10-7.20 %	\$ 2,155,000	\$ 465,000
1998	Russell Road #81	09/01/98	12/01/12	3.65-5.00	7,155,000	1,835,000
2001	Windmill #105	01/01/01	02/01/11	4.25-4.75	1,604,000	120,000
2001	Summerlin Centre #128B	05/17/01	02/01/21	4.50-6.75	10,000,000	4,585,000
2001	Summerlin Centre #132	05/17/01	02/01/21	4.50-6.875	24,000,000	14,875,000
2002	Durango #89	06/15/02	08/01/12	1.50-4.20	150,000	16,494
2002	Tropicana #116	06/15/02	08/01/12	1.50-4.20	118,000	21,576
2002	Maryland Parkway #118	06/15/02	08/01/12	1.50-4.20	421,000	85,495
2002	Craig Road #119A	06/15/02	08/01/12	1.50-4.20	67,000	15,768
2002	Jones Blvd. #120	06/15/02	08/01/12	1.50-4.20	194,000	25,133
2002	Flamingo Rd. #123	06/15/02	08/01/12	1.50-4.20	405,000	60,534
2003	Las Vegas Blvd. #97A	06/01/03	03/01/16	2.00-3.70	6,970,000	2,520,000
2003	Durango #117	06/01/03	03/01/14	2.00-3.50	277,000	49,607
2003	Summerlin Gardens #124A	12/23/03	02/01/20	2.25-4.50	4,399,431	2,708,059
2003	Summerlin Gardens #124B	12/23/03	02/01/20	1.50-5.90	1,929,727	1,230,792
2003	Jones Blvd. #125	06/01/03	03/01/14	2.00-3.50	322,000	113,226
2003	Boulder Highway #126A	06/01/03	03/01/23	2.00-4.30	2,119,000	1,060,000
2003	Tenaya Way #136	06/01/03	03/01/14	2.00-3.50	300,000	114,123
2003	Buffalo Drive #139	06/01/03	03/01/14	2.00-3.50	527,000	148,043
2003	Summerlin Centre #128A	11/03/03	02/01/21	3.50-6.30	10,000,000	7,290,000
2003	Mountains Edge #142	12/04/03	08/01/23	2.25-6.375	92,360,000	74,330,000
2003	Summerlin South #108A	12/23/03	02/01/17	2.25-4.50	17,335,569	9,051,943
2003	Summerlin South #108B	12/23/03	02/01/17	3.30-5.70	8,375,273	4,569,209
2004	Mountain Vista St. #113	06/29/04	02/01/15	3.50-4.30	322,424	89,712
2004	Silverado Ranch Blvd. #130	06/29/04	02/01/15	3.50-4.30	1,747,504	751,923
2004	Stewart Ave. #133	06/29/04	02/01/15	3.50-4.30	205,850	76,544



Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

**Governmental Activities (Continued):**

Special Assessment Bonds (Continued)

<u>Series</u>	<u>Purpose</u>	<u>Date Issued</u>	<u>Date of Final Maturity</u>	<u>Interest</u>	<u>Original Issue</u>	<u>Balance June 30, 2010</u>
2004	Pebble Road #138	06/29/04	02/01/15	3.50-4.30	808,817	373,275
2004	Buffalo Drive #141	06/29/04	02/01/15	3.50-4.30	64,569	19,988
2004	Alta Drive Bridge #143	06/29/04	02/01/14	3.50-4.30	1,807,964	870,917
2004	Durango #144B	06/29/04	02/01/15	3.50-4.30	816,871	402,639
2005	Summerlin Mesa #151	10/12/05	08/01/25	3.15-5.00	25,485,000	22,010,000
2006	Commercial Center #140	05/23/06	02/01/16	4.50	709,000	398,111
2006	Robindale Road #134	05/23/06	02/01/16	4.50	21,000	12,236
2006	Russell Road #127	05/23/06	02/01/16	4.50	1,522,000	661,820
2006	Tenaya Way #145	05/23/06	02/01/16	4.50	125,000	62,833
2006	Southern Highlands #121A	05/31/06	12/01/19	3.75-5.00	30,620,000	22,020,000
2006	Southern Highlands #121B	05/31/06	12/01/29	3.90-5.30	13,515,000	11,380,000
2007	Alexander #146	05/02/07	02/01/17	4.00-4.25	448,000	235,554
2007	Craig Road #148	05/02/07	02/01/17	4.00-4.25	495,000	289,462
2007	Durango #144A	05/02/07	02/01/17	4.00-4.25	397,000	271,024
2007	Fort Apache #131	05/02/07	02/01/17	4.00-4.25	462,000	308,960
2007	Summerlin Centre #128A	05/01/07	02/01/31	3.95-5.05	10,755,000	10,025,000
2007	Summerlin Centre #128A	05/01/07	02/01/21	3.95-5.00	480,000	405,000
2008	Flamingo Underground #112	05/13/08	08/01/37	4.00-5.00	70,000,000	68,420,000
2009	Industrial Road #135	11/10/09	08/01/18	2.00-4.00	431,459	426,459
2009	Durango Drive #144C	11/10/09	08/01/19	2.00-4.00	5,213,541	5,213,541
<b>Total Special Assessment Bonds</b>						<b><u>\$270,015,000</u></b>

The annual debt service requirements to maturity are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2011	\$ 15,265,000	\$ 13,699,725	\$ 28,964,725
2012	15,705,000	13,015,446	28,720,446
2013	16,345,000	12,286,916	28,631,916
2014	16,300,000	11,518,836	27,818,836
2015	16,580,000	10,711,472	27,291,472
2016-2020	82,990,000	40,288,134	123,278,134
2021-2025	55,255,000	19,542,270	74,797,270
2026-2030	21,700,000	9,999,151	31,699,151
2031-2035	17,625,000	5,275,010	22,900,010
2036-2040	<u>12,250,000</u>	<u>938,250</u>	<u>13,188,250</u>
	<b><u>\$270,015,000</u></b>	<b><u>\$137,275,210</u></b>	<b><u>\$407,290,210</u></b>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

**Governmental Activities (Continued):**

Loans Payable

<u>Series</u>	<u>Purpose</u>	<u>Date Issued</u>	<u>Date of Final Maturity</u>	<u>Interest</u>	<u>Original Issue</u>	<u>Balance June 30, 2010</u>
2002	LVMPD Helicopter	06/03/02	05/01/12	5.36 %	\$ 1,817,013	<u>\$408,796 (a)</u>
Total Loans Payable						<u>\$408,796</u>

(a) This loan is being serviced, principal and interest, by the Las Vegas Metropolitan Police special revenue fund.

The annual debt service requirements to maturity are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2011	\$190,647	\$18,311	\$208,958
2012	<u>218,149</u>	<u>5,890</u>	<u>224,039</u>
	<u>\$408,796</u>	<u>\$24,201</u>	<u>\$432,997</u>

Litigation Accrual and Arbitrage Liability

The County is a defendant in various cases (see Note 10). An estimated liability of \$2,500,000 for litigation losses is recorded in the governmental activities column.

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 “rebtable arbitrage,” is due five years after issuing the bonds. Excess earnings of one year may be offset by lesser earnings in subsequent years. As of June 30, 2010, the County has incurred an estimated arbitrage liability of \$100,000 recorded as a non-current liability on the governmental activities column of the statement of net assets.

The following summarizes activity for the year:

	<u>Litigation</u>	<u>Arbitrage</u>	<u>Total</u>
Accrual, July 1, 2009	\$2,500,000	\$3,948,398	\$6,448,398
Additions	-	100,000	100,000
Deletions	-	<u>3,948,398</u>	<u>3,948,398</u>
Accrual, June 30, 2010	<u>\$2,500,000</u>	<u>\$ 100,000</u>	<u>\$2,600,000</u>
Due within one year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

**Governmental Activities (Continued):**

Pledged Revenues

The County has pledged certain revenues for the payment of debt principal and interest. The following revenues were pledged as of June 30, 2010:

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 following debt issuances are property tax supported:

<u>Bond Issue</u>	<u>Maturity (Length of Pledge)</u>
2004A Public Safety	06/01/2017
2005A Street Improvement	10/01/2010

The total remaining principal and interest payments for property tax supported bonds was \$66,293,250 at June 30, 2010. In fiscal year 2010, pledged revenues received totaled \$12,720,825, and required debt service totaled \$12,720,825.

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:

<u>Bond Issue</u>	<u>Maturity (Length of Pledge)</u>
2000 Public Safety	03/01/2011
2004 Government Center	01/01/2014
2004C Parks and Justice Center	11/01/2017
2005B Parks and Justice Center	11/01/2024
2007A Public Facilities	06/01/2019
2009A Public Facilities	06/01/2019

The total remaining principal and interest payments for consolidated tax supported bonds was \$128,050,047 at June 30, 2010. In fiscal year 2010, pledged revenues received totaled \$37,407,666 (of the total \$249,384,438 of general fund consolidated tax), and required debt service totaled \$9,064,400.

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

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Pledged Revenues (Continued)

Beltway Pledged Revenue Bonds (Continued)

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 following debt issuances are Beltway pledged revenue supported:

<u>Bond Issue</u>	<u>Maturity (Length of Pledge)</u>
1992A Transportation Improvement	06/01/2017
2000A Transportation Improvement	12/01/2011
2004A Transportation Improvement	12/01/2019
2006A Transportation Improvement	06/01/2016
2008A Transportation Improvement	06/01/2019
2009A Transportation Improvement	12/01/2029

The total remaining principal and interest payments for Beltway pledged revenue tax supported was \$385,392,209 at June 30, 2010. In fiscal year 2010, pledged revenues received totaled \$44,765,287; consisting of \$39,287,463 of supplemental governmental services tax; \$1,478,109 of non-resort corridor room tax; and \$3,999,706 of the total \$5,969,710 development tax. Required debt service totaled \$25,838,788. 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 2010, \$498,985 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 following debt issuances are strip resort corridor room tax supported:

<u>Bond Issue</u>	<u>Maturity (Length of Pledge)</u>
1992B Transportation Improvement	06/01/2017
2000B Transportation Improvement	12/01/2011
2004B Transportation Improvement	12/01/2019
2006B Transportation Improvement	06/01/2016

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Pledged Revenues (Continued)

Strip Resort Corridor Room Tax Supported Bonds (Continued)

2009B Transportation Improvement	06/01/2029
2009B3 Transportation Improvement	12/01/2019

The total remaining principal and interest payments for strip resort corridor room tax supported bonds was \$227,148,978 at June 30, 2010. In fiscal year 2010, pledged revenues received totaled \$27,689,782. Required debt service totaled \$19,082,120.

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 following debt issuances are Laughlin resort corridor room tax supported:

<u>Bond Issue</u>	<u>Maturity (Length of Pledge)</u>
1992C Transportation Improvement	06/01/2017
2008C Transportation Improvement	06/01/2019

The total remaining principal and interest payments for Laughlin resort corridor room tax supported bonds was \$7,515,519 at June 30, 2010. In fiscal year 2010, pledged revenues received totaled \$1,021,148. Required debt service totaled \$1,014,477. As described above, beltway pledged revenues are also pledged to make up any difference between pledged revenues and annual debt service. Excess beltway pledged revenues were \$15,646,256.

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 following debt issuances are court administrative assessment supported:

<u>Bond Issue</u>	<u>Maturity (Length of Pledge)</u>
2007B Public Facilities	06/01/2019
2009B Public Facilities	06/01/2019

The total remaining principal and interest payments for court administrative assessment supported bonds was \$13,427,910 at June 30, 2010. In fiscal year 2010, pledged revenues received totaled \$2,426,099. Required debt service totaled \$1,104,660.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Pledged Revenues (Continued)

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 following debt issuances are interlocal agreement supported:

<u>Bond Issue</u>	<u>Maturity (Length of Pledge)</u>
2007C Public Facilities	06/01/2024
2009C Public Facilities	06/01/2024

The total remaining principal and interest payments for interlocal agreement supported bonds was \$27,919,788 at June 30, 2010. In fiscal year 2010, pledged revenues received totaled \$1,804,729. Required debt service totaled \$1,804,729.

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 \$407,290,210 at June 30, 2010. In fiscal year 2010, pledged revenues received totaled \$38,392,920. Required debt service totaled \$33,436,838.

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 following debt issuances are bond bank supported:

<u>Bond Issue</u>	<u>Maturity (Length of Pledge)</u>
2001 Bond Bank (SNWA)	06/01/2031
2002 Bond Bank (SNWA)	06/01/2032
2006 Bond Bank (SNWA)	06/01/2030
2006 Bond Bank (SNWA)	11/01/2036
2008 Bond Bank (SNWA)	06/01/2038
2009 Bond Bank (SNWA)	06/01/2030

The total remaining principal and interest payments for bond bank supported bonds was \$2,361,676,131 at June 30, 2010. In fiscal year 2010, pledged revenues received totaled \$77,486,896. Required debt service totaled \$77,486,896.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

**Business-Type Activities:**

General Obligation Bonds

Series	Purpose	Date Issued	Date of Final Maturity	Interest	Original Issue	Balance June 30, 2010
2000	University Medical Center	03/01/00	03/01/11	5.00-5.75%	\$56,825,000	\$ 3,995,000 (c)
2003	Big Bend Water District	06/03/04	01/01/25	3.190	4,000,000	1,330,000 (a)
2003	Big Bend Water District	11/25/03	11/01/10	3.00-5.00	8,195,000	3,138,875 (a)
2004	Big Bend Water District	TBD	TBD	3.20	6,000,000	2,751,140 (a)
2003B	Department of Aviation	05/29/03	07/01/24	4.75-5.00	37,000,000	37,000,000 (b)
2008A	Department of Aviation	02/26/08	07/01/27	variable	43,105,000	43,105,000 (b)
2003	University Medical Center	11/01/03	09/01/23	2.25-5.00	36,765,000	9,935,000 (c)
2005	University Medical Center	07/28/05	03/01/20	4.00-5.00	48,390,000	47,590,000 (c)
2007	University Medical Center	05/22/07	09/01/23	4.19	18,095,000	18,065,000 (c)
2009	University Medical Center	03/10/09	11/01/17	3.00-3.50	6,950,000	6,950,000 (c)
1980	Kyle Canyon Water Dist.	10/30/80	10/30/10	5.00	221,000	13,692 (d)
2003	Water Reclamation Dist.	04/01/03	07/01/12	2.70-5.00	47,170,000	20,215,000 (e)
2007	Water Reclamation Dist.	11/13/07	07/01/37	4.00-4.75	55,000,000	55,000,000 (e)
2008	Water Reclamation Dist.	11/20/08	07/01/38	4.00-6.00	115,825,000	115,825,000 (e)
2009A	Water Reclamation Dist.	04/01/09	07/01/38	4.00-5.25	135,000,000	135,000,000 (e)
2009B	Water Reclamation Dist.	04/01/09	07/01/38	4.00-5.75	125,000,000	125,000,000 (e)
2009C	Water Reclamation Dist.	10/16/09	07/01/29	0.00	5,744,780	287,239 (e)
2003A	Las Vegas Valley Water Dist.	01/09/03	06/01/32	4.00-5.25	168,685,000	125,950,000 (f)
2003B	Las Vegas Valley Water Dist.	01/01/03	06/01/27	4.00-5.25	250,000,000	188,880,000 (f)
2005A	Las Vegas Valley Water Dist.	05/04/05	06/01/27	4.00-5.00	302,425,000	255,810,000 (f)
2006A	Las Vegas Valley Water Dist.	06/01/06	06/01/36	4.75-5.00	151,555,000	140,330,000 (f)
2006B	Las Vegas Valley Water Dist.	07/20/06	06/01/36	variable	75,000,000	69,465,000 (f)
2006C	Las Vegas Valley Water Dist.	07/20/06	06/01/36	variable	75,000,000	69,465,000 (f)
2008A	Las Vegas Valley Water Dist.	02/19/08	12/01/37	5.00	190,760,000	178,685,000 (f)
2008B	Las Vegas Valley Water Dist.	02/19/08	06/01/26	3.50-5.00	171,720,000	168,265,000 (f)
2009A	Las Vegas Valley Water Dist.	08/05/09	06/01/39	7.10	90,000,000	90,000,000 (f)
2009B	Las Vegas Valley Water Dist.	08/05/09	06/01/32	4.00-5.25	10,000,000	10,000,000 (f)
2009C	Las Vegas Valley Water Dist.	12/29/09	06/01/39	7.013-7.26	348,115,000	348,115,000 (f)
2009D	Las Vegas Valley Water Dist.	12/29/09	06/01/30	4.25-5.25	71,965,000	71,965,000 (f)
2010A	Las Vegas Valley Water Dist.	06/15/10	03/01/40	5.60-5.70	75,995,000	75,995,000 (f)
2010B	Las Vegas Valley Water Dist.	06/15/10	03/01/38	2.00-4.625	31,075,000	31,075,000 (f)

Total General Obligation Bonds

\$2,449,200,946

- (a) These bonds are being serviced, principal and interest, by the Big Bend Water District enterprise fund.
- (b) These bonds are being serviced, principal and interest, by the Department of Aviation enterprise fund. The variable rate bond is valued at the rate in effect as of June 30, 2010.
- (c) These bonds are being serviced, principal and interest, by the University Medical Center enterprise fund.
- (d) These bonds are being serviced, principal and interest, by the Kyle Canyon Water District enterprise fund.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

**Business-Type Activities (Continued):**

General Obligation Bonds (Continued)

- (e) These bonds are being serviced, principal and interest, by the Clark County Water Reclamation District enterprise fund.
- (f) These bonds are being serviced, principal and interest, by the Las Vegas Valley Water District enterprise fund.

The annual debt service requirements to maturity are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2011	\$ 40,088,320	\$ 121,737,578	\$ 161,825,898
2012	39,642,188	121,475,251	161,117,439
2013	63,455,285	119,508,662	182,963,947
2014	65,144,254	116,508,409	181,652,663
2015	68,270,823	113,503,016	181,773,839
2016-2020	367,621,120	518,014,917	885,636,037
2021-2025	486,978,956	421,196,790	908,175,746
2026-2030	386,465,000	313,882,351	700,347,351
2031-2035	441,335,000	228,394,158	669,729,158
2036-2040	<u>490,200,000</u>	<u>83,031,208</u>	<u>573,231,208</u>
	<u>\$2,449,200,946</u>	<u>\$2,157,252,340</u>	<u>\$4,606,453,286</u>

Revenue Bonds

<u>Series</u>	<u>Purpose</u>	<u>Date Issued</u>	<u>Date of Final Maturity</u>	<u>Interest</u>	<u>Original Issue</u>	<u>Balance June 30, 2010</u>
1993A	Department of Aviation	05/18/93	07/01/12	variable %	\$339,000,000	\$ 96,700,000 (a)
1998APFC	Department of Aviation	04/01/98	07/01/22	4.10-5.50	214,245,000	81,690,000 (a)
1998A	Department of Aviation	04/01/98	07/01/18	3.75-6.00	121,045,000	8,470,000 (a)
2002APFC	Department of Aviation	10/01/02	07/01/13	4.00-5.25	34,490,000	13,940,000 (a)
2003C	Department of Aviation	05/29/03	07/01/22	5.00-5.375	105,435,000	96,420,000 (a)
2004A1	Department of Aviation	09/01/04	07/01/24	5.00-5.50	128,430,000	128,430,000 (a)
2004A2	Department of Aviation	09/01/04	07/01/36	5.00-5.125	232,725,000	232,725,000 (a)
2005A	Department of Aviation	09/14/05	07/01/40	variable	69,590,000	69,590,000 (a)
2005A1	Department of Aviation	04/04/05	07/01/22	variable	130,000,000	115,000,000 (a)
2005A2	Department of Aviation	04/04/05	07/01/22	variable	129,900,000	114,900,000 (a)
2006A	Department of Aviation	09/21/06	07/01/40	4.00-5.00	100,000,000	63,405,000 (a)
2007A1	Department of Aviation	05/16/07	07/01/27	5.00	150,400,000	150,400,000 (a)
2007A2	Department of Aviation	05/16/07	07/01/40	5.00	56,225,000	56,225,000 (a)
2007A1PFC	Department of Aviation	04/27/07	07/01/26	4.00-5.00	113,510,000	113,510,000 (a)



Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

**Business-Type Activities (Continued):**

Revenue Bonds (Continued)

<u>Series</u>	<u>Purpose</u>	<u>Date Issued</u>	<u>Date of Final Maturity</u>	<u>Interest</u>	<u>Original Issue</u>	<u>Balance June 30, 2010</u>
2007A2PFC	Department of Aviation	04/27/07	07/01/27	5.00	105,475,000	105,475,000 (a)
2008C1	Department of Aviation	03/19/08	07/01/40	variable	122,900,000	122,900,000 (a)
2008C2	Department of Aviation	03/19/08	07/01/29	variable	71,550,000	71,550,000 (a)
2008C3	Department of Aviation	03/19/08	07/01/29	variable	71,550,000	71,550,000 (a)
2008D1	Department of Aviation	03/19/08	07/01/36	variable	58,920,000	58,920,000 (a)
2008D2	Department of Aviation	03/19/08	07/01/40	variable	199,605,000	199,605,000 (a)
2008D3	Department of Aviation	03/19/08	07/01/29	variable	122,865,000	122,865,000 (a)
2008E	Department of Aviation	05/28/08	07/01/17	4.00-5.00	61,430,000	61,165,000 (a)
2008APFC	Department of Aviation	06/26/08	07/01/18	variable	115,845,000	115,845,000 (a)
2008A1	Department of Aviation	06/26/08	07/01/22	variable	100,000,000	100,000,000 (a)
2008A2	Department of Aviation	06/26/08	07/01/22	variable	50,000,000	50,000,000 (a)
2008B1	Department of Aviation	06/26/08	07/01/22	variable	100,000,000	100,000,000 (a)
2008B2	Department of Aviation	06/26/08	07/01/22	variable	50,000,000	50,000,000 (a)
2009B	Department of Aviation	09/24/09	07/01/42	6.881	300,000,000	300,000,000 (a)
2009C	Department of Aviation	09/24/09	07/01/26	5.00	168,495,000	168,495,000 (a)
2010A	Department of Aviation	02/03/10	07/01/42	5.00-5.25	450,000,000	450,000,000 (a)
2010B	Department of Aviation	02/03/10	07/01/42	5.00-5.75	350,000,000	350,000,000 (a)
2010C	Department of Aviation	02/23/10	07/01/45	6.82	454,280,000	454,280,000 (a)
2010D	Department of Aviation	02/23/10	07/01/24	3.00-5.00	132,485,000	132,485,000 (a)
2010E	Department of Aviation	05/27/10	07/01/12	2.50-5.00	300,000,000	300,000,000 (a)
2008	Las Vegas Valley Water District	07/15/08	12/15/22	1.30	2,520,000	<u>2,184,000</u> (b)
Total Revenue Bonds						<u>\$4,728,724,000</u>

- (a) These bonds are being serviced, principal and interest, by the Department of Aviation enterprise fund. The variable rate bonds are valued at the rate in effect as of June 30, 2010.
- (b) These bonds are being serviced, principal and interest, by the Las Vegas Valley Water District enterprise fund.

The annual debt service requirements to maturity are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2011	\$ 86,318,000	\$ 159,182,394	\$ 245,500,394
2012	192,538,000	168,681,894	361,219,894
2013	307,553,000	159,577,149	467,130,149
2014	70,048,000	151,494,784	221,542,784
2015	68,893,000	148,788,807	217,681,807

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

**Business-Type Activities (Continued):**

Revenue Bonds (Continued)

2016-2020	540,010,000	660,506,511	1,200,516,511
2021-2025	746,839,000	613,650,643	1,360,489,643
2026-2030	598,360,000	492,972,055	1,091,332,055
2031-2035	505,345,000	400,458,602	905,803,602
2036-2040	750,070,000	276,329,555	1,026,399,555
2041-2045	756,275,000	120,646,840	876,921,840
2046-2050	<u>106,475,000</u>	<u>2,360,018</u>	<u>108,835,018</u>
	<u>\$4,728,724,000</u>	<u>\$3,354,649,252</u>	<u>\$8,083,373,252</u>

Loans Payable

<u>Series</u>	<u>Purpose</u>	<u>Date Issued</u>	<u>Date of Final Maturity</u>	<u>Interest</u>	<u>Original Issue</u>	<u>Balance June 30, 2010</u>
2004	University Medical Center	05/20/04	05/20/11	4.56%	\$ 8,079,363	\$ 1,210,067(a)
2004	Commercial Paper	06/02/04	05/06/12	.33	400,000,000	<u>400,000,000(b)</u>
	Total loans payable					<u>\$401,210,067</u>

(a) This loan is being serviced, principal and interest, by the University Medical Center enterprise fund.

(b) This loan is being serviced, principal and interest, by the Las Vegas Valley Water District enterprise fund.

Commercial Paper Notes Activity

<u>Date</u>	<u>Issued</u>	<u>Repayments</u>	<u>Balance</u>
07/01/04	\$140,000,000	\$ -	\$140,000,000
07/15/04	60,000,000	-	200,000,000
02/02/05	100,000,000	-	300,000,000
10/11/05	100,000,000	-	400,000,000

The annual debt service requirements to maturity are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2011	<u>\$401,210,067</u>	<u>\$216,536</u>	<u>\$401,426,603</u>
	<u>\$401,210,067</u>	<u>\$216,536</u>	<u>\$401,426,603</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2010, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Gen. obligation bonds	\$2,013,342,576	\$ 174,465,000	\$ 153,927,576	\$2,033,880,000	\$ 62,710,000
Revenue bonds	10,000	-	-	10,000	-
Special assessment bonds with govern- mental commitment	283,295,000	5,645,000	18,925,000	270,015,000	15,265,000
Loans	92,924,406	20,000,000	112,515,610	408,796	190,647
Litigation settlement	10,000,000	-	10,000,000	-	-
Litigation accrual	2,500,000	-	-	2,500,000	-
Arbitrage	3,948,398	100,000	3,948,398	100,000	-
County and Fire OPEB liability	48,664,436	29,265,971	-	77,930,407	-
LVMPD OPEB liability	114,825,522	43,684,532	-	158,510,054	-
Compensated absences	<u>183,534,703</u>	<u>130,080,332</u>	<u>122,573,796</u>	<u>191,041,239</u>	<u>123,000,000</u>
<b>Total</b>	<u>2,753,045,041</u>	<u>403,240,835</u>	<u>421,890,380</u>	<u>2,734,395,496</u>	<u>201,165,647</u>

For governmental activities, the litigation accrual is liquidated by the general fund. Arbitrage, OPEB and compensated absences are liquidated by the individual funds in which they are accrued.

**Business-Type Activities:**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Gen. obligation bonds	1,912,505,262	627,437,239	90,741,555	2,449,200,946	40,088,320
Revenue bonds	3,045,412,000	2,155,260,000	471,948,000	4,728,724,000	86,318,000
Loans	402,473,817	-	1,263,750	401,210,067	401,210,067
OPEB Liability	37,166,468	23,019,773	-	60,186,241	-
Compensated absences	60,514,664	68,370,604	65,469,462	63,415,806	52,775,741
Other liabilities	<u>14,999,320</u>	<u>171,550,309</u>	<u>9,366,849</u>	<u>177,182,780</u>	<u>-</u>
<b>Total</b>	<u>5,473,071,531</u>	<u>3,045,637,925</u>	<u>638,789,616</u>	<u>7,879,919,840</u>	<u>580,392,128</u>
<b>Total long-term debt</b>	<u>\$8,226,116,572</u>	<u>\$3,448,878,760</u>	<u>\$1,060,679,996</u>	<u>\$10,614,315,336</u>	<u>\$781,557,775</u>

Unamortized premium/discount on governmental activity general obligation bonds amounted to \$21,286,107.  
Unamortized premium/discount on governmental activity special assessment bonds amounted to \$(6,660,756).  
Unamortized premium/discount on business-type activity general obligation bonds amounted to \$24,440,105.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT

Changes in Long-Term Liabilities (Continued)

Unamortized premium/discount on business-type activity revenue bonds amounted to \$(4,570,700). There are a number of limitations and restrictions contained in the various bond indentures. Management believes the County is in compliance with all significant limitations and restrictions.

Current Year Refunded and Defeased Bond Issues

On July 1, 2009, the Department of Aviation issued \$400 million of AMT Airport System Junior Subordinate Lien Revenue Notes, Series 2009A to refund the outstanding Clark County, Nevada, Airport System Junior Subordinate Lien Revenue Notes, Series 2008F. On May 5, 2010, the Department of Aviation paid down \$100 million of the Series 2009A Notes and refinanced the remaining Series 2009A Notes with a \$100 million one-year Airport System Junior Lien Subordinate Lien Note, and a \$200 million two-year Airport System Junior Lien Subordinate Lien Note for the purpose of funding the Terminal 3 project. Both of these notes are secured by a subordinate lien on the Net Revenues of the Airport System. The one-year note, known as Series E-1, has an effective interest rate of 0.63 percent and the two-year note, Series E-2 has an effective interest rate of 1.78 percent.

In November 2009, Clark County issued \$50,000,000 in Bond Bank Refunding Bonds with an interest rate of 5.00 percent to currently refund the outstanding 2000 Bond Bank Series, \$17,795,000 of the 2001 Bond Bank Series, \$13,605,000 of the 2002 Bond Bank Series, \$4,345,000 of the 2006 Bond Bank Series, and \$14,040,000 of the 2008 Bond Bank Series with interest ranging from 5.00 to 6.00 percent.

The bond proceeds totaled \$59,578,096. Net proceeds of \$58,739,482 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 sufficient to meet the debt service provisions of the refunded bonds. This transaction resulted in a refunding of the 2000 bond issue, partial refunding of the 2001, 2002, 2006, and 2008 bond issues, and the related liability has been removed from the financial statements of the County.

The refunding resulted in a loss of \$4,579,482, which represents the difference between the refunded bonds and the amount placed in escrow. The current refunding also resulted in future cash flow savings of \$4,509,567 and an economic gain (difference between the present value of the old and new debt service payments) of \$2,154,809.

In December 2009, Clark County issued \$111,605,000 in Transportation Refunding Bonds with an interest rate ranging from 2.00 to 5.00 percent to currently refund the outstanding 1998A Transportation Series and \$92 million of Transportation Commercial Paper with an interest rate of 4.50 percent.

The bond proceeds totaled \$112,923,450. Net proceeds of \$111,477,055 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 sufficient to meet the debt service provisions of the refunded bonds. This transaction resulted in a refunding of the 1998A bond issue and a partial refunding of the Commercial Paper, and the related liability has been removed from the financial statements of the County.

The refunding resulted in a loss of \$127,055 which represents the difference between the refunded bonds and the amount placed in escrow. The current refunding also resulted in future cash flow savings of \$1,242,361 and an economic gain (difference between the present value of the old and new debt service payments) of \$1,055,768.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Current Year Refunded and Defeased Bond Issues (Continued)

In December 2009, Clark County issued \$12,860,000 in Transportation Refunding Bonds with an interest rate ranging from 1.00 to 4.00 percent to currently refund the outstanding 1998B Transportation Series with interest ranging from 4.50 to 5.125 percent.

The bond proceeds totaled \$13,097,038. Net proceeds of \$12,965,483 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 sufficient to meet the debt service provisions of the refunded bonds. This transaction resulted in a refunding of the 1998B bond issue and the related liability has been removed from the financial statements of the County.

The refunding resulted in a loss of \$60,483 which represents the difference between the refunded bonds and the amount placed in escrow. The current refunding also resulted in future cash flow savings of \$702,416 and an economic gain (difference between the present value of the old and new debt service payments) of \$543,527.

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, 2010, the following were the remaining balances of the defeased bond issues:

Clark County Street Improvement:	
Series of December 1, 1995	\$ 3,785,000
Special Assessment Bonds:	
Series of December 1, 1992	2,025,000
Series of October 1, 1995	5,620,000
Series of April 15, 1994	600,000
Series of December 14, 1999	39,625,000
Clark County Public Safety:	
Series of October 1, 1996	53,465,000
Series of March 1, 2000	6,240,000
Clark County Transportation:	
Series of June 1, 1992 (C)	3,705,000
Series of July 1, 1994 (A)	53,675,000
Series of July 1, 1994 (C)	1,910,000
Series of December 1, 1998(A)	35,940,000
Series of December 1, 1998(B)	23,965,000
Series of February 1, 2000(A)	24,000,000
Series of February 1, 2000(B)	21,340,000
Series of January 15, 1996(A)	57,550,000
Series of January 15, 1996(B)	46,040,000
Series of March 1, 1998(A)	54,790,000

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Prior Year Defeasance of Debt (Continued)

Series of March 1, 1998(C)	5,645,000
Big Bend Water District:	
Series of November 1, 1990	1,395,000
Series of 1993	1,405,000
Las Vegas Valley Water District:	
General Obligation Bonds:	
Series of August 1, 1990	1,820,000
Series of September 1, 1992	9,685,000
Series of April 1, 1994	22,005,000
Series of March 1, 1995	7,355,000
Series of July 1, 1995	12,380,000
Series of July 1, 1996	149,095,000
Clark County Water Reclamation District:	
Series of June 1, 1993	15,025,000
Clark County Parks and Regional Justice Center:	
Series of 1999	73,515,000
Clark County Bond Bank:	
Series of July 1, 2000	175,105,000
Series of June 1, 2001	179,100,000
Series of November 1, 2002	106,745,000
Series of 2006	4,345,000
Series of 2008	14,040,000
Clark County Government Center:	
Series of July 1, 1993	12,300,000
Clark County Public Facilities:	
Series of March 1, 1999(A)	10,515,000
Series of March 1, 1999(B)	10,860,000
Series of March 1, 1999(C)	20,355,000
Airport Improvement Bonds:	
Series of August 1, 1992(A)	142,225,000
Series of August 1, 1992(B)	59,710,000
Series of May 1, 1993	23,490,000
Series of September 1, 1993	5,550,000
Series of 1999(A)	105,220,000
Series of 2003(A)	42,550,000
Series of 2001(C)	115,560,000
Series of 2005(B)	50,850,000
Series of 2005(C1, 2, 3)	215,150,000

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Prior Year Defeasance of Debt (Continued)

Series of 2005(D1, 2, 3)	205,375,000
Series of 2005(E1, 2, 3)	58,920,000
Series of 1998(A)	59,465,000
Series of 1998(A) PFC	119,210,000
Hospital Bonds:	
Series of 2000	47,875,000
Series of 2003	17,205,000
Series of 2007	6,980,000
Flood Control Bonds:	
Series of September 15, 1998	<u>52,855,000</u>
Total	<u>\$2,595,155,000</u>

Conduit Debt Obligations

The County has issued approximately \$1,726,245,000 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.

Discretely Presented Component Units

Flood Control District:

The following is a summary of bonds, loans, and compensated absences payable by the Flood Control District for the year ended June 30, 2010:

	<u>Liability</u>	<u>Due Within One Year</u>	<u>Due After One Year</u>
General obligation bonds	\$428,965,000	\$10,350,000	\$418,615,000
Compensated absences	721,485	-	721,485
Other post-employment benefits	<u>253,248</u>	<u>-</u>	<u>253,248</u>
Total liabilities	<u>\$429,939,733</u>	<u>\$10,350,000</u>	<u>\$419,589,733</u>
Bonds payable July 1, 2009			\$440,120,000
Reductions			<u>(11,155,000)</u>
Bonds payable June 30, 2010			<u>\$428,965,000</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Discretely Presented Component Units (Continued)

Flood Control District (Continued):

Unamortized premium on governmental activity general obligation bonds amounted to \$5,231,738.

The following individual issues comprised the bonds payable at June 30, 2010:

	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2010</u>
Series of September 15, 1998	\$150,000,000	4.25-5.25%	\$ 32,740,000
Series of 2006	200,000,000	3.50-4.75	199,800,000
Series of 2008	50,570,000	3.00-5.00	50,160,000
Series of 2009B	150,000,000	2.69-7.25	<u>146,265,000</u>
Total general obligation bonds			<u>\$428,965,000</u>

The debt service requirements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2011	\$ 10,350,000	\$ 22,621,008	\$ 32,971,008
2012	10,775,000	22,158,501	32,933,501
2013	11,240,000	21,663,563	32,903,563
2014	11,730,000	21,126,188	32,856,188
2015	12,260,000	20,548,148	32,808,148
2016-2020	68,170,000	93,050,398	161,220,398
2021-2025	66,670,000	76,747,460	143,417,460
2026-2030	82,915,000	56,805,136	139,720,136
2031-2035	105,320,000	31,017,325	136,327,325
2036-2040	<u>49,535,000</u>	<u>5,296,167</u>	<u>54,831,167</u>
Total	<u>\$428,965,000</u>	<u>\$371,033,894</u>	<u>\$799,988,894</u>

Compensated Absences

The following is the change in long-term accrued sick leave and vacation benefits as of June 30, 2010:

Long-term portion of accrued sick leave and vacation benefits at July 1, 2009	\$677,104
Additional amount accrued during the year	<u>44,381</u>
Long-term portion of accrued sick leave and vacation benefits at June 30, 2010	<u>\$721,485</u>



Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Discretely Presented Component Units (Continued)

Flood Control District (Continued):

Pledged Revenues

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.

The pledged revenues and debt service coverage for the year ended June 30, 2010, are:

Pledged revenues – sales tax	\$67,907,505
Debt service	32,868,803
Coverage	2.07

RTC:

The following is a summary of bonds, loans, and compensated absences payable by the RTC for the year ended June 30, 2010:

**Governmental activities:**

	<u>Liability</u>	<u>Due Within One Year</u>	<u>Due After One Year</u>
Revenue bonds	\$594,330,000	\$20,860,000	\$573,470,000
Loans payable	59,600,000	-	59,600,000
Compensated absences	1,579,952	535,093	1,044,859
Other post-employment benefits	<u>1,147,868</u>	<u>-</u>	<u>1,147,868</u>
Total liabilities	<u>\$656,657,820</u>	<u>\$21,395,093</u>	<u>\$635,262,727</u>

Revenue Bonds

The following is a summary of revenue bond activities for the year ended June 30, 2010:

Bonds payable July 1, 2009	\$458,315,000
Reductions	(17,355,000)
Additions	<u>153,370,000</u>
Bonds payable June 30, 2010	<u>\$594,330,000</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Discretely Presented Component Units (Continued)

RTC (Continued)

The following individual issues comprised the bonds payable at June 30, 2010.

	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2010</u>
Highway Improvement Motor Vehicle Fuel Tax Revenue Bonds:			
Series of 2003	\$200,000,000	4.50-6.00%	\$158,995,000
Series of 2007	300,000,000	3.00-5.00	281,965,000
Series 2010A1	32,595,000	6.10-6.35	32,595,000
Series 2010B	51,180,000	5.00	51,180,000
Sales Tax Revenue Bonds:			
Series 2010	69,595,000	3.00-5.00	<u>69,595,000</u>
 Total revenue bonds			 <u>\$594,330,000</u>

Unamortized premium on governmental activity revenue bonds amounted to \$16,142,126.

The debt service requirements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2011	\$ 20,860,000	\$ 16,963,828	\$ 37,823,828
2012	21,420,000	17,548,511	38,968,511
2013	22,495,000	16,951,761	39,446,761
2014	23,595,000	16,351,136	39,946,136
2015	24,730,000	15,735,573	40,465,573
2016-2020	143,305,000	67,711,925	211,016,925
2021-2025	171,480,000	46,254,250	217,734,250
2026-2030	<u>166,445,000</u>	<u>20,512,513</u>	<u>186,957,513</u>
 Total	 <u>\$594,330,000</u>	 <u>\$218,029,497</u>	 <u>\$812,359,497</u>

Loans Payable

In January 2008, the RTC established a commercial paper program allowing for the issuance of \$200 million in tax-exempt commercial paper notes (Series 2008A and Series 2008B) for the streets and highways improvements projects incorporated in Clark County's Master Transportation Plan. As of June 30, 2010, \$27 million is outstanding. The loan is being serviced, interest only in the current year, through budgeted transfers from the Highway Improvement Acquisition fund (4100) and the Highway Improvement fund (4130). The commercial paper notes may have a maturity date from 1 to 270 days after their issuance, provided, however, that no note may mature after the earlier of January 1, 2018, or five days prior to the line of credit expiration date. The line of credit

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Discretely Presented Component Units (Continued)

RTC (Continued):

Loans Payable (Continued)

expiration date is January 23, 2015; however, the line of credit may be extended from time to time. Interest rates are variable and averaged 0.34 percent at June 30, 2010.

Commercial Paper Notes Payable

In February 2008, the RTC established a commercial paper program for the streets and highways improvements projects incorporated in Clark County's Master Transportation Plan. This program is authorized for the issuance of up to \$200 million in tax-exempt commercial paper notes to be paid from pledged motor vehicle fuel tax revenues and additionally secured by an irrevocable letter of credit dated March 5, 2008 (Series 2008A and Series 2008B). As of June 30, 2010, \$32.6 million is outstanding. The commercial paper notes may have a maturity date from 1 to 270 days after their issuance; however, no note may mature after the earlier of March 4, 2018, or five days prior to the line of credit expiration date, currently March 13, 2013. Interest rates are variable and averaged 0.35 percent at June 30, 2010.

As of June 30, 2010, the total amount of commercial paper approved for sale was \$400 million, which was divided equally into two separate issues, Series 2008A and Series 2008B with an aggregate of \$59.6 million issued and outstanding.

The commercial paper is ordinarily due in various periodic installments of not more than 270 days from date of issue; however, because the commercial paper is subject to an irrevocable letter of credit the obligation is classified as long-term debt in the statement of net assets.

The following is the loan payable at June 30, 2010:

<u>Lender</u>	<u>Original Amount</u>	<u>Date of Loan</u>	<u>Date Final Payment Due</u>	<u>Interest Rate</u>	<u>Balance June 30, 2010</u>
Commercial Paper	\$200,000,000	01/08	Various	0.34%	\$59,600,000

This loan is being serviced, principal and interest, by the RTC.

Compensated Absences

The following is the change in long-term accrued sick leave and vacation benefits as of June 30, 2010:

Long-term portion of accrued sick leave and vacation benefits at July 1, 2009	\$1,256,583
Reductions during the year	(535,093)
Additions during the year	<u>858,462</u>
Long-term portion of accrued sick leave and vacation benefits at June 30, 2010	<u>\$1,579,952</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Discretely Presented Component Units (Continued)

RTC (Continued):

Compensated Absences (Continued)

**Business-type activities:**

	<u>Liability</u>	<u>Due Within One Year</u>	<u>Due After One Year</u>
Compensated absences	\$1,011,736	\$467,669	\$ 544,067
Other post-employment benefits	<u>1,207,334</u>	<u>-</u>	<u>1,207,334</u>
	<u>\$2,219,070</u>	<u>\$467,669</u>	<u>\$1,751,401</u>
Long-term portion of accrued sick leave and vacation benefits at July 1, 2009			\$ 827,568
Reductions during the year			(467,669)
Additions during the year			<u>651,837</u>
Long-term portion of accrued sick leave and vacation benefits at June 30, 2010			<u>\$1,011,736</u>

Pledged Revenues

Motor vehicle fuel tax revenue bonds issued for RTC purposes are collateralized by a maximum of nine 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 bonds are additionally collateralized by 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.

The net pledged revenues for the year ended June 30, 2010, were as follows:

Pledged revenues (net of administrative expenditures)	
State motor vehicle fuel tax	\$18,631,027
County motor vehicle fuel tax	<u>65,469,176</u>
	<u>84,100,203</u>
Direct distributions allocated for certain political subdivisions not included in the Las Vegas Valley Area Major Street and Highway Plan	<u>(1,302,850)</u>
Net pledged revenues	<u>\$82,797,353</u>

Sales and excise tax revenue bonds issued for RTC purposes are collateralized by 1/8 percent sales and excise tax and a 1 cent jet aviation fuel tax in Clark County.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Discretely Presented Component Units (Continued)

RTC (Continued):

Pledged Revenues (Continued)

The net pledges revenues for the year ended June 30, 2010, were as follows:

Pledged revenues:	
Sales and excise tax	\$16,967,017
Jet aviation fuel tax	<u>3,899,459</u>
Total pledged revenues	<u>\$20,866,476</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.

7. SEGMENT INFORMATION FOR NONMAJOR ENTERPRISE FUNDS

The County maintains eleven enterprise funds that provide airport, water, sewer, hospital, parking, public safety, and recreational services. Of the nonmajor enterprise funds, only the Big Bend Water District has outstanding revenue bonds that require disclosure of the summary financial information presented below:

Condensed Statement of Net Assets

Assets:	
Current assets	\$ 3,761,746
Restricted assets	3,268,639
Capital assets	<u>31,450,328</u>
Total assets	<u>38,480,713</u>
Liabilities:	
Current liabilities	1,521,951
Noncurrent liabilities	<u>5,652,846</u>
Total liabilities	<u>7,174,797</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

7. SEGMENT INFORMATION FOR NONMAJOR ENTERPRISE FUNDS (Continued)

Condensed Statement of Net Assets (Continued)

Net Assets:	
Invested in capital assets, net of related debt	24,302,854
Restricted	3,268,639
Unrestricted	<u>3,734,423</u>
Total net assets	<u>\$31,305,916</u>

Condensed Statement of Revenues, Expenses, and Changes in Net Assets

Water sales and related water fees	\$ 3,585,843
Other operating revenue	4,100
Depreciation expense	(1,151,032)
Other operating expenses	<u>(2,626,597)</u>
Operating loss	(187,686)
Non-operating revenues (expenses):	
Interest income	36,062
Sales and use tax	230,409
Interest expense	<u>(292,213)</u>
Change in net assets	(213,428)
Beginning net assets	<u>31,519,344</u>
Ending net assets	<u>\$31,305,916</u>

Condensed Statement of Cash Flows

Net cash provided (used) by:	
Operating activities	\$ 757,072
Capital and related financing activities	(2,598,898)
Investing activities	<u>36,062</u>
Net increase (decrease)	(1,805,764)
Beginning cash and cash equivalents	<u>8,465,536</u>
Ending cash and cash equivalents	<u>\$ 6,659,772</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

8. NET ASSETS AND FUND BALANCES

Primary Government

Net Assets:

The government-wide statement of net assets reports \$1,725,316,206 of restricted net assets, of which \$363,385,479 is restricted by enabling legislation.

Net Assets Restricted for Other Purposes:

At June 30, 2010, net assets restricted for other purposes on the government-wide statement of net assets totaled \$270,249,386. These net assets utilize revenue sources that are externally imposed by creditors, grantors, and contributors or are imposed by law through enabling legislation. The primary activities of restriction are community development for \$68,497,851, transportation projects for \$29,779,486, roads for \$24,163,380, parks for \$28,505,100, and air quality management for \$14,214,517. The remaining activities totaled \$105,089,052.

Fund Balances:

Designated for Specific Projects:

Major governmental funds:	
Las Vegas Metropolitan Police Department	\$ 26,900,000
Nonmajor governmental funds:	
Special revenue	97,554,074
Capital projects	<u>1,038,225,563</u>
	<u>\$1,162,679,637</u>

Major governmental fund balances are designated primarily for public safety projects of \$26,900,000. Special revenue fund balances are designated principally for park projects of \$31,027,623, road repair and maintenance projects of \$23,944,020, public safety projects of \$20,729,432, funding for federal and state grants of \$12,045,720 and courts of 9,807,279. Capital projects fund balances are designated largely for transportation projects of \$394,321,258, various projects within the County Capital Projects fund of \$313,024,840, park projects of \$139,475,427, public safety of \$98,796,191, the Information Technology capital projects fund of \$46,615,874, special improvement district street improvement projects of \$45,509,104 and \$482,869 for general government.

Discretely Presented Component Units

Flood Control District

Net Assets:

The government-wide statement of net assets reports \$284,384,368 of restricted net assets, of which \$274,645,275 is restricted by enabling legislation for flood control activities and \$9,739,093 is restricted by creditors for general obligation debt repayment.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

8. NET ASSETS AND FUND BALANCES (Continued)

Discretely Presented Component Units (Continued)

RTC

Net Assets:

The government-wide statement of net assets reports \$174,791,582 of restricted net assets, of which \$102,477,088 is restricted by enabling legislation for street and highway projects and other related activities and \$72,314,494 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.

Las Vegas Metropolitan Police Department (LVMPD) Self-Funded Insurance

The LVMPD has established a self-insurance fund for general liabilities. 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 \$10,000,000. 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.



Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

9. RISK MANAGEMENT (Continued)

LVMPD Self-Funded Industrial Insurance

The LVMPD has established a self-insurance fund to pay 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 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 \$10,000,000. 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

Changes in the funds' claims liability amounts for the past two years were:

	<u>Liability</u> <u>July 1, 2009</u>	<u>Current-Year</u> <u>Claims and</u> <u>Changes in</u> <u>Estimates</u>	<u>Claim</u> <u>Payments</u>	<u>Liability</u> <u>June 30, 2010</u>
Self-funded group insurance	\$ 19,950,135	\$ 82,780,574	\$ 81,539,201	\$ 21,191,508
Clark County workers' compensation	28,123,276	11,355,719	11,381,617	28,097,378
LVMPD self-funded insurance	10,196,453	7,173,567	5,046,886	12,323,134
LVMPD self-funded industrial insurance	44,808,787	20,940,351	11,635,807	54,113,331
County liability insurance	5,642,855	1,132,858	1,140,825	5,634,888
County liability insurance pool	<u>9,814,566</u>	<u>5,097,345</u>	<u>4,537,108</u>	<u>10,374,803</u>
Total self-insurance funds	<u>\$118,536,072</u>	<u>\$128,480,414</u>	<u>\$115,281,444</u>	<u>\$131,735,042</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

9. RISK MANAGEMENT (Continued)

Changes in Liability Amounts (Continued)

The total liability at June 30, 2010, is included in the accounts payable line item in the government-wide financial statements.

	<u>Liability</u> <u>July 1, 2008</u>	<u>Current-Year</u> <u>Claims and</u> <u>Changes in</u> <u>Estimates</u>	<u>Claim</u> <u>Payments</u>	<u>Liability</u> <u>June 30, 2009</u>
Self-funded group insurance Clark County workers' compensation	\$16,521,374	\$ 71,930,690	\$ 68,501,929	\$ 19,950,135
LVMPD self-funded insurance	28,099,950	10,150,602	10,127,276	28,123,276
LVMPD self-funded industrial insurance	10,392,063	4,293,252	4,488,862	10,196,453
County liability insurance	31,565,946	28,985,724	15,742,883	44,808,787
County liability insurance pool	5,014,064	2,434,243	1,805,452	5,642,855
	<u>5,149,802</u>	<u>9,335,094</u>	<u>4,670,330</u>	<u>9,814,566</u>
Total self-insurance funds	<u>\$96,743,199</u>	<u>\$127,129,605</u>	<u>\$105,336,732</u>	<u>\$118,536,072</u>

10. COMMITMENTS AND CONTINGENCIES

In addition to the County general obligation bonds, the County is contingently liable on the Las Vegas Convention and Visitors Authority (the "Authority") general obligation bonds, Series May 31, 2007, August 19, 2008, and January 26, 2010, in the amounts of \$34,340,000, \$26,015,000, and \$124,290,000 respectively. Although the County is contingently liable for the general obligation bonds of the Authority, in the event of a default by the Authority, it is anticipated that additional ad valorem taxes would be levied to retire the bonds. Therefore, the County's exposure to this contingent liability is remote.

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 2010 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.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

10. COMMITMENTS AND CONTINGENCIES (Continued)

Primary Government

Operating Lease Commitments

The following is a schedule of future minimum lease payments for operating leases (with initial or remaining terms in excess of one year) as of June 30, 2010:

Years ending June 30:	
2011	\$15,538,744
2012	9,575,722
2013	9,359,917
2014	8,963,119
2015	8,726,000
2016-2020	<u>29,027,851</u>
Total minimum lease payments	<u>\$81,191,353</u>

The UMC enterprise fund also had future minimum rental commitments as of June 30, 2010, for noncancelable operating leases for property and equipment as follows:

Years ending June 30:	
2011	\$ 7,784,389
2012	7,195,009
2013	6,661,581
2014	4,444,767
2015	3,103,930
Thereafter	<u>3,904,346</u>
Total	<u>\$33,094,022</u>

The rental expense of UMC for property and equipment was approximately \$10,059,041 for the year ended June 30, 2010.

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 Scheduled Airline Operating Agreement or Terminal Building Lease that expired June 30, 2008, or provisions of the County's annual ordinance. On August 17, 2010, the Board of County Commissioners approved the new Airline-Airport Use and Lease Agreement which is retroactive to July 1, 2010, and has a term of five years with two one year options. The Agreement provides for a residual type approach to setting landing fees, terminal rental rates and the gate use fees. The Department of Aviation leases land, building, and terminal space to concessionaires under operating leases that expire at various times through 2048. Under the terms of the agreements, concession fees are based principally on a percentage of the concessionaires' gross sales or a stated minimum annual guarantee, whichever is greater; and land and building rents that are based on square footage rates. The Department of Aviation received \$69,035,918 in FY 2010 and \$77,256,725 in FY 2009 for contingent rental payments in excess of stated annual minimum guarantees.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

10. COMMITMENTS AND CONTINGENCIES (Continued)

Rentals and Operating Leases (Continued)

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, 2010:

Years ending June 30:	
2011	\$ 94,090,798
2012	87,712,190
2013	84,142,331
2014	77,281,685
2015	75,020,704
Thereafter	<u>315,677,857</u>
Total minimum rents receivable	<u>\$733,925,565</u>

Discretely Presented Component Units

RTC:

Operating Lease Commitments

The following summarizes the current operating lease commitments for the RTC:

<u>Lessor</u>	<u>Monthly Rental</u>	<u>Date Lease Commenced</u>	<u>Date Lease Terminates</u>
Live Work, LLC	\$108,365	03/01/08	02/28/47
Total	<u>\$108,365</u>		

Rentals and Operating Leases

The following is a schedule of future minimum lease payments for operating leases as of June 30, 2010:

Years ending June 30:	
2011	\$ 1,339,386
2012	1,393,637
2013	1,463,584
2014	1,507,491
2015	1,552,716
Thereafter	<u>92,550,334</u>
Total	<u>\$99,807,148</u>

The total rent expense for fiscal year 2010 was \$1,300,375.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

10. COMMITMENTS AND CONTINGENCIES (Continued)

Discretely Presented Component Units (Continued)

RTC (Continued):

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.

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 Director of Finance 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 member. For this reason, the Water District records capital contributions as an operating expense, or as noted below, in some instances as capital projects.

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. The Water District records these charges as operating revenues, and contributions to the SNWA as operating expenses, except for District funded capital projects. On a Water District funded capital project, no regional revenue is collected, but a contribution to SNWA is still required, and it is charged to the capital project instead of operating expenses. The Water District does not act as a collecting agency for the SNWA. If the regional revenue were not collected, the Water District would still have the liability to the SNWA.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

11. JOINT VENTURES (Continued)

Southern Nevada Water Authority (Continued)

The Water District operates the SNWS, a regional system consisting of a water treatment plant and pumping and distribution facilities that supply water to the water purveyors in Southern Nevada for the SNWA.

During fiscal year 2010, the SNWA reimbursed the Water District \$95.3 million (excluding funds advanced for unbilled expenditures – see next paragraph) for expenditures made by the Water District on behalf of the SNWA. For these and other costs of SNWA, including debt service, SNWA billed the Water District for its share based on water delivered at a flat rate per acre-foot (wholesale delivery charge). The wholesale delivery charge is recorded as a component of purchased water expense.

The contributions for fiscal year 2010 for the SNWS expansion totaled \$15,702,502, and in fiscal year 2009 totaled \$31,798,812. Additionally, the Water District contributed \$524,674 in fiscal year 2010 and \$1,210,785 in fiscal year 2009 to SNWA to help fund a groundwater management program in the Las Vegas Valley. Total contributions to the SNWA for the fiscal year ended June 30, 2010, were \$16,227,176 and in fiscal year 2009 were \$33,009,597, and were recorded as SNWA expense on the Water District's financial statements.

Audited financial reports for fiscal year 2010 can be obtained by contacting:

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

Clean Water Coalition

The Reclamation District, a component unit (see Note 1) has a joint venture with the Clean Water Coalition (CWC). As of December 2009, the Systems Conveyance and Operations Program (SCOP) has been suspended until future assessments of the necessity of the SCOP project can be completed. As of February 2010, the Reclamation District's Board of Trustees approved the termination of the CWC's portion of the District's SDA (connection) fees. As of June 30, 2010, the future of the SCOP project and the joint venture between the CWC and the member agencies has not been determined. The CWC was formed as a joint powers authority under NRS 277 in November 2002. Members of the CWC include the Reclamation District, the City of Las Vegas, the City of Henderson, and the City of North Las Vegas. These agencies have worked together for many years on a variety of projects, including planning, engineering studies and environmental monitoring. The primary function of the CWC is to carry out the SCOP. SCOP encompasses the planning, design, financing, construction, and operation and maintenance of a regional system to transport treated wastewater effluent from facilities of the member agencies to the ultimate outfall location within the Colorado River system. The primary objective of the project is to improve water quality in Lake Mead at the point of discharge.

Construction of the SCOP project currently is anticipated to cost over \$860 million. The primary sources of capital funding for the SCOP project are wastewater connection fees, usage surcharges, state and federal grants, and member agency contributions. These sources are expected to support pay-as-you-go costs and debt service for the SCOP project. Each member agency is obligated to provide a direct member contribution on behalf of its customers. Each proportionate share is based on average wastewater flows; the Reclamation District's proportionate share is currently 46 percent. All member agencies, including the Reclamation District began imposing CWC regional water connection charges and sewer service surcharges in October 2006 and July 2007, respectively, in anticipation of

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

11. JOINT VENTURES (Continued)

Clean Water Coalition (Continued)

replacing the member contributions. The reserve target of \$58 million was reached during fiscal year 2007-08. As a result of reaching this target, the CWC ceased the contribution requirement of member agencies by CWC Board action on March 25, 2008, with the effective date being July 1, 2008. If the CWC surcharges prove to be inadequate to support either direct funding needs or debt service, the member agencies will be required to fund the shortfall directly.

Based on studies analyzing each member's present and projected daily peak discharge of effluent from their respective wastewater treatment facilities and, as negotiated by the members, the percentage capacity rights for the Reclamation District is 46 percent. These capacity rights are considered an intangible asset with a definite useful life with a value in the amount of \$32,800,740 which represents the Reclamation District's contribution to the project. As such, the asset will be amortized over the useful life once the project is put into service.

Separate audited financial statements for the CWC are prepared annually and can be obtained from the CWC's website at [www.cleanwatercoalition.com](http://www.cleanwatercoalition.com) or by contacting the CWC's deputy general manager.

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

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

12. RETIREMENT SYSTEM (Continued)

rate for regular members, based on covered payroll, for the year ended June 30, 2010, was 21.5 percent and was 20.5 percent for the years ended June 30, 2009 and 2008. The contribution rate for police and firemen for the year ended June 30, 2010, was 37.0 percent and was 33.5 percent for the years ended June 30, 2009 and 2008.

The County's contributions to the plan for the years ended June 30, 2010, 2009, and 2008 were \$300,559,749, \$279,280,514, and \$261,696,406, 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.

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.

A. 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, 2010, the contributions for this purpose were \$172,445; for the year ended June 30, 2009, the contributions were \$72,430.

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. 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,



Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

12. RETIREMENT SYSTEM (Continued)

Las Vegas Valley Water District Retirement Plan (Continued)

A. Plan Description (Continued)

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.

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, 2010, and 2009, participants in the Plan consisted of the following:

	<u>2010</u>	<u>2009</u>
Retirees in pay status with unpurchased benefits	200	165
Terminated employees not yet receiving benefits	299	297
Active employees		
Fully vested	1,029	951
Partially vested	-	-
Nonvested	<u>475</u>	<u>506</u>
Total active employees	<u>1,504</u>	<u>1,457</u>
Total participants	<u>2,003</u>	<u>1,919</u>

Three-Year Trend Information

Fiscal Year <u>Ended</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
06/30/08	\$23,587,076	100%	\$ -
06/30/09	27,262,106	100	-
06/30/10	25,753,794	100	-

B. Supplemental Information

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

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

12. RETIREMENT SYSTEM (Continued)

Las Vegas Valley Water District Retirement Plan (Continued)

C. Annual Pension Cost and Net Pension Obligation

It is the policy of the Water District to pay Annual Required Contributions (ARC) when due; therefore, annual pension cost and the ARC are the same and aggregated \$25,753,794 for the year ended June 30, 2010, and \$27,262,106 for the year ended June 30, 2009. The significant actuarial assumptions used to determine the ARC are: (a) rate of return on the investment of present and future assets of 7.50 percent per year compounded annually, (b) individual salary increases of 5.25 percent per year (c) total payroll increases of 5.00 percent.

An actuarial valuation has been performed each plan year since February 1987.

The Plan uses the aggregate actuarial cost method. Because this method does not identify or separately amortize unfunded actuarial accrued liabilities, information about the plan's funded status and funding progress has been prepared using the entry age normal actuarial cost method. The information presented as required supplementary information is intended to serve as a surrogate for the funded status and funding progress of the plan.

D. Identification of Investments

	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Investments at contract value:		
Union Central Life Insurance Company	\$ 1,508,708	\$ 1,475,509
New York Life Insurance Company	<u>35,659,631</u>	<u>27,811,494</u>
Total investments at contract value	<u>37,168,339</u>	<u>29,287,003</u>
Investments at fair value:		
Alliance Capital Domestic Equity	61,031,521	54,042,173
Mellon Bank, Domestic Bond	51,868,948	47,535,556
Nevada State Bank, Money Market Fund	<u>218,302</u>	<u>84,805</u>
Total investments at fair value	<u>113,118,771</u>	<u>101,662,534</u>
Total investments	<u>\$150,287,110</u>	<u>\$130,949,537</u>

E. Valuation of Investments

Domestic equity and domestic bond amounts represent units of investments in aggregate indexed accounts. These accounts and the money market account are stated at fair value, measured by the underlying market value as reported by the managing institutions. Insurance contracts are Guaranteed Investment Contracts and pooled accounts, stated at contract value as determined by the insurance companies in accordance with the terms of the contracts, plus an estimated interest accrual for the pooled accounts. Excluded from the plan assets are annuities purchased for retired employees or their beneficiaries from an insurance company rated at least A+ by A.M. Best insurance rating company

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

12. RETIREMENT SYSTEM (Continued)

Las Vegas Valley Water District Retirement Plan (Continued)

F. Basis of Accounting

The financial statements of the Plan are prepared using the accrual basis of accounting. Employer contributions are recognized and received when due. Participants do not make contributions except under certain conditions to voluntarily purchase additional years of service. Contributions are non-refundable. Benefits, which are purchased insurance company annuities, are recognized and paid when due.

G. Financial Statements

Las Vegas Valley Water District Pension Plan  
Statement of Net Assets  
June 30, 2010

Assets:

Cash and investments:	
with fiscal agent	\$150,287,110
Interest receivable	<u>1,405,740</u>
Total assets	<u>\$151,692,850</u>

Net Assets:

Held in trust for pension benefits and other purposes	<u>\$151,692,850</u>
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Las Vegas Valley Water District Pension Plan  
Statement of Changes in Net Assets  
For the fiscal year ended June 30, 2010

Additions:

Contributions:	
Contributions from employer	\$25,753,794
Contributions from employees	<u>172,445</u>
Total contributions	<u>25,926,239</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

12. RETIREMENT SYSTEM (Continued)

Las Vegas Valley Water District Retirement Plan (Continued)

Investment earnings:	
Interest	2,390,422
Net increase in fair value of investments	<u>14,622,723</u>
 Total investment earnings	 17,013,145
 Less investment expense	 <u>(93,844)</u>
Net investment earnings	<u>16,919,301</u>
 Total additions	 <u>42,845,540</u>

Deductions:

General and administrative	240,752
Benefit payments	<u>22,972,202</u>
 Total deductions	 <u>23,212,954</u>
 Change in net assets	 19,632,586

Net Assets:

Beginning of year	<u>132,060,264</u>
End of year	<u>\$151,692,850</u>

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, 2010, totaled \$205,044,284. The balance payable from the Master Transportation Plan fund to the RTC as of June 30, 2010, was \$35,271,562.

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:

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

14. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Plan Information (Continued)

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 Protection 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, and the Las Vegas Metro Employee Benefit Trust 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

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, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

14. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Funding Policy and Annual OPEB Cost (Continued)

Clark County is required to pay the PEBP an explicit subsidy, based on years of service, for retirees who enroll in this plan. In 2010, retirees were eligible for a \$79 per month subsidy after 5 years of service with a Nevada state or local government entity. The maximum subsidy of \$436 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>County</u>	<u>PEBP</u>	<u>Fire</u>	<u>Metro <sup>(1)</sup></u>	<u>Metro Civilian</u>
Contribution Rates:	Actuarially determined, premium sharing determined by union contracts	Set by State Legislature	Contractually determined	Contractually determined	Contractually Determined
County Plan members annual required contribution (ARC)	\$ 51,573,276	\$ 6,373,729	\$ 8,045,702	\$ 44,376,050	\$ 2,196,668
Interest on net OPEB obligations	1,144,143	126,708	-	4,593,021	-
Adjustment to ARC	<u>(1,628,667)</u>	<u>(183,189)</u>	<u>(79,760)</u>	<u>(4,242,705)</u>	<u>-</u>
Annual OPEB cost	51,088,752	6,317,248	7,965,942	44,726,366	2,196,668
Contributions made	<u>(6,310,461)</u>	<u>(4,934,079)</u>	<u>(1,841,658)</u>	<u>(3,093,154)</u>	<u>(145,348)</u>
Increase in net OPEB obligation	44,778,291	1,383,169	6,124,284	41,633,212	2,051,320
Net OPEB obligation, beginning of year	<u>73,162,221</u>	<u>2,500,101</u>	<u>10,168,582</u>	<u>114,825,522</u>	<u>-</u>
Net OPEB obligation, end of year	<u>\$117,940,512</u>	<u>\$ 3,883,270</u>	<u>\$16,292,866</u>	<u>\$156,458,734</u>	<u>\$2,051,320</u>

<sup>(1)</sup> 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 \$35,561,660. The remaining net OPEB obligation of \$122,948,394 for the Las Vegas Metropolitan Police Department (LVMPD), is jointly funded by the County and the City of Las Vegas. The City currently funds 38.81 percent of the LVMPD and is liable for \$47,539,028 of the Metro net OPEB obligation. A receivable has been established in the government-wide statement of net assets for the City's portion.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

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 2008, 2009, and 2010 were as follows:

<u>Plan</u>	<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percent of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
County	06/30/2008	\$39,526,617	22.5%	\$ 34,385,709
County	06/30/2009	45,137,935	14.1	73,162,221
County	06/30/2010	51,088,752	12.4	117,940,512
PEBP	06/30/2008	3,678,920	65.1	1,285,418
PEBP	06/30/2009	6,148,762	80.2	2,500,101
PEBP	06/30/2010	6,317,248	78.1	3,883,270
Fire	06/30/2008	5,682,663	28.8	4,044,298
Fire	06/30/2009	7,965,942	23.1	10,168,582
Fire	06/30/2010	7,965,942	23.1	16,292,866
Metro	06/30/2008	53,015,366	5.7	49,996,761
Metro	06/30/2009	67,847,366	4.4	114,825,522
Metro	06/30/2010	44,726,366	6.9	156,458,734
Metro Civilian	06/30/2010	2,196,668	6.6	2,051,320

Funded Status and Funding Progress

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

	<u>County</u>	<u>PEBP*</u>	<u>Fire</u>	<u>Metro</u>	<u>Metro Civilian</u>
Actuarial accrued liability (a)	\$447,990,595	\$111,336,740	\$85,378,281	\$398,433,914	\$14,554,647
Actuarial value of plan assets (b)	-	-	5,552,810	-	-
Unfunded actuarial accrued liability (funding excess) (a) – (b)	447,990,595	111,336,740	79,825,471	398,433,914	14,554,697
Funded ratio (b)/(a)	0%	0%	6.7%	0%	0%
Covered payroll (c)	680,747,522	-	80,460,440	349,202,005	71,192,228
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll (a) – (b)/(c)	65.8%	N/A	99.2%	114.1%	20.4%

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

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

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>County</u>	<u>PEBP</u>	<u>Fire</u>	<u>Metro</u>	<u>Metro Civilian</u>
Actuarial valuation date	07/01/08	07/01/08	07/01/08	06/30/10	06/30/10
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 percent	Level percent
Remaining amortization period	30 years, open	30 years, open	30 years, open	30 years, open	30 years, open
Asset valuation method	No assets in trust	No assets in trust	Date of valuation	No assets in trust	No assets in trust
Actuarial assumptions:					
Investment rate of return	4.0%	4.0%	4.0%	4.0%	4.0%
Projected salary increases	N/A	N/A	N/A	3.25%	3.25%
Healthcare inflation rate	8% initial 5% ultimate	8% initial 5% ultimate	6.5% initial 4.5% ultimate	8.25% initial 4.75% ultimate	8.25% initial 4.75% ultimate

County Net Assets 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



Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

14. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

County Net Assets in Internal Service Fund (Continued)

Reserve fund for their portion of the annual OPEB cost. As of June 30, 2010, the Other Postemployment Benefit Reserve fund had \$115,648,792 in cash and investments, and \$61,289,416 in receivables that the County intends to use for future OPEB costs for the net OPEB obligations of the County, PEBP, and Fire plans, which total \$138,116,648 as of June 30, 2010. 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 during fiscal year 2010 to comply with governmental accounting standards regarding OPEB assets not held in trust. The beginning balance of \$200,656,426 is equal to the net OPEB obligation (NOO) as of June 30, 2009. 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, 2010.

Clark County Self-Funded Group Medical and Dental Benefits Plan

Clark County administers the Clark County Self-Funded Group Medical and Dental Benefits Plan, a cost-sharing 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, and the Henderson Library 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, 2010, there were 8,070 employee members and 1,281 retired members enrolled in the Self-Funded Plan, with 9,434 additional covered dependents. The Self-Funded Plan provides medical, dental, and vision benefits. 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

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

14. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Retirement Health Account Plan (Continued)

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 \$7,561 per active employee for the year ended June 30, 2010. 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>County</u>	<u>PEBP</u>
Annual required contribution (ARC)	\$ 96,368	\$ 17,795
Interest on net OPEB obligation	1,996	368
Adjustment to annual required contribution	<u>(2,886)</u>	<u>(532)</u>
Annual OPEB cost	95,478	17,631
Contributions made	<u>(3,426)</u>	<u>(19,241)</u>
Increase (decrease) in net OPEB obligation	92,052	(1,610)
Net OPEB obligation, beginning of year	<u>161,196</u>	<u>(5,094)</u>
Net OPEB obligation (benefit), end of year	<u>\$253,248</u>	<u>\$ (6,704)</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

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 2008, 2009, and 2010 were as follows:

<u>Plan</u>	<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percent of OPEB Cost Contributed</u>	<u>Net OPEB Obligation Benefit</u>
County	06/30/2008	\$99,985	0.3%	\$ 99,739
County	06/30/2009	64,883	5.3	161,196
County	06/30/2010	95,478	3.6	253,248
PEBP	06/30/2009	-	N/A	-
PEBP	06/30/2009	14,147	136.0	(5,094)
PEBP	06/30/2010	17,631	109.1	(6,704)

Funded Status and Funding Progress

The funded status of the plans as of the most recent actuarial valuation date, July 1, 2008, was as follows:

	<u>County</u>	<u>PEBP*</u>
Actuarial accrued liability (a)	\$ 881,456	\$307,713
Actuarial value of plan assets (b)	-	-
Unfunded actuarial accrued liability (funding excess) (a) – (b)	881,456	307,713
Funded ratio (b)/(a)	0.0%	0.0%
Covered payroll (c)	2,163,781	-
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll (a) – (b)/(c)	40.7%	14.2%

\* PEBP closed to new District 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, 2010, the Other Postemployment Benefit Reserve fund had \$262,328 in cash, investments, and interest receivable 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.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

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:

	County	PEBP
Annual required contribution (ARC)	\$ 893,940	\$48,093
Interest on net OPEB obligation	24,610	1,324
Adjustment to annual required contribution	(35,580)	(1,914)
Annual OPEB cost	882,970	47,503
Contributions made	(41,198)	(35,845)
Increase (decrease) in net OPEB obligations	841,772	11,658
Net OPEB obligation, beginning of year	1,461,201	40,571
Net OPEB obligation (benefit), end of year	\$2,302,973	\$ 52,229

The RTC's annual OPEB cost, the percentage of annual cost contributed to the program, and the net OPEB obligation for 2008, 2009, and 2010 were as follows:

Plan	Year Ended	Annual OPEB Cost	Percent of OPEB Cost Contributed	Net OPEB Obligation
County	06/30/2008	\$688,016	5.7%	\$ 648,975
County	06/30/2009	853,424	4.8	1,461,201
County	06/30/2010	882,970	4.7	2,302,973
PEBP	06/30/2008	62,950	42.3	36,321
PEBP	06/30/2009	40,095	89.4	40,571
PEBP	06/30/2010	47,503	75.5	52,229

Funded Status and Funding Progress

The funded status of the plans as of the most recent actuarial valuation date, July 1, 2008, was as follows:

	County	PEBP*
Actuarial accrued liability (a)	\$ 6,633,463	\$864,895
Actuarial value of plan assets (b)	-	-
Unfunded actuarial accrued liability (funding excess) (a) – (b)	6,633,463	864,895
Funded ratio (b)/(a)	0.0%	0.0%
Covered payroll (c)	17,076,022	-
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll (a) – (b)/(c)	38.8%	5.1%

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

14. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Regional Transportation Commission of Southern Nevada (Continued)

\* PEBP closed to new RTC participants as of November 1, 2008; therefore, covered payroll is zero.

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, 2010, the Other Postemployment Benefit Reserve fund had \$217,511 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.

15. SUBSEQUENT EVENTS

Primary Government

In November 2010, the County issued \$104,160,000 in Airport Passenger Facility Charge Refunding Revenue Bonds 2010 Series F-1. The proceeds of this bond issue will be used to refund the outstanding principal of the 2005 Series A bonds. The bonds bear interest rates from 2.00 to 5.00 percent, payable on January 1, 2011, and semiannually thereafter on July 1 and January 1. Principal payments commence on July 1, 2011, and continue annually through July 1, 2017.

In November 2010, the County issued \$100,000,000 in Airport Passenger Facility Charge Refunding Revenue Bonds 2010 Series F-2. The proceeds of this bond issue will be used to refund the outstanding principal of the 2005 Series A bonds. The bonds bear an interest rate of 3.00 percent, payable on January 1, 2011, and semiannually thereafter on July 1 and January 1. Principal payments commence on July 1, 2017, and continue annually through July 1, 2022.

Discretely Presented Component Units

Flood Control District

In July 2010, the County issued \$29,425,000 in general obligation (limited tax) Flood Control refunding bonds (additionally secured with pledged revenues) Series 2010. The proceeds of the bonds will be used to refund \$32,740,000 aggregate principal amount of general obligation (limited tax) Flood Control bonds, Series 1998 and pay the costs of issuing the 2010 bonds. The bonds bear an interest rate of 5.00 percent, payable on November 1, 2010, and semiannually thereafter on May 1 and November 1. Principal payments commence on November 1, 2016, and will continue annually through November 1, 2018.

RTC

In August 2010, the County issued \$94,835,000 in Sales and Excise Tax Revenue (Streets and Highway Projects) Improvement and Refunding Bonds Series 2010B. The proceeds of the bonds will be used to: (i) refund all of the County's outstanding Sales and Excise Tax Revenue (Streets and Highways Projects) Commercial Paper Notes, Series 2008A and Series 2008B, currently outstanding in the aggregate principal amount of \$32,600,000; (ii) to

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2010

III. DETAILED NOTES – ALL FUNDS (Continued)

15. SUBSEQUENT EVENTS

Discretely Presented Component Units (Continued)

RTC (Continued)

finance a portion of the costs of constructing certain major street and highway projects in the County and/or projects for the improvement of air quality; (iii) fund a reserve fund; and (iv) pay the costs of issuing the 2010B Bonds. The bonds bear interest rates from 3.00 to 5.00 percent, payable on January 1, 2011, and semiannually thereafter on July 1 and January 1. Principal payments commence on July 1, 2011, and will continue annually through July 1, 2021.

In August 2010, the County issued 140,560,000 in Sales and Excise Tax Revenue (Streets and Highway Projects) Improvement Bonds Series 2010C (Taxable Direct Pay Build America Bonds). The proceeds of the bonds will be used to: (i) finance a portion of the costs of the Improvement Project; (ii) fund a reserve fund; and (iii) pay the costs of issuing the 2010C Bonds. The bonds bear interest rates from 5.10 to 6.15 percent, payable on January 1, 2011, and semiannually thereafter on July 1 and January 1. Principal payments commence on July 1, 2021, and will continue annually through July 1, 2030.

16. PRIOR PERIOD ADJUSTMENT

The Department of Aviation recorded a reduction of \$17,730,982 to unrestricted net assets as of July 1, 2009, due to a change in accounting principle brought about by the implementation of GASB Statement 53, *Accounting and Financial Reporting for Derivative Instruments*. This adjustment is the cumulative effect of the net changes in fair values of the Department's investment derivatives through the fiscal year ended June 30, 2009.

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, 2010  
(With comparative actual for the fiscal year ended June 30, 2009)

	2010			2009
	Original Budget	Final Budget	Actual	Variance
<b>Revenues:</b>				
Taxes	\$ 333,753,912	\$ 333,753,912	\$ 347,888,378	\$ 14,134,466
Licenses and permits	217,285,500	217,285,500	210,359,702	(6,925,798)
Intergovernmental revenue	295,076,565	295,076,565	257,030,863	(38,045,702)
Charges for services	85,342,091	85,342,091	75,314,190	(10,027,901)
Fines and forfeitures	23,200,500	23,200,500	25,671,295	2,470,795
Interest	9,000,000	9,000,000	4,844,673	(4,155,327)
Other	3,000,000	28,000,786	30,829,371	2,828,585
Total revenues	966,658,568	991,659,354	951,938,472	(39,720,882)
<b>Other financing sources:</b>				
Transfers from other funds	323,967,879	332,232,980	318,187,963	(14,045,017)
Total revenues and other financing sources	1,290,626,447	1,323,892,334	1,270,126,435	(53,765,899)
<b>Expenditures:</b>				
General Government	123,324,284	128,941,924	127,176,984	(1,764,940)
Judicial	147,437,979	147,586,741	146,502,648	(1,084,093)
Public Safety	223,402,259	224,882,259	212,290,725	(12,591,534)
Public Works	15,070,251	15,070,251	14,709,836	(360,415)
Health	97,486,620	97,486,620	83,677,333	(13,809,287)
Welfare	93,628,297	93,588,957	92,910,160	(678,797)
Culture and Recreation	29,303,109	25,497,550	19,824,777	(5,672,773)
Other General Expenditures	120,369,115	116,967,612	113,340,912	(3,626,700)
Total expenditures	850,021,914	850,021,914	810,433,375	(39,588,539)
<b>Other financing uses:</b>				
Transfers to other funds	501,280,280	526,280,280	505,927,150	(20,353,130)
Total expenditures and other financing uses	1,351,302,194	1,376,302,194	1,316,360,525	(59,941,669)
<b>Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financial uses</b>	(60,675,747)	(52,409,860)	(46,234,090)	6,175,770
<b>Fund balance:</b>				
Beginning of year	188,205,683	188,205,683	218,345,400	30,139,717
End of year	\$ 127,529,936	\$ 135,795,823	\$ 172,111,310	\$ 36,315,487

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, 2010

(With comparative actual for the fiscal year ended June 30, 2009)

	2010		2009		
	Original Budget	Final Budget	Actual	Variance	Actual
<b>Revenues:</b>					
<b>Taxes:</b>					
Ad valorem taxes	\$ 323,753,912	\$ 323,753,912	\$ 331,065,060	\$ 7,311,148	\$ 366,638,410
Penalties & interest on delinquent taxes	10,000,000	10,000,000	16,823,318	6,823,318	16,457,936
Total taxes	<u>333,753,912</u>	<u>333,753,912</u>	<u>347,888,378</u>	<u>14,134,466</u>	<u>383,096,346</u>
<b>Licenses and permits:</b>					
Business licenses	29,500,000	29,500,000	34,431,294	4,931,294	27,617,205
Liquor licenses	7,000,000	7,000,000	8,218,138	1,218,138	7,115,539
County gaming licenses	44,000,000	44,000,000	36,001,643	(7,998,357)	41,862,672
Franchise fees:					
Gas	2,200,000	2,200,000	2,448,171	248,171	2,485,493
Electric	62,835,500	62,835,500	67,289,836	4,454,336	65,656,494
Other	25,000,000	25,000,000	25,894,763	894,763	26,860,781
Other licenses and permits	44,500,000	44,500,000	34,162,967	(10,337,033)	38,863,269
Marriage licenses	2,250,000	2,250,000	1,912,890	(337,110)	1,995,630
Total licenses and permits	<u>217,285,500</u>	<u>217,285,500</u>	<u>210,359,702</u>	<u>(6,925,798)</u>	<u>212,457,083</u>
<b>Intergovernmental revenue:</b>					
Federal grants	1,700,000	1,700,000	2,919,936	1,219,936	4,622,063
Federal payments in lieu of taxes	3,056,565	3,056,565	3,173,079	116,514	4,315,659
State grants	500,000	500,000	342,127	(157,873)	423,341
State gaming licenses	160,000	160,000	150,947	(9,053)	146,458
Consolidated tax	288,900,000	288,900,000	249,384,438	(39,515,562)	277,391,610
Court administrative assessment	660,000	660,000	918,464	258,464	923,564
Other	100,000	100,000	141,872	41,872	157,542
Total intergovernmental revenue	<u>295,076,565</u>	<u>295,076,565</u>	<u>257,030,863</u>	<u>(38,045,702)</u>	<u>287,980,237</u>
<b>Charges for services:</b>					
<b>General government</b>					
Clerk fees	3,520,000	3,520,000	2,738,481	(781,519)	3,557,743
Recorder fees	23,600,000	23,600,000	20,450,376	(3,149,624)	22,747,962
Map fees	30,000	30,000	39,660	9,660	64,764
Assessor commissions	11,000,000	11,000,000	8,137,222	(2,862,778)	10,668,811
Building and zoning fees	800,000	800,000	511,923	(288,077)	1,075,835
Room tax collection commissions	8,250,000	8,250,000	4,849,858	(3,400,142)	5,627,722
Administrative fees	13,803,125	13,803,125	10,432,497	(3,370,628)	11,349,722
Other	3,675,000	3,675,000	5,254,708	1,579,708	4,358,442

(Continued)

Clark County, Nevada  
General Fund

Schedule of Revenues and Transfers - Budget and Actual  
For the fiscal year ended June 30, 2010  
(With comparative actual for the fiscal year ended June 30, 2009)

	2010		Actual	Variance	2009
	Original Budget	Final Budget			Actual
Revenues (Continued):					
Charges for services (Continued):					
Judicial					
Clerk fees	8,577,433	8,577,433	7,671,650	(905,783)	8,421,112
Other	2,350,000	2,350,000	2,552,779	202,779	2,563,829
Public safety					
Fire protection services	7,761,533	7,761,533	8,369,885	608,352	9,666,510
Other	700,000	700,000	1,633,509	933,509	2,530,208
Public works					
Engineering	1,000,000	1,000,000	2,567,082	1,567,082	3,131,924
Health and welfare					
Animal control	100,000	100,000	103,974	3,974	148,900
Culture and recreation					
Other	175,000	175,000	586	(174,414)	2,112
Total charges for services	85,342,091	85,342,091	75,314,190	(10,027,901)	85,915,596
Fines and forfeitures:					
Court fines	7,400,500	7,400,500	10,486,418	3,085,918	7,950,791
Court forfeits	15,800,000	15,800,000	15,184,877	(615,123)	16,584,908
Total fines and forfeitures	23,200,500	23,200,500	25,671,295	2,470,795	24,535,699
Interest	9,000,000	9,000,000	4,844,673	(4,155,327)	7,869,934
Other	3,000,000	28,000,786	30,829,371	2,828,585	4,626,029
Total revenues	966,658,568	991,659,354	951,938,472	(39,720,882)	1,006,480,924
Other financing sources:					
Transfers from other funds	323,967,879	332,232,980	318,187,963	(14,045,017)	297,183,448
Total revenues and other financing sources	\$ 1,290,626,447	\$ 1,323,892,334	\$ 1,270,126,435	\$ (53,765,899)	\$ 1,303,664,372

Clark County, Nevada  
General Fund

Schedule of Expenditures and Transfers - Budget and Actual  
For the fiscal year ended June 30, 2010  
(With comparative actual for the fiscal year ended June 30, 2009)

	2010		2009		
	Original Budget	Final Budget	Actual	Variance	Actual
<b>Expenditures</b>					
General Government					
Commission/Manager:					
Salaries and wages	\$ 3,170,020	\$ 3,170,020	\$ 3,223,246	\$ 53,226	\$ 3,152,062
Employee benefits	1,088,986	1,088,986	1,186,639	97,653	1,011,413
Services and supplies	513,941	513,941	223,859	(290,082)	433,852
Capital outlay	-	-	-	-	5,969
Total Commission/Manager	<u>4,772,947</u>	<u>4,772,947</u>	<u>4,633,744</u>	<u>(139,203)</u>	<u>4,603,296</u>
Office of Diversity:					
Salaries and wages	425,063	425,063	374,208	(50,855)	373,748
Employee benefits	147,029	147,029	149,110	2,081	117,980
Services and supplies	46,000	46,000	18,905	(27,095)	50,677
Total Office of Diversity	<u>618,092</u>	<u>618,092</u>	<u>542,223</u>	<u>(75,869)</u>	<u>542,405</u>
Office of Appointed Counsel					
Salaries and wages	163,340	163,340	163,388	48	163,311
Employee benefits	49,349	49,349	52,731	3,382	47,320
Services and supplies	7,863,400	9,366,638	10,660,079	1,293,441	9,391,388
Total Office of Appointed Counsel	<u>8,076,089</u>	<u>9,579,327</u>	<u>10,876,198</u>	<u>1,296,871</u>	<u>9,602,019</u>
Audit:					
Salaries and wages	1,059,125	1,059,125	1,141,667	82,542	1,027,775
Employee benefits	356,580	356,580	364,231	7,651	317,564
Services and supplies	48,080	48,080	13,794	(34,286)	26,080
Total Audit	<u>1,463,785</u>	<u>1,463,785</u>	<u>1,519,692</u>	<u>55,907</u>	<u>1,371,419</u>
Finance:					
Salaries and wages	3,181,441	3,181,441	3,146,579	(34,862)	3,519,086
Employee benefits	1,086,238	1,086,238	1,205,985	119,747	1,080,197
Services and supplies	856,172	856,172	269,896	(586,276)	328,387
Total Finance	<u>5,123,851</u>	<u>5,123,851</u>	<u>4,622,460</u>	<u>(501,391)</u>	<u>4,927,670</u>
Comptroller:					
Salaries and wages	2,633,966	2,633,966	2,444,033	(189,933)	2,478,030
Employee benefits	974,047	974,047	1,045,560	71,513	845,383
Services and supplies	286,370	286,370	140,903	(145,467)	218,426
Total Comptroller	<u>3,894,383</u>	<u>3,894,383</u>	<u>3,630,496</u>	<u>(263,887)</u>	<u>3,541,839</u>
Treasurer:					
Salaries and wages	1,988,817	1,886,817	1,699,910	(186,907)	1,869,722
Employee benefits	744,499	694,499	752,101	57,602	644,033
Services and supplies	882,753	1,034,753	962,670	(72,083)	948,427
Total Treasurer	<u>3,616,069</u>	<u>3,616,069</u>	<u>3,414,681</u>	<u>(201,388)</u>	<u>3,462,182</u>

(Continued)

Clark County, Nevada  
General Fund

Schedule of Expenditures and Transfers - Budget and Actual  
For the fiscal year ended June 30, 2010  
(With comparative actual for the fiscal year ended June 30, 2009)  
(Continued)

	2010		2009	
	Original Budget	Final Budget	Actual	
			Variance	
		Actual	Actual	
<b>Expenditures (Continued):</b>				
<b>General Government (Continued):</b>				
Elections:				
Salaries and wages	3,820,125	4,585,098	3,359,190	(1,225,908)
Employee benefits	1,680,466	1,680,466	1,183,461	(497,005)
Services and supplies	4,340,197	3,566,449	1,413,531	(2,152,918)
Total Elections	9,840,788	9,832,013	5,956,182	(3,875,831)
Assessor:				
Salaries and wages	10,496,156	10,496,156	10,414,268	(81,888)
Employee benefits	3,819,674	3,819,674	4,181,417	361,743
Services and supplies	1,323,619	1,323,619	961,287	(362,332)
Total Assessor	15,639,449	15,639,449	15,556,972	(82,477)
Recorder:				
Salaries and wages	2,770,159	2,770,159	2,641,852	(128,307)
Employee benefits	1,092,454	1,092,454	1,196,679	104,225
Services and supplies	334,000	334,000	199,105	(134,895)
Total Recorder	4,196,613	4,196,613	4,037,636	(158,977)
Clerk:				
Salaries and wages	2,489,028	2,489,028	2,306,740	(182,288)
Employee benefits	990,668	990,668	1,063,982	73,314
Services and supplies	290,797	290,797	171,150	(119,647)
Total Clerk	3,770,493	3,770,493	3,541,872	(228,621)
Administrative Services:				
Salaries and wages	5,498,501	6,773,315	6,753,373	(19,942)
Employee benefits	1,981,770	2,461,341	2,816,861	355,520
Services and supplies	4,148,957	4,327,250	3,507,665	(819,585)
Total Administrative Services	11,629,228	13,561,906	13,077,899	(484,007)
Human Resources:				
Salaries and wages	2,698,687	2,698,687	2,412,766	(285,921)
Employee benefits	955,946	955,946	943,413	(12,533)
Services and supplies	584,936	584,936	266,355	(318,581)
Total Human Resources	4,239,569	4,239,569	3,622,534	(617,035)
Comprehensive Planning:				
Salaries and wages	5,997,039	5,997,039	5,531,886	(465,153)
Employee benefits	2,125,567	2,125,567	2,026,008	(99,559)
Services and supplies	736,862	736,862	263,960	(472,902)
Total Comprehensive Planning	8,859,468	8,859,468	7,821,854	(1,037,614)

(Continued)



Clark County, Nevada  
General Fund

Schedule of Expenditures and Transfers - Budget and Actual

For the fiscal year ended June 30, 2010

(With comparative actual for the fiscal year ended June 30, 2009)  
(Continued)

	2010			2009
	Original Budget	Final Budget	Actual	Variance
Expenditures (Continued):				
Judicial (Continued):				
North Las Vegas Constable:				
Salaries and wages	109,119	109,119	104,369	(4,750)
Employee benefits	48,791	48,791	55,893	7,102
Services and supplies	17,100	34,100	25,013	(9,087)
Total North Las Vegas Constable	175,010	192,010	185,275	(6,735)
District Attorney:				
Salaries and wages	27,675,062	27,675,062	27,209,937	(465,125)
Employee benefits	9,101,044	9,101,044	9,934,252	833,208
Services and supplies	2,087,561	2,087,561	1,311,671	(775,890)
Total District Attorney	38,863,667	38,863,667	38,455,860	(407,807)
Witness/Legal Fees:				
Services and supplies	2,050,000	2,050,000	1,554,281	(495,719)
Total Witness/Legal Fees	2,050,000	2,050,000	1,554,281	(495,719)
Family Court:				
Salaries and wages	6,786,311	6,777,690	6,744,166	(33,524)
Employee benefits	2,402,594	2,402,594	2,564,065	161,471
Services and supplies	1,646,730	1,626,730	1,334,160	(292,570)
Total Family Court	10,835,635	10,807,014	10,642,391	(164,623)
Civil/Criminal:				
Salaries and wages	12,038,241	12,027,669	12,789,817	762,148
Employee benefits	4,320,547	4,320,547	4,902,505	581,958
Services and supplies	4,087,488	4,037,488	3,116,267	(921,221)
Total Civil/Criminal	20,446,276	20,385,704	20,808,589	422,885
Clerk of the Court:				
Salaries and wages	12,907,557	12,923,459	13,087,229	163,770
Employee benefits	4,984,785	4,984,785	5,699,435	714,650
Services and supplies	949,382	949,382	649,285	(300,097)
Total Clerk of the Court	18,841,724	18,857,626	19,435,949	578,323
Alternative Dispute Resolution				
Salaries and wages	479,649	479,649	440,668	(38,981)
Employee benefits	186,107	186,107	196,424	10,317
Services and supplies	103,333	103,333	92,207	(11,126)
Total Alternative Dispute Resolution	769,089	769,089	729,299	(39,790)

(Continued)

Clark County, Nevada  
General Fund

Schedule of Expenditures and Transfers - Budget and Actual

For the fiscal year ended June 30, 2010

(With comparative actual for the fiscal year ended June 30, 2009)

(Continued)

	2010			2009
	Original Budget	Final Budget	Actual	Variance
Expenditures (Continued):				
Judicial (Continued):				
Special Public Defender:				
Salaries and wages	2,153,733	2,189,624	2,059,160	(130,464)
Employee benefits	733,442	745,932	782,104	36,172
Services and supplies	383,467	408,467	372,600	(35,867)
Total Special Public Defender	<u>3,270,642</u>	<u>3,344,023</u>	<u>3,213,864</u>	<u>(130,159)</u>
Court Jury Services:				
Salaries and wages	302,929	306,220	229,098	(77,122)
Employee benefits	120,088	120,088	100,452	(19,636)
Services and supplies	1,426,050	1,426,050	1,123,136	(302,914)
Total Court Jury Services	<u>1,849,067</u>	<u>1,852,358</u>	<u>1,452,686</u>	<u>(399,672)</u>
Grand Jury:				
Services and supplies	147,200	217,200	202,931	(14,269)
Total Grand Jury	<u>147,200</u>	<u>217,200</u>	<u>202,931</u>	<u>(14,269)</u>
Las Vegas Justice Court:				
Salaries and wages	10,750,883	10,750,883	10,576,256	(174,627)
Employee benefits	3,896,941	3,896,931	4,300,746	403,815
Services and supplies	2,503,094	2,503,104	2,390,928	(112,176)
Total Las Vegas Justice Court	<u>17,150,918</u>	<u>17,150,918</u>	<u>17,267,930</u>	<u>117,012</u>
Henderson Justice Court:				
Salaries and wages	1,738,366	1,738,366	1,681,325	(57,041)
Employee benefits	637,306	637,306	653,020	15,714
Services and supplies	227,104	227,104	153,412	(73,692)
Total Henderson Justice Court	<u>2,602,776</u>	<u>2,602,776</u>	<u>2,487,757</u>	<u>(115,019)</u>
North Las Vegas Justice Court:				
Salaries and wages	1,834,049	1,834,049	1,821,155	(12,894)
Employee benefits	658,114	658,114	760,399	102,285
Services and supplies	403,896	413,896	320,524	(93,372)
Total North Las Vegas Justice Court	<u>2,896,059</u>	<u>2,906,059</u>	<u>2,902,078</u>	<u>(3,981)</u>
Outlying Justice Court:				
Salaries and wages	1,703,989	1,698,753	1,587,407	(111,346)
Employee benefits	555,502	555,502	578,915	23,413
Services and supplies	257,134	262,370	192,104	(70,266)
Total Outlying Justice Court	<u>2,516,625</u>	<u>2,516,625</u>	<u>2,358,426</u>	<u>(158,199)</u>

(Continued)



Clark County, Nevada  
General Fund

Schedule of Expenditures and Transfers - Budget and Actual  
For the fiscal year ended June 30, 2010  
(With comparative actual for the fiscal year ended June 30, 2009)  
(Continued)

	2010			2009	
	Original Budget	Final Budget	Actual	Variance	Actual
Expenditures (Continued):					
Judicial (Continued):					
Public Defender:					
Salaries and wages	16,047,129	16,083,020	16,095,269	12,249	15,781,196
Employee benefits	5,392,122	5,404,612	5,806,260	401,648	4,898,354
Services and supplies	1,445,042	1,445,042	1,035,919	(409,123)	1,158,996
Total Public Defender	22,884,293	22,932,674	22,937,448	4,774	21,838,546
Neighborhood Justice Center:					
Salaries and wages	871,030	917,364	784,352	(133,012)	705,311
Employee benefits	303,277	321,009	319,065	(1,944)	238,675
Services and supplies	578,507	514,441	379,779	(134,662)	37,211
Total Neighborhood Justice Center	1,752,814	1,752,814	1,483,196	(269,618)	981,197
Total Judicial	147,437,979	147,586,741	146,502,648	(1,084,093)	140,327,933
Public Safety:					
Office of the Sheriff:					
Salaries and wages	179,329	179,329	176,711	(2,618)	178,872
Employee benefits	18,847	18,847	20,458	1,611	17,747
Services and supplies	5,000	5,000	187	(4,813)	1,577
Total Office of the Sheriff	203,176	203,176	197,356	(5,820)	198,196
Fire Department:					
Salaries and wages	85,656,364	85,656,364	83,153,114	(2,503,250)	82,727,070
Employee benefits	43,338,052	43,338,052	40,584,267	(2,753,785)	33,873,137
Services and supplies	8,745,245	8,730,245	7,260,117	(1,470,128)	8,150,937
Total Fire Department	137,739,661	137,724,661	130,997,498	(6,727,163)	124,751,144
Volunteer Fire and Ambulance:					
Services and supplies	357,885	357,885	179,408	(178,477)	237,825
Total Volunteer Fire and Ambulance	357,885	357,885	179,408	(178,477)	237,825
Public Guardian:					
Salaries and wages	1,563,811	1,563,811	1,476,746	(87,065)	1,515,986
Employee benefits	602,706	602,706	640,461	37,755	527,703
Services and supplies	213,040	213,040	85,395	(127,645)	159,508
Total Public Guardian	2,379,557	2,379,557	2,202,602	(176,955)	2,203,197

(Continued)

Clark County, Nevada  
General Fund  
Schedule of Expenditures and Transfers - Budget and Actual  
For the fiscal year ended June 30, 2010  
(With comparative actual for the fiscal year ended June 30, 2009)  
(Continued)

	2010			2009	
	Original Budget	Final Budget	Actual	Variance	Actual
Expenditures (Continued):					
Public Safety (Continued):					
Public Administrator:					
Salaries and wages	814,792	814,792	721,885	(92,907)	800,821
Employee benefits	206,557	206,557	198,433	(8,124)	189,946
Services and supplies	108,220	108,220	61,880	(46,340)	86,724
Total Public Administrator	<u>1,129,569</u>	<u>1,129,569</u>	<u>982,198</u>	<u>(147,371)</u>	<u>1,077,491</u>
Coroner:					
Salaries and wages	3,448,956	3,358,918	3,070,138	(288,780)	3,388,983
Employee benefits	1,125,201	1,125,201	1,105,439	(19,762)	1,018,179
Services and supplies	880,239	1,065,277	832,306	(232,971)	876,882
Total Coroner	<u>5,454,396</u>	<u>5,549,396</u>	<u>5,007,883</u>	<u>(541,513)</u>	<u>5,284,044</u>
Juvenile Justice:					
Salaries and wages	26,696,563	26,696,563	25,794,898	(901,665)	26,546,052
Employee benefits	11,508,343	11,508,343	12,182,919	674,576	9,896,432
Services and supplies	5,474,424	5,474,424	3,872,443	(1,601,981)	5,528,490
Total Juvenile Justice	<u>43,679,330</u>	<u>43,679,330</u>	<u>41,850,260</u>	<u>(1,829,070)</u>	<u>41,970,974</u>
Family Services:					
Salaries and wages	20,851,625	20,851,625	18,981,740	(1,869,885)	20,310,969
Employee benefits	7,186,200	7,186,200	7,668,467	482,267	6,486,550
Services and supplies	4,420,860	5,820,860	4,223,313	(1,597,547)	4,791,729
Total Family Services	<u>32,458,685</u>	<u>33,858,685</u>	<u>30,873,520</u>	<u>(2,985,165)</u>	<u>31,589,248</u>
Total Public Safety	<u>223,402,259</u>	<u>224,882,259</u>	<u>212,290,725</u>	<u>(12,591,534)</u>	<u>207,312,119</u>
Public Works:					
Public Works:					
Salaries and wages	9,519,276	9,519,276	9,515,309	(3,967)	9,836,254
Employee benefits	3,375,925	3,375,925	3,584,632	208,707	3,153,583
Services and supplies	2,175,050	2,175,050	1,609,895	(565,155)	2,070,561
Capital outlay	-	-	-	-	16,352
Total Public Works	<u>15,070,251</u>	<u>15,070,251</u>	<u>14,709,836</u>	<u>(360,415)</u>	<u>15,076,750</u>

(Continued)

Clark County, Nevada  
General Fund

Schedule of Expenditures and Transfers - Budget and Actual  
For the fiscal year ended June 30, 2010  
(With comparative actual for the fiscal year ended June 30, 2009)  
(Continued)

	2010			2009
	Original Budget	Final Budget	Actual	Variance
Expenditures (Continued):				
Health:				
Emergency Room Admittance:				
Services and supplies	94,436,620	94,436,620	80,701,628	(13,734,992)
Total Emergency Room Admittance	94,436,620	94,436,620	80,701,628	(13,734,992)
Emergency Medical Care:				
Services and supplies	3,050,000	3,050,000	2,975,705	(74,295)
Total Emergency Medical Care	3,050,000	3,050,000	2,975,705	(74,295)
Total Health	97,486,620	97,486,620	83,677,333	(13,809,287)
Welfare:				
Salaries and wages	9,569,993	7,510,485	7,637,646	127,161
Employee benefits	3,465,687	2,759,529	3,177,833	418,304
Services and supplies	80,592,617	83,318,943	82,094,681	(1,224,262)
Total Welfare	93,628,297	93,588,957	92,910,160	(678,797)
Culture and Recreation:				
Salaries and wages	17,430,224	16,155,410	12,259,933	(3,895,477)
Employee benefits	6,344,367	5,860,936	4,723,904	(1,137,032)
Services and supplies	5,528,518	3,481,204	2,840,940	(640,264)
Capital outlay	-	-	-	-
Total Culture and Recreation	29,303,109	25,497,550	19,824,777	(5,672,773)
Other General Expenditures:				
Utilities	22,732,000	19,332,000	18,004,404	(1,327,596)
Building rental	4,577,000	4,373,197	3,241,958	(1,131,239)
Capital replacement	3,917,200	1,817,200	1,938,157	120,957
Administrative assessments	1,250,000	1,199,300	752,669	(446,631)
Maintenance contracts	15,332,770	15,332,770	14,396,678	(936,092)
Insurance and official bonds	4,039,644	4,039,644	4,032,392	(7,252)
Miscellaneous refunds and expenditures	15,289,220	21,142,220	20,595,910	(546,310)
Internal service charges	24,398,256	22,298,256	23,190,063	891,807
Publications and professional services	3,890,500	2,490,500	2,246,156	(244,344)
Contributions	24,942,525	24,942,525	24,942,525	-
Total Other General Expenditures	120,369,115	116,967,612	113,340,912	(3,626,700)
Total expenditures	850,021,914	850,021,914	810,433,375	(39,588,539)
Transfers to other funds	501,280,280	526,280,280	505,927,150	(20,353,130)
Total expenditures and transfers	\$ 1,351,302,194	\$ 1,376,302,194	\$ 1,316,360,525	\$ (59,941,669)
				\$ 1,303,772,856

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, 2010  
(With comparative actual for the fiscal year ended June 30, 2009)

	2010			2009	
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues:					
Ad valorem taxes	\$ 166,974,519	\$ 166,974,519	\$ 165,184,055	\$ (1,790,464)	\$ 169,704,913
Intergovernmental revenue:					
Federal and state grants	-	31,803,485	16,104,034	(15,699,451)	12,969,911
City of Las Vegas contribution	137,151,588	137,151,588	137,151,588	-	135,617,366
Charges for services:					
Airport security	16,429,166	16,429,166	17,537,871	1,108,705	16,261,814
Other	8,115,000	8,115,000	8,484,802	369,802	9,491,873
Interest	2,050,000	2,050,000	2,290,155	240,155	2,717,848
Other	1,405,000	1,493,366	1,374,604	(118,762)	921,365
Total revenues	<u>332,125,273</u>	<u>364,017,124</u>	<u>348,127,109</u>	<u>(15,890,015)</u>	<u>347,685,090</u>
Other financing sources:					
Transfers from other funds	216,281,886	216,281,886	217,588,416	1,306,530	215,672,961
Total revenues and other financing sources	<u>548,407,159</u>	<u>580,299,010</u>	<u>565,715,525</u>	<u>(14,583,485)</u>	<u>563,358,051</u>
Expenditures:					
Salaries and wages	335,485,879	327,288,481	316,595,522	(10,692,959)	320,460,883
Employee benefits	143,559,085	140,236,381	135,974,372	(4,262,009)	126,442,044
Services and supplies	64,359,725	84,202,702	61,675,159	(22,527,543)	72,894,790
Capital outlay	5,832,295	9,401,271	6,867,422	(2,533,849)	34,293,572
Principal	-	-	215,753	215,753	220,660
Interest	-	-	28,653	28,653	44,114
Total expenditures	<u>549,236,984</u>	<u>561,128,835</u>	<u>521,356,881</u>	<u>(39,771,954)</u>	<u>554,356,063</u>
Other financing uses:					
Transfers to other funds	-	20,000,000	20,000,000	-	17,916,342
Total expenditures and other financing uses	<u>549,236,984</u>	<u>581,128,835</u>	<u>541,356,881</u>	<u>(39,771,954)</u>	<u>572,272,405</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(829,825)	(829,825)	24,358,644	25,188,469	(8,914,354)
Fund balance:					
Beginning of year	30,842,878	30,842,878	52,058,835	21,215,957	60,973,189
End of year	<u>\$ 30,013,053</u>	<u>\$ 30,013,053</u>	<u>\$ 76,417,479</u>	<u>\$ 46,404,426</u>	<u>\$ 52,058,835</u>

See notes to Required Supplementary Information

## MASTER TRANSPORTATION PLAN FUND

To account for proceeds to be used for improved transportation in Clark County. Financing is provided by additional motor vehicle fuel taxes, motor vehicle privilege taxes, aviation fuel taxes, sales taxes, room taxes, and new development fees. Such proceeds may only be used for transportation purposes.

Clark County, Nevada  
 Master Transportation Plan  
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 For the fiscal year ended June 30, 2010  
 (With comparative actual for the fiscal year ended June 30, 2009)

	2010			2009	
	Original Budget	Final Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Taxes					
Room tax	\$ 38,750,000	\$ 38,750,000	\$ 32,338,354	\$ (6,411,646)	\$ 37,179,811
Licenses and permits					
New development fees	9,980,000	9,980,000	5,969,710	(4,010,290)	9,853,781
Intergovernmental revenue:					
Sales and use tax	155,000,000	155,000,000	135,736,134	(19,263,866)	149,922,311
Motor vehicle privilege tax	42,509,000	42,509,000	47,373,522	4,864,522	43,158,008
Motor vehicle fuel tax	36,944,000	36,944,000	36,374,674	(569,326)	37,420,918
Aviation fuel tax	12,962,000	12,962,000	11,698,326	(1,263,674)	12,581,937
Interest	580,000	580,000	413,243	(166,757)	967,199
Total revenues	<u>296,725,000</u>	<u>296,725,000</u>	<u>269,903,963</u>	<u>(26,821,037)</u>	<u>291,083,965</u>
<b>Expenditures:</b>					
Services and supplies					
Contributions to other local governments	199,450,667	199,450,667	178,665,222	(20,785,445)	194,863,401
Interest expense	100,000	100,000	1,386	(98,614)	-
Total expenditures	<u>199,550,667</u>	<u>199,550,667</u>	<u>178,666,608</u>	<u>(20,884,059)</u>	<u>194,863,401</u>
Other financing uses:					
Transfers to other funds	97,174,333	97,174,333	61,457,869	(35,716,464)	96,220,564
Total expenditures and other financing uses	<u>296,725,000</u>	<u>296,725,000</u>	<u>240,124,477</u>	<u>(56,600,523)</u>	<u>291,083,965</u>
Excess of revenues over expenditures and other financing uses	-	-	29,779,486	29,779,486	-
Fund balance:					
Beginning of year	-	-	-	-	-
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,779,486</u>	<u>\$ 29,779,486</u>	<u>\$ -</u>

See notes to Required Supplementary Information

Clark County, Nevada  
Las Vegas Valley Water District Pension Trust  
Defined Benefit Pension Plan Required Supplementary Information  
Schedule of Employer Contributions

<u>Year Ended June 30,</u>	<u>Annual Required Contributions</u>	<u>Percentage Contributed</u>
2001	\$ 4,125,838	100%
2002	9,284,697	100
2003	11,080,679	100
2004	12,923,933	100
2005	15,338,670	100
2006	18,913,372	100
2007	22,040,681	100
2008	23,587,076	100
2009	27,262,106	100
2010	25,753,794	100

Annual required contributions are determined as part of the actuarial valuations at July 1 of each plan year. Prior to fiscal year ended June 30, 2010, the aggregate actuarial cost method was used. For the fiscal year ended June 30, 2010, the entry age normal cost method was used.

Additional actuarial assumptions as of the latest actuarial valuation:

Investment rate of return	7.50%
Projected salary increases	5.00%

See notes to Required Supplementary Information



Clark County, Nevada  
Las Vegas Valley Water District Pension Trust  
Defined Benefit Pension Plan Required Supplementary Information  
Schedule of Funding Progress

The Las Vegas Valley Water District Pension Plan uses the aggregate actuarial cost method. Because the method does not identify or separately amortize unfunded actuarial accrued liabilities, information about the plan's funded status and funding progress has been prepared using the entry age normal actuarial cost method. The information presented below is intended to serve as a surrogate for the funded status and funding progress of the plan.

Actuarial Valuation Date	Actuarial Value of Assets	Entry Age Normal Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
07/01/07	\$119,142,043	\$222,471,907	\$103,329,864	53.60%	\$ 97,880,824	105.60%
07/01/08	127,179,936	250,041,067	122,870,131	50.90	111,054,552	110.60
07/01/09	156,464,229	300,396,876	143,932,647	52.10	122,006,497	118.00

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, 2007, actuarial valuation is the first to use the entry age actuarial cost method. As additional actuarial valuations using this method are obtained, this schedule will ultimately present information from the six most recent valuations.

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	06/30/2006	\$ -	\$369,159,987	\$369,159,987	0.0%	\$648,796,348	56.9%
	07/01/2008	0	447,990,595	447,990,595	0.0	680,747,522	65.9
PEBP*	06/30/2006	0	61,169,230	61,169,230	0.0	561,796,448	10.9
	07/01/2008	0	111,336,740	111,336,740	0.0	-	n/a
Fire Plan	07/01/2006	4,638,905	52,091,883	47,452,978	8.9	74,585,085	63.6
	07/01/2008	5,552,810	85,378,281	79,825,471	6.5	80,460,440	99.2
Metro Plan	06/30/2008	-	446,757,386	446,757,386	0.0	415,850,264	107.4
	06/30/2010	-	398,433,914	398,433,914	0.0	349,202,005	114.1
Metro Civilian Plan	06/30/2010	-	14,554,697	14,554,697	0.0	71,192,228	20.4

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

See notes to Required Supplementary Information

Clark County, Nevada  
Notes to Required Supplementary Information  
Year Ended June 30, 2010

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, 2010, as originally adopted, were augmented during the year for grants and other County Commission action.

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 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, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated January 4, 2011. Our report was modified to include a reference to 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. Other auditors audited the financial statements of University Medical Center of Southern Nevada, Las Vegas Valley Water District, Big Bend Water District, and Regional Transportation Commission of Southern Nevada, as described in our report on Clark County, Nevada's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting and compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2010-1-FS, 2010-2-FS, 2010-3-FS and 2010-4-FS to be material weaknesses.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the financial statements of the County are free of 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*.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the Board of County Commissioners, and others within the County, and is not intended to be and should not be used by anyone other than these specified parties.

*Kajoury, Armstrong & Co.*

Las Vegas, Nevada  
January 4, 2011

ACCOMPANYING INFORMATION – EXPENDITURES OF FEDERAL AWARDS



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

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD  
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

**Compliance**

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, 2010. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

Clark County, Nevada's basic financial statements include the component unit operations of University Medical Center of Southern Nevada, Las Vegas Valley Water District, Big Bend Water District and Regional Transportation Commission of Southern Nevada, which received \$7,036,970, \$2,231,885, \$0, and \$83,012,150, respectively, in federal awards which are not included in the schedule during the year ended June 30, 2010. Our audit, described below, did not include the operations of University Medical Center of Southern Nevada, Las Vegas Valley Water District, Big Bend Water District or Regional Transportation Commission of Southern Nevada because these entities engaged other auditors to perform their audits in accordance with OMB Circular A-133.

Clark County, Nevada's basic financial statements include the operations of the Department of Aviation, which received \$19,196,045 in federal awards which is not included in the schedule during the year ended June 30, 2010. 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.

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. Our audit does not provide a legal determination of the County's compliance with those requirements.

As described in item 2010-12 in the accompanying schedule of findings and questioned costs, Clark County, Nevada did not comply with requirements regarding activities, allowable costs, matching criteria, period of availability, cash management, and reporting that are applicable to its Emergency Management Performance Grant (CFDA No. 97.042). Compliance with such requirements is necessary, in our opinion, for Clark County, Nevada to comply with the requirements applicable to that program.



In our opinion, because of the effects of the noncompliance described in the preceding paragraph, Clark County, Nevada did not comply in all material respects, with the requirements referred to above that could have a direct and material effect on the Emergency Management Performance Grant (CFDA No. 97.042). Also in our opinion, Clark County, Nevada complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its other major federal programs for the year ended June 30, 2010. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements, 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 2010-1, 2010-2, 2010-3, 2010-4, 2010-8, 2010-9, 2010-10, 2010-11, 2010-13, and 2010.14.

### **Internal Control Over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance 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 significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

*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 2010-1, 2010-2, 2010-3, 2010-4, 2010-6, 2010-7, 2010-8, 2010-9, 2010-10, 2010-12, 2010-13, 2010-14, and 2010-15 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 2010-5 to be a significant deficiency.

Clark County, Nevada's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Clark County, Nevada's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the Board of County Commissioners, others within the County, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Kaufery, Armstrong & Co.*

Las Vegas, Nevada  
March 30, 2011

Clark County, Nevada

Schedule of Expenditures of Federal Awards  
for the fiscal year ended June 30, 2010

<u>Federal Grantor/ Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Pass-Through Number</u>	<u>Program or Award Amount</u>	<u>Federal Disbursements/ Expenditures</u>
<b>DEPARTMENT OF AGRICULTURE</b>				
Child Nutrition Cluster				
Passed Through Nevada Department of Education: School Breakfast Program, FY 09-10	10.553	Agreement R-315-09	\$ 157,458	\$ 157,458
Passed Through Nevada Department of Education: National School Lunch Program, FY 09-10	10.555	Agreement R-315-09	244,355	244,355
Food Distribution Program (Commodity)	10.555	Permanent Agreement	2,269	<u>2,269</u>
				<u>246,624</u>
Passed Through Nevada Department of Education: Special Milk Program for Children, FY 09-10	10.556	Agreement	19,666	19,666
Passed Through Nevada Department of Education: Summer Food Service Program for Children, 6/7/10-8/27/10	10.559	SFSP-AGREE2010	107,510	19,612
Summer Food Service Program for Children, 6/1/09-8/27/10	10.559	CBE #601569-09	88,805	<u>66,864</u>
				<u>86,476</u>
Total Child Nutrition Cluster				<u>510,224</u>
Passed Through Nevada Department of Education: Child and Adult Care Food Program CACFP (FY10)	10.558	Agreement	44,867	44,867
Child and Adult Care Food Program CACFP (FY09)	10.558	Agreement CACFP-9	140,075	<u>14,669</u>
				<u>59,536</u>
Total Department of Agriculture				<u>569,760</u>

(Continued)

Clark County, Nevada

Schedule of Expenditures of Federal Awards  
for the fiscal year ended June 30, 2010

Federal Grantor/ Pass-Through Grantor Program Title	Federal CFDA Number	Grant Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
<b>CDBG – Entitlement Grants Cluster</b>				
<b>Direct Program:</b>				
Neighborhood Stabilization Program I (NSPI)	14.218	B-08-UN-32-0001	\$ 29,666,798	\$ 10,820,489
Recaptured Neighborhood Stabilization Funds	14.218			52,740
Community Development Block Grant, FY 08-09	14.218	B-08-UC-32-0001	7,880,458	4,611,848
Community Development Block Grant, FY 09-10	14.218	B-09-UC-32-0001	8,052,700	4,247,197
				<u>19,732,274</u>
<b>Passed Through Nevada Housing Division:</b>				
Neighborhood Stabilization Program I (NSPI)	14.218	B-08-DN-32-0001	10,370,986	5,043,461
				<u>24,775,735</u>
<b>Direct Program:</b>				
ARRA – Community Development Block Grant Entitlement Grants (CDBG-R)	14.253	B-09-UY-32-0001	2,140,484	617,602
				<u>25,393,337</u>
<b>Total CDBG – Entitlement Grants Cluster</b>				
<b>Direct Program:</b>				
Emergency Shelter Grants Program, FY 08-09	14.231	S-06-UC-32-0001	276,989	58,395
Emergency Shelter Grants Program, FY 09-10	14.231	S-09-UC-32-0001	278,212	278,144
				<u>336,539</u>
<b>Direct Program:</b>				
Shelter Plus Care Grant (Year 1)	14.238	NV01C700001	705,144	311,356

(Continued)

Clark County, Nevada

Schedule of Expenditures of Federal Awards  
for the fiscal year ended June 30, 2010

Federal Grantor/ Pass-Through Grantor Program Title	Federal CFDA Number	Grant Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (Continued)</b>				
<b>Direct Program:</b>				
HOME Investment Partnerships Program, FFY 2005	14.239	M-05-DC-320224	\$ 6,312,258	\$ 956,223
HOME Investment Partnerships Program, FFY 2006	14.239	M-06-DC-320224	3,494,680	3,494,680
HOME Investment Partnerships Program, FFY 2007	14.239	M07-DC320224	3,480,852	1,693,166
Recaptured Home Funds	14.239			<u>1,438,177</u>
<b>Passed Through Nevada Housing Division:</b>				
HOME Investment Partnerships Program, FY 04-05	14.239	M-04-SG320106	975,560	242,116
HOME Investment Partnerships Program, FY 05-06	14.239	M-05-SG320106	823,837	<u>16,884</u>
				<u>259,000</u>
				<u>7,841,246</u>
<b>Direct Program:</b>				
ARRA – Homeless Prevention and Rapid Re-Housing Program – Clark County	14.257	S-09-UY-32-0001	2,595,173	300,610
ARRA – Homeless Prevention and Rapid Re-Housing Program – City of North Las Vegas	14.257	S-09-MY-32-0003	677,704	<u>106,444</u>
				<u>407,054</u>
<b>Passed Through Nevada Housing Division:</b>				
ARRA – Homeless Prevention and Rapid Re-Housing Program	14.257	HPRP-2009-0003	897,388	<u>255,226</u>
				<u>662,280</u>
Total Department of Housing and Urban Development				<u>34,544,758</u>

(Continued)

Clark County, Nevada

Schedule of Expenditures of Federal Awards  
for the fiscal year ended June 30, 2010

Federal Grantor/ Pass-Through Grantor Program Title	Federal CFDA Number	Grant Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
<b>DEPARTMENT OF INTERIOR</b>				
Direct Program:				
Southern Nevada Public Land Management Act-CCPW	15.235	L05AC12981	\$ 97,316	\$ 656
Southern Nevada Public Land Management Act-CCPW	15.235	L05AC13159	2,592,520	165,679
Southern Nevada Public Land Management Act-CCPW	15.235	L05AC13256	4,479,566	721,833
Southern Nevada Public Land Management Act-CCPW	15.235	L05AC13257	17,424,000	8,827,722
Southern Nevada Public Land Management Act-CCPW	15.235	L05AC13523	17,424,000	429,544
Southern Nevada Public Land Management Act-CCPW	15.235	L05AC13726	4,530,240	94,524
Southern Nevada Public Land Management Act-CCPW	15.235	L05AC13849	4,065,600	248,053
Southern Nevada Public Land Management Act-CCPW	15.235	L05AC13850	5,808,000	1,318,215
Southern Nevada Public Land Management Act-CCPW	15.235	L05AC13851	2,323,200	92,845
Southern Nevada Public Land Management Act-CCPW	15.235	L05AC13852	5,902	726
Southern Nevada Public Land Management Act-CCPW	15.235	L05AC14148	3,108,000	25,147
Southern Nevada Public Land Management Act-CCPW	15.235	L05AC14149	1,162,400	39,867
Southern Nevada Public Land Management Act-CCPW	15.235	L05AC14402	14,868,480	367,659
Southern Nevada Public Land Management Act-CCPW	15.235	L05AC14425	4,762,560	376,853
Southern Nevada Public Land Management Act-CCPW	15.235	L05AC14675	4,939,500	363,538
Southern Nevada Public Land Management Act-CCPW	15.235	L05AC14676	4,662,000	35,059
Southern Nevada Public Land Management Act-CCPW	15.235	L05AC14695	17,424,000	1,715,305
Southern Nevada Public Land Management Act-CCPW	15.235	L05AC14902	2,915,965	1,617,195
Southern Nevada Public Land Management Act-CCPW	15.235	L05AC14903	1,161,600	267,875
Southern Nevada Public Land Management Act-CCPW	15.235	L05AC14909	1,161,600	54,849
Southern Nevada Public Land Management Act-CCPW	15.235	L07AC13118	15,840,000	745,032
Southern Nevada Public Land Management Act-CCPW	15.235	L07AC13228	3,520,000	16,604
Southern Nevada Public Land Management Act-CCPW	15.235	L07AC13231	16,951,000	170,592
Southern Nevada Public Land Management Act-CCPW	15.235	L07AC13492	550,000	4,061
Southern Nevada Public Land Management Act-CCPW	15.235	L07AC13495	1,870,000	158,829
Southern Nevada Public Land Management Act-CCPW	15.235	L07AC13496	1,732,687	17,807
Southern Nevada Public Land Management Act-CCPW	15.235	L07AC13809	5,940,000	80,442
Southern Nevada Public Land Management Act-CCPW	15.235	L07AC13819	1,100,000	93,167
Southern Nevada Public Land Management Act-CCPW	15.235	L07AC14115	3,520,000	95,291
Southern Nevada Public Land Management Act-CCPW	15.235	L07AC14116	46,376,000	11,825,171
Southern Nevada Public Land Management Act-CCPW	15.235	L07AC14399	14,080,000	212,042
Southern Nevada Public Land Management Act-CCPW	15.235	L07AC14877	19,386,860	19,311,215

(Continued)

Clark County, Nevada

Schedule of Expenditures of Federal Awards  
for the fiscal year ended June 30, 2010

<u>Federal Grantor/ Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Pass-Through Number</u>	<u>Program or Award Amount</u>	<u>Federal Disbursements/ Expenditures</u>
<b>DEPARTMENT OF INTERIOR (Continued)</b>				
Southern Nevada Public Land Management Act-CCPW	15.235	L07AC14880	\$ 1,540,000	\$ 1,148,379
Southern Nevada Public Land Management Act-CCPW	15.235	L08AC12964	1,320,000	10,443
Southern Nevada Public Land Management Act-CCPW	15.235	L08AC13503	270,595	97,863
Southern Nevada Public Land Management Act-CCPW	15.235	L08AC13680	2,200,000	4,582
Southern Nevada Public Land Management Act-CCPW	15.235	L08AC13693	153,720	32,723
Southern Nevada Public Land Management Act-CCPW	15.235	L08AC13820	199,484	100,848
Southern Nevada Public Land Management Act-CCPW	15.235	L08AC14127	500,000	23,450
Southern Nevada Public Land Management Act-CCPW	15.235	L08AC14128	2,475,000	15,204
Southern Nevada Public Land Management Act-CCPW	15.235	L08AC14694	212,766	55,991
Southern Nevada Public Land Management Act-CCPW	15.235	L09AC15503	1,210,000	1,210,000
Southern Nevada Public Land Management Act-DCP	15.235	L07AC12950	163,277	66,277
Southern Nevada Public Land Management Act-DCP	15.235	L07AC12970	3,646,939	397,420
Southern Nevada Public Land Management Act-DCP	15.235	L07AC12972	198,000	80,000
Southern Nevada Public Land Management Act-DCP	15.235	L07AC12973	297,671	70,000
Southern Nevada Public Land Management Act-DCP	15.235	L07AC13129	104,009	29,000
Southern Nevada Public Land Management Act-DCP	15.235	L07AC13238	414,357	260,000
Southern Nevada Public Land Management Act-DCP	15.235	L07AC13245	440,000	59,500
Southern Nevada Public Land Management Act-DCP	15.235	L07AC13248	347,109	149,054
Southern Nevada Public Land Management Act-DCP	15.235	L07AC13388	55,000	33,000
Southern Nevada Public Land Management Act-DCP	15.235	L07AC13500	800,553	102,553
Southern Nevada Public Land Management Act-DCP	15.235	L07AC13510	127,270	13,030
Southern Nevada Public Land Management Act-DCP	15.235	L07AC13677	264,000	57,695
Southern Nevada Public Land Management Act-DCP	15.235	L07AC13678	768,328	9,772
Southern Nevada Public Land Management Act-DCP	15.235	L07AC13797	354,200	81,790
Southern Nevada Public Land Management Act-DCP	15.235	L07AC13813	126,211	42,737
Southern Nevada Public Land Management Act-DCP	15.235	L07AC13814	989,955	200,000
Southern Nevada Public Land Management Act-DCP	15.235	L07AC13815	21,590	4,000
Southern Nevada Public Land Management Act-DCP	15.235	L07AC13829	286,726	114,145
Southern Nevada Public Land Management Act-DCP	15.235	L07AC13831	339,452	40,500
Southern Nevada Public Land Management Act-DCP	15.235	L07AC13832	449,055	140,051
Southern Nevada Public Land Management Act-DCP	15.235	L07AC13833	219,909	37,500
Southern Nevada Public Land Management Act-DCP	15.235	L07AC14112	550,000	155,380
Southern Nevada Public Land Management Act-DCP	15.235	L07AC14133	1,430,001	400,000

(Continued)

Clark County, Nevada

Schedule of Expenditures of Federal Awards  
for the fiscal year ended June 30, 2010

Federal Grantor/ Pass-Through Grantor Program Title	Federal CFDA Number	Grant Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
<b>DEPARTMENT OF INTERIOR (Continued)</b>				
Southern Nevada Public Land Management Act-DCP	15.235	L07ACI4369	\$ 33,000	\$ 30,000
Southern Nevada Public Land Management Act-DCP	15.235	L07ACI4414	162,620	22,000
Southern Nevada Public Land Management Act-DCP	15.235	L07ACI4415	857,699	233,916
Southern Nevada Public Land Management Act-DCP	15.235	L07ACI4630	30,121	5,000
Southern Nevada Public Land Management Act-DCP	15.235	L07ACI4632	475,848	64,000
Southern Nevada Public Land Management Act-DCP	15.235	L07ACI4635	115,816	42,287
Southern Nevada Public Land Management Act-DCP	15.235	L07ACI4659	2,589,290	333,925
Southern Nevada Public Land Management Act-DCP	15.235	L07ACI4892	319,432	78,800
Southern Nevada Public Land Management Act-DCP	15.235	L07ACI4893	744,822	85,000
Southern Nevada Public Land Management Act-DCP	15.235	L07ACI4894	996,257	395,633
Southern Nevada Public Land Management Act-DCP	15.235	L07ACI5046	594,992	327,992
Southern Nevada Public Land Management Act-DCP	15.235	L08ACI3225	1,320,000	1,309
Southern Nevada Public Land Management Act-DCP	15.235	L08ACI3507	245,367	235
Southern Nevada Public Land Management Act-DCP	15.235	L08ACI3805	1,407,120	826,665
Southern Nevada Public Land Management Act-DCP	15.235	L09ACI5342	3,245,368	257,151
				<u>57,440,197</u>
Direct Program:				
U.S. Geological Survey GIS Digital Ortho Imagery 2010	15.808	G10AC00096	97,000	97,000
Total Department of Interior				<u>57,537,197</u>
<b>DEPARTMENT OF JUSTICE</b>				
Passed Through Nevada Department of Health and Human Services, Division of Child and Family Services:				
FFY05 Juvenile Accountability Block Grant	16.523	2005-JB-FX-0043	295,808	135,010
FFY08 Juvenile Accountability Block Grant	16.523	2008-JB-FX-0020	270,891	40,826
FFY09 Juvenile Accountability Block Grant	16.523	2009-JB-FX-0018	324,839	286,838
				<u>462,674</u>

(Continued)

Clark County, Nevada

Schedule of Expenditures of Federal Awards  
for the fiscal year ended June 30, 2010

<u>Federal Grantor/ Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Pass-Through Number</u>	<u>Program or Award Amount</u>	<u>Federal Disbursements/ Expenditures</u>
<b>DEPARTMENT OF JUSTICE (Continued)</b>				
Passed Through Nevada Department of Health and Human Services, Division of Child and Family Services: Juvenile Justice Delinquency Prevention Formula Grant	16.540	2008-JF-FX-0016	\$ 254,705	\$ 41,577
Juvenile Justice Delinquency Prevention Formula Grant	16.540	2009-JF-FX-0011	256,700	256,484
				<u>298,061</u>
Direct Program: Kids Peace Therapeutic Foster Care Program	16.541	2009-JL-FX-0156	754,000	151,917
Direct Program: Internet Crimes Against Children	16.543	2008-MC-CX-K008	704,276	242,948
Passed Through the National Children's Alliance: Program Support – Sexual Abuse Investigative Team	16.543	426-LASV-NV-PS09	9,990	<u>5,705</u>
				<u>248,653</u>
Passed Through Nevada Department of Health and Human Services, Division of Child and Family Services: FFY08 Title V – New Inspirations/Empower Program	16.548	2008-IP-FX-0002	32,159	4,394
FFY09 Title V – New Inspirations/Empower Program	16.548	2009-IP-FX-0032	35,100	<u>35,100</u>
				<u>39,494</u>
Direct Program: National Institute of Justice Research, Evaluation, and Development Project Grants – DNA Technology to Identify the Missing	16.560	2009-DN-BX-K195	400,000	47,085
Passed Through Nevada Department of Health and Human Services, Division of Child and Family Services: Crime Victim Assistance	16.575	VOCA-3145/20-SFY10-12-073	429,953	429,953

(Continued)



Clark County, Nevada

Schedule of Expenditures of Federal Awards  
for the fiscal year ended June 30, 2010

Federal Grantor/ Pass-Through Grantor Program Title	Federal CFDA Number	Grant Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
<b>DEPARTMENT OF JUSTICE (Continued)</b>				
<b>Direct Program:</b>				
Edward Byrne Memorial State and Local Law Enforcement Assistance				
Discretionary Grant Program:				
BJA – Southern Nevada Human Trafficking Task Force	16.580	2006-DD-BX-0001	\$ 294,257	\$ 69,162
BJA – Intelligence Lead Policing	16.580	2007-DD-BX-0692	461,736	461,736
BJA – Mobile Command Post Vehicle	16.580	2008-DD-BX-0412	424,815	19,609
				<u>550,507</u>
<b>Passed Through the State of Nevada Office of the Attorney General:</b>				
ARRA – Violence Against Women Formula Grant	16.588	2009-RAVAW-19	94,621	47,591
Violence Against Women Formula Grant	16.588	2008-STOP-02	21,754	14,964
Violence Against Women Formula Grant	16.588	2009-STOP-02	23,194	14,847
				<u>77,402</u>
<b>Direct Program:</b>				
Grants to Encourage Arrest Policies and Enhancement of Protection Orders Program				
	16.590	2007-WE-AX-0046	309,763	115,425
<b>Direct Program:</b>				
State Criminal Alien Assistance Program				
State Criminal Alien Assistance Program	16.606	2008-AP-BX-1670	2,458,833	589,358
State Criminal Alien Assistance Program	16.606	2008-AP-BX-0539	2,713,602	1,493,819
				<u>2,083,177</u>

(Continued)

Clark County, Nevada

Schedule of Expenditures of Federal Awards  
for the fiscal year ended June 30, 2010

Federal Grantor/ Pass-Through Grantor Program Title	Federal CFDA Number	Grant Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
<b>DEPARTMENT OF JUSTICE (Continued)</b>				
Passed Through the Nevada Department of Public Safety, Office of Criminal Justice Assistance: Project Safe Neighborhoods	16.609	08-PSN/AG-02	\$ 71,431	\$ 10,542
Project Safe Neighborhoods	16.609	09-PSN-02	48,000	25,155
				<u>35,697</u>
<b>Direct Program:</b>				
Public Safety Partnership and Community Policing Grants:				
Community Oriented Policing (Forensics and CSI Upgrade)	16.710	2008-CK-WX-0374	88,854	1,672
Community Oriented Policing (Electronic Crimes & SWAT)	16.710	2008-CK-WX-0614	93,530	36,762
				<u>38,434</u>
<b>Passed Through Nevada State Juvenile Justice Commission:</b>				
Combating Underage Drinking Program	16.727	Agreement	62,808	59,612
Combating Underage Drinking Program	16.727	Agreement	225,000	69,292
				<u>128,904</u>
<b>Direct Program:</b>				
Edward Byrne Memorial Justice Assistance Grant FFY07	16.738	2007-DJ-BX-1380	1,240,885	204,313
Edward Byrne Memorial Justice Assistance Grant FFY08	16.738	2008-DJ-BX-0641	441,565	320,541
				<u>524,854</u>
<b>Passed Through the Nevada Department of Public Safety, Office of Criminal Justice Assistance:</b>				
Byrne Formula Grant Program: Mobile Booking Unit Technology	16.738	05-JAG-37	27,998	27,998

(Continued)

Clark County, Nevada

Schedule of Expenditures of Federal Awards  
for the fiscal year ended June 30, 2010

Federal Grantor/ Pass-Through Grantor Program Title	Federal CFDA Number	Grant Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
<b>DEPARTMENT OF JUSTICE (Continued)</b>				
Passed Through the City of Las Vegas: Edward Byrne Memorial Justice Assistance Grant	16.738	Interlocal Agreement	\$ 1,356,474	\$ 11,939
				<u>564,791</u>
Direct Program: Paul Coverdell Forensic Sciences Improvement Grant Program (2008)	16.742	2008-CD-BX-0085	95,000	72,750
Passed Through Nevada Department of Public Safety, Office of Criminal Justice Assistance: Paul Coverdell Forensic Sciences Improvement Grant Program (2008)	16.742	08-PC-02	19,649	11,634
Paul Coverdell Forensic Sciences Improvement Grant Program (2009)	16.742	09-PC-03	26,999	2,623
CSI Equipment Enhancement	16.742	09-JAG-16	109,308	<u>109,308</u>
				<u>123,565</u>
				<u>196,315</u>
Direct Program: Forensic Casework DNA Backlog Reduction Program (2008)	16.743	2008-DN-BX-K054	500,000	204,589
Forensic Casework DNA Backlog Reduction Program (2009)	16.743	2009-DN-BX-K057	489,000	346,162
Forensic Casework DNA Convicted Offender Backlog (2008)	16.743	2008-DN-BX-K015	227,220	215,740
Forensic Casework DNA Convicted Offender Backlog (2009)	16.743	2009-DN-BX-K025	102,025	32,710
Forensic Casework DNA Cold Case Crimes (2009)	16.743	2009-DN-BX-0085	499,695	<u>67,772</u>
				<u>866,973</u>
Direct Program: ARRA – Internet Crimes Against Children	16.800	2009-SN-B9-K022	566,519	10,590

(Continued)

Clark County, Nevada

Schedule of Expenditures of Federal Awards  
for the fiscal year ended June 30, 2010

<u>Federal Grantor/ Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Pass-Through Number</u>	<u>Program or Award Amount</u>	<u>Federal Disbursements/ Expenditures</u>
<b>DEPARTMENT OF JUSTICE (Continued)</b>				
Passed Through Nevada Department of Health and Human Services, Division of Child and Family Services: ARRA – State Victim Assistance Formula Grant Program	16.801	2009-SG-B9-0114	\$ 32,000	\$ 14,004
Passed Through the Nevada Department of Public Safety, Office of Criminal Justice Assistance: ARRA – Edward Byrne Memorial Justice Assistance Grant	16.803	09-ARRA-06	2,000,000	307,986
Passed Through the City of Las Vegas: ARRA – Edward Byrne Memorial Justice Assistance Grant	16.804	Interlocal Agreement	1,220,939	66,001
<b>Direct Program:</b>				
ATF – Gang Task Force	16. Unknown	Agreement	45,324	13,587
ATF – Gang Task Force	16. Unknown	Agreement	77,500	49,153
ATF – Armor Task Force	16. Unknown	Agreement	77,500	51,658
ATF – Intel Task Force	16. Unknown	Agreement	32,525	23,551
ATF – Intel Task Force	16. Unknown	Agreement	77,500	7,403
DEA – So. NV Gang Task Force	16. Unknown	Agreement	90,597	17,915
DEA – So. NV Gang Task Force	16. Unknown	Agreement	101,419	65,202
DEA – Tactical Diversion Task Force	16. Unknown	Agreement	9,167	9,167
DEA – Tactical Diversion Task Force	16. Unknown	Agreement	33,806	25,184
DEA – Marijuana Eradication	16. Unknown	Agreement	30,000	30,000
FBI – Criminal Apprehension Team	16. Unknown	Agreement	63,016	15,423
FBI – Criminal Apprehension Team	16. Unknown	Agreement	116,885	68,272
FBI – Eastern European Organized Crime Task Force	16. Unknown	Agreement	67,613	46,636
FBI – Joint Terrorism Task Force	16. Unknown	66F-LV-A35763	58,523	14,715
FBI – Joint Terrorism Task Force	16. Unknown	Agreement	84,516	61,604
FBI – Innocence Lost Task Force	16. Unknown	Agreement	89,925	19,909
FBI – Innocence Lost Task Force	16. Unknown	Agreement	152,129	39,238
FBI – Las Vegas Safe Streets Gang Task Force	16. Unknown	Agreement	60,266	18,686
FBI – Las Vegas Safe Streets Gang Task Force	16. Unknown	Agreement	84,516	72,969
US Marshals – Operations Falcon 4	16. Unknown	Agreement	60,735	22,495

(Continued)

Clark County, Nevada

Schedule of Expenditures of Federal Awards  
for the fiscal year ended June 30, 2010

Federal Grantor/ Pass-Through Grantor Program Title	Federal CFDA Number	Grant Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
<b>DEPARTMENT OF JUSTICE (Continued)</b>				
US Marshals – NV Fugitive Investigative Strike Team Equipment	16. Unknown	Agreement	\$ 904	\$ 904
US Marshals – NV Fugitive Investigative Strike Team Surveillance Van	16. Unknown	Agreement	35,000	27,580
US Marshals – NV Fugitive Investigative Strike Team Vehicle	16. Unknown	Agreement	11,000	4,862
US Marshals – NV Fugitive Investigative Strike Team	16. Unknown	Agreement	77,860	<u>36,067</u>
				<u>742,180</u>
Total Department of Justice				<u>7,476,223</u>
<b>DEPARTMENT OF LABOR</b>				
WIA Cluster				
Passed Through the Southern Nevada Workforce Investment Board:				
WIA Youth Activities – Governor’s Reserve Fund	17.259	Agreement	380,000	110,294
WIA Youth Activities – Governor’s Reserve Fund	17.259	Agreement	179,996	53,006
WIA Youth Activities – Title I	17.259	Agreement	35,234	23,539
ARRA – WIA Youth Activities/Youth Summer Stimulus Funds	17.259	Agreement	56,856	38,896
ARRA – WIA Youth Activities/Youth Summer Stimulus Governor Reserve Fund	17.259	Agreement	589,641	403,351
ARRA – Youth Employment and Training Services (Workforce Investment Act)	17.259	Agreement	130,912	<u>116,797</u>
Total Department of Labor				<u>745,883</u>

(Continued)

Clark County, Nevada

Schedule of Expenditures of Federal Awards  
for the fiscal year ended June 30, 2010

Federal Grantor/ Pass-Through Grantor Program Title	Federal CFDA Number	Grant Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
<b>DEPARTMENT OF TRANSPORTATION</b>				
Highway Planning and Construction Cluster				
Passed Through Nevada Department of Transportation:				
Highway Planning and Construction – PM10	20.205	Agreement PR185-08-083	\$ 3,159,819	\$ 3,159,819
Highway Planning and Construction	20.205	Agreement PR194-08-063	571,275	13,580
ARRA – Highway Planning and Construction-Project No. 60380	20.205	Agreement P211-09-063	264,244	262,645
Highway Planning and Construction	20.205	Agreement PR201-09-063	498,750	39,459
Highway Planning and Construction	20.205	Agreement PR330-09-063	4,800,000	574
<b>Total Planning and Construction Cluster</b>				<u>3,476,077</u>
Highway Safety Cluster				
Passed Through Nevada Department of Public Safety, Office of Traffic Safety:				
DUI Court Program, 10/1/08 – 9/30/09	20.600	28-K8-18-6	97,494	46,392
DUI Court Program, 10/1/09 – 9/30/10	20.600	28-K8-18-6	89,578	89,578
				<u>135,970</u>
Passed Through Nevada Department of Motor Vehicles:				
State & Community Highway Safety, 10/1/08 – 9/30/09	20.600	27-K8-18-3	114,117	112,398
State & Community Highway Safety, 10/1/08 – 9/30/09	20.600	28-JF-1.09M, L, DV	180,289	48,809
State & Community Highway Safety, 10/1/09 – 9/30/10	20.600	210-JF-1.10 & 1.11 DV	158,500	120,333
				<u>281,540</u>
<b>Total Highway Safety Cluster</b>				<u>417,510</u>
Passed Through State Emergency Response Commission: FFY10 HMEP Training Grant	20.703	09-HMEP-03-01	30,000	14,215
<b>Total Department of Transportation</b>				<u>3,907,802</u>

(Continued)

Clark County, Nevada

Schedule of Expenditures of Federal Awards  
for the fiscal year ended June 30, 2010

<u>Federal Grantor/ Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Pass-Through Number</u>	<u>Program or Award Amount</u>	<u>Federal Disbursements/ Expenditures</u>
<b>NATIONAL FOUNDATION ON THE ARTS &amp; THE HUMANITIES</b>				
Direct Program: Promotion of the Arts – Grants to Organizations and Individuals: ARRA – Arts and the American Recovery and Investment Act of 2009	45.024	09-5488-7219	\$ 50,000	\$ 50,000
Passed Through Nevada Arts Council: Partners in Excellence; Tier II	45.024	PIE10:5:04	9,968	<u>9,968</u>
Total National Foundation on the Arts and the Humanities				<u>59,968</u>
<b>ENVIRONMENTAL PROTECTION AGENCY</b>				
Direct Program: Air Pollution Control Program Support	66.001	A-97914710-1	793,101	793,101
Direct Program: Surveys, Studies, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act, PM 2.5 Monitoring Network	66.034	PM-96948101-2	185,710	86,750
Direct Program: Congressionally Mandated Projects – Indian Springs	66.202	XP-96920201-4	578,600	270,915
Passed Through State of Nevada, Division of Environmental Protection: 208 Water Quality Management Plan Update 2008	66.454	C6-98950106	40,000	10,910

(Continued)

Clark County, Nevada

Schedule of Expenditures of Federal Awards  
for the fiscal year ended June 30, 2010

Federal Grantor/ Pass-Through Grantor Program Title	Federal CFDA Number	Grant Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
<b>ENVIRONMENTAL PROTECTION AGENCY (Continued)</b>				
Passed Through State of Nevada, Division of Environmental Protection: ARRA -- Capitalization Grants for Clean Water State Revolving Funds	66.458	CS32-0921S	\$ 5,744,780	\$ 287,239
Total Environmental Protection Agency				<u>1,448,915</u>
<b>DEPARTMENT OF ENERGY</b>				
Direct Program: Nuclear Waste Disposal Siting, 10/1/08 -- 9/30/09 -- Yucca Mountain Project	81.065	Public Law	1,028,743	103,457
Nuclear Waste Disposal Siting, 10/1/09 - 9/30/10 -- Yucca Mountain Project	81.065	Public Law	1,900,000	<u>1,900,000</u>
				<u>2,003,457</u>
Direct Program: ARRA -- Energy Efficiency and Conservation Block Grant	81.128	DE-EE0000685	7,663,500	43,899
Passed Through Nevada Department of Public Safety, Division of Emergency Management: Emergency Preparedness Working Group	81.502	8150209	36,700	191
Emergency Preparedness Working Group	81.502	81509S9	54,963	<u>54,963</u>
				<u>55,154</u>
Total Department of Energy				<u>2,102,510</u>

(Continued)



Clark County, Nevada

Schedule of Expenditures of Federal Awards  
for the fiscal year ended June 30, 2010

Federal Grantor/ Pass-Through Grantor Program Title	Federal CFDA Number	Grant Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
Aging Cluster				
Passed Through Nevada Department of Health and Human Services, Division for Aging Services:				
Home Safety Program	93.044	03-005-49-BX-10	\$ 16,000	\$ 16,000
Senior Advocate Program	93.044	03-005-13-BX-10	33,997	33,997
Senior Citizen's Protective Service	93.044	03-005-20-LX-10	405,000	405,000
Older Americans Act/Representative Payee Program (Title III B)	93.044	03-015-21-BX-10	101,981	101,981
Older Americans Act/Representative Payee Program (Title III B)	93.044	03-015-21-BX-09	169,969	9,996
Total Aging Cluster				
				<u>566,974</u>
Passed Through Southern Nevada Health District:				
Public Health Emergency Preparedness	93.069	Interlocal Contract	196,000	44,153
Passed Through Nevada Department of Health and Human Services, Division of Child and Family Services:				
Enhance the Safety of Children Affected by Parental Methamphetamine or Other Substance Abuse (Year 2 and 3)	93.087	RPG-3145/25-SFY08-10-001	192,255	103,443
Direct Program:				
Substance Abuse and Mental Health Services – Projects of Regional and National Significance	93.243	1H79TI021878-01	295,320	129,345
Passed Through Nevada Department of Health and Human Services, Division of Child and Family Services:				
Promoting Safe and Stable Families:				
Title IV-B Support to Children Welfare	93.556	100INV1400	158,019	158,019
Medical Wrap Around Services (Year 3)	93.556	IVB-2-3145/17-SFY08-10-048	310,000	308,205
Title IV-B Case Worker Visit Sub-Grant	93.556	IVB-2-3145/17-SFY07-10-034	171,836	108,421
				<u>574,645</u>

(Continued)

Clark County, Nevada

Schedule of Expenditures of Federal Awards  
for the fiscal year ended June 30, 2010

Federal Grantor/ Pass-Through Grantor Program Title	Federal CFDA Number	Grant Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)</b>				
<b>TANF Cluster</b>				
Passed Through Nevada Department of Health and Human Services, Division of Child and Family Services: Temporary Assistance for Needy Families, FY09-10	93.558	Interlocal Agreement/Integration	\$ 1,503,392	\$ 1,503,392
<b>Passed Through Nevada Department of Health and Human Services, Welfare Division:</b>				
Child Support Enforcement – Hearing Master, FY 10 – Clerk District Court	93.563	Cooperative Agreement	555,851	555,851
Child Support Enforcement, FY 10	93.563	Cooperative Agreement	567,686	567,686
Child Support Enforcement, FFY05 Incentive Award	93.563	Interlocal Agreement	18,104,301	18,104,301
Child Support Enforcement, FFY06 Incentive Award	93.563	Interlocal Agreement	995,080	381,195
ARRA – Child Support Enforcement, FFY06 Incentive Award	93.563	Interlocal Agreement	1,186,015	752,856
		Interlocal Agreement	2,534,366	2,534,366
			<u>22,896,255</u>	<u>22,896,255</u>
Passed Through Nevada Department of Health and Human Services, Welfare Division: Child Support Enforcement Research	93.564	90FD0136	325,359	143,731
<b>Passed Through Nevada Department of Health and Human Services, Welfare Division:</b>				
Child Care and Development Block Grant	93.575	Agreement	37,162	37,162
<b>Passed Through Nevada Department of Health and Human Services, Welfare Division:</b>				
Access and Visitation Grant, 10/1/08 – 9/30/09	93.597	0901NVSAVP	44,154	6,036
Access and Visitation Grant, 10/1/09 – 9/30/10	93.597	0901NVSAVP	76,000	43,030
			<u>49,066</u>	<u>49,066</u>
Passed Through Nevada Department of Health and Human Services, Division of Child and Family Services: Federal Adoption Incentive Program	93.603	A13229/31-SFY09-10-007	74,303	40,300

(Continued)

Clark County, Nevada

Schedule of Expenditures of Federal Awards  
for the fiscal year ended June 30, 2010

Federal Grantor/ Pass-Through Grantor Program Title	Federal CFDA Number	Grant Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)</b>				
Passed Through Nevada Department of Health and Human Services, Division of Child and Family Services: CPS Digital Technology	93.643	CJA-3145/11-SFY-10-025	\$ 10,000	\$ 9,901
Passed Through Nevada Department of Health and Human Services, Division of Child and Family Services: ARRA -- Foster Care Title IV-E Foster Care Title IV-E	93.658 93.658	1001NV1401 1001NV1401	1,142,716 18,769,535	1,142,716 <u>18,769,535</u>
Passed Through Nevada Department of Health and Human Services, Division of Child and Family Services: ARRA -- Adoption Assistance Title IV-E Adoption Assistance Title IV-E	93.659 93.659	1001NV1407 1001NV1407	1,297,291 8,140,472	1,297,291 <u>8,140,472</u>
Passed Through Nevada Department of Health and Human Services, Division of Child and Family Services: ARRA -- Adoption Assistance Title IV-E Adoption Assistance Title IV-E	93.667	2010G992342	1,794,755	<u>9,437,763</u>
Passed Through Nevada Department of Health and Human Services, Division of Child and Family Services: Social Services Block Grant: Title XX 2010	93.670	90CA1717/05	846,129	30,093
Direct Program: Caring Communities Demonstration Project				
Passed Through Nevada Department of Health and Human Services, Division of Child and Family Services: Chafee Independent Living Program (Year 2) Chafee Independent Living Program (Year 3)	93.674 93.674	CH3145/32-SFY08-10-018 CH3145/32-SFY08-10-018	902,937 920,898	521 <u>870,205</u>
				<u>870,726</u>

(Continued)

Clark County, Nevada

Schedule of Expenditures of Federal Awards  
for the fiscal year ended June 30, 2010

Federal Grantor/ Pass-Through Grantor Program Title	Federal CFDA Number	Grant Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)</b>				
Passed Through Nevada Department of Health and Human Services, Nevada State Health Division:				
National Bioterrorism Hospital Preparedness Program	93.889	Interlocal Agreement	\$ 150,000	\$ 150,000
<b>Direct Program:</b>				
HIV Emergency Relief Project Grants:				
Ryan White -- HIV Emergency Relief Project	93.914	2 H89HA06900-04-00	5,496,274	4,224,920
Ryan White -- HIV Emergency Relief Project	93.914	2 H89HA06900-05-00	3,947,285	1,487,520
Ryan White Part A Minority AIDS Initiative Program	93.914	5 H3MHA08430-02-00	247,193	10,664
Ryan White Part A Minority AIDS Initiative Program	93.914	5 H3MHA08430-03-00	257,354	237,710
				<u>5,960,814</u>
Total Department of Health and Human Services				<u>64,254,769</u>
<b>OFFICE OF NATIONAL DRUG CONTROL POLICY</b>				
<b>Direct Program:</b>				
Executive Office of the President:				
2007 HIDTA #17PNVP501Z	95.001	17PNVP501Z	2,625,000	59,139
2008 HIDTA #18PNVP501Z	95.001	18PNVP501Z	3,162,150	775,496
2009 HIDTA #G09NV0001A	95.001	G09NV0001A	3,128,162	2,282,360
2009 HIDTA #G10NV0001A	95.001	G10NV0001A	2,996,324	228,603
Total Office of National Drug Control Policy				<u>3,345,598</u>

(Continued)

Clark County, Nevada

Schedule of Expenditures of Federal Awards  
for the fiscal year ended June 30, 2010

Federal Grantor/ Pass-Through Grantor Program Title	Federal CFDA Number	Grant Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
<b>DEPARTMENT OF HOMELAND SECURITY</b>				
Passed Through Nevada Department of Public Safety, Division of Emergency Management: DHS/FFY08 Interoperable Emergency Communications Grant Program				
	97.001	9700108	\$ 215,830	\$ 30,738
Direct Program:				
2008 National Urban Search & Rescue Response System	97.025	EMW-2008-CA-0527	1,088,429	71,782
2009 National Urban Search & Rescue Response System	97.025	2009-SR-24-K014	1,001,910	983,137
2009 National Urban Search & Rescue Response System	97.025	2010-SR-24-K051	1,071,900	<u>6,293</u>
				<u>1,061,212</u>
Passed Through Nevada Department of Public Safety, Division of Emergency Management:				
2009 Emergency Management Performance Grant - Supplemental	97.042	9704209	156	156
2009 Emergency Management Performance Grant	97.042	9704209	142,127	38,764
2010 Emergency Management Performance Grant	97.042	9704210	614,540	<u>477,596</u>
				<u>516,516</u>
Homeland Security Cluster Department of Homeland Security: State Domestic Preparedness Equipment Support Program Passed Through Nevada Department of Public Safety, Division of Emergency Management:				
2006 Citizen Corps Program	97.067	97067CL6	151,021	3,392
2006 Citizen Corps Program Supplemental	97.067	97067CL6	11,700	10,375
2008 Citizen Corps Program	97.067	97067CL8	19,612	2,234
2009 Citizen Corps Program	97.067	97067CL9	41,064	19,000
2006 Urban Area Security Initiative	97.067	97067U06	7,331,909	98,800
2007 Urban Area Security Initiative	97.067	97067U07	8,594,180	5,301,570
2007 Urban Area Security Initiative Supplemental	97.067	97067U07	205,005	20,960
2008 Urban Area Security Initiative	97.067	97067U08	8,759,585	3,263,817

(Continued)

Clark County, Nevada

Schedule of Expenditures of Federal Awards  
for the fiscal year ended June 30, 2010

Federal Grantor/ Pass-Through Grantor Program Title	Federal CFDA Number	Grant Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
<b>DEPARTMENT OF HOMELAND SECURITY (Continued)</b>				
2009 Urban Area Security Initiative	97.067	97067U09	\$ 7,905,645	\$ 327,046
2007 Law Enforcement Terrorism Prevention Program	97.067	97067LL7	2,687,400	1,947,904
2006 State Homeland Security Program	97.067	97067HL6	258,749	28,422
2006 State Homeland Security Program	97.067	97067HS6	1,045	1,045
2007 State Homeland Security Program	97.067	97067HL7	28,585	11,443
2007 State Homeland Security Program	97.067	97067HE7	173,251	17,179
2007 State Homeland Security Program	97.067	97067HS7	452,006	1,030
2007 State Homeland Security Program	97.067	97067HL7	346,523	284,089
2008 State Homeland Security Program	97.067	97067HL8	2,125,765	681,976
2007 Public Safety Interoperable Communications Hospitals Interoperability Plan	97.067	1155507	725,000	111,215
2008 Public Safety Interoperable Communications, Core Nevada Radio Systems IP Based Community	97.067	1155507	5,114,182	389,937
Total Homeland Security Cluster				<u>12,521,434</u>
Passed Through Nevada Department of Public Safety, Division of Emergency Management:				
2006 Buffer Zone Protection Program	97.078	97078B06	1,188,911	10,890
2007 Buffer Zone Protection Program	97.078	97078B07	189,000	105,582
2008 Buffer Zone Protection Program	97.078	97078B08	386,060	380,395
Direct Program: Bio Watch: Field Operations & Sample Collection Activities	97.091	2006-ST-091-000011-04	379,869	379,869
Emergency Food and Shelter Program Cluster Passed Through United Way of Southern Nevada: ARRA – Emergency Food and Shelter National Board Program	97.114	LRO ID: 586800-002	497,390	497,390

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Clark County, Nevada

Schedule of Expenditures of Federal Awards  
for the fiscal year ended June 30, 2010

Federal Grantor/ Pass-Through Grantor Program Title	Federal CFDA Number	Grant Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
<b>DEPARTMENT OF HOMELAND SECURITY (Continued)</b>				
Direct Program:				
2007 Secret Service Agreement	97.Unknown	None	\$ 106,000	\$ 14,683
2010 Secret Service Agreement	97.Unknown	None	34,843	34,843
2010 US Customs – ICE	97.Unknown	None	150,000	50,310
				<u>99,836</u>
Total Department of Homeland Security				
				<u>15,603,862</u>
<b>TOTAL FEDERAL DISBURSEMENTS/EXPENDITURES</b>				
				<u>\$191,597,245</u>

The accompanying notes are an integral part of this schedule.

Clark County, Nevada

Notes to Schedule of Expenditures of Federal Awards  
for the Year Ended June 30, 2010

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 Big Bend Water District, Department of Aviation, Las Vegas Valley 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 are included in the schedule.

2. BASIS OF ACCOUNTING

The Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting. Expenditures are recognized when they become a demand on current available financial resources. Encumbrances are issued during the year for budgetary control purposes and lapse at fiscal year end.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

General fund	\$ 9,488,790
Special revenue funds	126,239,221
Capital projects funds	55,231,878
Enterprise funds	<u>637,356</u>
Total	<u>\$191,597,245</u>

4. SUBRECIPIENT EXPENDITURES

Clark County provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA#</u>	<u>Subrecipient Expenditures</u>
ARRA – Community Development Block Grant	14.218	\$ 443,222
Community Development Block Grant	14.218	2,584,336
Neighborhood Stabilization Program	14.218	15,739,703
Emergency Shelter Grants Program	14.231	336,539
Shelter Care Plus Grant	14.238	311,356
Home Investment Partnerships Program	14.239	6,320,123
ARRA – Homeless Prevention and Rapid Re-Housing Program	14.257	86,322
Justice Assistance Grant	16.738	135,501
ARRA – Justice Assistance Grant	16.804	66,001
Hazardous Materials Emergency Preparedness Training	20.703	8,781
Ryan White Title I	93.914	4,417,143
Interoperable Emergency Communications Grant Program	97.001	30,738
Homeland Security Grant Cluster	97.067	<u>1,855,467</u>
		<u>\$32,335,232</u>



**CLARK COUNTY, NEVADA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2010**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

***Financial Statements***

Type of auditor's report issued	Unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	Yes
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	No
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:	Unqualified for all major programs except for Emergency Management Performance Grant (CFDA 97.042), 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	14.218/14.253
Southern Nevada Public Land Management Highway Planning and Construction Cluster	15.235 20.205
Child Support Enforcement	93.563
Foster Care – Title IV-E	93.658
Adoption Assistance – Title IV-E	93.659
Chafee Foster Care Independence	93.674
HIV Emergency Relief Project Grants	93.914
Emergency Management Performance Grant	97.042
Homeland Security Cluster	97.067

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

**CLARK COUNTY, NEVADA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**JUNE 30, 2010**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**FINDING 2010-1-FS      POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

Criteria:                      Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, establishes standards of accounting and financial reporting for OPEB expenses and related OPEB liabilities as well as note disclosures and required supplementary information in the financial reports of state and local government employers. In determining the OPEB expenses and related liabilities, employers are required to obtain an actuarial valuation at least biennially for OPEB plans with total membership of 200 or more participants.

Condition:                     During our audit, we noted that actuarial valuations were performed for Las Vegas Metropolitan Police Department's (LVMPD) regular and civilian employees; however, the census data provided to the actuary was incomplete for both plans. Prior to the conclusion of our audit, LVMPD provided the actuary with the complete census data and the actuary updated the actuarial valuation reports, which resulted in an adjustment to the OPEB expenses and related liabilities for both of LVMPD's plans. This is a continued finding from the prior year. In 2009, the entire population of civilian employees was excluded from the census data.

Cause:                         As in the prior year, there appears to be insufficient controls in place over the review of the census data submitted to the actuary.

Effect:                         Insufficient controls over the OPEB actuarial valuation process increase the likelihood that OPEB expenses and related OPEB liabilities will be materially misstated in the County's financial reports and the likelihood that management and other financial statement users will rely on faulty information to make important decisions about the entity.

Recommendation:         The County and LVMPD should have sufficient controls in place over the actuarial valuation process of postemployment benefits other than pensions (OPEB) to ensure that all employees and other census data needed to perform an accurate valuation are provided to the independent actuary. As part of this process, the number of participants included in the actuarial valuations should be reconciled to the benefits system.

Management's  
Response:                     The County will work with the Las Vegas Metropolitan Police Department to ensure an accurate census for the next actuarial valuation.

**CLARK COUNTY, NEVADA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**JUNE 30, 2010**

**FINDING 2010-2-FS      CONTROLS OVER METRO SEIZED FUNDS**

Criteria:                    The County should have controls over the seized funds collected and held by Metro to ensure management has knowledge of all transactions impacting the general ledger. Key controls include maintaining documentation for all transactions impacting the general ledger as well as management approval.

Condition:                During our audit, we noted that the County has recorded \$4.6 million of seized funds in the financial statements as of June 30, 2010. However, Metro does not keep a detailed listing comprising the seized funds collected and held by Metro. Without detailed records, there is no information as to who the funds were collected from and who they belong to. Metro has no legal claim to the seized funds until there is a court case seeking civil forfeiture and the funds are awarded to Metro, so there is a possibility that some of the seized funds will be returned to the owner.

Cause:                     There are insufficient controls over the record keeping of seized funds collected and held by Metro.

Effect:                    Insufficient controls over the record keeping of seized funds increase the likelihood that Metro will not return the seized funds to the proper owner or will not be able to support their legal claim for civil forfeiture.

Recommendation:      The County should work with Metro to create a detail listing of all seized funds currently held by Metro. Additionally, the County should help Metro establish policies and procedures for accurately recording and tracking any new seized funds collected and held as well as the release of the seized funds due to returning to the owner or a proper legal claim by Metro.

Management's  
Response:                The County will work with the Las Vegas Metropolitan Police Department to create a detail listing of all seized funds and assist in establishing policies and procedures as recommended.

**FINDING 2010-3-FS      CONTROLS OVER CAPITAL ASSETS**

Criteria:                    The County should have controls over capital assets to ensure that all capital asset additions and disposals are recorded accurately and that depreciation is calculated accurately. Key controls in achieving this include periodic reconciliation of current-year activity, monitoring of construction in progress, review of valuation of donated infrastructure assets and review of the useful lives of assets.

Condition:                During our audit we identified the following issues relating to capital assets:

- The County improperly recorded the sale of a piece of land as a \$25 million gain when actually the sale resulted in the removal of a \$26.4 million asset and a loss of \$1.4 million.
- The County had \$70 million in completed projects as of June 30, 2010, that should have been transferred out of construction-in-progress and into the appropriate capital asset component such as land improvements, buildings, and equipment. A journal entry was posted as a result of our audit procedures to correct this classification.

**CLARK COUNTY, NEVADA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**JUNE 30, 2010**

- Three of the County's completed projects related to Metro buildings for which the City of Las Vegas owes \$9.5 million for their share of the costs. The County had not recorded this receivable in its financial statements as of June 30, 2010.
- The unit costs utilized to value donated infrastructure assets had not been updated. A journal entry to increase donated infrastructure assets was posted in the amount of \$58 million as a result of our audit procedures.

Cause: There are insufficient controls over the record keeping of capital assets.

Effect: Insufficient controls over capital assets increase the likelihood that capital assets and related accounts will be materially misstated.

Recommendation: The County should strengthen policies and procedures over capital assets to ensure that all capital asset additions and disposals are recorded accurately and that depreciation is calculated accurately.

Management's Response: Journal entries were posted to correctly record the activity and/or value of all four conditions noted above for the year ended June 30, 2010. These entries affected total assets by less than one percent. We will review and strengthen policies and procedures for capital assets as appropriate to ensure that additions, deletions and depreciation are properly recorded.

**FINDING 2010-4-FS      CONTROLS OVER FINANCIAL REPORTING**

Criteria: Management is responsible for establishing and maintaining an effective internal control system over financial reporting. One of the components of an effective internal control system over financial reporting is the preparation of the Schedule of Expenditures of Federal Awards (SEFA) that does not require adjustment as part of the audit process.

Condition: During our audit testing, we identified \$19 million in federal expenditures for the Southern Nevada Public Land Management Act that were missing from the SEFA. These amounts were identified as a part of our audit process and have been added to the final schedule of expenditures of federal awards.

Cause: There appears to be a lack of communication regarding amounts of federal awards expended between the program personnel who keep track of the grants on a day-to-day basis and comptroller personnel who is responsible for preparation of the SEFA.

Effect: Insufficient controls over the financial reporting process increase the likelihood that management and other financial statement users will rely on faulty information to make important decisions about the entity.

Recommendation: The County should strengthen policies and procedures over communicating amounts of federal awards expended to the comptroller's office.

**CLARK COUNTY, NEVADA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**JUNE 30, 2010**

Management's  
Response:

We agree that the amount in question should be reported on the SEFA. The oversight occurred due to the fact that the associated expenditure was made in prior years from unrestricted County funds as a result of a settlement of litigation related to land in the County Wetlands. When the \$19 million was reimbursed at a much later date than is typical for SNPLMA funding, it did not follow the normal expenditure process for SNPLMA projects. Staff will develop procedures to ensure that the SEFA includes all amounts expended from federal grants even if the expenditure is made initially in prior years using general County resources.

**CLARK COUNTY, NEVADA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**JUNE 30, 2010**

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**  
**DEPARTMENT OF THE INTERIOR**  
**DEPARTMENT OF HEALTH AND HUMAN SERVICES**  
**DEPARTMENT OF HOMELAND SECURITY**

**Questioned  
Costs**

2010-1 Applies to all grant awards for the following federal programs: Community Development Block Grants – Entitlement Grants Cluster (CDBG) – CFDA No. 14.218/14.253; Southern Nevada Public Land Management Act (SNPLMA) – CFDA No. 15.235; Child Support Enforcement – CFDA No. 93.563; HIV Emergency Relief Project Grants – CFDA No. 93.914; Homeland Security Cluster – CFDA No. 97.067; all grant numbers and grant periods reported for these CFDA Nos. on the schedule of expenditures of federal awards.

*Condition:* Federal procurement requirements were deemed direct and material for 6 of the 9 programs tested as major. Our tests disclosed that these procurement requirements were not being adhered to. Specifically, in 4 of the 6 programs, the required verifications regarding suspended and debarred parties were not performed. Also, one program (CDBG – CFDA No. 14.218/14.253) performed an EPLS search as the verification procedure for governmental and non-profit contracts, however such entities are not included on the EPLS. Verification for these types of entities is required by using one of the other two verification methods. Additionally, one program (SNPLMA – CFDA No. 15.235) did not comply with the Buy American Act. The County had a similar finding over procurement compliance during the fiscal year 2009 audit.

*Criteria:* The OMB Circular A-133 Compliance Supplement (dated June 2010), states that “non-federal entities are prohibited from contracting with 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.... [and] all nonprocurement transactions (i.e., subawards to subrecipients), irrespective of award amount.” Prior to entering into a contract for a covered transaction, the non-federal entity is required to verify that the entity is not suspended or debarred or otherwise excluded. The compliance supplement provides three options for performing the verification.

Additionally, certain federal grant agreements include provisions for compliance with the Buy American Act.

*Effect:* Contracts with suspended or debarred vendors and subrecipients, could be initiated and suspended or debarred parties could be paid with federal dollars. Additionally, there is a potential for non-compliance with the Buy American Act requirements.

**CLARK COUNTY, NEVADA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**JUNE 30, 2010**

*Cause:* The Purchasing and Contracts Division for the County implemented formal suspension and debarment and Buy American Act control policies and procedures in April 2010. Procedures were not performed retrospectively on existing contracts or on contract amendments dated subsequent to the date of the policy issuance. Therefore, existing contracts with current year federal expenditures were not in compliance with the federal procurement requirements. Additionally, it was noted that the Purchasing and Contracts Division for Metro has not implemented formal policies and procedures regarding the handling of federal procurement requirements.

*Recommendation:* We recommend that the County perform suspension and debarment verification on existing contracts and contract amendments with federal expenditures. Additionally, we recommend that Metro establish written policies and procedures regarding Federal procurement requirements. We also recommend that the policies require documenting in writing the procedures performed.

*Views of responsible officials and planned corrective actions:* See pages 164-165.



# Department of Finance Purchasing and Contracts

500 S Grand Central Pky 4th Fl • Box 551217 • Las Vegas NV 89155-1217  
(702) 455-2897 • Fax (702) 386-4914

George W. Stevens, Chief Financial Officer • Yolanda T. King, Director of Budget & Financial Planning  
Yolanda C. Jones, C.P.M., CPPO, Purchasing Manager

March 9, 2011

Kafoury Armstrong & Co.  
8329 West Sunset Road, Suite 210  
Las Vegas, NV 89113

RE: Finding 2010-1 Corrective Actions Taken


**EFFECT:** Contracts with suspended or debarred vendors and sub recipients could be initiated and suspended or debarred parties could be paid with Federal dollars. Additionally, there is a potential for non-compliance with the Buy American Act requirements.

**CAUSE:** The Purchasing and Contracts Division for the County implemented formal suspension and debarment and Buy America Act control policies and procedures in April 2010. Procedures were not performed retrospectively on existing contracts or on contract amendments dated subsequent to the date of expenditures and were not in compliance with the Federal procurement requirements. Additionally, it was noted that the Purchasing and Contracts Division for Metro has not implemented formal policies and procedures regarding the handling of Federal procurement requirements.

**RECOMMENDATION:** We recommend that the County perform suspension and debarment verification on existing contracts and contract amendments with Federal expenditures. Additionally, we recommend that Metro establish written policies and procedures regarding Federal procurement requirements. We also recommend that the policies require documenting in the procedures performed.

**CORRECTIVE ACTION:** Staff will be performing suspension and debarment verification on existing contracts and document performance of action(s) taken. Policy and procedures will be revised to include suspension and debarment verification when amendments or change orders are issued.

Sincerely,

  
Yolanda C. Jones, C.P.M., CPPO  
Purchasing Manager

cc: Mark Gammet  
Elizabeth Vorce  
George Stevens  
Yolanda King





March 8, 2011

Kafoury, Armstrong & Co  
8329 West Sunset Road, Suite 210  
Las Vegas, NV 89113

RE: Response to Schedule of Findings from FY 10 Grant Single Audit

To Whom it May Concern:

The Las Vegas Metropolitan Police Department (LVMPD) accepts the recommendations made in Finding 2010-1 from the FY 10 Grant Single Audit. That finding recommends that LVMPD develop and implement procedures for documenting search results demonstrating compliance to suspended and debarred vendor exclusion requirements.

Prior to April 1, 2011, LVMPD will develop and implement a policy requiring that a search be conducted of the Excluded Parties List System prior to the entry of a grant purchase requisition in SAP. This policy will prohibit entry of the requisition if the search results return a possible match and will also require the results to be printed and attached to the appropriate purchase requisition.

Please feel free to contact me with any further questions or concerns.

Sincerely,

Richard Hoggan  
Budget Director, LVMPD



**CLARK COUNTY, NEVADA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**JUNE 30, 2010**

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**Questioned  
Costs**

2010-2      Community Development Block Grants (CDBG) – CFDA No. 14.218; Community Development Block Grant ARRA Entitlement Grants (CDBG-R) – CFDA No. 14.253; Grant Nos. B-08-UN-32-0001 (NSP1) and B-09-UY-32-0001 (CDBG-R)

*Condition:* Clark County is required to submit financial and performance reports for the CDBG grant – quarterly cash transaction reports, an activity summary report, a financial summary report, a performance report, and quarterly Section 1512 reports under the American Recovery and Reinvestment Act of 2009. We tested each of these and noted errors with two of the reports. All cash transaction reports filed during the year improperly excluded NSP1 activity and all Section 1512 ARRA reports incorrectly excluded subrecipient expenditures and expenditures were not properly reported on a cumulative basis.

*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.

*Effect:* The cash transaction reports underreported NSP1 cash receipts and disbursements of \$10,814,226 during the year. Additionally, the Section 1512 ARRA Report for reporting period ending March 31, 2010 and June 30, 2010 excluded \$443,222 and \$461,367 in expenditures, respectively.

*Cause:* It appears that there was ineffective management oversight over the reporting compliance requirement, as the internal control process failed to ensure that all required information was properly included in the reports prior to their submission.

*Recommendation:* The County should strengthen its procedures over the review process of the federal reports for the CDBG program, to include an emphasis on new funding and new grant reporting requirements.

*Views of responsible officials and planned corrective actions:* See pages 167-168.



# Department of Finance

## Community Resources Management

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

George W. Stevens, Chief Financial Officer • Yolanda King, Director of Budget and Financial Planning  
Michael J. Pawlak, Manager

March 8, 2011

Kafoury, Armstrong & Co.  
8329 West Sunset Road, Suite 210  
Las Vegas, NV 89113

Dear Auditors:

The purpose of this letter is to respond to the finding 2010-2 identified by the County's external auditors, Kafoury, Armstrong & Co., related to their review of the FY 2010 Community Development Block Grant Program.

### 2010-2

#### **Condition:**

Community Development Block Grant (CDBG, CFDA No. 14.218) and Community Development Block Grant ARRA Entitlement Grant (CDBG-R, CFDA No. 14.253). The County's Community Resources Management Division is required to submit financial and performance reports for the CDBG Grant. CRM incorrectly omitted NSP1 from the required cash transactions reports and incorrectly excluded and incorrectly reported subrecipient expenditures on the Section 1512 ARRA reports.

#### **Corrective Action:**

1. Effective with the January 2011 Section 1512 ARRA report, CRM has correctly reported subrecipient expenditures on a cumulative basis as required by HUD.
2. CRM will report NSP1 financial information to be included in all required quarterly cash transaction reports (SF-425). Our first quarterly report will be for the period ending March 31, 2011 and will be submitted no later than April 30, 2011. This report will capture cumulative data from the date of the inception of the NSP1 grant award through March 31, 2011.

#### **Background:**

CRM received two new CDBG grant awards for FY 2009 - CDBG ARRA and Neighborhood Stabilization Program (NSP1). The CDBG ARRA funds were authorized under Title XII of the Recovery and Reinvestment Act of 2009 (ARRA-Pub. L. No. 111-5) while the Neighborhood Stabilization Program funds were provided under the Housing and Economic Recovery Act of 2008 (HERA-Pub. L. No. 110-289, July 30, 2008).

CRM staff began submitting the required Section 1512 ARRA reports in April 2010. However, for the first two reporting periods cumulative data was not provided. Staff incorrectly believed that only

actual expenditures were to be reported and also that once a project was identified as completed and all funds had been reported, it was not required to be carried forward on subsequent reports. This resulted in the City of North Las Vegas project not being reported as a Subrecipient activity after that project was completed. This condition was corrected with the January 1, 2011 report and going forward all federal reporting will be on a cumulative basis.

NSP1 is a new HUD grant program funded through the Housing and Economic Recovery Act. In its October 6, 2008 Notice (Docket No. FR-5255-N-01) concerning the allocation and regulation of NSP1 funds, HUD identified numerous exceptions to CDBG rules that would pertain to NSP1. Among the exceptions were requirements for conforming to the HUD Consolidated Plan requirements and many performance and financial reporting requirements. Additionally, for NSP1, HUD chose not use its standard CDBG financial interface program, the Information, Disbursement and Information System (IDIS), but instead decided to use the Disaster Recovery Grant Reporting (DRGR) system. The purpose of DRGR was to allow grantees to provide online Internet based reports. Obligations, expenditures and program income data (as requested on the SF-425 form) is already collected quarterly and cumulatively by HUD through the DRGR system in the form of "Quarterly Performance Reports" (QPR). CRM staff mis-interpreted the use of DRGR as a reporting system for all NSP1 financial reports and did not receive any guidance from HUD to suggest other reports were required. It was only when staff was approached by the outside audit team inquiring about the cash transaction reports (SF-272 as now replaced by SF-425) that we inquired to our local HUD representative on this matter. In correspondence dated December 15, 2010, our HUD representative instructed staff to file the SF-425 annually via the standard CDBG reporting process. Our local HUD field office has since stated that the NSP1 cash transaction reporting is to be done on a quarterly basis.

I appreciate the effort of the auditors and the thoroughness of their work. HUD programs are always challenging to administer, especially new programs. The errors noted and the recommendations provided by the audit team will help strengthen our CDBG program and allow us to continue serving the low and moderate income citizens of Clark County.

Sincerely,



Michael J. Pawlak, Manager  
Community Resources Management

cc: Yolanda King  
Sabra Smith-Newby  
Mark Gamett  
Elizabeth Vorce  
Kristin Cooper  
Brian Paulson

**CLARK COUNTY, NEVADA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
JUNE 30, 2010**

**DEPARTMENT OF THE INTERIOR**

**Questioned  
Costs**

2010-3 Southern Nevada Public Land Management Act (SNPLMA) – CFDA No. 15.235; Grant Award Nos. L05AC14675, L05AC14148, L05AC14902, L05AC13159, L05AC14695, L05AC13850, L05AC13256, L05AC14402, L05AC13726, L05AC13849, L05AC13523, L05AC14425, L05AC13851, L05AC13257, L05AC14149, L05AC14903, L05AC12981, L05AC13852, L05AC14909, L07AC13495, L07AC13809, L07AC13228, L07AC13492, L07AC14877, L07AC13118, L07AC14880, L07AC14115, L07AC14399, L07AC13496, L07AC14116, L07AC13819, L07AC13231, L08AC14127, L08AC14694, L08AC13503, L08AC13820, L08AC13693, L08AC14128, L08AC12964, L08AC13680, L09AC15503, and L05AC14676

*Condition:* We tested the quarterly Federal Financial Report (SF-425) and the Quarterly BLM Database for compliance with Federal requirements. Our tests disclosed that for all of the SF-425 reports tested, the County incorrectly reported cash receipts and cash disbursements on the SF-425 by using quarterly totals instead of the required cumulative totals. In addition, the amount reported as the “Federal share of unliquidated obligations” did not properly include the obligations incurred but not yet paid at the end of the reporting period.

Additionally, our testing revealed that for all BLM Database projects tested there was no documentation to support supervisory review and approval prior to their submission.

*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. In addition, OMB Circular A-133 establishes certain requirements for non-Federal entities that expend Federal awards. For example, 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”.

*Effect:* Total grant receipts and outlays (grant expenditures) are improperly reported to the grantor.

*Cause:* It appears that there was ineffective management oversight over the reporting compliance requirement, as there was a lack of adequate review of the financial status reports and BLM Database reports prior to submission to the grantor.

*Recommendation:* The County should strengthen its procedures over the review process of the SF-425 for the SNPLMA program and strengthen controls by developing documentation to support review and approval of the BLM Database by someone other than the preparer prior to their submission.

*Views of responsible officials and planned corrective actions:* See page 170.



# Department of Comprehensive Planning

500 S Grand Central Pky • Box 551741 • Las Vegas NV 89155-1741  
(702) 455-4314 • Fax (702) 385-8940

Nancy Lipski, Director

March 8, 2011

Kafoury, Armstrong & Co.  
8329 West Sunset Road, Suite 2010  
Las Vegas, NV 89113

## **SUBJECT: DEPARTMENT OF THE INTERIOR – 2010-3 AUDIT FINDING**

Our office has reviewed the above noted finding from the year ending June 30, 2010, and provide the following response to you.

**CONDITION:** We tested the quarterly Federal Financial Report (SF-425) and the Quarterly BLM Database for compliance with Federal requirements. Our tests disclosed that for all of the SF-425 reports tested, the County incorrectly reported cash receipts and cash disbursements on the SF-425 by using quarterly totals instead of the required cumulative totals. In addition, the amount reported as the “Federal share of unliquidated obligations” did not properly include the obligations incurred but not yet paid at the end of the reporting period.

**RESPONSE:** The Federal Financial Reports (SF-425) were being filled out per instructions by the Grantor. When the above listed audit finding was provided to the Grantor, they agreed the SF-425’s were being filled out incorrectly, and directed County staff to use cumulative totals on lines 10 (a-c) and report unliquidated obligations such as retention amounts on line 10(f) for all future SF-425 submittals.

Additionally, County staff will ensure adequate review of the financial status and BLM database reports by providing additional staff review of the reports prior to submittal to the Grantor. Staff will document those reviews by placing signed and dated statements in the County files showing the staffer who prepared the reports and the additional staff that reviewed the reports prior to submittal to the Grantor.

Should you have any questions, please feel free to contact Ron Gregory at (702) 455-3121.

Sincerely,

Bruce Sillitoe  
Planning Manager

cc: David Dobrzynski, Clark County Finance  
Elizabeth Vorce, Clark County Finance  
Becky Deuel, Clark County Public Works  
Patsy Schrader, Clark County Public Works  
Ron Gregory, Clark County Comprehensive Planning

**CLARK COUNTY, NEVADA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**JUNE 30, 2010**

**DEPARTMENT OF HEALTH AND HUMAN SERVICES**  
**PASSED THROUGH NEVADA DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**Questioned  
Costs**

2010-4      Child Support Enforcement – CFDA No. 93.563; Interlocal agreement

*Condition:* During the year under audit, the County served more than 85,000 active child support enforcement cases (they are a IV-D agency under Nevada's program). As a component of our procedures, we tested compliance with the special tests and provisions requirement outlined in the OMB Circular A-133 Compliance Supplement for the Child Support Enforcement program. The special provisions tested include establishment of paternity and support obligations, enforcement of support obligations, securing and enforcing medical support obligations – state programs, and provisions of child support services for interstate cases – state programs.

Of the 40 case files tested for enforcement of support obligations, we noted 2 instances of noncompliance. No enforcement actions had been taken on these cases for over a year.

Of the 40 case files tested for securing and enforcing medical support obligations – state programs, we noted 3 instances of noncompliance in addition to the 2 instances addressed above. In two of the instances, while medical support was ordered, the County did not follow up to determine if the child in fact had satisfactory health insurance. In the third instance, the County determined that the obligated parent had access to health insurance on behalf of the child but did not take further action to enforce the obligation.

In regards to the special provisions for interstate cases – state programs, we tested a sample of 39 initiating interstate cases and a sample of 26 responding interstate cases to verify that required information was provided to the other jurisdictions within required time frames. We noted a total of 2 instances of noncompliance. In both cases, the County was late initiating requests for additional information from the responding jurisdiction.

The County had a similar finding over compliance with special tests and provisions during the fiscal year 2009 audit.

*Criteria:* The OMB Circular A-133 Compliance Supplement (dated June 2010), lists specific compliance requirements under the special tests and provisions section for the Child Support Enforcement grant, which are also found in the federal laws and regulations governing the Child Support Enforcement grant. The County should have adequate controls in place to provide reasonable assurance that the federal laws and regulations governing the Child Support Enforcement grant are being adhered to.

*Effect:* Without proper controls and reporting capabilities in place, the County has a higher risk of material noncompliance with the federal laws and regulations governing this grant.

*Cause:* It appears that there was ineffective management oversight over the special provisions applicable to this grant.

**CLARK COUNTY, NEVADA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**JUNE 30, 2010**

*Recommendation:* During the year, the County implemented procedures to monitor cases for compliance with the special tests and provisions related to this grant. Such procedures include reviewing various case status reports on a regular basis. However, this review process is not formally documented and does not appear to be effective. The County should strengthen its management oversight monitoring controls over this grant. Specifically, the County should develop specific time intervals in which monitoring reports are to be reviewed by supervisors and develop documentation to support supervisor review of the reports and case follow-up.

*Views of responsible officials and planned corrective actions:* See pages 173-176.



# OFFICE OF THE DISTRICT ATTORNEY



**DAVID ROGER**  
*District Attorney*

**Family Support Division**  
(702) 671-9200 - TDD (702) 385-7486 (for the hearing impaired)

**LEGAL SECTION**  
1900 East Flamingo Road, Suite 100, Las Vegas, Nevada 89119-5168  
Fax: (702) 366-2440

**TERESA M. LOWRY**  
*Assistant District Attorney*

**CHRIS OWENS**  
*Assistant District Attorney*

**MARY-ANNE MILLER**  
*County Counsel*

**JEFFREY J. WITTHUN**  
*Assistant Director*

March 11, 2011

Kafoury, Armstrong & Co.  
Attn: Tami Miramontes  
8329 W. Sunset Road  
Las Vegas, NV 89113

Dear Ms. Miramontes:

Following is the response and corrective action plan for the area that the Clark County District Attorney, Family Support Division (DAFS) was found to be out of compliance.

2010-4          Child Support Enforcement – CFDA No. 93.563; Interlocal agreement

*Condition:* During the year under audit, the County served more than 85,000 active child support enforcement cases (they are a IV-D agency under Nevada's program). As a component of our procedures, we tested compliance with the special tests and provisions requirement outlined in the OMB Circular A-133 Compliance Supplement for the Child Support Enforcement program. The special provisions tested include establishment of paternity and support obligations, enforcement of support obligations, securing and enforcing medical support obligations – state programs, and provisions of child support services for interstate cases – state programs.

Of the 40 case files tested for enforcement of support obligations, we noted 2 instances of noncompliance. No enforcement actions had been taken on this case for over a year.

Of the 40 case files tested for securing and enforcing medical support obligations – state programs, we noted 3 instances of noncompliance in addition to the 2 instances addressed above. In two of the instances, while medical support was ordered, the County did not follow up to determine if the child in fact had satisfactory health insurance. In the third instance, the County determined that the obligated parent had access to health insurance on behalf of the child but did not take further action to enforce the obligation.

In regards to the special provisions for interstate cases – state programs, we tested a sample of 39 initiating interstate cases and a sample of 26 responding interstate cases to verify that required information was provided to the other jurisdictions within the required time frames. We noted a total of 2 instances of noncompliance. In both cases, the County was late initiating requests for additional information from the responding jurisdiction.

The County had a similar finding over compliance with special tests and provisions during the fiscal year 2009 audit.

*Criteria:* The OMB Circular A-133 Compliance Supplement (dated June 2010), lists specific compliance requirements under the special tests and provisions section for the Child Support Enforcement grant, which are also found in the federal laws and regulations governing the Child Support Enforcement grant. The County should have controls in place to provide reasonable assurance that the federal laws and regulations governing the Child Support Enforcement grant are being adhered to.

*Effect:* Without proper controls and reporting capabilities in place, the County has a higher risk of material noncompliance with the federal laws and regulations governing this grant.

*Cause:* It appears that there was ineffective management oversight over the special provisions applicable to this grant.

*Recommendation:* During the year, the County implemented procedures to monitor cases for compliance with the special tests and provisions related to this grant. Such procedures include reviewing various case status reports on a regular basis. However, this review process is not formally documented and does not appear to be effective. The County should strengthen its management oversight monitoring controls over this grant. Specifically, the County should develop specific time intervals in which monitoring reports are to be reviewed by supervisors and develop documentation to support supervisor review of the reports and case follow-up.

**DAFS Comments:**

We agree that actions were not taken within the required timeframes on the two enforcement, three medical and two interstate cases which resulted in seven findings.

**DAFS Corrective Action Plan:**

The volume of new cases received has increased due to economy, and with that increase we are seeing a decline in the quality of cases. Many public assistance custodial parents are not cooperative in providing information to aid in the identification of their child's real father or the location of the father which impedes our ability to establish paternity and/or obligations and enforce orders. In addition, vacant positions are not being filled leaving existing staff to do more with less. DAFS staffs are however committed to meeting federal and state requirements and improving performance. The following are some ways that is being accomplished:

1. Understanding that each case is unique, case managers have been given the latitude to make decisions about how best to work each case without the constraints of being tied to state policy.

2. Supervisors are reinforcing with enforcement case managers that everything they do needs to lead to a current support collection, an arrears collection, modification of an order, or case closure.
3. Enforcement supervisors are working with case managers on concentrating on getting non-payers to pay.
4. The enforcement unit administrators are working with DAFS IT to further stratify the Super Enforcement Report to use supplemental reports to enforce based on different payor criteria.

In addition, the following are what was reported in our update on actions taken to implement the corrective action plan from our 2009 OMB A-133 Single Audit:

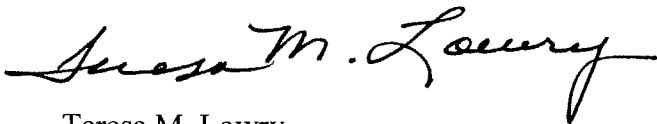
1. A "Super Locate Report" was developed in the last quarter of calendar year 2010 and made available for use on January 20, 2011. One useful benefit of the report is that it identifies cases with active child support orders. The Locate clerks find noncustodial parents (NCPs) with child support orders are more likely to have valid social security numbers which improve their chances of locating the NCPs which increases our establishment and enforcement rates.
2. The Establishment unit has 3 full-time case managers assigned to work initiating interstate establishment cases. In addition, they have 4 part-time case managers to work initiating interstate establishment backlog. These interstate case managers use the Super Establishment Report to monitor interstate cases and identify next actions that need to be taken since NOMADS cannot currently assign these types of cases to specific workers. There is a NOMADS work item (#1130) being developed that will allow the system to assign specific interstate cases to specialty case managers to assist in monitoring and tracking these case types. In addition, supervisors in the Establishment unit continue to monitor initiating interstate cases using the Super Establishment Report.

In January 2011, initiating interstate case managers were given refresher training on case management practices to ensure better compliance with interstate timeframes and proper follow-up. The 4 part-time case managers mentioned above were hired to assist in the effort to meet interstate timeframes and address existing backlog. Intake procedures have been reinforced through training to ensure that the interstate status of a case is accurately updated in NOMADS. Conversation with the Nevada Central Registry has been begun to avoid incorrect case acceptance for out of state cases from other jurisdictions (i.e., income withholding for unemployment benefits only) and the prevention of auto-initiation of cases by CSNET without having the appropriate paperwork to substantiate the case. Such corrections would reduce the overall number of interstate cases in NOMADS and increase case management effectiveness and compliance with interstate timeframes.

3. Due to staffing limitations, the Enforcement unit was not able to implement an interstate team as indicated in our original corrective action plan dated March 26, 2010. Case managers do, however, continue to work their Super Enforcement Reports which the supervisors monitor to ensure they are being worked.
  
4. All case managers were given performance standards that require them to 1) utilize their Super Report (Super Establishment Report for Paternity and Obligation Establishment case managers or Super Enforcement Report for Enforcement case managers) and 2) work their In-baskets every day. There are also timelines for working interstate cases in the performance standards for those case managers assigned to work an interstate caseload. Disciplinary actions have been taken against case managers that are deficient in meeting their performance goals.

Supervisors have also been given performance standards that require them to ensure their staff meets their individual performance standards.

Sincerely,



Teresa M. Lowry  
Assistant District Attorney

CC: Jeffrey J. Witthun, Assistant Director – Operations  
Kathi Brunson, Unit Administrator

**CLARK COUNTY, NEVADA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**JUNE 30, 2010**

**DEPARTMENT OF HEALTH AND HUMAN SERVICES**  
**PASSED THROUGH NEVADA DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**Questioned  
Costs**

2010-5 Foster Care Title IV-E – CFDA No. 93.658; Adoption Assistance Title IV-E – CFDA No. 93.659; all grant numbers and grant periods reported for this CFDA on the schedule of expenditures of federal awards.

*Condition:* Our testing revealed that there is no documentation to support supervisory review and approval of eligibility determinations under the Foster Care and Adoption IV-E programs.

*Criteria:* OMB Circular A-133 establishes certain requirements for non-Federal entities that expend Federal awards. For example, 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”.

*Effect:* Although our audit procedures did not reveal any payments to ineligible individuals, funding through the Foster Care and Adoption IV-E programs could be paid out to ineligible individuals as a result of inadequate controls.

*Cause:* It appears that program management is aware of the importance of the necessity for review controls over the eligibility determination process, as management currently has a case file quality control review process in place. However, program management was not aware of documentation requirements which support sound control procedures, as this process is not formally documented.

*Recommendation:* The County should strengthen its control process over the review of eligibility determinations to include formal documentation of case files reviewed during the quality control review process. Specifically, such documentation should include how the percentage of cases were selected for review, the date of review, results of the review, and be initialed by the reviewer.

*Views of responsible officials and planned corrective actions:* See page 178.



# 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

Thomas D. Morton, Director • Lisa Ruiz Lee, Assistant Director • Paula Hammack, Assistant Director

March 8, 2011

Kafoury, Armstrong & Co  
1700 West Sunset Road, Suite 210  
Las Vegas, NV 89113

Subject: Title IV-E Foster Care and Adoption Assistance Program – Audit Findings

The Department of Family Services has reviewed and completed the items addressed during the subject audit. Responses to those findings are as follows:

**Finding 2010-5** – It was reported that there is no documentation to support supervisory review and approval of eligibility determination under the Foster Care and Adoption IV-E programs. Although none of the sample case files revealed any payments to ineligible individuals, Auditors felt there could be Foster Care and Adoption IV-E funding made to ineligible individuals as a result of inadequate controls.

Corrective Action – Currently a random sample of 10 IV-E case reviews for each eligibility worker is completed at least on a quarterly basis. The reviewer completes the IV-E Determination Worksheet for each case reviewed that includes the review month, findings and signature of reviewer. Supervisor provides oversight of all case reviews and verifies compliance with Title IV-E Federal and State policies and procedures. The procedure has been revised so that the Determination Worksheet of each of the cases reviewed will be kept in a central file for future audits.

If you have any questions concerning this response please contact Ceci Benitez at (702) 455-1933.

Sincerely,

Thomas Morton  
Director  
Department of Family Services

cc: Mark Gammet  
Julie Mondroski

**CLARK COUNTY, NEVADA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
JUNE 30, 2010**

**DEPARTMENT OF HEALTH AND HUMAN SERVICES  
PASSED THROUGH NEVADA DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**Questioned  
Costs**

2010-6 Foster Care Title IV-E – CFDA No. 93.658; Adoption Assistance Title IV-E – CFDA No. 93.659; all grant numbers and grant periods reported for this CFDA on the schedule of expenditures of federal awards.

*Condition:* Our testing of two of the four quarterly Title IV-E Foster Care and Adoption Assistance Financial Reports revealed that the County’s internal control over the review of the reports was ineffective. Specifically, numerous formula errors were noted in the report computations, which the review control did not identify prior to submission to the grantor.

*Criteria:* OMB Circular A-133 establishes certain requirements for non-Federal entities that expend Federal awards. For example, 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”.

*Effect:* Our audit testing revealed that formula errors in the two quarters tested resulted in an overstatement of costs in the cost pool of \$87,236. This amount reduced further by the Federal reimbursement percentage yielded an over-reimbursement from the grantor of \$43,618, as this amount was not related to actual costs. \$ 43,618

*Cause:* It appears that there was ineffective management oversight over the reporting compliance requirement, as there was a lack of adequate review of the Title IV-E Foster Care and Adoption Assistance Financial Reports prior to their submission to the grantor.

*Recommendation:* The County should strengthen its procedures over the review processes of the quarterly reports for the Foster Care and Adoption Title IV-E program.

*Views of responsible officials and planned corrective actions:* See pages 180-182.



# Department of Family Services

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(702) 455-7200 • Fax (702) 385-2999 • Hotline (702) 399-0081

Thomas D. Morton, Director • Lisa Ruiz Lee, Assistant Director • Paula Hammack, Assistant Director

March 8, 2011

Kafoury, Armstrong & Co  
1700 West Sunset Road, Suite 210  
Las Vegas, NV 89113

Subject: Title IV-E Foster Care and Adoption Assistance Program – Audit Findings

The Department of Family Services has reviewed and completed the items addressed during the subject audit. Responses to those findings are as follows:

**Finding 2010-6** – It was reported that spreadsheet formula errors were identified for two (2) quarters which resulted in an over-reimbursement from the grantor in the amount of \$43,618. The findings noted ineffective management oversight over the reporting compliance requirements as there was a lack of adequate review of the Title IV-E Foster Care and Adoption Assistance Reports prior to their submission to grantor.

Corrective Action – The existing process for preparation of the Title IV-E Foster Care and Adoption Assistance Financial Reports necessitates a reconciliation of quarterly period expenditures balanced with general ledger expense transactions recorded in the County's Financial System, SAP.

This reconciliation process is the first part in verifying appropriate expenditures are billed to federal programs accurately, and this task is performed by the IV-E Financial Analyst.

A concurrent reconciliation and review procedure will be implemented and completed by a Financial Analyst experienced with IV-E Financial Reporting. The Financial Analyst will verify all expenditures are reported accurately on the Title IV-E Foster Care and Adoption Assistance Financial Reports and balance general ledger expense transactions recorded in the County's Financial System, SAP for the quarterly reporting period.

In addition, the spreadsheets utilized to calculate and export data for the IV-E Financial Reports will be updated by creating specific formulas that will not allow duplicate entries and exporting inaccurate data. Upon completion of the review, the Department of Family Services Fiscal Designee will sign the request.



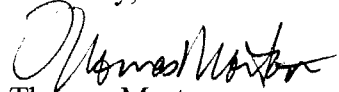
Federal program guidelines do not specify a deadline for refunding over-reimbursements; however, the over-reimbursement amount (\$43,618) will be processed as a prior-quarter adjustment on the FY 11(March- 3<sup>rd</sup> quarter) Title IV-E Foster Care and Adoption Assistance Financial Report.

Attached is a checklist that will be used to review and reconcile the IV-E Foster Care and Adoption Assistance Financial Reports. This tool provides specific data and guidelines for review to ensure accurate financial data is reported on a quarterly basis.

Please note the Kafoury staff discussed calculation and spreadsheet errors identified in the prior Fiscal Year 09 review with Financial Analysts; however, this issue was not addressed in writing or verbally to their immediate supervisor in Fiscal Year 09.

If you have any questions concerning this response please contact Julie Mondroski at (702) 455-1720.

Sincerely,



Thomas Morton

Director

Department of Family Services

cc: Mark Gammet  
Julie Mondroski

Attachments:

Title IV-E Foster Care and Adoption Assistance Financial Reports  
Fiscal Review and Reconciliation Checklist

Clark County Department of Family Services  
 Review Check List For Quarterly Claim  
 Supporting Documents and Invoices

For Quarter Ending January 2011

	Other Source Document to worksheet.	SAP Source Document to worksheet.	Verify Formulas between spreadsheets	Verify Links to worksheet C	Verify Links to Worksheet D
1	Part 1 - IVE CB-496: Foster Care and Adoptions Claim				
	1-1 IVE Foster Care Reimbursement Report for Fund Split				
	1-2 IVE Foster Care DCFS Claim Report for current quarter				
	1-3 IVE Adoption Claim DCFS Report				
	1-4 IVE Adoption Claim Detail with Non-Recurring				
	1-5 Non-Recurring Payment Detail				
2	Part 2 - IVE CB-496: Foster Care and Adoptions Claim				
	2-1' In Home Case Load Reports				
3	IVE Claim Invoices for Funding Split, County and State Budgets				
	3-1 IVE Claim Funding Split invoices for Clark County Funding				
	3-2 IVE Claim Funding Split invoices for Clark County Integration Funding				
	<b>Cost Allocation Plan Calculation Worksheets</b>				
A	Claim Calculation Worksheet				
	A-1 Claim Calculation Worksheet, Integration Budget				
	A-2 Claim Calculation Worksheet, Clark Budget				
	A-3 Matrix Balancing				
	A-4 YNP Foster Care Eligibility Ratio				
	A-5 YNP Adoptions Eligibility Ratio				
B	Random Moment Study Results				
C	Summary of Cost in Cost Pool				
	C-1 Integration Cost Pool Summary				
	C-2 Clark County Cost Pool Summary				
D	Summary of Department Costs				
E	Adoptions Staff, Licensing and Recruitment and Training 2370-1250813				
F	Direct Support Staff for Visitation, Transition and Stabilization units (1010-1250820060)				
G	Shelter: Child Haven				
	G-1 Visitation Staff (formerly Community Based Shelter Home)				
	G-2 Medical Case				
H	Permanency (Foster Care) 2370-1250815				
	H-1 Travel				
	H-2 Lease				
I	Child Protective Services (1010-1250816)				
J	Specialize Services (2370-1250817)				
	J-1 Disallowed Nurses Integration (2370-1250817)				
	J-2 Clinical backup				
K	CPS, Holina, Specialty Units, Nurses for Child Haven				
L	Administration (1250811)				
	L-1 Eligibility Cost Summary				
	L-2 SACWIC				
	L-3 Fingerprinting				
	L-4 Training Sal Backup				
M	Administration (1010-1250812)				
	M-1 ISACWIC				
	M-2 CPS Staff 2300-1250812 and 816				
	M-3 Add to Eligibility Direct Cost				
	M-4 Fingerprinting				
N	County Funded Positions (2370-125082000)				
O	District Attorney Integration (2370-1150816000)				
P	Grant Unallowable Various (2030-1250812-18)				
Q	Leases Paid By County On Behalf of DFS				
R	Detail for general Ledger line items for Professional Services				
S	Indirect Cost				

Sources:  
 Clark County General Ledger System SAP

**CLARK COUNTY, NEVADA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
JUNE 30, 2010**

**DEPARTMENT OF HEALTH AND HUMAN SERVICES  
PASSED THROUGH NEVADA DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**Questioned  
Costs**

2010-7      Chafee Independent Living Program (Chafee) – CFDA No. 93.674; Grant No. - CH3145/32-SFY08-10-018;

*Condition:* Our testing revealed that \$109,093 in “integration” expenditures charged to the grant were not properly reviewed and approved by program management as being for allowed activities and allowed costs under the grant.

*Criteria:* OMB Circular A-133 establishes certain requirements for non-Federal entities that expend Federal awards. For example, 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”.

*Effect:* Included in the “integration” expenditures were amounts paid to participants for independent living assistance. The room and board portion of this assistance is allowable only to participants who are over the age of 18. The total room and board assistance paid to participants who were under the age of 18 during the year totaled \$8,316. Additional unallowed expenditures could have been charged to the grant as a result of inadequate controls.

*Cause:* Controls are not in place to ensure that all expenditures charged to the grant are for allowable activities and are allowable costs.

*Recommendation:* The County should strengthen its controls over the review and approval of all expenditures charged to the grant to ensure compliance with the Chafee program.

*Views of responsible officials and planned corrective actions:* See page 184.



# Department of Family Services

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(702) 455-7200 • Fax (702) 385-2999 • Hotline (702) 399-0081

Thomas D. Morton, Director • Lisa Ruiz Lee, Assistant Director • Paula Hammack, Assistant Director

March 8, 2011

Kafoury, Armstrong & Co  
1700 West Sunset Road, Suite 210  
Las Vegas, NV 89113

Subject: Chafee Independent Living Program – Audit Findings

The Department of Family Services has reviewed and completed the items addressed during the subject audit. Responses to those findings are as follows:

**Finding 2010-7** It was noted that \$109,093 in Chafee Independent Living Program “integration” expenditures charged to the grant were not properly reviewed and approved by program management. The room and board portion of this assistance is allowable only to participants who are over the age of 18. The total room and board assistance paid to participants under the age of 18 during the year totaled \$8,316.

Corrective Action –

The Child Welfare Integration Budget Fund 2370 includes \$109,093 from federal Chafee funds allocated for eligible Chafee expenses. The Chafee Federal Guidelines designate 30% of funding for room and board expenses for youth 18 and over.

The financial analyst provided incorrect back-up documentation supporting the \$109,093 room and board expenses prior to supervisory review and approval to Kafoury audit team. The Fiscal Supervisor identified the error early in the review process and requested the Kafoury audit team allow Fiscal Supervisor to re-submit accurate back-up documentation. The request was denied.

During the period, July 1, 2009 – June 30, 2010, the Department of Family Services paid \$491,552 for room and board expenses for 81 youth (18 and over). The correct report was easily available identifying room and board expenses totaling over \$109,093 for youth 18 and over.

As part of the corrective action plan, Fiscal Supervisor will review and sign off on Chafee Requests for Reimbursement funded through the Child Welfare Integration Fund 2370.

If you have any questions concerning this response please contact Julie Mondroski at (702) 455-1720.

Sincerely,

Thomas Morton

Director

Department of Family Services

cc: Mark Gammet  
Julie Mondroski

**CLARK COUNTY, NEVADA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**JUNE 30, 2010**

**DEPARTMENT OF HEALTH AND HUMAN SERVICES**  
**PASSED THROUGH NEVADA DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**Questioned  
Costs**

2010-8      Chafee Independent Living Program (Chafee) – CFDA No. 93.674; Grant No. - CH3145/32-SFY08-10-018;

*Condition:* A sample of 5 reports from a total of 12 Monthly Financial Status and Request for Funds Reports filed during the year was selected for testing. Our tests disclosed that incorrect current period expenditures were reported on all of the reports tested, which resulted in improperly calculated requests for funds. In addition, requests for funds on 3 reports tested did not properly take into consideration advance funds requested and received.

*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. In addition, OMB Circular A-133 establishes certain requirements for non-Federal entities that expend Federal awards. For example, 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”.

*Effect:* Total grant outlays (grant expenditures) were improperly reported to the grantor throughout the year. In addition, although total funding received from the grantor did not exceed total grant outlays as of year end, requests for funds were improperly calculated throughout the year.

*Cause:* It appears that there was ineffective management oversight over the reporting and cash management compliance requirements, as there was a lack of adequate review of the Monthly Financial Status and Request for Funds Report prior to submission to the grantor.

*Recommendation:* The County should strengthen its controls over the review and approval of the preparation of the Monthly Financial Status and Request for Funds Report.

*Views of responsible officials and planned corrective actions:* See page 186.



# Department of Family Services

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(702) 455-7200 • Fax (702) 385-2999 • Hotline (702) 399-0081

Thomas D. Morton, Director • Lisa Ruiz Lee, Assistant Director • Paula Hammack, Assistant Director

March 8, 2011

Kafoury, Armstrong & Co  
1700 West Sunset Road, Suite 210  
Las Vegas, NV 89113

Subject: Chafee Independent Living Program – Audit Findings

The Department of Family Services has reviewed and completed the items addressed during the subject audit. Responses to those findings are as follows:

**Finding 2010-8** It was reported that Monthly Financial Status and Request for Funds Reports detailed incorrect current period expenditures resulting in improperly calculated request for funds. In addition, three (3) reports did not properly take into consideration advance funds requested and received. The finding indicated ineffective management oversight over the reporting and cash management compliance requirements due to inadequate review prior to submission to grantor.

Corrective Action – The existing process for preparation of Monthly Financial Status and Monthly Financial Status and Request for Fund reports necessitates a reconciliation of current period expenditures specified on the Monthly Financial Status and Request for Funds balanced with general ledger expense transactions recorded in the County's Financial System SAP.

This reconciliation process is the first part in verifying appropriate expenditures are billed to grantor, and this task is performed by the Chafee Grant Accountant.

A concurrent reconciliation and review procedure will be implemented and completed by a designated Financial Analyst in the DFS Fiscal Unit. The Financial Analyst will verify all expenditures are reported accurately on the Monthly Financial Status and Request for Funds and balance with general ledger expense transactions recorded in the County's Financial System, SAP for the reporting period. Upon completion of the review, the Department of Family Services Fiscal Designee will sign the request.

The cash advance issue presented as an accounting error. The additional reconciliation and review procedures detailed above are now in place; therefore, accounting errors will be identified and corrected prior to submission to grantor. In addition, the Department of Family Services will develop and implement a cash advance policy .

If you have any questions concerning this response please contact Julie Mondroski at (702) 455-1720.

Sincerely,

Thomas Morton  
Director  
Department of Family Services

cc: Mark Gammet  
Julie Mondroski

**CLARK COUNTY, NEVADA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
JUNE 30, 2010**

**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**Questioned  
Costs**

2010-9      HIV Emergency Relief Grant – CFDA No. 93.914; Grant Award Nos. 2H89HA06900-05-00, 5H3MHA08430-03-00, 2H89HA06900-04-00 and 5H3MHA08430-02-00

*Condition:* The County did not sufficiently monitor the women, infants, children, and youth (WICY) earmarking compliance requirement specific to the HIV Emergency Relief Grant. In calculating the earmarking requirement specific to WICY, program personnel did not track actual expenditures (as required by the grant), but instead calculated an average cost per participant. This average cost was then applied to the WICY population in determining whether the earmark requirement was achieved. The County had a similar finding over WICY earmarking compliance during the fiscal year 2009 audit.

*Criteria:* The OMB Circular A-133 Compliance Supplement (dated June 2010), lists specific earmarking compliance requirements for the HIV Emergency Relief Grant. The County should have controls in place for monitoring expenditures under this grant in order to provide reasonable assurance that the earmarking requirements are met using only allowable funds or costs, which are properly calculated and valued.

*Effect:* Without proper controls in place, the County has a higher risk of noncompliance with the WICY earmarking requirement for this grant.

*Cause:* The grant year on which the earmarking calculation was performed by the County during fiscal year 2010 ended prior to the date when the County received results from the 2009 audit. Therefore, procedures to correct the finding could not have been implemented to remediate the current year finding. However, it appears that there was still ineffective management oversight over the WICY earmarking compliance requirement during the year, as no further action to correct the noted deficiency had been taken by the County.

*Recommendation:* The County should strengthen management oversight of the HIV Emergency Relief Grant WICY earmarking compliance requirement.

*Views of responsible officials and planned corrective actions:* See pages 190-191.

**CLARK COUNTY, NEVADA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**JUNE 30, 2010**

**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**Questioned  
Costs**

2010-10      HIV Emergency Relief Grant – CFDA No. 93.914; Grant Award Nos. 2H89HA06900-04-00 and 2H89HA06900-05-00

*Condition:* During the year under audit, we noted that the County did not perform some of the required compliance and monitoring procedures for its subrecipients under this federal grant. Specifically, during the current year, the County did not monitor its subrecipients to verify that they were following Federal procurement requirements regarding not doing business with suspended and debarred parties. Also, we tested the County's compliance with obtaining subrecipient audit reports and taking corrective action and noted that there are no procedures in place to verify subrecipient audits were completed within the required timeframe and that 5 out of 7 subrecipient audit reports were not reviewed by the County timely. Specifically, the County issued audit response letters for those 5 subrecipients between seven and ten months after the subrecipient audit report dates. The County had a similar finding over subrecipient monitoring compliance during the fiscal year 2009 audit.

*Criteria:* The County is required to monitor its subrecipients' compliance with the applicable Federal award information and compliance requirements. Additionally, per the OMB Circular A-133 Compliance Supplement (dated June 2010), the County must "1) ensure that subrecipients...have met the audit requirements of OMB Circular A-133 and that the required audits are completed within 9 months 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; and 3) ensure that the subrecipient takes timely and appropriate corrective action on all audit findings."

*Effect:* The County is in material noncompliance with the Federal subrecipient monitoring requirements for the HIV Emergency Relief Grant.

*Cause:* Although the County has improved its procedures over subrecipient monitoring over the prior year, it appears that there was still ineffective management oversight over the subrecipient compliance requirement, as more timely procedures should be implemented.

*Recommendation:* During 2010, the County improved its procedures over subrecipient monitoring including evaluating subrecipient's audits. The County should enhance internal controls over the HIV Emergency Relief Grant to include procedures to verify subrecipient audits are completed within the 9 month timeframe, audit reports are received and reviewed timely, and responses issued promptly within the 6 month timeframe.

*Views of responsible officials and planned corrective actions:* See pages 190-191.



**CLARK COUNTY, NEVADA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
JUNE 30, 2010**

**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**Questioned  
Costs**

2010-11      HIV Emergency Relief Grant – CFDA No. 93.914; all grant numbers and grant periods reported for this CFDA on the schedule of expenditures of federal awards.

*Condition:* We tested all of the quarterly Federal Financial Reports (SF-425 and SF-425A) required under the grant for compliance with Federal requirements. Our tests disclosed that while the County properly reported the cumulative federal cash disbursements through the report date for multiple grants on form SF-425A, the County incorrectly reported cash receipts and cash disbursements on the SF-425 by using quarterly totals instead of the required cumulative totals.

*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. Specifically, the instructions for the SF-425 indicate that reported cash receipts should equal “the cumulative amount of actual cash received from the Federal agency as of the reporting period end date” and that reported cash disbursements should equal “the cumulative amount of Federal fund disbursements as of the reporting period end date.”

*Effect:* Total grant receipts and outlays (grant expenditures) are improperly reported to the grantor.

*Cause:* It appears that the Department of Health and Human Services Payment Management System utilized by the County to produce the Federal Financial Reports incorrectly populates the cumulative totals as required on SF-425 based on information entered by the County.

*Recommendation:* The County should work with the Department of Health and Human Services to develop appropriate procedures to ensure compliance with OMB reporting requirements under the HIV Emergency Relief Grant.

*Views of responsible officials and planned corrective actions:* See pages 190-191.



# Department of Social Service

## Tim Burch, Interim Director

Bobby J. Gordon, Acting Assistant Director • Sandy Jeantete, Assistant Director  
1600 Pinto Lane • Las Vegas NV 89106 • (702) 455-4270 • Fax (702) 455-5950

March 8, 2011

Kafoury, Armstrong & Co.  
8329 West Sunset Road, Suite 210  
Las Vegas, Nevada 89113

The audit findings for the Ryan White Part A program for the year ending June 30, 2010 have been reviewed by Department management and the administrator of the Ryan White program. Below are our responses:

In reference to Finding 2010-9

**Corrective Action:** In response to this finding, staff will work with the federal funding agent to identify and implement a reporting methodology that satisfy the federal reporting requirement as it relates to services provided and funding expended on WICY clients. This will at a minimum required monthly report generation of services provided to WICY clients, with an eye to the previously submitted federal statistics related to WICY (Actual statistics related to the WICY percentages to be met are released to the jurisdiction three months prior to the close of the federal grant year). Additional contract language will also need to be included in provider contracts related to the financial reporting of services provided to WICY clients.

In reference to Finding 2010-10

**Corrective Action:** In response to this finding, staff have developed and implemented more stringent compliance and monitoring procedures that cover both doing business with suspended and barred parties and OMB A-133 audit requirements. Specifically, staff check the EPLS (Excluded Parties List System) for each contracted provider annually prior to the beginning of the new contract year. Additionally, staff communicate to all providers the policy regarding the requirement that they check all their providers against the EPLS as needed and appropriate. Staff have also implemented a procedure that ensure that all provider A-133 audits are submitted, reviewed and any required management action is taken upon submission of the provider audit. Provider contract language will be updated to include relevant timeframes for submission and the staff procedure will be revised to reflect grantee required timeframes.

#### BOARD OF COUNTY COMMISSIONERS

Susan Brager, Chair • Steve Sisolak, Vice-Chair  
Lawrence L. Brown III • Tom Collins • Chris Giunchigilani • Mary Beth Scow • Lawrence Weekly  
Donald G. Brunette, County Manager

In reference to Finding 2010-11

Corrective Action:

In response to this finding, the Federal Financial Report (SF425) and Federal Financial Report Attachment (SF425A) forms appear to be completed correctly. The SF425A provides the cumulative totals for the grants while the SF425 provides the quarterly amounts. The total on the final line of the SF425A is auto calculated based on the cumulative totals provided for the Grants and generates a quarterly disbursement amount which must correspond to line 10b on the SF425, which is auto populated. Since the SF425 auto populates with quarterly amounts and the SF425A provides the cumulative totals, we do not see any other way to accurately complete the forms.

Please do not hesitate to contact our office if you have questions related to this correspondence.

Tim Burch  
Interim Director

A handwritten signature in black ink, appearing to be 'Tim Burch', with a large, sweeping initial 'T' and a horizontal line extending to the right.

**CLARK COUNTY, NEVADA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**JUNE 30, 2010**

**DEPARTMENT OF HOMELAND SECURITY**  
**PASSED THROUGH NEVADA DEPARTMENT OF PUBLIC SAFETY**

**Questioned  
Costs**

2010-12      Emergency Management Performance Grant – CFDA No. 97.042; all grant numbers and grant periods reported for this CFDA on the schedule of expenditures of federal awards.

*Condition:* During 2010, documentation is poor and internal controls are weak in relation to the activities, allowable costs, matching criteria, period of availability, cash management, and reporting requirements for this grant. Grant personnel could not specifically identify how employee time spent and charged to the grant related to the EMPG work plans (as required by the grant). Additionally, for those employees working on activities other than those supported by the Emergency Management Performance Grant, there were no personnel activity reports to support salaries and wages charged to the grants (both the federal and matching portions). For those employees working solely on the Emergency Management Performance Grant, the required semi-annual certifications from employees or their direct supervisors indicating that 100% of the time was spent on the Emergency Management Performance Grant were not completed. Also, the quarterly financial reports submitted were not supported by a general ledger. The County had a similar finding over compliance with this program during the fiscal year 2009 audit.

Subsequent to June 30, 2010, the County established procedures to obtain semi-annual certifications of employees charged 100% to the grant and established a certification for employees not charged 100% to the grant. Also, management established procedures to gather payroll cost by employee from the County's SAP system. Also, management has established review and approval procedures over the quarterly financial reporting.

*Criteria:* The County should have controls in place to provide reasonable assurance that Federal awards are expended only for allowable activities and that the costs of goods and services charged to Federal awards are allowable and in accordance with the applicable costs principles.

OMB Circular A-133 establishes certain requirements for non-Federal entities that expend Federal awards. For example, 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". Additionally, the County should "identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received," and the County should "comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs."

OMB Circular A-87 requires semi-annual certifications (at a minimum) where employees are expected to work solely on a single Federal award or cost objective and personnel activity reports (or equivalent documentation) where employees work on multiple activities or cost objectives.

**CLARK COUNTY, NEVADA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**JUNE 30, 2010**

*Effect:* We are questioning all costs charged to this grant program for the year in the amount of \$516,516. \$ 516,516

*Cause:* During 2010, there was ineffective management oversight over the Emergency Management Performance Grant, and it appears that no written policies and procedures have been established to ensure that this grant is administered in accordance with Federal requirements.

*Recommendation:* Subsequent to June 30, 2010, the County established internal controls over the employee certifications and over the quarterly financial reporting requirements. Also, monitoring procedures have been enhanced as they related to reviewing and approving updates to quarterly financial reports. The County's SAP system is used to obtain the payroll cost for the grant.

The County should strengthen management oversight of the Emergency Management Performance grant and establish policies and procedures for properly administering the grant. Specifically, these procedures should include utilizing the County's SAP system to properly track all grant expenditures as well as establishing personnel activity reports to document actual time spent toward achievement of the workplan objectives of the grant. Management oversight procedures also need to be strengthened, such as monitoring progress of the workplan objectives and reviewing and approving updates to the annual workplans as well as the personnel activity reports.

*Views of responsible officials and planned corrective actions:* See pages 195-198.

**CLARK COUNTY, NEVADA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**JUNE 30, 2010**

**DEPARTMENT OF HOMELAND SECURITY**  
**PASSED THROUGH NEVADA DEPARTMENT OF PUBLIC SAFETY**

**Questioned  
Costs**

2010-13      Homeland Security Cluster – CFDA No. 97.067; Grant Nos. 97067CL6, 97067CL8, 97067CL9, 97067U06, 97067U07, 97067U08, 97067U09, 97067HL6, 97067HL8, and 1155507

*Condition:* The County paid \$1,784,991 to its 4 subrecipients under the Homeland Security Cluster during the year. We noted that the County did not perform some of the required compliance and monitoring procedures for these subrecipients under this federal grant. Specifically, during the current year, the County did not monitor its subrecipients' compliance with the Federal procurement requirements regarding not doing business with suspended and debarred parties. Also, we tested 1 of the 4 subrecipients for compliance with obtaining subrecipient audit reports and taking corrective action and noted that current audit reports were not obtained. Additionally, assets purchased by subrecipients were not monitored to ensure required physical inventories were being performed or, in the case of asset dispositions, that the equipment was disposed of in accordance with Federal requirements. The County had a similar finding over subrecipient monitoring compliance during the fiscal year 2009 audit.

*Criteria:* The County is required to identify to its subrecipients the applicable Federal award information and compliance requirements. Additionally, the County must monitor subrecipient activities, determine that subrecipient audit findings are resolved, and evaluate the impact on the County of any subrecipient noncompliance.

*Effect:* Without effective monitoring procedures in place, the County increases its risk of noncompliance with Federal compliance requirements.

*Cause:* It appears that there was ineffective management oversight over the subrecipient monitoring compliance requirement for the Homeland Security Cluster.

*Recommendation:* The County should establish written policies and procedures for monitoring subrecipients of the Homeland Security Cluster. Specifically, these written procedures should incorporate monitoring for suspension and debarment, obtaining annual audit reports and developing responses to findings noted as well as proper follow-up procedures, and monitoring all equipment purchased with Federal funds for proper inventorying and disposition.

*Views of responsible officials and planned corrective actions:* See pages 195-198.



## Clark County Local Emergency Planning Committee

March 03, 2011

Kafoury, Armstrong & Co.  
8329 West Sunset Road, Suite 210  
Las Vegas, NV 89113

Dear Sir or Madam:

Our office has reviewed the findings from the year ending June 30, 2010 Emergency Management Performance Grant and Homeland Security Grant Program Cluster audit. Below are the responses to the two audit findings:

In reference to Finding 2010-12

Conditions: **Documentation is poor and internal controls are weak in relation to the activities, allowable costs, matching criteria, and reporting requirements for this grant. Grant personnel could not specifically identify how employee time spent and charged to the grant related to the EMPG work plans (as required by the grant). Additionally, for those employees working on activities other than those supported by the Emergency Management Performance Grant, there were no personnel activity reports to support salaries and wages charged to the grants (both the federal and matching portions). For those employees working solely on the Emergency Management Performance Grant, the required semi-annual certifications from employees or their direct supervisors indicating that 100% of the time was spent on the Emergency Management Performance Grant were not**

**completed. Also, the quarterly financial reports submitted were not supported by a general ledger. The County had a similar finding over compliance with this program during the fiscal year 2009 audit.**

**Subsequent to June 30, 2010, the County established procedures to obtain semi annual certifications of employees charged 100% to the grant and established a certification for employees not charged 100% to the grant. Also, management established procedures to gather payroll cost by employee from the County's SAP system. Also, management has established review and approval procedures over the quarterly financial reporting.**

Corrective Action: The Clark County Office of Emergency Management and Homeland Security (CCOEMHS) recognizes there are two different funding sources available for reimbursement of personnel and operation expenses. Homeland Security is a function of Emergency Management and all work performed is Emergency Management based. The CCOEMHS conducted a Time Analysis of each FTE position funded under the EMPG grant in order to directly link each function performed and time allocated under the grant. This "timesheet" is given to our payroll department in order to ensure all FTE grant paid employees are paid in accordance to the grant cluster they worked on.

The CCOEMHS has engaged both the Budget and Comptrollers offices in an effort to produce reports and documentation that support the Quarterly Financial Report. Files are maintained which include each years EMPG Guidance, for grant administration, allowable costs and levels of approval for all expenditures under the grant. Also included within this file are the Semi-Annual Payroll Certification Forms, signed by each of the FTE's paid at 100% by the EMPG grant in order to comply with federal requirements OMB Circular A-87.

Approved work plans will be reviewed quarterly to ensure each staff member is working within the plan as outlined in the annual application.

#### Finding 2010-13

##### Conditions:

**The County paid \$1,784,991 to its four (4) sub recipient's under the Homeland Security Grant Program Cluster during the year. We noted that the County did not perform some of the required compliance and**



**monitoring procedures for these sub recipients under this federal grant. Specifically, during the current year, the County did not monitor its sub recipients compliance with the Federal procurement requirements regarding not doing business with suspended and debarred parties. Also, we tested 1 of the 4 sub recipients for compliance with obtaining sub recipients audit reports and taking corrective action and noted that current audit reports were not obtained. Additionally, assets purchased by sub recipients were not monitored to ensure required physical inventories were being performed or, in the case of asset dispositions that the equipment was disposed of in accordance with Federal requirements. The County had a similar finding over sub recipient monitoring compliance during the fiscal year 2009 audit.**

Corrective Actions: As stated in all Interlocal Agreements, which are distributed upon approval to each sub recipient, under Federal Certification Item 2 Titled DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS, each sub recipient is advised of the requirements relative to Debarment and Suspension as required by Executive Order 12549 and implemented at 28 CFR Part 67 section 67.510.

In 2008, our office instituted corrective actions to sub recipients requesting audit findings and equipment inventory to remain in compliance with OMB circular A-133. However, it is entirely up to the sub recipient to provide to our office the requested information. Sub recipients agree to these terms by signing the interlocal contract thereby, authorizing them to purchase only grant approved equipment. Clark County itself is a sub recipient of subject funds. These funds are primarily administered at the State level. The County's sub recipients are reminded to submit equipment inventory sheets as well as any audit reports through quarterly report reminders. Although this information is requested quarterly as well as required in the signed interlocal agreement, information is often submitted intermittently. Any purchase requests made through our office requires verification of the receipt of goods prior to paying the invoice. Purchased equipment, \$5000.00 and over, is tagged and inventoried by the sub recipient. Reimbursements are issued to sub recipients only on grant-authorized equipment from the

Department of Homeland Security Authorized Equipment  
List (AEL).

Should you have any questions, please feel free to contact our office at (702) 455-5710.

Sincerely,

A handwritten signature in black ink, appearing to read "Irene Navis". The signature is fluid and cursive, with a prominent loop at the end.

Irene Navis  
Division Manager

**CLARK COUNTY, NEVADA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
JUNE 30, 2010**

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

**Questioned  
Costs**

2010-14 Highway Planning and Construction Cluster – CFDA No. 20.205; Grant No. PR185-08-083

*Condition:* The County did not obtain required payroll certifications per OMB A-87 for employees who charged their salaries and wages to the grant during the year.

In addition, our testing revealed that indirect payroll rates were charged to the grant over and above the actual employee hourly rate. Indirect costs are not an allowed cost under the grant.

*Criteria:* For employees who work on multiple activities or cost objectives, OMB A-87 requires a “distribution of their salaries or wages supported by personnel activity reports or equivalent documentation which must a) reflect an after-the-fact distribution of the actual activity of each employee, b) account for the total activity for which each employee is compensated, c) be prepared at least monthly and coincide with one or more pay periods, and d) they must be signed by the employee”.

In addition, OMB Circular A-133 establishes certain requirements for non-Federal entities that expend Federal awards. For example, 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”.

Additionally, per review of the grant agreement, indirect costs are not an allowed cost under the grant.

*Effect:* The County is not in compliance with Federal requirements for supporting salaries and wages charged to the grant. During the year, ended June 30, 2010, the County charged approximately \$47,200 of unallowable indirect payroll costs to the grant. \$ 47,200

*Cause:* It appears that there was ineffective management oversight over the allowable costs/cost principles requirement.

*Recommendation:* The County should establish written policies and procedures for obtaining the required payroll certifications under OMB A-87. In addition, the County should strengthen controls over the payroll reporting process under the grant to include timely review and approval of payroll charges. Also, if the County believes that an indirect cost charge for payroll is appropriate, they must submit the indirect cost rate to the grantor for prior approval.

*Views of responsible officials and planned corrective actions:* See page 201.

**CLARK COUNTY, NEVADA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
JUNE 30, 2010**

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

**Questioned  
Costs**

2010-15 Highway Planning and Construction Cluster – CFDA No. 20.205; Grant Nos. PR185-08-083; P211-09-063

*Condition:* We tested ten reimbursement requests submitted by the County during the year and our tests disclosed that four of the reimbursement requests included construction retention amounts totaling \$90,216 which were not yet paid by the County. Since the County is paid under these grant contracts on a reimbursement basis, the retention was not yet eligible for reimbursement.

*Criteria:* OMB Circular A-133 establishes certain requirements for non-Federal entities that expend Federal awards. For example, 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”.

*Effect:* Although subsequently corrected, improper reimbursement requests were submitted to the pass-through entity for reimbursement.

*Cause:* It appears that existing controls are not properly designed to ensure that all reimbursement requests are prepared on the reimbursement basis and in compliance with cash management requirements under the grant.

*Recommendation:* The County should strengthen its controls over the review and approval of the preparation of the reimbursement requests.

*Views of responsible officials and planned corrective actions:* See pages 202.



# 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](mailto:dlc@ClarkCountyNV.gov)

March 31, 2011

Kafoury, Armstrong & Co.  
8329 W. Sunset Road, Suite 210  
Las Vegas, NV 89113

## HIGHWAY PLANNING AND CONSTRUCTION CLUSTER – CFDA No 20.205

Our office has reviewed Finding No. 2010-14, concerning Grant No. PR185-08-083 from the year ending June 30, 2010, and provides the following response.

**Condition:** The County did not obtain required payroll certifications per OMB A-87 for employees who charged their salaries and wages to the grant during the year.

In addition, our testing revealed that indirect payroll rates were charged to the grant over and above the actual employee hourly rate. Indirect costs are not an allowed cost under the grant.

**Response:** The Department will review its existing practices and establish written policies and procedures that meet the required payroll certification requirement under OMB A-87. It is the goal of the Department to continue using its existing internal time entry system to capture hours worked for a given project, and consider options and/or enhancements that will fully comply with the payroll certification requirement.

The Department is in agreement that it did not obtain prior approval from the federal agency to incur and seek reimbursement for indirect costs related to this project. Corrective action will be taken to ensure current and future awards are in full compliance with the requirement to prepare and submit an indirect cost rate proposal to the federal agency when deemed appropriate for the project.

Kafoury, Armstrong & Co.

**HIGHWAY PLANNING AND CONSTRUCTION CLUSTER – CFDA No 20.205**

March 31, 2011

Page 2


Our office has reviewed Finding No. 2010-15, concerning Grant No. PR185-08-083 and P211-09-063 from the year ending June 30, 2010, and provides the following response.

Condition: We tested ten reimbursement requests submitted by the County during the year and our tests disclosed that four of the reimbursement requests included construction retention amounts totaling \$90,216.00 which were not yet paid by the County. Since the County is paid under these grant contracts on a reimbursement basis, the retention was not yet eligible for reimbursement.

Response: The Department has strengthened its controls and has taken corrective action, whereby invoices submitted to the federal agency for reimbursement are based on actual payments made to the vendor, and will not include funds held in retention.

Should you have any questions, please feel free to contact Scott Trierweiler at (702) 455-6019.

Sincerely,



Denis Cederburg  
Director of Public Works

DLC:ST:iam

cc: Becky Deuel, Finance Department – Support Services  
Scott Trierweiler, Finance Department – Support Services

**CLARK COUNTY, NEVADA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2010**

See pages 204-219.



# Department of Finance Purchasing and Contracts

500 S Grand Central Pky 4th Fl • Box 551217 • Las Vegas NV 89155-1217  
(702) 455-2897 • Fax (702) 386-4914

George W. Stevens, Chief Financial Officer • Yolanda T. King, Director of Budget & Financial Planning  
Yolanda C. Jones, C.P.M., CPPO, Purchasing Manager

March 9, 2011

Kafoury Armstrong & Co.  
8329 West Sunset Road, Suite 210  
Las Vegas, NV 89113

RE: Finding 2009-1 Corrective Actions Taken

Per your request, the following are the corrective actions that were taken relative to this finding.

#### *Condition*

Specifically, in 4 of the 5 programs, the required verification regarding suspended and debarred parties was not performed.

#### *Corrective Action*

Purchasing practice and policy is to verify that the contractors/suppliers have not been disbarred when Federal funding is applicable. Revision to the process will be to actually print the verification from the website and file a copy in the bid binder to show that this action was taken.

#### *Action Taken*

Policies and procedures were formalized in writing on April 1, 2010, to allow for review for the suspension and debarment verification for all suppliers when Federal procurement requirements exist, which includes the actual verification placed in the file.

#### *Condition*

A fifth program (CDBG-CFDA No. 14.218) did perform verification; however, one debarred party was identified during our testing. The contract was awarded to the debarred party in the amount of \$1,155,685, and the total payments were \$306,950.

#### *Corrective Action*

Revision to the process will be made to require purchasing analysts to search the database via multiple ways, as well as with the DUNS number. Bid form will need to be revised to require the contractor's/suppliers' DUNS number for Federal programs to be provided. In addition,



Purchasing will also use the Debarment Affidavit Form to be completed by contractors when submitting their bid.

*Action Taken*

Policies and procedures were formalized in writing on April 1, 2010, to allow for review for the suspension and debarment verification for all suppliers when Federal procurement requirements exist, which includes the actual verification placed in the file.

Two boilerplates have been established and used for Federal grant or financial assistance agreement procurement requirements, which provides for the request of the DUNS number and Debarment Affidavit Form. In addition, the boilerplates include the procurement flow down clauses, which also includes the Buy American requirements.

*Condition*

Additionally, one program (SNPLMA – CFDA No. 15.235) did not comply with the Buy American Act.

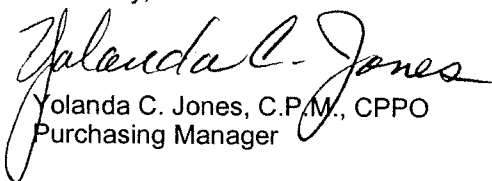
*Corrective Action*

Written grant flow down clauses (or a copy of the grant) will be required to be provided to purchasing when departments administering the grants are requesting the procurements to ensure all are covered, to include debarment and Buy American requirements.

*Action Taken*

Two boilerplates have been established and used for Federal grant or financial assistance agreement procurement requirements, which provides for the request of the DUNS number and Debarment Affidavit Form. In addition, the boilerplates include the procurement flow down clauses, which also includes the Buy American requirement. In addition, effective 01/07/2011, Fiscal Directive No. 6, Section III.F was revised to include Federal procurement procedures and flow down clauses stated in the grant or Federal assistance agreement.

Sincerely,

  
Yolanda C. Jones, C.P.M., CPPO  
Purchasing Manager

cc: Mark Gammet  
Elizabeth Vorce  
George Stevens  
Yolanda King



# Department of Finance

## Community Resources Management

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

George W. Stevens, Chief Financial Officer • Yolanda King, Director of Budget and Financial Planning  
Michael J. Pawlak, Manager

March 8, 2011

Kafoury, Armstrong & Co.  
8329 West Sunset Road, Suite 210  
Las Vegas, NV 89113

Dear Auditors:

The purpose of this letter is to respond to the findings 2009-1 and 2009-2 identified by the County's external auditors, Kafoury, Armstrong & Co., related to their review of the FY 2008 Community Development Block Grant Program.

### 2009-1

#### **Condition:**

Community Development Block Grant (CDBG-CFDA No. 14.218). The County's Community Resources Management Division performed the required verification of ARS Construction and did not find the company listed on the Excluded Parties List (aka debarred list). ARS did receive a federally funded construction contract in the amount of \$1,155,685. During the audit testing, ARS Construction was found to be on the Excluded Parties List.

#### **Corrective Action:**

1. Alert all County parties administering federally funded contracts of the inadequacies of the Excluded Parties List search capabilities.
2. Implement a redundant process to search the EPLS once after bid opening by the Purchasing Department and again by Community Resources Management Division after contract award.
3. Require contractor to complete a notarized affidavit of non-debarment and include it in the submitted bid documents. A similar document will be required of all subcontractors.
4. In future searches of EPLS we will include and document additional search criteria, including but not limited to, search by DUNS number and Principals.

#### **Background:**

Prior to a contractor's performance of any construction work performed under a federal contract using Community Development Block Grant funding, Community Resources Management (CRM) staff performs a search of the federal database, the Excluded Parties List (EPLS), to ensure that the contractor(s) have not been suspended, debarred or otherwise excluded. With respect to ARS, on January 23, 2009, we received a signed HUD form 4010 from the contractor. This form includes language that the contractor is certifying that no member of its firm is ineligible to be awarded a federally funded contract. On March 26, 2009, CRM staff conducted a search on the EPLS for ARS

Construction Company, the name of the contractor as identified on the Nevada State Contractor's license. The EPLS indicated that the search produced no results, meaning that the contractor was not on the list. County staff documented the search result in the project file.

During the audit a search of the EPLS for ARS Construction Company returned a positive result, indicating that the contractor was debarred. In its review of this item, CRM staff determined that the two searches were not identical. CRM's search used the firm name as identified on the contractor's license which included spacing between the letters, ARS; the auditors spelled ARS without spaces between the letters. A Government Accounting Office report (GAO-09-174) issued in February 2009 identifies numerous inadequacies in the EPLS system, including the type of search errors that occurred in this particular case. CRM staff discussed this issue with the local HUD representative, Roy Porter. He reviewed the information on how we conducted our due diligence and concluded that we had followed appropriate procedures. He concluded that this was an isolated case relative to the volume of contracts managed by CRM and that it was not a systemic problem. Additionally, in that the contractor had performed in accordance with the contract, he did not have further concerns. Mr. Porter recommended that we add additional criteria to our EPLS search protocol, which we have subsequently done.

## **2009-2**

### **Condition:**

In the Schedule of Findings and Questioned Costs for the Year Ended June 30, 2009, the auditors noted that Clark County is required to submit several financial and performance reports for the CDBG grants, including, 1)quarterly cash transaction report; 2)activity summary report; 3)financial summary report; and, 4)performance report. The auditors reported testing each of the reports and noted errors with two of the reports, the financial summary report and the performance report. The financial summary report incorrectly reported the beginning and end of year unexpended balances. The performance report did not capture all of the required contracts to be reported; one contract in the amount of \$526,484 was excluded.

### **Corrective Action:**

1. As a result of HUD's adjustment to its Integrated Disbursement and Information System, the CDBG Financial Summary Report has been corrected.
2. The Section 3 Summary Report has been corrected to include the contract for the Mesquite Senior Center Expansion project, in the amount of \$526,484. The corrected report has since been sent to HUD. Additionally, prior to submission of future reports, our Section 3 compliance staff person will be required to have the report reviewed by our Principal Planner. The Principal Planner will be able to compare the Section 3 Summary Report to the Consolidated Annual Performance Report to ensure all projects have been accurately reported.

**Background:**

1. The CDBG Financial Summary Report (PR26) is an annual financial summary that is a required submission as part of our HUD Consolidated Annual Performance Report (CAPER). This report is generated via HUD's Integrated Disbursement and Information System (IDIS). The error identified by the auditors is a single line entry on that financial summary report which has no material effect on program performance. That line item is used to indicate the balance of funds remaining on hand at the close of the prior fiscal year.  
This was not an accounting error. We did not underreport the prior year balance but, rather made an error by not completing that line on the report. In previous years, this number was automatically populated by IDIS. During the time that we were preparing the FY 2008 CAPER, HUD was making major changes to IDIS, moving it to a web-based access system. CRM's Principal Planner, who is responsible for writing and submitting the CAPER, noticed that the line item defaulted to zero but was unable to manually input the correct number. She assumed that HUD was aware of the issue and submitted the report as it was generated by IDIS, with a zero in the line. Our local HUD Community Planning and Development representative, Roy Porter, noted the omission in his review of the CAPER but did not believe that the error had any material importance. He contacted our staff, and then confirmed that the data could not be entered manually through IDIS. HUD has since resolved this technical problem so that we can now populate that field in the report ourselves.
2. The auditors stated that the performance report did not capture all of the required contracts to be reported; one contract in the amount of \$526,484 was excluded. We agree that the construction contract for the Mesquite Senior Center Expansion project, in the amount of \$526,484, was omitted from the annual Section 3 Summary Report. However, this report is not the same as, part of or correlated to the CDBG Performance Report. That report is included as Appendix "C" in the CAPER. That report was correct as submitted. The Section 3 Summary Report (form HUD-60002) is a separate report that captures data on economic opportunities for low income persons participating in federally funded construction projects.

I appreciate the effort of the auditors and the thoroughness of their work. HUD programs are notoriously complex with numerous cross-cutting federal requirements. The errors noted and the recommendations provided by the audit team will help strengthen our CDBG program and allow us to continue serving the low and moderate income citizens of Clark County.

Sincerely,



Michael J. Pawlak, Manager  
Community Resources Management

cc: Yolanda King  
Mark Gamett  
Elizabeth Vorce  
Brian Paulson  
Kristin Cooper  
Roy Porter



# Department of Comprehensive Planning

500 S Grand Central Pky • Box 551741 • Las Vegas NV 89155-1741  
(702) 455-4314 • Fax (702) 385-8940

Nancy Lipski, Director

March 8, 2011

Kafoury, Armstrong & Co.  
8329 West Sunset Road, Suite 2010  
Las Vegas, NV 89113

## SUBJECT: DEPARTMENT OF THE INTERIOR – 2009-3 AUDIT FINDING UPDATE

Our office has implemented corrective action on the above noted finding from the year ending June 30, 2009, and provide the following update to you.

**Original Condition:** A random sample of 4 reports from a total of 37 financial status reports filed during the year was selected. Our tests disclosed that while the financial status reports indicated they were being prepared on the cash basis of accounting, the total outlays reported were not consistent with the cash basis.

**Original Response:** The Grantor requires the financial status reports to include the total draw downs completed for a given quarterly reporting period. Due to accounts payable processing deadlines, it is common for payments to process within the current quarter which will not be included in the quarter's draw down. Although we are in compliance with the Grantor's reporting requirements, current procedures will be modified to ensure the cash basis of accounting.

**Corrective Action Taken:** In response to the 2009 audit finding, staff established a specific cut off date to process SNPLMA invoices within each quarter. Now, quarterly draw downs are not done until after these invoices have been processed, and no SNPLMA invoices are allowed to be processed until after the reconciliation for the quarterly draw downs. By doing this, staff can reconcile to the General Ledger and ensure that all invoices are paid prior to being included in the draw downs.

Should you have any questions, please feel free to contact Ron Gregory at (702) 455-3121.

Sincerely,

Bruce Sillitoe  
Planning Manager

cc: David Dobrzynski, Clark County Finance  
Elizabeth Vorce, Clark County Finance  
Becky Deuel, Clark County Public Works  
Patsy Schrader, Clark County Public Works  
Ron Gregory, Clark County Comprehensive Planning

# OFFICE OF THE DISTRICT ATTORNEY



**DAVID ROGER**  
*District Attorney*

**Family Support Division**  
(702) 671-9200 - TDD (702) 385-7486 (for the hearing impaired)

**LEGAL SECTION**  
1900 East Flamingo Road, Suite 100, Las Vegas, Nevada 89119-5168  
Fax: (702) 366-2440

**TERESA M. LOWRY**  
*Assistant District Attorney*

**CHRIS OWENS**  
*Assistant District Attorney*

**MARY-ANNE MILLER**  
*County Counsel*

**JEFFREY J. WITTHUN**  
*Assistant Director*

March 11, 2011

Kafoury, Armstrong & Co.  
Attn: Tami Miramontes  
8329 W. Sunset Road  
Las Vegas, NV 89113

Dear Ms. Miramontes:

Clark County District Attorney, Family Support Division (DAFS) has taken the following actions to implement the corrective action plan for Finding 2009-4 from our 2009 OMB A-133 Single Audit:

A "Super Locate Report" was developed in the last quarter of calendar year 2010 and made available for use on January 20, 2011. One useful benefit of the report is that it identifies cases with active child support orders. The Locate clerks find noncustodial parents (NCPs) with child support orders are more likely to have valid social security numbers which improve their chances of locating the NCPs which increases our establishment and enforcement rates.

The Establishment unit has 3 full-time case managers assigned to work initiating interstate establishment cases. In addition, they have 4 part-time case managers to work initiating interstate establishment backlog. These interstate case managers use the Super Establishment Report to monitor interstate cases and identify next actions that need to be taken since NOMADS cannot currently assign these types of cases to specific workers. There is a NOMADS work item (#1130) being developed that will allow the system to assign specific interstate cases to specialty case managers to assist in monitoring and tracking these case types. In addition, supervisors in the Establishment unit continue to monitor initiating interstate cases using the Super Establishment Report.

In January 2011, initiating interstate case managers were given refresher training on case management practices to ensure better compliance with interstate timeframes and proper follow-up. The 4 part-time case managers mentioned above were hired to assist in the effort to meet interstate timeframes and address existing backlog. Intake procedures have been reinforced through training to ensure that the interstate status of a case is accurately updated in NOMADS. Conversation with the Nevada Central Registry has been begun to avoid incorrect case acceptance for out of state cases from other jurisdictions (i.e., income withholding for unemployment benefits only) and the prevention of auto-initiation of cases by CSNET without having the appropriate paperwork to substantiate the case. Such corrections would reduce the overall number of interstate cases in NOMADS and increase case management effectiveness and compliance with interstate timeframes.

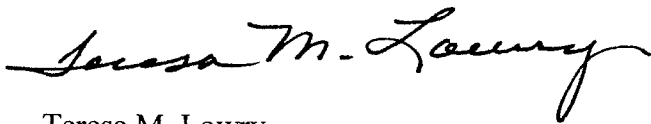
Page 2

Due to staffing limitations, the Enforcement unit was not able to implement an interstate team as indicated in our original corrective action plan dated March 26, 2010. Case managers do, however, continue to work their Super Enforcement Reports which the supervisors monitor to ensure they are being worked.

All case managers were given performance standards that require them to 1) utilize their Super Report (Super Establishment Report for Paternity and Obligation Establishment case managers or Super Enforcement Report for Enforcement case managers) and 2) work their In-baskets every day. There are also timelines for working interstate cases in the performance standards for those case managers assigned to work an interstate caseload. Disciplinary actions have been taken against case managers that are deficient in meeting their performance goals.

Supervisors have also been given performance standards that require them to ensure their staff meets their individual performance standards.

Sincerely,

A handwritten signature in cursive script that reads "Teresa M. Lowry". The signature is written in black ink and is positioned above the typed name.

Teresa M. Lowry  
Assistant District Attorney

CC: Jeffrey J. Witthun, Assistant Director – Operations  
Kathi Brunson, Unit Administrator



# 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

Thomas D. Morton, Director • Lisa Ruiz Lee, Assistant Director • Paula Hammack, Assistant Director

March 8, 2011

Kafoury, Armstrong & Co  
1700 West Sunset Road, Suite 210  
Las Vegas, NV 89113

Subject: Title IV-E Foster Care and Adoption Assistance Program – Audit Findings

This letter provides an update regarding the status of Corrective Actions implemented to address the FY 09 Audit Findings for Title IV-E Foster Care and Adoption Assistance Program detailed below during the subject audit ending June 30, 2009.

Finding 2009-5 - The County is required to separately report expenditures of ARRA awards for Title IV-E Foster Care/Adoption Assistance on the SEFA. The SEFA would have underreported for Foster Care and Adoption Assistance Programs by \$624,643.

Corrective Action – Title IV-E funds are passed through from the State of Nevada Division of Child and Family Services (DCFS). Clark County Finance inquired about Federal Reporting requirements for ARRA portion of IVE funds. Department of Family Services fiscal staff followed up with DCFS staff as requested.

DCFS indentified their agency as the responsible entity required to report on the ARRA funds. DFS staff provided Clark County Finance auditors with this information. DFS staff worked with audit staff to correct information for FY 09. DFS fiscal staff now has a better understanding of the reporting requirements for ARRA funding.

Clark IVE claim for December 2009 includes the correct breakdown of ARRA funds to be padded through to Clark County for the funds earned from the State Child Welfare Integration budget (Fund 2370) and funds earned by Clark County (Fund 2300). Adjustments will be made to the financial claim information for September 2009 to correctly reflect ARRA funds in Clark County

FY 10 status – For fiscal year end audit ending June 30, 2010, no findings were cited for ARRA funding. This issue was corrected in FY2010 by adding an internal order number that specifically identifies this revenue in the County’s financial system, SAP. In addition, cash receipts are separated for ARRA funding earned. Quarterly reporting information is forwarded to County IT Department for posting on County ARRA website.

If you have any questions concerning this response please contact Julie Mondroski at (702) 455-1720.

Sincerely,

Thomas Morton  
Director  
Department of Family Services

cc: Mark Gammet  
Julie Mondroski





# 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

Thomas D. Morton, Director • Lisa Ruiz Lee, Assistant Director • Paula Hammack, Assistant Director

March 8, 2011

Kafoury, Armstrong & Co  
1700 West Sunset Road, Suite 210  
Las Vegas, NV 89113

Subject: Chafee Foster Care Independence Program – Corrective Action Plan Update

This letter provides an update regarding the status of Corrective Actions implemented to address the FY 09 Audit Findings for the Chafee Foster Care Independence Program detailed below during the subject audit ending June 30, 2009.

Finding 2009-6 – It was reported that adequate controls are not in place to ensure that all data is entered correctly into the Unity System. Twenty-five (25) Chafee cases were sampled for age-eligibility. The sample case files disclosed that the date of birth of one (1) program participant from the sample group was erroneously entered into the unity system. In addition, tests disclosed that there was no birth certificate on file to support the age of the program participants in 1 of the 25 files tested. Auditors questioned whether this participant receiving benefits under the Chafee program was eligible to receive benefits, due to age requirement, as a birth certificate was not in case file.

Corrective Action – Currently caseworkers are required to verify that the child's birth records are correct upon receipt of certified documentation. This procedure has been revised to include verification of accuracy of the data entered by the Medical Case Management unit upon receipt of certified birth certificate. In addition, new procedures for Supervisory oversight include review of case file contents to ensure that all required documents are placed in the file.

FY 10 status – For fiscal year audit ending June 30, 2010, no findings were cited regarding birth certificates, and this information was available for all youth identified in the audit sample. The additional verification processes implemented ensure the age requirement for Chafee recipients is validated, and youth are eligible to receive federal funds.

Finding 2009-7 – The County is in material noncompliance with Federal Requirements for supporting salaries and wages charged to the Chafee Grant. OMB Circular A-87 requires semi-annual certification stating that employees worked solely on the program for the period covered by the certification.

Corrective action – Employees and Supervisors are now required to sign the Semi-Annual payroll Certification form. The policy and procedures for federally funded awards have been revised to include obtaining the semi-annual payroll certifications.

**FY 10 Status** - No findings were cited regarding semi-annual certification documentation, and this information was provided for all staff identified in the audit sample.

If you have any questions concerning this response please contact Julie Mondroski at (702) 455-1720.

Sincerely,



Thomas Morton

Director

Department of Family Services

cc: Mark Gammet  
Julie Mondroski



# Department of Social Service

## Tim Burch, Interim Director

Bobby J. Gordon, Acting Assistant Director • Sandy Jeantete, Assistant Director  
1600 Pinto Lane • Las Vegas NV 89106 • (702) 455-4270 • Fax (702) 455-5950

March 8, 2011

Kafoury, Armstrong & Co.  
8329 West Sunset Road, Suite 210  
Las Vegas, Nevada 89113

To Whom It May Concern:

The following is an update on the actions taken to address the following audit findings for the fiscal ending June 30, 2009. It should be noted that due to the fiscal year for Ryan White services (March through February) and the audited county fiscal year (July to June), and noting the date of the presented findings (Management Letter dated March 24, 2010), many of these actions taken in response to the findings will not be represented in the fiscal audit for County Fiscal Year 2010. Below are the actions taken to address the following audit findings:

- Finding 2009-8: Staff has developed multiple policies and procedures to strengthen the monitoring and compliance activities of program staff in relation to its sub-recipients. Specifically related to the information containing in this finding, policies have been developed to address the suspension and debarment policy, receipt, review, and follow up of provider A-133 audit submissions and on-site provider monitoring. These specific policies are part of a more comprehensive program accountability monitoring program that has been developed to address all federally required activities for the management of this funding stream.
- Finding 2009-9: Staff developed a tracking and reporting protocol, based on HRSA/HAB recommendations for WICY reporting, and implemented said protocol. This protocol utilizes a HRSA/HAB recommendation to develop Unit Cost calculations to determine expenditures for individual client groups. This methodology requires the identification of a cost per unit of service to be developed and used to report program expenditures by individual client populations. Program staff will review and strengthen this methodology as directed in response to audit finding 2010-9.
- Finding 2009-10: Program staff implemented semi-annual payroll certifications based on the federal grant year (retroactive certifications pertaining staff activities are signed in March and August in each year).

#### BOARD OF COUNTY COMMISSIONERS

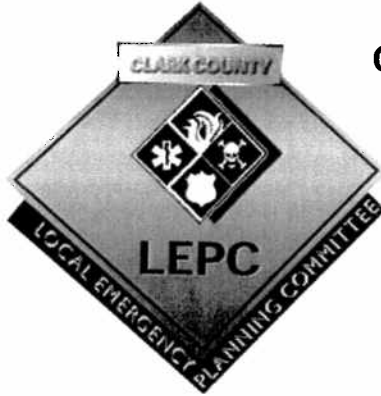
Susan Brager, Chair • Steve Sisolak, Vice-Chair  
Lawrence L. Brown III • Tom Collins • Chris Giunchigilani • Mary Beth Scow • Lawrence Weekly  
Donald G. Brunette, County Manager

Finding 2009-11: Cash basis reporting of grant disbursement has been implemented and measures are in place to identify cash receipts and expenditures properly.

Please do not hesitate to contact our office if you have any questions related to this correspondence.

Tim Burch  
Interim Director

A handwritten signature in black ink, consisting of a large, stylized capital letter 'B' followed by a horizontal line extending to the right.



## Clark County Local Emergency Planning Committee

March 8, 2011

Kafoury, Armstrong & Co.  
8329 West Sunset Road, Suite 210  
Las Vegas, NV 89113

Dear Sir or Madam:

Our office has reviewed the findings from the year ending June 30, 2009 Emergency Management Performance Grant and Homeland Security Grant Program Cluster audit. Below are the responses to the two audit conditions:

In reference to Finding 2009-12

**Recommendation:** The County should strengthen management oversight of the Emergency Management Performance grant and establish policies and procedures for properly administering the grant. Specifically, these procedures should include utilizing the County's SAP system to properly track all grant expenditures as well as establishing personnel activity reports and employee certifications to document actual time spent toward achievement of the work plan objectives of the grant. Management oversight procedures also need to be strengthened, such as monitoring progress of the work plan objectives and reviewing and approving updates to the annual work plans as well as personnel activity reports and quarterly financial reports.

**Corrective Actions:** The Clark County Office of Emergency Management and Homeland Security (CCOEMHS) recognizes there are two

different funding sources available for reimbursement of personnel and operation expenses. Homeland Security is a function of Emergency Management and all work performed is Emergency Management based. The CCOEMHS conducted a Time Analysis of each FTE position funded under the EMPG grant in order to directly link each function performed and time allocated under the grant. The analysis results were given to our payroll department in order to ensure all FTE grant paid employees are paid in accordance to the grant cluster they worked on.

The CCOEMHS has engaged both the Budget and Comptrollers offices in an effort to produce reports and documentation that support the Quarterly Financial Report. Files are maintained which include each years EMPG Guidance, for grant administration, allowable costs and levels of approval for all expenditures under the grant. Also included within this file are the Semi-Annual Payroll Certification Forms, signed by each of the FTE's paid at 100% by the EMPG grant in order to comply with federal requirements OMB Circular A-87.

Approved work plans will be reviewed quarterly to ensure each staff member is working within the plan as outlined in the annual application.

#### Finding 2009-13

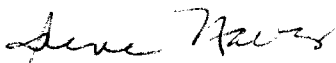
**Recommendation:** **The County should establish written policies and procedures for monitoring sub recipients of the Homeland Security Grant Program Cluster. Specifically, these written procedures should incorporate monitoring for the suspension and debarment, obtaining annual audit reports and developing response to findings noted as well as proper follow-up procedures, and monitoring all equipment purchased with Federal funds for proper inventorying and disposition.**

**Corrective Actions:** As stated in all Interlocal Agreements, which are distributed upon approval to each sub recipient, under Federal Certification Item 2 Titled DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS, each sub recipient is advised of the requirements relative to Debarment and Suspension as required by Executive Order 12549 and implemented at 28 CFR Part 67 section 67.510.

In 2008, our office instituted corrective actions to sub recipients requesting audit findings and equipment inventory to remain in compliance with OMB circular A-133. However, it is entirely up to the sub recipient to provide to our office the requested information. Sub recipients agree to these terms by signing the interlocal contract thereby, authorizing them to purchase only grant approved equipment. Clark County itself is a sub recipient of subject funds. These funds are primarily administered at the State level. The County's sub recipients are reminded to submit equipment inventory sheets as well as any audit reports through quarterly report reminders. Although this information is requested quarterly as well as required in the signed interlocal agreement, information is often submitted intermittently. Any purchase requests made through our office requires verification of the receipt of goods prior to paying the invoice. Purchased equipment, \$5000.00 and over, is tagged and inventoried by the sub recipient. Reimbursements are issued to sub recipients only on grant-authorized equipment from the Department of Homeland Security Authorized Equipment List (AEL).

Should you have any questions, please feel free to contact our office at (702) 455-5710.

Sincerely,



Irene Navis  
Division Manager

